

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON
WEDNESDAY, 20th FEBRUARY 2008.

CASE REFERENCE RL102

TAPE 1 OF A BATCH OF 6

PERSON BEING INTERVIEWED: MR HUGH DICKINSON

PERSONS PRESENT:

MR GARY MURPHY	-	SERIOUS FRAUD OFFICE
MR CARL BROWN	-	SERIOUS FRAUD OFFICE
MR MATTHEW COWIE	-	SERIOUS FRAUD OFFICE
MS MARIA THEODOULOU	-	SOLICITOR
MR BAMBOS TSIATTALOU	-	SOLICITOR

G MURPHY: This interview is being tape recorded and it may
be tendered in evidence if this case is brought
to court.

We are in interview room three at the Serious
Fraud Office, Elm House, Elm Street, London.
The date is 20th February 2008 and the time by
my watch is 09:54.

My name is Gary Murphy and I am a principal
investigator with the Serious Fraud Office.
Assisting me are?

C BROWN: Carl Brown, with the Serious Fraud Office.

M COWIE: Matthew Cowie.

G MURPHY: I am interviewing, would you please state your

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full name, address and date of birth please?

H DICKINSON: Hugh James Montgomery Dickinson. Address is 31 Velsheda Court, Hythe, Southampton SO45 6DW. My date of birth is 22nd April 1938.

G MURPHY: Thank you very much. Also present is?

M THEODOULOU: My name is Maria Theodoulou, I am a solicitor with The Stokoe Partnership.

G MURPHY: Thank you.

B TSIATTALOU: My name is Bambos Tsiattalou, also a solicitor with The Stokoe Partnership.

G MURPHY: Thank you very much.

At the end of this interview I will give you a notice explaining the procedure for dealing with the tapes and how you may have access to them. Before we go any further though, I must caution you. You do not have to say anything but it may harm your defence if you do not mention, when questioned, something which you later rely on in court. Anything you do say may be given in evidence.

Do you understand that caution Mr Dickinson?

H DICKINSON: I do, yes.

G MURPHY: You are not under arrest. Okay and that means that you are free to leave at any time, do you understand that?

H DICKINSON: Yes.

G MURPHY: Okay. All I ask is that if you do decide to leave at any stage, would you please just do me the courtesy of allowing me to seal up the tapes before you leave the room?

H DICKINSON: Certainly.

G MURPHY: Thank you.
Okay you are entitled to consult a copy of the Codes of Practice; this is the code that outlines how you should expect to be treated while you are here with us today.
I do have copies of that. You can look at them now if you wish, or we will put them to one side and should you ever wish to look at them, you can do so.

H DICKINSON: Put them to one side I think.

G MURPHY: Okay.
Now I know you're represented today, but one of the things I do have to tell you is that while you are here you are entitled to free and independent legal advice. Which means you can speak to a solicitor in person or on the telephone, again at any time. Do you wish to speak to another solicitor now?

H DICKINSON: No.

G MURPHY: Should you wish to exercise that right at any stage or if you want to have a break to talk to your solicitors that you have with you, please again just let me know, and we will stop the tapes.

H DICKINSON: Okay.

G MURPHY: Right, I thought what I would do is I would just start out by explaining why we are all here today -

B TSIATTALOU: Before we carry on Mr Murphy can you just confirm who else is listening in to the interviews so it is a matter of record please?

G MURPHY: Now you are asking me. Do you have the list of names I have given you there and I will read them out because I can't remember.

Thank you.

Deborah Weston. Lydia Johnson. Helen Garlick may well attend at a later stage. Sasi Mallela, Alison Robinson.

If any other people do attend, I'll let you know.

B TSIATTALOU: Thank you.

G MURPHY: Okay.

The SFO are investigating allegations of alleged corruption. And that's corruption of Foreign Public Officials by British Aerospace.

Now we are investigating events that occurred from early 1990's and therefore covers BAE in all its previous company names, because we know it has changed names a number of times.

Now more specifically, we are investigating the appointment and remuneration of agents, or commonly called advisors or consultants, that were used by BAE to win defence contracts in Tanzania, South Africa, Romania, Czech Republic and Qatar.

The system that was put in place by BAE that enabled hundreds of millions of pounds in potential bribes to be paid to Foreign Public Officials, via Red Diamond, a company of which you were a director and various agents around the world.

Having reviewed hundreds of thousands of

documents, we believe that you were responsible for the design, implementation and regulation of that system. And I should make it clear that you are viewed at this moment as a suspect in a criminal investigation.

The offence is conspiracy to corrupt contrary to The Prevention of Corruption Act. It is about this role and the role of HQM or HQMS, a department of which you were the head that we wish to interview you about today.

Obviously we will be asking a number of questions and you will be given ample opportunity to give a full account.

Okay?

M THEODOULOU: At this stage it may be helpful for me to indicate that Mr Dickinson will be dealing with this interview by way of a prepared statement. I understand that you may want to ask questions, as you can you, and it is your right afterwards, but would you prefer him to read this at the moment and then hand you a copy of it, or?

G MURPHY: I think that's a good idea, yes, yeah.

H DICKINSON: My full name is Hugh James Montgomery Dickinson. My address is 31 Velsheda Court, Hythe, Southampton SO45 6DW. My date of birth is 22nd April 1938.

I graduated from Durham University with a BSC in Physics and joined BAE's predecessor, The Bristol Aeroplane Company, in 1959.

I was an engineer for four years then I transferred to the sales department as a sales

engineer.

I moved up through the ranks and became a sales support manager for the Bristol side of the company, which by now had become The British Aircraft Corporation.

In 1986 I was promoted and transferred to head office of what had now become British Aerospace. My role in head office was as overseas agency administrator and it was my job to establish an overseas agency department by amalgamating two similar departments, one covering the dynamics group and the other covering the aircraft group. Eventually my title became Director of HQ Marketing Services, though the title of director did not imply membership of the board. The word director was used in the sense it is known around the world, meaning senior manager.

I formally retired from my post in April 2000, but was re-employed for nine months at the same level while my successor was identified and appointed. Thereafter I performed consultancy duties on an ever-decreasing scale until 2006 when I ceased to work altogether.

I make this statement in order to assist the Serious Fraud Office and its enquiries into an investigation of the affairs of BAE and in particular its activities in connection with Tanzania, The Czech Republic, Romania, Qatar, South Africa, the formation and operation of Red Diamond Trading Limited, and the formation and operation of HQ Marketing Services.

In relation to the above matters I have received a file of advanced disclosure material under cover of a letter from the SFO dated 7th February 2008.

From the advanced disclosure material I have gathered that the SFO investigations concentrate on the remuneration of overseas advisors during the majority of my period of office that is from 1986 onwards.

I categorically refute any suggestion that the appointment and remuneration of overseas advisors involved any impropriety or unlawful conduct.

It is right to say, of course, that the business practice adopted by BAE in the countries listed above reflected local custom and practice. It is also right to say that the sales achieved were realised in a highly competitive international market. I should add that those sales were part of outstanding performances year on year by BAE to the good of the company and for the benefit of the United Kingdom as a whole.

During my years of office, BAE was consistently one the United Kingdom's leading companies and received the approval and assistance of Her Majesty's Government in overseas ventures. I accept that through out my period of office BAE issued a number of policy and procedure protocols dealing with the appointment of overseas advisors.

Those protocols contained a published policy prohibiting corrupt practices. Towards the latter part of my period of office, specifically from 11th September 2000, the published policy became more stringent in its language and application.

However to the best of my knowledge and understanding none of my actions for and on behalf of the company breached any such policy. I should also add that all the relevant and material actions that I took on behalf of the company through out the relevant period were endorsed by the company's internal lawyers. Moreover all the transactions evidenced by the documents in the advanced disclosure met with the approval of the company auditors KPMG and the banks involved in the transactions.

I turn now to the particular matters which form the subject of the advanced disclosure, Red Diamond Trading Limited.

Red Diamond Trading Limited served a specific purpose for BAE. It provided a secure and commercially confidential means of remunerating confidential advisors in accordance with their confidential agreements.

This ensured that they were not put at risk in the countries in which they represented BAE's interest.

It also ensures that BAE's arrangements with them remained confidential and not open to intrusion from competitors.

Red Diamond Trading Limited came into being as a result of advice received from the company's bankers, Lloyds TSB, that banking documentation could no longer preserve anonymity. This advice was given, as I understand it, as a result of the increasingly stringent rules and regulations designed to prevent money laundering.

BAE therefore had to find a means of preserving the confidentiality of its arrangements with its overseas confidential advisors without compromising the integrity and systems of its bankers. Red Diamond was the solution to this problem.

I should point out that the use of subsidiary companies to channel funds to remunerate overseas confidential advisors was by no means unique to BAE. Nor, as I understand it, were the objectives of other companies using subsidiaries for this purpose different to BAE's.

By way of illustration I refer to the eight objectives recited in a document which appears at tab 16 in the bundle of advanced disclosure. These objectives are an attachment to a document headed 'Referrals process situation at 23.09.96' document BAE001151.

Those objectives, if achieved, would give effect to the purposes of the Red Diamond Trading Limited. They protect the overseas confidential advisors. They ensure, insofar as it is possible, commercial confidentiality. But

importantly they do not disguise or conceal the fact that BAE was paying money to its subsidiary.

Lest it should be thought that the idea overseas confidential advisors needed protection is fanciful, I should point out that in each agreement arrived at with an overseas confidential advisor, BAE sought to prevent the possibility of the Government of the advisors country would regard his or her activities as contravening that countries domestic law.

For example, although we did not do business in Vietnam, at one stage one of our salesman made enquiries which revealed that acting as an agent in Vietnam was a criminal offence, a capital offence, I should say.

A number of other countries prohibited persons acting as intermediaries or agents with lesser sanctions.

So far from being a vehicle to disguise and conceal corrupt payments, Red Diamond Trading Limited served BAE's best proper interests.

Qatar, the suggestion that in Qatar Knock Limited was a vehicle which enabled payments to be made to Sheikh Hamed has to be set in a wider context if it is to be properly understood.

To the best of my understanding the arrangements made in relation to the payment of monies to Sheikh Hamed were discussed and agreed in principal in a meeting attended by the Sheikh and the United Kingdom's ambassador. This was

later confirmed in a letter from the Amir to, as I understand it, The Jersey Authorities.

At the time that I processed the application relating to Knock Limited I was not aware that Sheikh Hamed was the beneficial owner of Knock Limited.

I have seen copies of a memorandum addressed to myself and others from Keith Denley dated 14th March 1997 and a letter from myself to Mr C Leeds dated 9th April 1997.

Comparing the two documents I can only say that Mr Denley's memorandum plainly could not have registered as a problem with me in relation to Knock Limited.

On 24th March 1997 I had a meeting Mr Leeds whereupon I discussed the procedure with him relating to the payment of fees to advisors. To the best of my recollection, he asked me to confirm this in writing together with an outline of our procedure. As a consequence my letter of 9th April 1997 was checked by the legal department.

Tanzania, as far as Tanzania is concerned BAE inherited the arrangement by which the advisor was remunerated when it took over Siemens Plessey some time between March and November of 1998.

At tab 18 of the advanced disclosure there are documents showing that the arrangements entered into is between Plessey Systems Export SA, a Panamanian subsidiary company and the advisor.

After BAE took over from Siemens Plessey this arrangement was transferred to a standard BAE set of agreements after approval to do so had been authorised in the normal manner, from the referrals committee and the chief executive. Romania, at tab 19 of the advanced disclosure material is contained therein which relates to agreements with BAE's advisors in Romania. These appear to be set out in the standard format and I am not aware of any deficiencies in these agreements.

South Africa, lastly dealing with the arrangements involved in South African transactions, which I have seen at tab 20 of the advanced disclosure, these agreements are set out in the standard format. The disclosure also includes a number of requests for approval addressed to the appropriate members of the referrals committee recording their approval for the transactions to be entered into.

In a document at tab 20, addressed to the appropriate members of the referrals committee dated 26th January 1999, there is a proposal to make advanced payments to one of our advisors which is approved with the proviso by Mr Riley indicating his concerns in relation to the advisor being paid up front.

I played no part in any discussions regarding the proviso entered into by Mr Riley.

At tab 20 of the advanced disclosure a memorandum dated 13th December 1999 when Mr Pat

Gosden sets out information to me relating to the profitability of the transaction, this information was outside my remit and there would have been no reason for him to have forwarded this to me.

Conclusion, having considered the advanced disclosure contained in the files served on my solicitors on 7th February 2008 running to 20 tabs, I am satisfied that the explanations that I have put forward in this document deals fully, as I am able to deal, with the issues apparent on the face of the documents contained in the disclosure.

My explanations and observations set out above are based on my recollection of events while I held my position in the hierarchy of BAE from 1986 to the end of 2000.

I therefore do not propose to answer any questions concerning this material.

G MURPHY: Okay.

I think obviously quite a lengthy statement and whilst we were taking notes we need to just take a break and consider that statement.

Is there anything that either of you Matthew or Carl would like to add at this moment?

C BROWN: No, I think a break might be appropriate.

G MURPHY: Yes.

Okay. The time by my watch is ten past ten and we will stop the tapes.

(End of tape 1)

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON
WEDNESDAY, 20th FEBRUARY 2008

CASE REFERENCE RL102

TAPE 2 OF A BATCH OF 6

PERSON BEING INTERVIEWED: MR HUGH DICKINSON

PERSONS PRESENT:

MR GARY MURPHY	-	SERIOUS FRAUD OFFICE
MR CARL BROWN	-	SERIOUS FRAUD OFFICE
MR MATTHEW COWIE	-	SERIOUS FRAUD OFFICE
MS MARIA THEODOULOU	-	SOLICITOR
MR BAMBOS TSIATTALOU	-	SOLICITOR

G MURPHY: Okay. This is tape two of an interview with
Mr Hugh Dickinson. We've had a break since the
last tape of around about an hour just to review
the written statement that Mr Dickinson gave to
us.

