

*TRANSCRIPT OF "FILE ON 4"*

*CURRENT AFFAIRS GROUP*

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ABRAMS:                                 Ministers have signalled they’re determined to crack