The time by my watch is 11.09 and the date is
still the 20th February.

Could I just ask everybody who were present
before and are present now just to, to
reintroduce themselves?

B TSIATTALOU: Bambos Tsiattalou a solicitor at
Stokoe Partnership.

M THEODOULOU: Maria Theodoulou solicitor at

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Stokoe Partnership.

H DICKINSON: Hugh Dickinson.

C BROWN: And Carl Brown.

G MURPHY: Okay. Thank you very much.

Can you confirm that during the break we have not discussed the case at all?

M THEODOULOU: Yes.

H DICKINSON: Yes.

G MURPHY: I will remind you, Mr Dickinson that you are under caution. You do not have to say anything but it may harm your defence if you do not mention, when questioned, something which you later rely on in court. Anything you do say may be given in evidence. Do you understand that?

H DICKINSON: I do.

G MURPHY: Okay. I'll also remind you that you're not under arrest and free to leave and you also have the opportunity to speak to an independent legal advisor, free of charge, should you so wish. Okay. Just for the record I will also add that the people, who were remotely listening to this interview, are no longer and the machine is switched off. So it's just us in this, in this room.

I know in your statement, Mr Dickinson, you said that you're not prepared to answer any more questions. Obviously we have some questions that we do want to put to you and we will continue to ask those.

Mm-hmm. But there is one point I'm hoping you might be able to help me with, I'll ask the

question anyway. In paragraph four you say that you retired from your post in April 2000 and was re-employed for nine months at the same level while your predecessor was identified and appointed. 'Thereafter I performed consultancy duties on an ever-decreasing scale until 2006.' Are you able to help me with when in 2006 that was?

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H DICKINSON:

No comment.

G MURPHY:

And are you able to help me with what those ever-decreasing duties were?

H DICKINSON:

No comment.

G MURPHY:

Because obviously it's quite important for us to try and establish exactly what you were doing at that time. You're not able to help me, no?

H DICKINSON:

No. No comment.

G MURPHY:

Okay. Okay you have some document bundles in front of you. Can I first off ask you to go to page two of that bundle?

And there you'll see there's a document headed up procedure for the appointment and administration of sales advisors, agents, representatives and consultants and payment of their remuneration.

Now you'll have to get used to this but every time I introduce a document, so that it can be traced exactly what document I'm talking about, I have to run through that long number in the top left-hand corner. That's our property reference which is 009011000002. It's page two in the bundle that we've prepared for this

interview.

Now we've seen a number of these, these documents that are dated at various times and you've helpfully told us that that was the case in your statement. If we just turn over the page to, to paragraph one it talks about agents, sales advisors, consultants will only be appointed and remunerated in accordance with the principle stated in the attached policy statement on business ethics and calls, and then says appendix one.

If we go to appendix one, which is page seven. The second paragraph, it's the last four lines that I'm really interested in. It says there, 'Under no circumstances will the board of the company countenance corrupt practices including payments or other inducements being given to employees, to political parties, government officials or a customer's executives. Nor will the board tolerate any conduct which constitutes a criminal offence.'

I take it you were aware of that, that document and its existence?

H DICKINSON:

No comment.

G MURPHY:

Are they the, the terms, the conditions that you, within your department of HQMS, operated within?

H DICKINSON:

No comment.

G MURPHY:

Were they widely known within the company?

H DICKINSON:

No comment.

G MURPHY:

If we go back to page three and paragraph three.

Referrals committee. It says, 'The appointment of advisors will be regulated by a committee at group headquarters, called the referrals committee, which includes representatives of the business units within the group and the secretary to which is the director of HQ Marketing Services.' Was that you?

H DICKINSON:

No comment.

G MURPHY:

Was the referrals committee used in such a way that it would regulate the appointment of advisors.

H DICKINSON:

No comment.

G MURPHY:

Go over the page please to page four. 'An advisor shall only be appointed after consultation with the director of HQ Marketing services and with the endorsement of the referrals committee when required.' Was that strictly adhered to?

H DICKINSON:

No comment.

G MURPHY:

I take it at the time you were the director of HQ Marketing Services.

H DICKINSON:

No comment.

G MURPHY:

And for you to be able to or for the director of HQ Marketing Services to be able to consult with the referrals committee you would obviously have to have knowledge of who those agents are. Is that correct?

H DICKINSON:

No comment.

G MURPHY:

[Can I move on please?].

C BROWN:

Yes. Just on, still on that page for paragraph 5.2 it says, 'The business unit will

take steps to ensure that marketing and other information concerning the appointment and use of advisors is made available to other business units and to the director at HQ Marketing Services who will be responsible for advising each business unit whether any conflict of interest could arise from post new appointments.'

You must have known the identity of the agents if you were able to advise on potential conflicts, is that correct?

H DICKINSON: No comment.

C BROWN: Okay.

Did those principles that guided the company's ethical performance change over the years in any material way?

H DICKINSON: No comment.

C BROWN: I believe from other documents that we've looked at that there's always been some anti-corruption anti-bribery provision, the wording may change but the core value is that bribery will not take place. Is that correct?

H DICKINSON: No comment.

C BROWN: Okay. I'd like to talk about Qatar you mentioned the contract in Qatar and you have previously been interviewed as part of the Jersey inquiry into payments to officials. I believe that Knock Limited was used to pay, I think we'll refer to them as HBJ, the Sheikh the foreign minister of Qatar would you agree with that?

H DICKINSON: No comment.

C BROWN: Okay well. In 1991 Knock was used as a vehicle to pay, as part of a cargo surveillance system, a sort of refund for a lack of performance. Would you agree with that?

H DICKINSON: No comment.

C BROWN: And you said in, at the time that you were interviewed as part of the Jersey inquiry that you weren't aware in 1991 of who was behind Knock Limited but you became aware two or three years later.

H DICKINSON: No comment.

C BROWN: Okay. Because in your statement here it says at paragraph 18 it says, 'At the time I processed the applications relating to Knock Limited I was not aware that Sheikh Hamed was the beneficial owner of Knock.' So when in paragraph 18 are you referring to 1991 process or 1996 process?

H DICKINSON: No comment.

C BROWN: Because from what you said to the Jersey inquiry by 1996 you knew-

H DICKINSON: No comment.

C BROWN: -you knew who was behind Knock Limited, you knew that the payments were destined for the Sheikh didn't you?

H DICKINSON: No comment.

C BROWN: Okay. So when the referrals committee met in August 1996 and Jerry Wooding proposed the use of Knock Limited as an agent you knew that that money was destined for the Sheikh didn't you?

H DICKINSON: No comment.

C BROWN: Okay. We've previously interviewed one of your members of staff, Julia Aldridge, is it? Can you just confirm that Julia worked for you in HQM?

H DICKINSON: No comment.

C BROWN: No well Julia said that she did and she said she was concerned that, that Knock was being used, I'll just read a, a very brief extract from the transcript there. I asked, 'At the time of the referrals committee meeting that was presented by Wooding, certainly you've just said Mr Wooding was aware of who the principal was. Do you know of anybody else at the referrals committee who would be aware of the principal behind the agent?' She said she said had no idea. But when it became known she came to you. My, Julia Aldridge said, 'My concern was obviously, you know, that this had been possibly done in breach of company policy and could I have some reassurances that it wasn't a regular event. And I very much got the impression as I said, that it was an entirely exceptional circumstance and was not known to have occurred anywhere else.'

Did you reassure Julia Aldridge that this was an exceptional circumstance?

H DICKINSON: No comment.

M THEODOULOU: Can I just confirm for the purposes of the tape that the extract from that interview is not enclosed in the advanced disclosure bundle that we received from the 7th February?

C BROWN: No, yes you did, it's not-

M THEODOULOU: Thank you.

C BROWN: -and if you want a copy you can, I'll give you a copy.

M THEODOULOU: Thank you very much.

C BROWN: That's not a problem.

G MURPHY: A copy of that extract that is. Not the whole interview.

M THEODOULOU: Fine.

C BROWN: So I'm just slightly concerned that by your admission in an earlier interview by the time Knock was appointed as an agent in 1996 on Project Nile, you were aware of the principal behind Knock and you were aware that this would be a breach of company policy. You mentioned local business practices but can you explain how the conflict between local business custom and company policy would be resolved by the referrals committee?

H DICKINSON: No comment.

C BROWN: Okay. Who did you go and see, you must have been very concerned at this proposal and did you make a point to suggest that it was against company policy?

H DICKINSON: No comment.

C BROWN: Okay. If you could turn to page 18 in your bundle. No I'm sorry the number on the other-

H DICKINSON: Oh.

C BROWN: -the other corner. Thank you. This is a document 012469000002. And this is a document you refer to in your statement, this is a memo

from Keith Denley to yourself. Can you explain what Mr Denley's role was within BAE?

H DICKINSON: No comment.

C BROWN: No. Well I'm led to believe that Mr Denley dealt with the ECDG and applying for cover for the deals that you entered into abroad. Is that understanding correct?

H DICKINSON: No comment.

C BROWN: Okay. And this note, this note is to do with Mr Denley attempting to gain ECDG cover and one of the sticking blocks in the company receiving that cover was disclosure of agents' commissions. And the ECDG just in paragraph three that, Mr Denley writes that, 'The ECGD would not issue the policy until they had some form of reassurance from us in writing that the payments were not to members of the Qatari government.' This is in 1997, Knock was approved in 1996. So you knew when you received this that payments were going to members of the Qatari Government didn't you?

H DICKINSON: No comment.

C BROWN: Okay. Mr Denley goes on to say, 'I explained to the ECDG that payments were to bonafide companies, one of which was British.' Can you explain how Mr Denley was able to make that reassurance?

H DICKINSON: No comment.

C BROWN: Did you ever tell Mr Denley that the companies were bonafide?

H DICKINSON: No comment.

C BROWN: Okay. Well Mr Denley requests that you discuss this with the legal department and he leaves this in your hands. You then put your name to the letter at page 20 in the bundle, which is 009906000071.

Can you tell me the background to this letter?

H DICKINSON: No comment.

C BROWN: Because this is the letter that was presented to the ECDG in response to Mr Denley's concerns and anybody reading this I'm suggesting, would take it that you were sticking to the company policy and not making payments to officials. Is that correct?

H DICKINSON: No comment.

C BROWN: Furthermore, wasn't that your intention?

H DICKINSON: No comment.

C BROWN: Because isn't this letter disingenuous to the point of dishonesty?

H DICKINSON: No comment.

C BROWN: It's, and deliberately misleading?

H DICKINSON: No comment.

C BROWN: Okay. Because the ECDG wanted sight of the percentage figures didn't they?

H DICKINSON: No comment.

C BROWN: And they wanted reassurance that it wasn't going to an official, didn't they?

H DICKINSON: No comment.

C BROWN: And it was, wasn't it?

H DICKINSON: No comment.

G MURPHY: Is that what was meant on page 19? When in the middle of that paragraph Keith Denley says to

you, 'I feel that the line of ECDG enquiry has now gone beyond the simple mechanism under which they would have to tell their Belgian opposite numbers and has now entered what could be a far more worrying phase.'

H DICKINSON: No comment.

G MURPHY: What is that worrying phase?

H DICKINSON: No comment.

G MURPHY: Is that worrying phase that you felt you didn't want ECDG to know?

H DICKINSON: No comment.

G MURPHY: The agents, the percentages of the agents and the fact that one of those agents was in fact the Sheikh.

H DICKINSON: No comment.

G MURPHY: Because that would have been very worrying wouldn't it? You wouldn't have got your ECDG cover had that have been the case?

C BROWN: So, and in the end you did get your cover and is it not the case that this letter has been used on numerous occasions since to reassure ECDG about your payments to advisors and consultants?

H DICKINSON: No comment.

C BROWN: The basis for the letter is dishonest, the letter is misleading, the ECDG were concerned that you were making payments to members of the Qatari Government and you sought a way to mislead them. Isn't that the case, isn't that what happened?

H DICKINSON: No comment.

G MURPHY: Now round about the same time, Mr Dickinson, we

believe, and that bearing in mind because you're not helping us with this we have to try and build this together from documents that we've, that we've seen and paying attention to your statement that you've given us. We know there came a time, and as I say we believe it was around about the same time as all this was going on with Knock, that you were asked to review the advisor appointment processes. Is that right?

H DICKINSON:

No comment.

G MURPHY:

Now we understand that went over, went on over a number of years before it was actually put in place. Is that right?

H DICKINSON:

No comment.

G MURPHY:

Why were you asked to deal with this?

H DICKINSON:

No comment.

G MURPHY:

What instructions were you given at the time?

H DICKINSON:

No comment.

G MURPHY:

Who gave you those instructions?

H DICKINSON:

No comment.

G MURPHY:

Who actually said to you, listen Mr Dickinson what we'd like to achieve here is a new advisor appointment process and you're the man for the job?

H DICKINSON:

No comment.

G MURPHY:

Who was it that said that to you?

I mean we've come across a number of documents, in fact we'll look at some of them as we go through this, this bundle. But it seems to us that Sir Richard Evans was somebody who was suggesting, or certainly had input to the

process that you were designing. Is that right?

H DICKINSON: No comment.

G MURPHY: We'll see later that he's asking you to, to make sure, or suggesting that documents that are held in advisor files within your organisation are actually taken offshore. Is that right?

H DICKINSON: No comment.

G MURPHY: Is it true that you were asked to put in place a more opaque system than was in place when you were discussing Knock?

H DICKINSON: No comment.

G MURPHY: Because that to us, that's what seems to have happened, a much more opaque system that made it very difficult for people to trace where money was going to, who it was going to. We see that that was the system that was, that was put in place. Now if I'm right and you were instructed to do this, you must have been horrified.

H DICKINSON: No comment.

G MURPHY: You know the procedure has already failed, you know that the Sheikh has been appointed and has been paid money through the BAE system. You must have been horrified, you must have been saying things like, we can't make it more transparent. I'm sorry we must make it more transparent. Is that right?

C BROWN: You see it must have been a concern for you, you'd been asked to look at making a structure using offshore companies to try and disguise the payments that you're making. You may have been given perfectly legitimate reasons for doing

that on the face of it but once you found out that a payment had gone to a public official in clear breach of the company's policy, did you go and talk to your masters and say look this is a problem?

H DICKINSON: No comment.

C BROWN: Because the structure that you were suggesting or you were being asked to consider would make it more difficult to detect that kind of payment wouldn't it?

H DICKINSON: No comment.

C BROWN: And if it was more difficult to detect it would be more difficult to make sure that the company's policy was adhered to.

H DICKINSON: No comment.

C BROWN: It would make it easier to make corrupt payments wouldn't it?

H DICKINSON: No comment.

C BROWN: Okay.

G MURPHY: Carl I'm going to have to ask you to deal with that next document. I'm just finding it difficult to read, if we go to page 22, I'm afraid it's a poor copy but it's the best we can, we can get.

M THEODOULOU: Sorry which page is that?

G MURPHY: It's page 22.

C BROWN: Page 22 in the bundle-

G MURPHY: The document number is 012007000614.

C BROWN: Okay this is some sort of internal memo, I think. The last page, it's initialled by you, and dated 24th April 1995. Is that correct?

Did you write this?

H DICKINSON:

No comment.

C BROWN:

Okay. Well I think they're your initials aren't they? HJMD?

H DICKINSON:

No comment.

C BROWN:

Okay. You mentioned in your pre-prepared statement that part of the concern was with the confidentiality of certain agreements and in this document on page 22 you write, under point two, confidentiality the third paragraph says, 'The need for confidentiality arises from one or more of the following reasons.

1) Rules and regulations in the relevant country including clauses in government sales contracts forbidding the appointment of intermediaries, agents etc.'

Can you explain what you meant when you wrote that?

H DICKINSON:

No comment.

C BROWN:

If the rules and regulations in a relevant country forbid the appointments why would you consider making such an appointment?

H DICKINSON:

No comment.

C BROWN:

Because that would be wholly inappropriate wouldn't it?

H DICKINSON:

No comment.

C BROWN:

Okay. The second point is tax implications, 'When the advisor wishes to pass money to a third-party but cannot declare this to his authorities.'

Can you help me with what you meant there?

H DICKINSON: No comment.

C BROWN: No. Okay. How many occasions are you aware of when an advisor would pass money to a third-party?

H DICKINSON: No comment.

C BROWN: Because I'm not sure if you're aware there's been a body of academic work done on the international defence industry and it's fairly widely recognised that agents using agents is a way to pay bribes. Would you agree with that?

H DICKINSON: No comment.

C BROWN: No. You seem to be aware of your advisors passing on money to third parties can you explain what that means?

H DICKINSON: No comment.

G MURPHY: We notice that the third-parties cannot be sub-contractors employed by the agents can they?

H DICKINSON: No comment.

G MURPHY: Because that's against the terms of their agreement, isn't it?

H DICKINSON: No comment.

C BROWN: Okay the third point, just to, just for completeness is general embarrassment or possible press interest due to a large fee or a sensitive subject. Well I kind of understand that concern. It's the first two that I really had questions about.

But you were quite happy to use confidential agreements to set up consultancies when the conditions in the relevant country forbade it and when you knew that advisors wished to pass

money on to third-parties. That's where you used the confidential agreement isn't it?

H DICKINSON: No comment.

C BROWN: Okay. And you're not prepared to explain why you wrote that?

H DICKINSON: No comment.

C BROWN: Okay.

Okay. If you go to page 24. It's the same document, I think it's the third page of the same, the same memo. The second paragraph down you've written, 'As a result of recent money, the introduction of money laundering regulations last year, it is now likely that there will be an electronic audit trail from us to the ultimate recipient of any money we pay out. We need to consider whether this is a desirable situation in certain cases and if not whether there is anything we can or should do about it.' What would be the problem with an electronic audit trail from the company to the ultimate recipient?

H DICKINSON: No comment.

C BROWN: The problem would be, would it not, that the ultimate recipient of these payments are public officials.

H DICKINSON: No comment.

C BROWN: Okay. What you're suggesting here is circumventing money laundering regulations isn't it?

H DICKINSON: No comment.

C BROWN: Do you think that improved money laundering

regulations generally are a good thing?

H DICKINSON: No comment.

C BROWN: Okay.
Anything on that-

G MURPHY: No-

C BROWN: -Gary?

G MURPHY: -nothing more on that. Thanks.

If we move on now to page 26 and this is docman reference 012007000606. I'll just pick out a couple of, a couple of the main points here. If you go to point six please. It's, before I, before I do that can, can you just confirm that that's your signature or your initials in the bottom right-hand corner there?

H DICKINSON: No comment.

G MURPHY: I'd, it's possible that it is, which tells me you've obviously seen this document. Point six says, 'When the above has been implemented PR,' is that Philip Riley?

H DICKINSON: No comment.

G MURPHY: Head of legal, 'Should issue an instruction that all existing paperwork relating to advisors, should be destroyed.' What's meant by that?

H DICKINSON: No comment.

G MURPHY: Why would documentation need to be destroyed?

H DICKINSON: No comment.

G MURPHY: What documentation is it?

H DICKINSON: No comment.

G MURPHY: Obviously it relates to advisors, is it advisors' files?

H DICKINSON: No comment.

G MURPHY: Is it details of who the actual agent, the beneficiary of the, of the agent company is?

H DICKINSON: No comment.

G MURPHY: Does it contain details of, of who bribes might be paid to or monies might well be passed on to?

H DICKINSON: No comment.

G MURPHY: It just strikes me as being a strange instruction. Did you play any part in any destruction of documents?

H DICKINSON: No comment.

G MURPHY: Was that instruction ever carried out?

H DICKINSON: No comment.

G MURPHY: Okay if we move on to point seven. 'In view of the advice received from Lloyds Bank we should arrange our affairs in such a manner that it is possible to give proper answers to all the questions on the banks transfer forms. This implies reconsideration of the proposal to set up a company to act as the front for the advisor payment.'

Can you tell me what advice that was from Lloyds Bank?

H DICKINSON: No comment.

G MURPHY: Was that the advice that you received in relation to money laundering?

H DICKINSON: No comment.

G MURPHY: Because if it was, why are talking about setting up a company to act as a front company for advisor payments?

H DICKINSON: No comment.

G MURPHY: Anything on that Carl?

C BROWN: Mm-hmm. Well, yes, just, I'm just curious as to, and forgive me if I'm, if the inference I'm making in this paragraph is wrong please tell me. But it seems to be that in order to properly answer the questions on a bank transfer form you have to set up a front company. Can you explain why the only way you would be willing to properly comply with the bank would be to use some sort of front company?

H DICKINSON: No comment.

C BROWN: Okay.

G MURPHY: If we move on please to page 27. This again appears to be a three-page document 27, 28, 29. The initials at the end on page 29 HJMD and dated November 1995. Is that you, did you prepare this document?

H DICKINSON: No comment.

G MURPHY: Yes. This, the docman reference for this is 01300000057.

Here it looks as though you're, you're writing about three possible methods, three possible systems that could be put in place to make marketing advisor payments. Now it would appear that you've done a fair bit of work on this, if this is your, your document. If we go to method one, 'Advantages, the Lloyds Bank forms which at present have blanks, whenever we are trying to be confidential can now be completed using JBL data.' Could you help me with that?

H DICKINSON: No comment.

G MURPHY: JBL data obviously Joe Bloggs Limited. So

that's an advantage of method one. I won't go into what those, what those methods are. 'The disadvantage of method one.' 'The system would deter casual observers but would still be obvious to anyone investigating.' What's, what would you mean by that?

H DICKINSON:

No comment.

G MURPHY:

Okay. Over the page, method two. We have an advantage, 'The BU', I'm taking that to mean business unit, 'You will be aware that an advisor exists but', oh and sorry, 'And the fee, but would not know his name.' Why would you want the business unit to be aware that an advisor exists and the fee but not know his name?

H DICKINSON:

No comment.

G MURPHY:

Surely the business unit uses agents to help further their business. If they don't know the name of the advisor how on earth can they go about their business properly, using that advisor for the reasons he's being employed?

H DICKINSON:

No comment.

G MURPHY:

Okay we move on to disadvantages. 'The system is still transparent if investigated.' What's your concern about investigations?

H DICKINSON:

No comment.

G MURPHY:

Who, investigation by who?

H DICKINSON:

No comment.

G MURPHY:

Law enforcement?

H DICKINSON:

No comment.

G MURPHY:

Other bodies, other companies, I mean I don't

know I'm, you know, can you help me with this?

H DICKINSON:

No comment.

G MURPHY:

Okay let's move on then to method three. And somebody's written by the side of this method, 'The preferred option.' Do you, is that your handwriting?

H DICKINSON:

No comment.

G MURPHY:

This appears to be an offshore method so it's a company form, 'There's an offshore marketing subsidiary of BAE with sufficient expert directors to be credible.' What does that mean to be credible?

H DICKINSON:

No comment.

G MURPHY:

'HQ funds,' 'The offshore company in round number blocks of funds, the offshore company pays advisors,' this is the method that you're writing about, 'Advisor agreements are with the offshore company and the business unit pay HQ Marketing a levy depending on the product and the territory. As I say this is the preferred option.' It says the advantage is, 'This is the most covert version. Business units need only to be involved in the extent of knowing the HQ levy.'

What's the HQ levy?

H DICKINSON:

No comment.

G MURPHY:

Is that the amount of fee or commission that is supposed to be paid to an advisor?

H DICKINSON:

No comment.

G MURPHY:

Okay. The arrangements and other advantage. 'The arrangements can be justified if

investigated and would be difficult to penetrate anyway.' What do you mean by that?

H DICKINSON:

No comment.

G MURPHY:

So here we have an opaque system being discussed, and I maybe wrong but I would hazard a guess and say this is pretty close to the system that was actually put in place. 'A highly opaque system difficult to penetrate and can be justified if investigated.'

Is that keeping that away from law enforcement?

H DICKINSON:

No comment.

G MURPHY:

The final advantage there, 'Is covert paperwork can be removed offshore.' Why's that-

H DICKINSON:

No comment.

G MURPHY:

-a requirement?

Is that to keep paperwork away from those that might be investigating?

H DICKINSON:

No comment.

G MURPHY:

I mean please if, I know you're acting under advice and that's absolutely fine but if I'm getting this wrong, if we're really barking up a wrong tree here, this is your opportunity to help us and get this put right.

H DICKINSON:

No comment.

G MURPHY:

Because I don't really want to be sitting here asking questions of you if, if we're getting this wrong. I'd rather be speaking to the right people.

B TSIATTALOU:

Mr Dickinson's been given advice, he appreciates the advice he's been given.

G MURPHY:

Yes.

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B TSIATTALOU: Can we focus on asking questions please?

G MURPHY: Yes but I would be failing in my duty if I didn't point that out to Mr Dickinson also. Okay, I'll just move on to a disadvantage. 'Advisors would have to be persuaded to accept that the new company gave them sufficient comfort.' Is that because with the front company the agents or the advisors wouldn't know, wouldn't have an agreement with BAE? Is that what we're, what's being spoken about here?

H DICKINSON: No comment.

G MURPHY: I mean when you look at that method, which is the preferred option and as I say pretty close, I think, to the, to the, to the system that was actually put in place it's all set up to mask isn't it?

H DICKINSON: No comment.

G MURPHY: It's actually set up to make it very difficult to follow payments to their ultimate destination and I'm suggesting to you there's only one reason for that and that's because this is being set up to mask payments to foreign public officials. Is that right?

H DICKINSON: No comment.

C BROWN: Yes. I just really back on page 27 under method one, you write, 'Advantages, the Lloyds Bank forms which at present have blanks, whenever we are trying to be confidential can now be completed using JBL data.' So it seems to me that when you're trying to enter into a confidential agreement that it's important to

keep the name of the company, BAE Systems or British Aerospace, off the paperwork. Was that your intention?

H DICKINSON:

No comment.

C BROWN:

Because I think prior to the money laundering regulations you were able to, the bank would transmit without a remitter's name on it at all, is that correct?

H DICKINSON:

No comment.

C BROWN:

And once they had to fill that form in properly you had to come up with a system of keeping BAE off the, off the sheet, isn't that correct?

H DICKINSON:

No comment.

C BROWN:

Now why would you want to do that if it was a legitimate payment?

H DICKINSON:

No comment.

C BROWN:

Okay.

And these when you make references to investigators you're talking about people like us aren't you, you're not talking about anybody else?

H DICKINSON:

No comment.

C BROWN:

Okay.

I mean this is 1995. You're being asked to, well I'd assume you'd been asked to, you know, were you acting under instructions or was this something you were working on?

H DICKINSON:

No comment.

C BROWN:

Okay. Because it's not long after this that you see that Knock is appointed and Knock is a payment to a public official. I mean when that

happened were you not put off the idea completely because that was, that was a failing in the system as it was, and you were considering making it even more opaque. Were you not put off?

H DICKINSON:

No, no, no comment.

C BROWN:

Okay. So you weren't put off because you were trying to avoid the detection of payment to Knock ever happening, weren't you?

H DICKINSON:

No comment.

C BROWN:

Because this is a, this is the blueprint for, for a system to pay bribes isn't it?

H DICKINSON:

No comment.

C BROWN:

Okay.

G MURPHY:

Over the page, Mr Dickinson, please to page 30. This is docman reference 013000000560. It's a two-page document, pages 30 and 31. Again written in November 1995 and signed off with the initials, HJMD. Is this your document?

H DICKINSON:

No comment.

G MURPHY:

If we go back to page one, the first line RHE is that Dick Evans, Sir Richard Evans.

H DICKINSON:

No comment.

G MURPHY:

I think his real name's Henry isn't it? Is it Henry?

H DICKINSON:

No comment.

G MURPHY:

Okay. Well I think that's, that's Sir Richard Evans, 'Has requested that covert paperwork should be removed offshore.' Now you're writing this so did you have a conversation with Dick Evans about that?

H DICKINSON: No comment.

G MURPHY: Why, why is it necessary for covert paperwork to be removed offshore?

H DICKINSON: No comment.

G MURPHY: What do you mean covert paperwork?

H DICKINSON: No comment.

G MURPHY: If we go down a page. It's about the middle of the page there's a small, one, two, three and four. Number one, 'A copy (unsigned) of all agreements held by HQ legal at Farnborough.' Now this is basically saying that all the above, the above documents, one to nine, are held in the HQMS offices in Farnborough. 'And in addition the following are held elsewhere.' Why, why is it that a copy of the agreement would be held in Farnborough?

H DICKINSON: No comment.

G MURPHY: Okay.

C BROWN: I think we'd better stop the tape there. Do you want to...?

G MURPHY: Yes the buzzer has gone for the end of the tape. The time by my watch is 11.53. The time elapsed counter is showing 45 and we'll stop the tape.

(End of Tape 2)

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON
WEDNESDAY, 20th FEBRUARY 2008.

CASE REFERENCE RL102

TAPE 3 OF A BATCH OF 6

PERSON BEING INTERVIEWED: MR HUGH DICKINSON

PERSONS PRESENT:

MR GARY MURPHY	-	SERIOUS FRAUD OFFICE
MR CARL BROWN	-	SERIOUS FRAUD OFFICE
MR MATTHEW COWIE	-	SERIOUS FRAUD OFFICE
MS MARIA THEODOULOU	-	SOLICITOR
MR BAMBOS TSIATTALOU	-	SOLICITOR

G MURPHY: Okay this is tape three and the continuation of
 an interview with Mr Hugh Dickinson.
 The time by my watch is now 11.55.
 Mr Dickinson can you confirm that the same
 people are present for this tape as was
 previously?

H DICKINSON: Yes.

G MURPHY: And can you also confirm that we have not
 discussed the case at all during the very short
 break?

H DICKINSON: Yes.

G MURPHY: Thank you. I will remind you that you are still
 under caution. Do you need me to-

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H DICKINSON: No, I understand.

G MURPHY: Okay, thank you. Repeat the caution.
I will also remind you, you are not under arrest
and free to leave.

H DICKINSON: Understood.

G MURPHY: Okay just before the end of the last tape there
we were discussing this document on page 30 of
the bundle.
And we asked about, just moving onto the point,
point one in the middle of the page there, a
copy of all agreements should be held by HQ
Legal at Farnborough. Can you tell me why that
was necessary?

H DICKINSON: No comment.

G MURPHY: Where were the original signed copies of
agreements held?

H DICKINSON: No comment.

G MURPHY: Were they held off shore?

H DICKINSON: No comment.

G MURPHY: I think we know that they were actually held in
a depository, a lawyer, was that in Switzerland?

H DICKINSON: No comment.

G MURPHY: Why was there a need to keep the actual original
agreements out of the UK?

H DICKINSON: No comment.

G MURPHY: Moving down to point three. A working file held
by the marketing manager who controls the
advisor which often includes memos requesting
the appointment and the reasons.
It says this is held elsewhere. Where was that
working file held?

H DICKINSON: No comment.

G MURPHY: Did it exist? Did such a document or such a file exist?

H DICKINSON: No comment.

G MURPHY: We have shown earlier a comment in a document where it says that documentation should be destroyed. Is this the documentation to which that note is referring?

H DICKINSON: No comment.

G MURPHY: Okay if you turn over the page, to page 31, second page of this document. Point eight. 'Discipline would need to be tightened with regard to what marketing staff can or can not hold in their files.'

Were marketing staff discouraged to hold certain documents within their files?

H DICKINSON: No comment.

G MURPHY: I'm not really sure that I understand that, is it to restrict the material that is held in files?

H DICKINSON: No comment.

G MURPHY: If I am right there, what could possibly be the reason for that?

H DICKINSON: No comment.

C BROWN: Just very quickly then, still on this document, just Gary may have touched on it earlier, when, can you explain the thinking or the conversation you had with Dick Evans when he requested that covert paperwork be removed off shore?

H DICKINSON: No comment.

C BROWN: Can you explain your understanding of what his

concerns were regarding that paperwork?

H DICKINSON:

No comment.

C BROWN:

Okay.

G MURPHY:

Okay, over the page to 32, docman reference 012007000571.

I'm not sure who has created this document. Is this document you recognise?

H DICKINSON:

No comment.

G MURPHY:

Okay, it appears to be working, explaining and recording the working progress on the marketing advisor system. 'We have been working on three related topics' the document starts and just to the top right-hand corner there, it would appear that this paper was presented to the meeting on 17th April 1996. Initials RHE, MJT, George Rose? GR, and Philip Riley, PR. MJT, is that Mike Turner?

H DICKINSON:

No comment.

G MURPHY:

And RHE, I think is Dick Evans.

It says, 'Agreed to go ahead with one and a' can somebody help me with what that says?

'And something, and continued to investigate two and three' maybe?

Is that your writing?

H DICKINSON:

No comment.

G MURPHY:

Are these four people indicated in that top right-hand corner, in that note, are they the people that you are running your ideas through, are they the people that had ultimate say on how this system will be developed?

H DICKINSON:

No comment.

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G MURPHY: Okay, moving down to point three.
That's not the first small three but the main paragraph three, 'Off shore storage' it begins, 'would be most convenient in Switzerland' so we are moving on with the theme here that's being developed. Talking about, is that documents, advisor file documents being removed to Switzerland?

H DICKINSON: No comment.

G MURPHY: It's the, not the next paragraph but the following paragraph that interests me and maybe you can help us with that? It says, 'Computer systems have been checked, it seems to be possible to overwrite all confidential information quickly. New programs can be written without CSC being aware of why they are needed.'

Okay, first of all, who is CSC?

H DICKINSON: No comment.

G MURPHY: Could that be your internal computer advisors?

H DICKINSON: No comment.

G MURPHY: 'Computer systems have been checked, it seems possible to overwrite all confidential information quickly.' Why on earth would you want to overwrite confidential information quickly?

H DICKINSON: No comment.

G MURPHY: This appears to be discussed working progress on the system that you're involved in setting up. You can't help me with that?

H DICKINSON: No comment.

G MURPHY: I mean normally a company that sets up a business goes to great lengths to actually protect confidential information. Protect it, save it; make sure it can not be overwritten. Why is that not the case in this instance?

H DICKINSON: No comment.

C BROWN: Yeah, just to try and help us, could you give, you may have written this, it seems you were at the meeting when the paper was presented, can you just help us with a single, just one example of a time when you would feel it necessary to overwrite some of this confidential information?

H DICKINSON: No comment.

C BROWN: Okay.

G MURPHY: Okay, move on then please to page 33. 012007000486 is the docman reference. Top of the page, 'Offshore company assumptions. Set up off shore company in suitable country with laws to maintain secrecy of ownership and separate bank account set up in the name of the offshore company, in a bank with sufficient secrecy.'

Now obviously secrecy is an important thing. What's your concerns there?

H DICKINSON: No comment.

G MURPHY: So we are talking about systems brought in, opaque systems, front companies, offshore companies. 'Maintaining secrecy of ownership.' I mean I have seen organisations set up like that before, but they're not usually doing anything legal. Is that why this system is

being set up in this way, is something -

H DICKINSON:

No comment.

G MURPHY:

- illegal going on here?

H DICKINSON:

No comment.

C BROWN:

No, I mean just over the page, there is something that confuses me about the internal dynamics of what you're trying to achieve on page 34.

It says, 'Payment of advisors.' I will just read the paragraph.

'Business Unit FD would receive a data sheet authorising them to make payments as at present. However instead of receiving one data sheet per advisor, they would receive one data sheet which combines all confidential advisors fees, and uses the offshore company bank account. The business unit would not need to know that this account was a BAE one, but could assume that it was the account of an advisor.'

So am I right, you're actually trying to conceal from a business unit's finance director who he was making payments to?

H DICKINSON:

No comment.

C BROWN:

And why would you want to conceal from one of your colleagues the ultimate destination of a transaction, presumably he would have to approve?

H DICKINSON:

No comment.

C BROWN:

Okay.

G MURPHY:

Page 35.

Docman reference 012007000514.

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This appears to be a two page document. Not sure who's written this. And to be fair there is nothing on here which indicates you have seen it, your initials aren't here.

If we turn to page 36, there is a handwritten note right towards the bottom of that page. Is that your handwriting?

H DICKINSON: No comment.

G MURPHY: Okay.

Back over the page then to 35, it's talking about the various systems that you are still working on and it's looking at 'stay as we are' so the system staying as we are. I suppose that is the system that enabled Knock to be employed, is it 'stay as we are?'

H DICKINSON: No comment.

G MURPHY: Okay. It basically says here, 'The disadvantage of staying as we are with such a system is there is no shield against foreign jurisdiction.' What's meant by that, do you know?

H DICKINSON: No comment.

G MURPHY: Is this, do you mean by, or is it meant by this, I will hazard a guess, that if authorities in a foreign jurisdiction wanted to trace money back from let's say a Foreign Public Official, that the system that you had in place would offer no shield and the money would be able to be traced back to BAE?

H DICKINSON: No comment.

G MURPHY: Is that what that means?

H DICKINSON: No comment.

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G MURPHY: I mean if that was the case, if that's what is meant, you would not want that to happen, BAE would not want that to happen, would they?

H DICKINSON: No comment.

G MURPHY: Down to 1.2(e), 'There have been recent indications that the banks will have to disclose the source of any large payment made by BAE.' This, I think, may well be referring back to the money laundering regulations, introduction of those. 'At present we can cause payment to appear in an agents account anonymously.' Again why is that desirable?

H DICKINSON: No comment.

G MURPHY: Is it necessary within your system for you to avoid an accurate record of the transaction?

H DICKINSON: No comment.

G MURPHY: It's beginning to me to smack of keep BAE's name out of this at all costs. Am I getting this wrong, am I misinterpreting this?

H DICKINSON: No comment.

G MURPHY: Okay.
We go to two, which is the second option. 'Set up BAIL for branch registration and agency appointments.'
I am sorry can someone just, what is BAIL again?

C BROWN: Mr Dickenson?

H DICKINSON: No comment.

C BROWN: I think it is British Aerospace International Limited, I think.

G MURPHY: Okay.
Have we got that right?

H DICKINSON: No comment.

G MURPHY: No comment.

Okay. This is obviously preferred, a preferred option because it does provide some shield against foreign jurisdiction.

Go over the page please, to 36.

Docman 012007000515.

'We have got the third option and an advantage provides the best shield against foreign jurisdiction.'

Can you help me at all on that?

H DICKINSON: No comment.

G MURPHY: I'm not going to prolong this document any more than I think we will just go to the final point, 'Disadvantages 3.2.' Somebody has handwritten 'See' in here.

You have said, well you no commented to whether that was you handwriting. It actually says, I believe, it says, 'Less easy to explain away if discovered.'

That's a disadvantage. It's less easy to explain away, so obviously you would like a system that was easy to explain away?

Is that what's happening now?

H DICKINSON: No comment.

G MURPHY: I'm just wondering whether it's, I know you have had your legal advice, and quite happy with that, and you're happy with that obviously, is that the reason you are no commenting because you actually can't explain it away?

H DICKINSON: No comment.

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G MURPHY: Carl?

C BROWN: Well no, I think anything I add with just be labouring a point, so.

G MURPHY: Yeah.
Okay, okay to page 37 please.
Docman number 012007000452.
'Holding papers offshore.' Is this a document that you're familiar with?

H DICKINSON: No comment.

G MURPHY: It seems to be; it's headed up, 'Referrals process situation at 23.09.96.' And it appears to be, again, some work, or work that is in place in setting up this same system. Is that right?

H DICKINSON: No comment.

G MURPHY: The 'holding papers offshore' seems to be developing a bit more. A company has now been set up called Novelmight for this purpose. 'Security modifications are being made, these include a new door and alarms, connected to Lloyds Bank.'
So have I got this right that the documentation is going be stored in an office under the name of Novelmight, and it's going to be a secure environment?

H DICKINSON: No comment.

G MURPHY: Is that any more secure than Farnborough?

H DICKINSON: No comment.

G MURPHY: Is that any more secure than Warwick House?

H DICKINSON: No comment.

G MURPHY: Because I understand there are door swipes and

keypads and goodness knows what else security at Warwick House.

H DICKINSON: No comment.

G MURPHY: It would appear attached to page 37, is page 38 which is docman reference 012007000453. You helpfully referred to this document in your statement, it is headed up 'Objectives' and there are eight objective. Let's just have a look at those objectives. Are these the objectives required within the system that is being put in place?

H DICKINSON: No comment.

G MURPHY: To make these payments. 'Reduce the number of BAE staff involved.' Could you help us with what the reasoning behind that is?

H DICKINSON: No comment.

G MURPHY: I mean I can see that that's, you know, sometimes you only want a certain number of people to know certain things. Is that right?

H DICKINSON: No comment.

G MURPHY: Okay. 'Reduce the number aware of correct advisor names and data.' Any comment on that?

H DICKINSON: No comment.

G MURPHY: 'Provide neutral names and data for our bank transfer forms.' Does that mean to circumvent the money laundering regulations?

H DICKINSON: No comment.

G MURPHY: Or to get around the money laundering regulations?

H DICKINSON: No comment.

G MURPHY: Provide neutral names that do not actually reflect that BAE are making these payments? Is that what that means?

H DICKINSON: No comment.

G MURPHY: And if it does mean that, what would be the reason for that?

H DICKINSON: No comment.

G MURPHY: Number five, 'Hide from outsiders the connection between a percentage fee on a contract and the fee paid to an advisor in countries where this matters.'

What's the idea behind that?

H DICKINSON: No comment.

G MURPHY: 'Where this matters.' Is this talking about, meaning one of the points that I think Carl mentioned to you earlier, whereby if the agent is, if it's illegal to have an agent in a country, that maybe you need to hide it, to hide a link between a fee? I mean I don't know, I am just trying to find some sort of reason for this.

Okay, six, 'Ensure no traceability if an advisor is investigated in his own country.'

Why would you want no traceability of an advisor, if he is investigated in his own country?

H DICKINSON: No comment.

G MURPHY: That's traceability of BAE, is it to the

RLI424

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advisor?

H DICKINSON:

No comment.

G MURPHY:

Could that be because if, for an advisor, had paid money on to a Foreign Public Official, BAE would not want that to be traced back to them? Is that what that objective means?

H DICKINSON:

No comment.

G MURPHY:

Or is there a perfectly reasonable explanation for it?

H DICKINSON:

No comment.

G MURPHY:

'Ensure no traceability if the advisors bank is investigated.'

Is this again referring to keeping BAE's name out of any investigation?

H DICKINSON:

No comment.

G MURPHY:

'Ensure ultimate destination of funds cannot be traced from the BAE end.'

We have seen something similar that before. I mean are you able to help me with any of that?

H DICKINSON:

No comment.

G MURPHY:

Carl?

C BROWN:

No, I just, I think I'll just summarise the points there in these objectives. Were these objectives, I mean, let's try and establish whether you or, coming up with this off your own back, or whether you had been instructed to this?

Were these objectives given to you, were they handed to you at the start of this project or are these something that you've come up with yourself?

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H DICKINSON: No comment.

C BROWN: Okay because it seems to me that you're charged with designing a system that reduces the number of people involved and the knowledge that they hold and get round money laundering regulations with the bank, and disguises any link between money paid to advisors and percentages on contracts. And means that money can't be traced if an advisor is investigated or if his bank is investigated and it protects BAE, it gives BAE insulation, or as you wrote earlier, 'shields from a foreign jurisdiction.'

This is to protect you from the fact that these payments are bribes, isn't it?

H DICKINSON: No comment.

C BROWN: Okay.

G MURPHY: If we go over the page to 39. 009920000038. There is a flow chart. Top right hand corner in handwriting, is that your handwriting?

H DICKINSON: No comment.

G MURPHY: 'Agreed to proceed RHE, GR, PR and HJMD.' Now I'm taking that to be Dick Evans, George Rose, Philip Riley and yourself. Is that right?

H DICKINSON: No comment.

G MURPHY: And it's, I think that next word says, 'Paris.' Maybe wrong but it's what it appears to say to me, 'Paris on 18th June 1997, agreed to proceed.' Does that mean then that this meeting took place in Paris and it agreed this flow chart, this set up shown in this diagram?

H DICKINSON: No comment.

G MURPHY: Okay, let's just have a look at it. It shows that a lawyer, Guido Myer, who is based in Lichtenstein, will use his own company, Uniglobe, which is an Anstalt, could you help us with what an Anstalt is?

H DICKINSON: No comment.

G MURPHY: I believe it to be some sort of quite complicated trust set up. Okay well we've got the lawyer using his company Uniglobe, which is an Anstalt, that will in turn set up an own, an Lichtenstein Anstalt, a second Lichtenstein Anstalt, name to be arranged, who will in turn own a BVI company. Have I got that right?

H DICKINSON: No comment.

G MURPHY: If we sort of follow that through, Uniglobe is Guido Myer's company, Anstalt. The Lichtenstein Anstalt, which would be owned by Uniglobe, we believe, became Textra Holdings, and the BVI company, owned by the Lichtenstein Anstalt, became Red Diamond, the offshore company, is that right?

15 instances - no comment

H DICKINSON: No comment.

G MURPHY: Why on earth is it necessary to set up a system with so many layers, why is that necessary?

H DICKINSON: No comment.

G MURPHY: Is that the way you would normally see businesses set up if their business was legal or if their business was shall we say the type of business that you would see in the High Street? The type of business that you would see maybe,

sorry, or is it the type of structure that you would see in a business that is involved in defence products?

H DICKINSON:

No comment.

G MURPHY:

Would that be normal in the defence industry? That's the point I am trying to get here in a very bad way?

H DICKINSON:

No comment.

G MURPHY:

Okay.

Is that, would that be normally accepted business practice?

H DICKINSON:

No comment.

G MURPHY:

Just take us back to point seven, sorry page seven.

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Is this page seven of the entire bundle?

G MURPHY:

It is, yes.

The second paragraph beginning, 'The contractual arrangements for appointment and administration of all representatives and consultants engaged for marketing purposes will be the responsibility of HQ Marketing Services. It is essential that all such representation and consultancy arrangements are properly regulated and recorded and that they conform with normally accepted business practices.'

Is that what you would call as normally accepted business practice?

H DICKINSON:

No comment.

C BROWN:

Yeah I mean, I don't work in the defence industry and perhaps this is normal in that particular sector but, I mean, do you think that

generally people would recognise this kind of arrangement as a standard business practice?

H DICKINSON: No comment.

C BROWN: Because the other end of the transaction is that generally your advisors have offshore companies in Panama or BVI or all over the world with bank accounts in secretive conditions, so is it, the substance of the transaction is completely disguised by the layering.

Now layering in a term used in money laundering investigations but that is what it looks like, isn't it?

It looks like you have put these systems in place to hide the fact that there's something wrong with the transaction you are making. Isn't that the case?

H DICKINSON: No comment.

G MURPHY: Page 40 please.

Docman reference 013000000505.

This is a document signed by you on 12th September 1997 and sent to Philip Riley.

In the centre of that page it says, 'BVI company name.'

And you write, 'I agree that the name should not be misleading but I think it might be helpful if it implied some activities which may not actually take place. For example I suggest that a name like Blue Diamond Limited would not mislead but Blue Diamond Mining Company Limited would.'

So why might it be helpful if the name implied

some activities which may not actually take place? It's misleading isn't it?

H DICKINSON: No comment.

G MURPHY: And the company name that you eventually decided on, I say you, BAE eventually decided on, I don't know if you were the ultimate person that decided on that, was Red Diamond Trading Limited. So I can see maybe it implies some activity in that the company is involved in diamonds, but it's not is it? It is involved in the defence industry.

H DICKINSON: No comment.

G MURPHY: I mean there are levels that you would go to to distance BAE's name maybe from such payments but wow this is really going the full length, isn't it?

H DICKINSON: No comment.

C BROWN: No, I have got nothing on that.

G MURPHY: Carl unless there is anything else you'd like to add on any of the documents that we've got, I was actually going to go to page 50.

C BROWN: Yeah, fine, no problem.

G MURPHY: If we go to page 50 please.

Docman reference 013000000666. Now this document is dated 24th July 2001 and I'm very much aware of what, the dates you gave us, in your prepared statement. The reason I was so keen to try and establish exactly dates so I knew what documents to put to you and what documents I didn't have to put to you. Unfortunately we weren't able to tie that date

down so I am going to put this document to you, because it does actually mention you, so maybe you had some involvement in it.

What we have here is the minutes of a referrals committee meeting held on Tuesday 24th July 2001. And here it seems that the committee, who as we know were responsible for the regulation and appointment of advisors, new advisors, were talked through and updated in relation to policies and procedures.

Would that be a fair summary?

H DICKINSON: No comment.

G MURPHY: In fact it's talking about a procedure that I'm not even sure that you had involvement in and that is the new procedure that was put in place with effect, I think it was, 1st July 2001. Issue one, I think, of those new guidance and procedures. Did you have anything at all to do with that process and those procedures that were put in place?

H DICKINSON: No comment.

G MURPHY: What were you doing at this period of time; you'd retired, were you acting as a consultant at this time?

H DICKINSON: No comment.

G MURPHY: Okay, could we just go to the handwritten note at the end of that document.

Now I am struggling to read this but, do you recognise the handwriting first of all?

H DICKINSON: No, no comment.

G MURPHY: 'As I recall it, or as I recollect I asked

Andrew to' Carl can you help me with this?

C BROWN: Sure, it says, 'As I recall it, I asked Andrew to report on the work being undertaken by Hugh D and himself on alternative contractual structures which could address the potential illegalities inherent in the current arrangements.'

G MURPHY: Right so 'work undertaken by Hugh D' we're taking that to be you. Is that right?

H DICKINSON: No comment.

G MURPHY: And it would appear that you are involved in some way, in work that is ongoing which is looking at alternative -

C BROWN: Contractual structures.

G MURPHY: Thank you again.
'Contractual structures which could address the potential illegalities inherent in the current arrangements.'
What potential illegalities inherent in the current arrangements?

H DICKINSON: No comment.

G MURPHY: It's the payment of monies to Foreign Public Officials isn't it?

H DICKINSON: No comment.

G MURPHY: That's what the potential illegalities inherent in the system is, it's the fact that it can be done. The fact that the whole thing was masked; the whole system was put in place so that illegal payments could be made around the world.

M THEODOULOU: Sorry is that a question or, it sounds a bit like a statement, is that a question that you

have put to Mr Dickinson?

G MURPHY: It that right?

H DICKINSON: No comment.

G MURPHY: What are the 'alternative contractual structures which could address?' What was it that you were working on?

H DICKINSON: No comment.

G MURPHY: 'Alternative contractual structures.' Is it a different system that you were working on?

H DICKINSON: No comment.

G MURPHY: Are you author of that note?

H DICKINSON: No comment.

G MURPHY: Carl?

C BROWN: I would just like to ask Mr Dickinson again if he would help us with what the work he was doing at that time while he was a consultant. Because it seems to me that an updated policy is being put in place and at the same time, you're being asked to look at an alternative structure, well was there a problem with, that you are aware of, with the updated policy that didn't address illegality?

H DICKINSON: No comment.

C BROWN: I just wonder because a lot of noise has been trumpeted about this 2001 change and the due diligence standards that were supposed to be applied. Was there somehow some concern amongst the members of this committee that that wasn't properly dealing with the illegalities in the system? Sorry potential illegalities in the

system?

H DICKINSON: No comment.

C BROWN: Okay.

Did you make any further suggestions, I mean we've seen all the way through that this has been driven by you and this is your work. Did you make any further suggestions to the company about how it should continue to make payments such as this?

H DICKINSON: No comment.

C BROWN: Okay.

G MURPHY: Can we go right the way back please to page one.

H DICKINSON: I think I have gone too far.

G MURPHY: Page one is missing.

Have you seen this document before?

H DICKINSON: No comment.

G MURPHY: I think I will make it perfectly clear that this is dated 30.05.2001 and we're unable to establish whether or what your work was at that time, whether you were actually working on this, what work you were undertaking as a consultant. This was a document that was attached to the new procedures that took over from the procedure that you had put in place.

And I say, we think this became effective round about July 2001. It actually lists a whole load of warning signs.

'The following are examples only of circumstances which may require us to take particular care over the appointment of an advisor. And to ask more questions in order to

ensure that no breach of this policy occurs or is likely to occur. The list is not comprehensive; any circumstances which give rise to any doubt should be investigated thoroughly.'

Yes.

And on the left hand side it gives a whole raft of examples that may, just may indicate that corruption may well be prevalent in an arrangement. Let's just have a look at some of them.

'Ties to a Government. The advisor has family or business ties to a Foreign Official.

Anonymity, the advisor seeks to avoid disclosure of his identity.

Statements made. If the advisor has said that the particular amount of money will be needed to get the business, make arrangements.'

Sorry, 'If the advisor has said that a particular amount of money will be needed to get the business or make an arrangements or use similar expression would be an indicator of maybe, just maybe, corruption is prevalent.'

And it goes on, 'The size of the payment, or the commission. If the advisor asks for an amount substantially above the going rate. Or requests a substantial amount up front.' Yes?

'The method of payment. The advisor asks to be paid through some indirect means or in the name of a third party or in a third country or in cash.

Urgency, advisor makes a request for an urgent

additional payment immediately prior to the anticipated award of a contract.'

All these sorts of, all these sorts of things just maybe indicators that more questions need to be asked, because of potential corruption. Do you agree with that?

H DICKINSON: No comment.

G MURPHY: I think that is a good time to stop the tape actually.

The time by my watch is 12.40. The time on my laps counter is 45 and we will stop the tape.

(End of tape 3)

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON
WEDNESDAY, 20th FEBRUARY 2008.

CASE REFERENCE RL102

TAPE 4 OF A BATCH OF 6

PERSON BEING INTERVIEWED: MR HUGH DICKINSON

PERSONS PRESENT:

MR GARY MURPHY	-	SERIOUS FRAUD OFFICE
MR CARL BROWN	-	SERIOUS FRAUD OFFICE
MR MATTHEW COWIE	-	SERIOUS FRAUD OFFICE
MS MARIA THEODOULOU	-	SOLICITOR
MR BAMBOS TSIATTALOU	-	SOLICITOR

G MURPHY: This is tape four and the continuation of an
interview with Mr Hugh Dickinson.
The time by my watch is 12.44.
Mr Dickinson can you confirm that the same
people as before are present?

H DICKINSON: They are.

G MURPHY: Yes and that we've not discussed the case at all
during the break.

H DICKINSON: Correct.

G MURPHY: I will remind you that you are still under
caution and also remind you that you are not
under arrest and free to leave.

H DICKINSON: Understood.

RLI425

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G MURPHY: Okay the last tape we were just going through a document that was annex one to the new guidelines for appointment and payment of advisors, it was dated 30.05.2005.

M THEODOULOU: 30.05.2001.

G MURPHY: I am sorry 30.05.2001.

M THEODOULOU: Thank you.

G MURPHY: We will have a break as soon as I have finished with this document -

M THEODOULOU: And what page is that in the bundle?

G MURPHY: In the bundle it's page one.

M THEODOULOU: Thank you.

G MURPHY: Okay, do you accept that these are indicators of potential corruption or corruption may be present within an agency set up?

H DICKINSON: No comment.

G MURPHY: I think that's what this document was intended to do, was it not, just make sure that everybody was aware of the sort of things that you should be looking out for when appointing a new advisor. Is that right?

H DICKINSON: No comment.

G MURPHY: I know this document was only, only appeared in print in this form in May 2001 was there a similar document previously to this?

H DICKINSON: No comment.

G MURPHY: Were these potential warning signs or red flags, I think they are referred to in some corners, were these known to the people that you worked with in your organisation even before it was laid down on paper?

H DICKINSON: No comment.

G MURPHY: Because surely if people were looking at appointing advisors, they would need to know this. So maybe whether it was written down in a list or not, would people have been aware, did you ever make your staff of these type of things?

H DICKINSON: No comment.

G MURPHY: Did you ever have discussions with others on the referrals committee about red flags or warning signs?

H DICKINSON: No comment.

G MURPHY: I mean there must have been some criteria I am guessing, because otherwise how would people be able to assess how, whether they should be appointing an advisor or otherwise? So you can't tell me whether there was ever a document like this before?

H DICKINSON: No comment.

G MURPHY: Do you accept that in your industry, the defence industry, that there have, over the years, there have been many, many media reports about the prevalence of corruption, the payments of bribes?

H DICKINSON: No comment.

G MURPHY: Would you say that that was well known within your industry?

H DICKINSON: No comment.

G MURPHY: Well known within the people that you worked with?

H DICKINSON: No comment.

G MURPHY: And known to yourself?

H DICKINSON: No comment.

C BROWN: Okay, well, I mean, this is 2001 and its part of the new procedure on appointment of agents, we have seen, we have looked at extracts from earlier policies, company policies on what is acceptable in terms of bribery i.e. nothing. And it's all rubbish isn't it, because as Knock demonstrates if you have to you do, you just ignore the procedures and go ahead and appoint an official anyway, and pay him millions and millions of pounds, isn't that the reality, the commercial reality?

H DICKINSON: No comment.

C BROWN: See, because, I would like to think that it's not just the company is rotten from the core, I would like to think there is a commercial need driving this. If you didn't employ agents in this way, do you think you would win the business?

H DICKINSON: No comment.

C BROWN: Because other companies in other countries would employ agents, and do employ agents, don't they?

H DICKINSON: No comment.

C BROWN: I mean this, I mean the whole policy, the whole company policy is just a sham isn't it? It's not worth the paper it's printed on?

H DICKINSON: No comment.

C BROWN: Okay I have got nothing more on that.

G MURPHY: Okay. The time by my watch now is 12.50. The time the laps counter is showing is five and we

are going to stop the tape for a short break.

(End of tape 4)

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON
WEDNESDAY, 20th FEBRUARY 2008.

CASE REFERENCE RL102

TAPE 5 OF A BATCH OF 6

PERSON BEING INTERVIEWED: MR HUGH DICKINSON

PERSONS PRESENT:

MR GARY MURPHY	-	SERIOUS FRAUD OFFICE
MR CARL BROWN	-	SERIOUS FRAUD OFFICE
MR MATTHEW COWIE	-	SERIOUS FRAUD OFFICE
MS MARIA THEODOULOU	-	SOLICITOR
MR BAMBOS TSIATTALOU	-	SOLICITOR

G MURPHY: This is the continuation of an interview with Mr Hugh Dickinson. This is tape five. The time by my watch is 13.31. Since the last tape, we've stopped for a half an hour break. Can you confirm that the same people are present in the room?

H DICKINSON: I can.

G MURPHY: And can you also confirm that during that break, we have not discussed that case with you?

H DICKINSON: No, we haven't.

G MURPHY: Okay, thank you. I must remind you that you are under caution. You do not have to say anything, but it may harm your defence if you do not

RLI426

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mention when questioned something which you later rely on in court. Anything you do say may be given in evidence. Do you understand that?

H DICKINSON: I do.

G MURPHY: Okay, I'll also remind you that you're not under arrest and are free to leave and if you wish to have a private consultation with your solicitor, please just let us know.

H DICKINSON: Understood.

G MURPHY: Okay, I'd like to move on to a slightly different topic but still within the same process that you were involved in, in setting up. It's something which we believe is called the referrals committee. Can you explain how the referrals committee scrutinised, what the process was for them to scrutinise advisor proposals in order that they appoint them or otherwise?

H DICKINSON: No comment.

G MURPHY: What actual information does the committee have at its disposal to help them make such decisions?

H DICKINSON: No comment.

G MURPHY: Because all we've seen is basically minutes of meetings that doesn't actually give an accurate reflection of what went on in the meeting, just seems to give the actions that came out of those meetings. We've not actually seen any other documentation that would be fed into them. Could you help us with that?

H DICKINSON: No comment.

G MURPHY: Did referrals committee have access to the advisor proposal forms?

H DICKINSON: No comment.

G MURPHY: If that was a new agent, would they have access to the application forms that would be completed by agents?

H DICKINSON: No comment.

G MURPHY: What information did the committee have at their disposal that would help them to know who the ultimate beneficiary of any funds were?

H DICKINSON: No comment.

G MURPHY: How did they justify an appointment?

H DICKINSON: No comment.

G MURPHY: How did the committee satisfy itself in relation to prevention of internal fraud?

H DICKINSON: No comment.

G MURPHY: There must have been checks and balances in place to protect against that.

H DICKINSON: No comment.

G MURPHY: Did the committee have information that would help them prevent that?

H DICKINSON: No comment.

G MURPHY: Was, was the referrals committee responsible for reviewing any due diligence that may have been done or carried out on a particular advisor?

H DICKINSON: No comment.

G MURPHY: How did the committee ensure that company policy was being adhered to in terms of bribery and corruption?

H DICKINSON: No comment.

G MURPHY: I'm thinking here specifically in relation to

appointment of advisors.

H DICKINSON:

No comment.

G MURPHY:

How did the committee ensure that BAE were actually getting value for money?

H DICKINSON:

No comment.

G MURPHY:

Was it something that they, that they considered?

H DICKINSON:

No comment.

G MURPHY:

How, how regular were these meetings?

H DICKINSON:

No comment.

G MURPHY:

Are you aware of there ever being any agreements that had been considered, sorry, any proposals and applications for the appointment of advisors? Are you aware of any of them being refused by the referrals committee?

H DICKINSON:

No comment.

G MURPHY:

If you are, could you tell us about them?

H DICKINSON:

No comment.

G MURPHY:

Where is it recorded that particular applications have been refused?

H DICKINSON:

No comment.

G MURPHY:

You were a member of the referrals committee as I understand that. Is that right?

H DICKINSON:

No comment.

G MURPHY:

Did it serve any useful purpose?

H DICKINSON:

No comment.

G MURPHY:

Did it have teeth?

H DICKINSON:

No comment.

G MURPHY:

There was also a procedure, I understand, called an ex-committee procedure. What was the purpose of that process?

H DICKINSON: No comment.

G MURPHY: We understand that if an urgent matter needed to be approved and there wasn't time or it wasn't possible to call a referrals committee meeting, then this process would be adopted. Is that right?

H DICKINSON: No comment.

G MURPHY: How were the checks and balances in relation to internal fraud, due diligence, value for money applied when this ex-committee procedure was carried out?

H DICKINSON: No comment.

G MURPHY: What information were the people that carried out this procedure given?

H DICKINSON: No comment.

G MURPHY: Were they given enough detail to be able to make a fully-informed decision on the viability of an agent?

H DICKINSON: No comment.

G MURPHY: How were they able to decide whether or not there was a real reputational risk for BAE for getting involved with particular individuals?

H DICKINSON: No comment.

G MURPHY: I understand there was a limited number of people involved in this ex-committee process. Why was that?

H DICKINSON: No comment.

G MURPHY: What would happen if somebody within that process didn't agree?

H DICKINSON: No comment.

G MURPHY: And said, 'No. I'm not happy. I don't want, I

recommend that this person isn't appointed.'
What would happen then?

H DICKINSON:

No comment.

G MURPHY:

Was there any one person that could, that had a veto over everybody else?

H DICKINSON:

No comment.

G MURPHY:

Did you play any role in the ex-committee procedures?

H DICKINSON:

No comment.

G MURPHY:

I know you sent out the documents. We've seen letters and I won't bother to go through them at the moment unless you want me to but we know you sent out letters to Mike Turner. We've seen Philip Riley and there are also some of the regional managing directors. We've seen Alan McDonald's name appearing. So you sent that information out to them, but it seems to be very limited information that you're sending out to them. How do they actually get to the crux of what they need to discuss? Where's all that information?

H DICKINSON:

No comment.

G MURPHY:

Was the level of security, sorry, the level of scrutiny reduced in any way when the ex-committee procedure was followed?

H DICKINSON:

No comment.

G MURPHY:

Was it used deliberately as a soft option to get delicate issues agreed without going through the formal committee?

H DICKINSON:

No comment.

G MURPHY:

Anything on this?

C BROWN: No.

G MURPHY: Over to you.

C BROWN: Right, well, I'll just very briefly, before we move on to a couple of questions about Tanzania, I'll just very briefly go back to the referrals committee back in 1996 when Knock was appointed, in order for the referrals committee to have any kind of substantive discussion, they must have known the beneficiary. Were the people present at that meeting including yourself aware of the fact that the foreign minister of Qatar was the ultimate recipient of this arrangement.

H DICKINSON: No comment.

C BROWN: Because it seems to me that one of two things has happened. Either you're new and just didn't mind the fact that you were breaking the company rules or you appointed an advisor without knowing who he was and you were paying millions of dollars to an unknown person. Which one of those is the reality?

H DICKINSON: No comment.

C BROWN: Okay. Was the referrals committee actually a forum where integrity issues were discussed?

H DICKINSON: No comment.

C BROWN: How was company policy regarding bribery, how was that implemented in the appointment system? At what point did any kind of due diligence take place?

H DICKINSON: No comment.

C BROWN: Were the referrals committee at all interested?

H DICKINSON: No comment.

C BROWN: What kind of thing, what discussions regarding Knock took place at that referrals committee meeting?

H DICKINSON: No comment.

C BROWN: Because I believe, I believe that Mr Wooding was aware, I believe you were aware by 1996 that the principal behind Knock was a foreign official. So, I assume that you would have brought it to the attention of the committee that this was in breach of company policy?

H DICKINSON: No comment.

C BROWN: Because your, as the director of HQ marketing, surely part of your brief is to ensure that company policy is maintained when making such appointments. You enter into the contractual agreements, you sign the agreements, later on you signed on behalf of Red Diamond, but it's your name. You're committing millions of dollars worth of company money. Did you know where it was going or didn't you?

H DICKINSON: No comment.

C BROWN: Because if you don't, that's quite reckless, isn't it?

H DICKINSON: No comment.

C BROWN: And if you did, who did you raise it with that you were unhappy with this?

H DICKINSON: No comment.

C BROWN: Were you unhappy with it?

H DICKINSON: No comment.

C BROWN: Or were you compliant, complicit in breaking the company's own rules?

H DICKINSON: No comment.

C BROWN: Okay. Anything on-?

G MURPHY: No.

C BROWN: Right, if you turn to page 66 in your bundle. We've move on to the arrangement with Tanzania now. You explain in your statement that, I think it was some point in about 1997 that BAE acquired Siemens Plessey and they inherited an arrangement with a man called Mr Vithlani. Can you explain what due diligence the company performed on Mr Vithlani?

H DICKINSON: No comment.

C BROWN: Okay. What did you do to establish, when I say, you, I mean you and the corporate body, what did you do to establish that he's a fit and proper person to represent the company?

H DICKINSON: No comment.

C BROWN: Okay. We've seen documents that, and you mention in your statement that when BAE acquired Siemens Plessey, the agreement that was in place was between Siemens Plessey Systems Export, a Panamanian entity and Mr Vithlani. So, and what we, and I believe the percentage at that time was about 37%. Did the size of the commission cause you any concern?

H DICKINSON: No comment.

C BROWN: Were you aware of any particular corruption concerns in Africa?

H DICKINSON: No comment.

C BROWN: Okay, and I believe it was company policy, not that you seem that bothered by company policy,

but it was policy to refer large percentages up to the chief executive. Is that correct?

H DICKINSON:

No comment.

C BROWN:

Okay, because page 66 which is document 00991000041 is, it's actually from Philip Riley but it's signed by, that is your signature, isn't it, there, or your initials?

H DICKINSON:

No comment.

C BROWN:

No? Okay, well it says HJMD which I believe are your initials, and this is to Sir Richard Evans and it says, 'I'd be grateful if you would confirm that we have approval for the attached proposal.' Over the page at 67 is a proposal to amend an advisor. Is this the attachment, this is the attached proposal that you sent to Sir, to Dick Evans?

H DICKINSON:

No comment.

C BROWN:

Okay, because Mr Evans has written, 'This agreement was inherited at the time of acquisition subsequently taken down to the current level', and he's signed it. What kind of scrutiny, this is, this is for, this is for 31%, and what kind of scrutiny was Dick Evans able to apply to this approval from the information that he'd been provided on this, on this proposal form?

H DICKINSON:

No comment.

C BROWN:

It doesn't suggest any kind of services that will be provided at all, does it?

H DICKINSON:

No comment.

C BROWN:

And are you aware of Mr Evans making any attempt

at all to scrutinise properly this appointment?

H DICKINSON:

No comment.

C BROWN:

Okay. At page 68, which is 009910000043. This is an ex-comm proposal that you've sent out. Is that correct?

H DICKINSON:

No comment.

C BROWN:

That's your signature. The signature block says Hugh Dickinson and that's your signature, isn't it?

H DICKINSON:

No comment.

C BROWN:

Okay, and you've sent this to various people and the ex-comm proposal that you've sent out is over the page at 69, and you've written, 'It is proposed to re-appoint MS Vithlani for radars at 31% split between an overt and covert agreement. Company details to be advised.' What do you mean when you say, 'overt and covert'?

H DICKINSON:

No comment.

C BROWN:

Okay. Are you aware or do you recall any of these people, Philip Riley, Alan McDonald or Mike Turner scrutinising this to any extent at all?

H DICKINSON:

No comment.

C BROWN:

Did any of them ask you any questions personally about the appointment?

H DICKINSON:

No comment.

C BROWN:

Okay. Because, I mean, putting aside for one moment concerns about the appropriateness of the appointment in terms of bribery and corruption, you can't even make a value for money judgement based on the information that you've provided,

can you?

H DICKINSON:

No comment.

C BROWN:

Did you ever see any such large percentages previously to this?

H DICKINSON:

No comment.

C BROWN:

Okay. Okay, well, we know that in the end two agreements were entered into, one with a company called Merlin International and one with a company called Envers Trading Corporation. What can you tell me about those two companies?

H DICKINSON:

No comment.

C BROWN:

Did you insist that Mr Vithlani acquire an off-shore company through which to be paid?

H DICKINSON:

No comment.

C BROWN:

Because the previous agreement was between Plessey Systems Export and Mr Vithlani but by the time BAE put him through their system, there's an agreement between Red Diamond and Envers Trading and an agreement between Red Diamond, between BAE and Merlin. Why that particular arrangement?

H DICKINSON:

No comment.

C BROWN:

Did you personally ever seek an explanation of why Mr Vithlani was to receive and originally when you acquired Siemens Plessey, he was to receive 37% of \$88 million?

H DICKINSON:

No comment.

C BROWN:

In the end he received 31% of \$39 million. Did you ever make any enquiries as to what services he was providing for such a sum?

H DICKINSON:

No comment.

C BROWN: Do you personally know who is the beneficial owner of the company Envers Trading Corporation?

H DICKINSON: No comment.

C BROWN: We've had some disclosure from the company about Envers and about Merlin and apart from this proposal to amend an advisor at page 67 that we believe you sent to Dick Evans, we've never seen a proposal form completed for Envers Trading or for Merlin. Can you explain why that part of the procedure wasn't followed?

H DICKINSON: No comment.

C BROWN: Do you believe that the agent you employed to assist with the sale in Tanzania was Shailesh Vithlani?

H DICKINSON: No comment.

C BROWN: Can you explain why in the documents that we disclosed, the power of attorney over Envers was in the name of Tanil Somaiya?

H DICKINSON: No comment.

C BROWN: What was the company's relationship with Mr Somaiya?

H DICKINSON: No comment.

G MURPHY: Did ex-committee procedure, it's just a sham, isn't it?

H DICKINSON: No comment.

G MURPHY: There's a piece of paper, a letter from you to Mr Turner, Mr McDonald and Mr Riley. Would you consider approving the proposal ex-committee? They all sign. Dick has already, has already approved it, has he not?

H DICKINSON: Sorry, which page is this?

G MURPHY: 68 and 69.

H DICKINSON: No comment.

G MURPHY: Was, was the people that signed that just told, 'Sign it. Dick's already approved it.' Is that what happened?

H DICKINSON: No comment.

G MURPHY: I mean, it seems that a procedure has been put in place and then procedures have also been put in place not to carry out the original procedure. So on paper it looks good. It looks like you've got a great system, but actually in reality, how can people make a decision to pay an agent 31% on the basis of that? Or is it that there is more information that we've just not been given?

H DICKINSON: No comment.

G MURPHY: The whole system was put in place to enable corruption to flourish, wasn't it?

H DICKINSON: No comment.

G MURPHY: Okay, Carl's just asked you questions on Tanzania. I'm going to just briefly have a look at South Africa and the position in South Africa. One of the advisors that you used in South Africa was an advisor called Kayswell. Does that name mean anything to you?

H DICKINSON: No comment.

G MURPHY: It would appear from a document at page 70, docman reference 009911000171 which is sent to you by Mr Ligtenberg a director of ACS Worldwide, he's basically saying that there are agreement with Zimbabwe, Botswana and RSA,

Republic of South Africa. 'The consultancy agreements which our company, together with Zillia Consulting and Kayswell Services, will be expiring.' So, Kayswell must be known to you and has some link to ACS Worldwide. Would that be fair to say?

H DICKINSON: No comment.

G MURPHY: How were the referrals committee able to satisfy themselves as to who the beneficial owners of Kayswell were?

H DICKINSON: No comment.

G MURPHY: Were they able to satisfy themselves?

H DICKINSON: No comment.

G MURPHY: Did they ever receive a proposals form for the initial agreement with Kayswell?

H DICKINSON: No comment.

G MURPHY: Because we can't find one.

H DICKINSON: No comment.

G MURPHY: Do you stick to your procedures or-

H DICKINSON: No comment.

G MURPHY: -do you disregard them? Do you know who the beneficial owner of Kayswell is?

H DICKINSON: No comment.

G MURPHY: 60% shareholder of Kayswell is a gentleman by the name of Mr Bredenkamp, John Bredenkamp. Do you know him?

H DICKINSON: No comment.

G MURPHY: That's the same Mr Bredenkamp that had an agreement with BAE who sold fighter aircraft to Robert Mugabe in Zimbabwe. Does that ring any bells?

H DICKINSON: No comment.

G MURPHY: The same John Bredenkamp that we understand was well known to BAE employees and well known to have bought that deal according to evidence that we have. Does that ring any bells?

H DICKINSON: No comment.

G MURPHY: When the referrals committee discussed the appointment of Kayswell in South Africa, did you not say to them, 'Wow, hold on a sec. I know Kayswell, John Bredenkamp, not so sure we should be going there, potential risk to BAE.' Did you have that discussion with the referrals committee?

H DICKINSON: No comment.

G MURPHY: Were you aware that John Bredenkamp had appeared in a number of media reports as far back as 1993?

H DICKINSON: No comment.

G MURPHY: Which will cast doubts on Mr Bredenkamp and reported on his links to arms dealing, sanctions busting?

H DICKINSON: No comment.

G MURPHY: Are you aware of those?

H DICKINSON: No comment.

G MURPHY: Are you aware of the Channel 4 *Dispatches* programme? A whole programme dedicated to Mr Bredenkamp and his dubious practices?

H DICKINSON: No comment.

M THEODOULOU: Can I point out for the benefit of the tape that there's been no disclosure in the advance disclosure relating to Mr Bredenkamp directly in

relation to him or any wrongdoing that he may have been accused of?

G MURPHY: Yeah, there's been disclosure of Kayswell, his company.

M THEODOULOU: That may be but nothing in respect of his name.

G MURPHY: Yeah, okay, but you know who Mr Bredenkamp is anyway, don't know, Mr Dickinson?

H DICKINSON: No comment.

G MURPHY: Can we just switch from South Africa for a moment to Romania. Do you know who Barry George is?

H DICKINSON: No comment.

G MURPHY: He's an advisor that was used by BAE and I suppose would have gone through your, your system, your referrals committee system or ex-referrals committee system. Do you remember him?

H DICKINSON: No comment.

G MURPHY: Employed as an advisor by BAE. In January, 1999, Barry George was found to be complicit in fraud, in a fraud on a bank. This was a civil matter I understand. His Honour, the judge says, 'Mr George knew that the defendants proposed to commit a fraud on the bank so as to obtain the necessary funding. He knew the nature of the fraud in question. I find that Mr George had sufficient knowledge to implicate him in the conspiracy.' That's to do with one of his agencies. Did the referrals committee ever discuss that?

H DICKINSON: No comment.

G MURPHY: Before they appointed him as an advisor?

H DICKINSON: No comment.

G MURPHY: Did you know that?

H DICKINSON: No comment.

G MURPHY: And if you didn't know that and, you're no commenting, so it's very difficult for me to feel off that, but if you didn't know it or the committee, the referrals committee didn't know, why didn't they know it? It's their job to know it, wasn't it?

H DICKINSON: No comment.

G MURPHY: Could we go to page 83 please? Docman reference 09582000222. This is a company, sorry, an agency or an advisor by the name of Huderfield, again, to do with South Africa. Do you know who was behind the company Huderfield?

H DICKINSON: No comment.

G MURPHY: It was a gentleman by the name of Richard Charter. Richard Charter also had an agency agreement with BAE in the name of Osprey. Richard Charter was also a director, maybe chairman, I'm not quite sure of that, but certainly a director of a company called BAE South Africa Pty. Richard Charter had two agreements for the same work. Why would that have been?

H DICKINSON: No comment.

G MURPHY: One agency, Osprey, the agency Osprey was paid substantially more money, millions more money than, sorry, Huderfield was paid millions more money than Osprey. Were you aware of that?

H DICKINSON: No comment.

G MURPHY: Why was that?

H DICKINSON: No comment.

G MURPHY: Why would it be that an agent, an advisor, working in a particular jurisdiction had his remuneration split between two agencies?

H DICKINSON: No comment.

G MURPHY: Two separate agreements. Okay, going back to this document at page 83, it's dated the 16th of November, 1999 and it's from yourself to Mr Turner, Mr McDonald, Mr Riley, Mr Peterson and Miss Turner and you are requesting that they consider approving this proposal ex-committee. So, let's have a look at what the proposal is. If we turn to page 86, proposal? 'It is proposed to pay the sum of US\$4 million to Huderfield immediately following signature of the South African procurement package between British Aerospace and the Government of South Africa.' It goes on to say that it will be deducted once, from future payments. Do you remember that?

H DICKINSON: No comment.

G MURPHY: Do you have any idea why Huderfield or Mr Charter wanted \$4 million?

H DICKINSON: No comment.

G MURPHY: More to the point, how were the referrals committee, through this ex-committee process, how were they able to understand why Mr Charter wanted this money?

H DICKINSON: No comment.

G MURPHY: Because they'd been able to satisfy themselves. They've approved it. I mean, again, are we missing documentation here that would help us with this?

H DICKINSON: No comment.

G MURPHY: Do you know the significance of that money?

H DICKINSON: No comment.

G MURPHY: Why that money was paid? Why was it that this \$4 million was requested through an ex-committee procedure when there was to be a referrals committee meeting just 10 days later?

H DICKINSON: No comment.

G MURPHY: What was so urgent that it couldn't wait to be put through the committee and be heard by all those people that were supposed to be present?

H DICKINSON: No comment.

G MURPHY: Was it because you wanted to keep it away from the committee? You didn't want the full committee to know?

H DICKINSON: No comment.

G MURPHY: 'Immediately following the signature of the South African procurement package.' That's the contract. I can tell you that that \$4 million was paid to Huderfield to an account in the Bahamas. Do you think the referrals committee would have liked to have known that?

H DICKINSON: No comment.

G MURPHY: Do you think, looking at the full information, \$4 million, a one-off payment, to an account in the Bahamas immediately following a key, very key significant date in the life of that

contract, do you think they'd have been interested in that?

H DICKINSON: No comment.

G MURPHY: Do you think they might not have approved it?

H DICKINSON: No comment.

G MURPHY: So who was Mr, Mr Charter going to pay that money to?

H DICKINSON: No comment.

G MURPHY: Let's go back to page one. Let's look at some of these warning signs. 'Size of payment of commission. If the advisor asks for an amount substantially above the going rate in the country or requests a substantial amount upfront-'. \$4 million, I would say that's substantial, wouldn't you?

H DICKINSON: No comment.

G MURPHY: 'Urgency. If the advisor makes a request for an urgent additional payment immediately prior to the anticipated award of a contract-'. What about that?

H DICKINSON: No comment.

G MURPHY: Were you aware of all of this?

H DICKINSON: No comment.

G MURPHY: Did you ever say to the referrals committee, 'Hang on guys', sorry to this ex-committee procedure, 'Hang on guys, you haven't got enough information here. You haven't got the relevant information here to be able to make a fully-informed decision?

H DICKINSON: No comment.

G MURPHY: Were you ever asked by anybody else not to give

those people that information?

H DICKINSON:

No comment.

G MURPHY:

It may be that you were acting on instructions by other people of, or from other people. If that's the case, please tell me.

H DICKINSON:

No comment.

G MURPHY:

I'll leave that out for a sec. Carl, is there anything you want to add on that?

C BROWN:

Well, I've just got a couple of things. What contact do you have with the agents generally?

H DICKINSON:

No comment.

C BROWN:

Because in order to make this proposal, I feel you must have had some contact with Mr Charter?

H DICKINSON:

No comment.

C BROWN:

When you send out an ex-committee approval such as this, do you expect all the signatories to respond because I see Mr McDowell just hasn't signed it?

H DICKINSON:

No comment.

C BROWN:

Do you know why Mr McDowell didn't sign it?

H DICKINSON:

No comment.

C BROWN:

Would it make any difference to you in administering the payment if one signatory is missing?

H DICKINSON:

No comment.

C BROWN:

Well, what about if four of them are missing? What about if Mr Turner was the only one who signed it? Would you have authorised it then?

H DICKINSON:

No comment.

G MURPHY:

Okay. Just go to page 90 please, docman reference 013075000022, schedule B of the actual

agreement for Huderfield, we've got little 'a' there. Can you see that just under the table? It says, The sum of US\$4 million shall be paid upon the latter to occur.' But the bit I'm interested in is the manuscript and amendment or addition just above that. It actually says in UK pounds sterling and a squiggle and what seems to be your initials. Did you write that?

H DICKINSON:

No comment.

G MURPHY:

Because if you did, it means you've discussed the fact that the \$4 million is going to be paid in in sterling and not in dollars?

H DICKINSON:

No comment.

G MURPHY:

Did you discuss that with Mr Charter?

H DICKINSON:

No comment.

G MURPHY:

Because it appears to me that you would've had some contact with Mr Charter and if you had have had, then been aware of all those, all the warning signs, the red flags for corruption, surely you'd have been discussing that with him?

H DICKINSON:

No comment.

C BROWN:

Okay.

G MURPHY:

Can we go on to page 104 please, 104? Now this is a document that we have obtained from the Arstow file. Now Arstow, I'll try and help you, was another agent used in South Africa, used by BAE in the same contract and the gentleman behind that particular advisor, company, was a Mr Alex Roberts. Does that, does that help you?

H DICKINSON:

No comment.

G MURPHY:

Okay. This is written by Mr Roberts. We've

asked him who 'A' is and Mr Roberts believes that to be him. Okay? And what I'd like to do is just look at the second paragraph. 'I spoke to BAE about out-of-pocket expenses and have agreed that we should submit expense claims with no details. Accordingly, please will you prepare an invoice for the period October, November, 1998, generally along attached lines and mail it to Mr Dickinson with your own cover, covering letter.' It goes on, we needn't bother ourselves with that. It then, 'PS Also if you prefer to use a different format, please do. The main points are that my name and locations of travels, hotels etc. are not provided.' So, was it you that Mr Roberts had that discussion with about expense claims?

H DICKINSON:

No comment.

G MURPHY:

Was it you that agreed with him that he need not provide any details to any of his claims?

H DICKINSON:

No comment.

G MURPHY:

And it was so important to Mr Roberts that he reiterates at the bottom, 'My name and locations of travel, hotels, etc. are not to be provided.' Was that you?

H DICKINSON:

No comment.

G MURPHY:

Why do you think somebody in BAE, it mentions your name on this letter, but we can't, we can't say it is, somebody in BAE would be happy for an advisor to submit invoices with no details on them?

H DICKINSON:

No comment.

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G MURPHY: Would that satisfy your auditors?

H DICKINSON: No comment.

G MURPHY: You mentioned KPMG were fully aware of this in your statement, or fully aware of the procedures in place. So why is it that, that you'd be happy for BAE to be happy to submit claims with no details?

H DICKINSON: No comment.

G MURPHY: Okay. If we could go please to page 107? Actually, I've just seen that the tape is about to finish and rather than enter into another, another document, I'll stop the tape here and we'll continue on another tape. So, the time by my watch now is 13.15.

C BROWN: 14.

G MURPHY: It is 14? 14.15, the time elapse counter is at 45, 44. We'll stop the tape.

(End of Tape 5)

TRANSCRIPT OF INTERVIEW HELD AT THE SERIOUS FRAUD OFFICE ON
WEDNESDAY, 20th FEBRUARY 2008.

CASE REFERENCE RL102

TAPE 6 OF A BATCH OF 6

PERSON BEING INTERVIEWED: MR HUGH DICKINSON

PERSONS PRESENT:

MR GARY MURPHY	-	SERIOUS FRAUD OFFICE
MR CARL BROWN	-	SERIOUS FRAUD OFFICE
MR MATTHEW COWIE	-	SERIOUS FRAUD OFFICE
MS MARIA THEODOULOU	-	SOLICITOR
MR BAMBOS TSIATTALOU	-	SOLICITOR

G MURPHY: This is a continuation of an interview with Mr Hugh Dickinson.
This is tape six. The time by my watch is now 14:20 and it's still 20th February 2008.
Mr Dickinson can you confirm that the same people are present as previously?

H DICKINSON: I can.

G MURPHY: Thank you. And can you also confirm that we've not discussed this case at all during the short break?

H DICKINSON: I can.

G MURPHY: Thanks.
I will remind you that you are still under

caution and that you are not under arrest and free to leave.

first of 16 instances

H DICKINSON:

Understood.

G MURPHY:

Okay at the end of the last tape I was just about to move on to another or continue, I should say, with Arstow which was as we have already said was an agent, an advisor that was used in the South African contract with BAE. Do you know who Fana Hlongwane is?

H DICKINSON:

No comment.

G MURPHY:

Was Fana Hlongwane an advisor that BAE used?

H DICKINSON:

No comment.

G MURPHY:

Did Fana Hlongwane, was he ever considered by the referrals committee?

H DICKINSON:

No comment.

G MURPHY:

Fana Hlongwane was the special advisor to Joe Modise. Joe Modise at that time was the Minister of Defence for the ANC when the ANC were in power.

Do you know whether Fana Hlongwane was the advisor to the Minister of Defence whilst he was acting for BAE as an advisor?

H DICKINSON:

No comment.

G MURPHY:

Is that something that was ever considered again by the referrals committee?

H DICKINSON:

No comment.

G MURPHY:

Do you think it would be a relevant piece of information for the referrals committee to consider when they are looking at appointing Fana Hlongwane?

H DICKINSON:

No comment.

G MURPHY: Did you ever bring that to the attention of the referrals committee?

H DICKINSON: No comment.

G MURPHY: Have you ever heard of the company called West Unity Business Limited?

H DICKINSON: No comment.

G MURPHY: If you go to page 105 please, its docman reference 005681000704.

Towards the bottom of that page you will see West Unity Business Limited. I will just read us through that paragraph. Sorry this is a document I should say written by Hugh Thurston to Johannes and that is Johannes Matt, both who are administrators for Arstow and West Unity. 'I have referred to your letter to me of 1st February and I see that the company does not have a GP pound account. Red Diamond is prepared and wishes to pay direct to the company some funds. Sterling on account of expenses. I enclose a draft invoice which should be sent to Hugh Dickinson at BAE.'

So would it be fair to say that you have some knowledge of West Unity from that paragraph?

H DICKINSON: No comment.

G MURPHY: It would appear they are sending their invoices to you. Probably haven't got much detail on them.

Okay.

I would like to take you then to page 107 please. Docman reference 013481000057.

This is dated 20th September 1999 and it's from

yourself to Mr Turner, Mr Smith, Mr Kevin Smith, and Mr Riley.

And you are requesting that they, I will just read that paragraph out, 'I have received the attached urgent request to amend our arrangements in South Africa. I would be grateful if you would consider approving the proposal ex-committee. If you do approve would you please sign where indicated and return.'

Okay so it's an ex-committee procedure. So let's have a look at what the proposal is. If we go to page 110, it proposed to make an immediate one off payment of £100,000 to Arstow Commercial Corporation.

This amount is to be deducted from the first payment due and in respect of the contract with either the Hawk or the Gripen.

So you're requesting ex-committee that another £100,000 one off payment is approved. Is that all the information the ex-committee personnel received?

H DICKINSON: No comment.

G MURPHY: Following your system that you introduced how were they able to satisfy themselves what that payment was to be used for?

H DICKINSON: No comment.

G MURPHY: How were you able to satisfy yourself what that payment was to be used for?

H DICKINSON: No comment.

G MURPHY: How were these three people able to satisfy themselves that Arstow were worth the £100,000?

H DICKINSON: No comment.

G MURPHY: Was it their decision or was it somebody else's decision?

H DICKINSON: No comment.

G MURPHY: Why is it at all that this particular urgent request was put through the ex committee procedure?

H DICKINSON: No comment.

G MURPHY: Because, the reason I ask, is that on the same day, on 20th September there was a referrals committee meeting.

Why was it that that £100,000 and that proposal was not put to that committee?

H DICKINSON: No comment.

G MURPHY: Was it because you didn't want the committee to make that decision?

H DICKINSON: No comment.

G MURPHY: Was it because you just didn't even want them to know that such a decision was about to be approved?

H DICKINSON: No comment.

G MURPHY: On exactly the same day there was a referrals committee meeting. To me that's as though, you know, that was to be kept quiet about, that £100,000 payment, is that right?

H DICKINSON: No comment.

G MURPHY: Have you ever had discussions with Mr Roberts of Arstow?

H DICKINSON: No comment.

G MURPHY: Do you know where that £100,000 went?

H DICKINSON: No comment.

G MURPHY: It did leave BAE, sorry it did leave Red Diamond's account and it did go to Arstow. And went to Arstow on 5th October, so what's that, it was approved on 27th, so maybe just over a week later that money was actually paid to Arstow.

Can you ever remember having any conversations with Mr Roberts about that money now?

H DICKINSON: No comment.

G MURPHY: That money was then the following day transferred to the bank account of West Unity and Fana Hlongwane.

H DICKINSON: No comment.

G MURPHY: Did you agree that?

H DICKINSON: No comment.

G MURPHY: You would remember it though wouldn't you if you did agree that?

H DICKINSON: No comment.

G MURPHY: Do you ever remember having any discussions at all with Mr Roberts about that?

H DICKINSON: No comment.

G MURPHY: See I have interviewed Mr Roberts and Mr Roberts tells me that he did discuss that with you. He discussed the fact that he believed Fana Hlongwane should be paid and he discussed that with you and you said to him, well pay it, but we are not giving him an agreement, it's got to be paid through your Arstow agreement. Now why on earth would you say that to him?

H DICKINSON: No comment.

B TSIATTALOU: We haven't had that disclosure.

G MURPHY: No we will let you have that.

B TSIATTALOU: I am grateful.

G MURPHY: Do you remember the conversation?

H DICKINSON: No comment.

G MURPHY: Why is it that you would agree to depart from your own procedures?

H DICKINSON: No comment.

G MURPHY: The system's a sham isn't it? Corruption flourishes.

B TSIATTALOU: They are not questions.

G MURPHY: On paper it looks good doesn't it?

H DICKINSON: No comment.

B TSIATTALOU: Can we confine comments and questions please?

G MURPHY: Do you know the significance of that payment?

H DICKINSON: No comment.

G MURPHY: On 15th September 1999, five days before you asked for an urgent request, rather than put it through the referrals committee meeting, on 15th September the South African Cabinet approved the South African contract. Basically the contract had effectively been won and that was announced on 15th September. What did Mr Hlongwane do to help you win that contract?

H DICKINSON: No comment.

G MURPHY: Who did Mr Hlongwane have to pay for successfully getting the contract?

H DICKINSON: No comment.

G MURPHY: £100,000 and there you are agreeing with Mr Roberts to pay that money onto Mr Hlongwane. Is that right?

H DICKINSON: No comment.

G MURPHY: Do you know what Mr Hlongwane did with that money?

H DICKINSON: No comment.

G MURPHY: Why did you not agree to paying Fana Hlongwane via his agency company or via a company of his, West Unity?

B TSIATTALOU: Sorry can you put that again please?

G MURPHY: Yeah, why did you not agree to pay Fana Hlongwane the £100,000 directly to his company, West Unity?

H DICKINSON: No comment.

G MURPHY: Why did you introduce another layer, another level of opaqueness, for want of a better word, into that procedure?

H DICKINSON: No comment.

G MURPHY: Was it because you did not want people to know that money had been paid to Fana Hlongwane?

H DICKINSON: No comment.

G MURPHY: By BAE?
Do you think the referrals, the ex-committee referrals personnel, Mr Turner, Mr Smith and Mr Riley, would have been better able to make a decision if they had been given all of that information?

H DICKINSON: No comment.

G MURPHY: Did you provide them with all of that information?

H DICKINSON: No comment.

C BROWN: No I have got nothing on that.

G MURPHY: Okay, I have nothing else, is there anything

else you want to add, or say at this point?

C BROWN:

No, not really. Not really.

G MURPHY:

Is there anything that you would like to add at this stage?

H DICKINSON:

No.

G MURPHY:

If there is anything that we have got wrong, I would invite you now to put us straight. If it wasn't you that was making these decisions and you were asked to do it by somebody else, please let me know. Tell me.

I can only give you the opportunity to answer the questions, that's all I can do.

Okay is there anything that you would like to-

M THEODOULOU:

Just for the benefit of the tape I would just like to add, I haven't interrupted through because it would disjoint your questioning but in respect of information regarding Richard Carter, Barry George, Alex Roberts and Mr Hlongwane, that wasn't within our disclosure bundle that was given to us on 7th February, in particular anything relating to an interview with Mr Roberts, or any, the information that was directly given about those people.

G MURPHY:

Yeah, I mean, I would just say that we didn't think it was necessary because we believed in Mr Dickinson's role he had to know who the agents were. So we believe by giving him the name of the agents, the advisor companies he would know who we were talking about. Okay, nothing anybody else would like to add?

B TSIATTALOU:

No, only that I would be grateful for the pieces

of interviews -

G MURPHY: Yeah the extracts.

B TSIATTALOU: - the extracts as soon as practicable.

G MURPHY: Sure.

Okay. That being said, the time now by my watch is 14:35, the time elapse counter is showing 16 and we will stop the tape.

(Interview concluded)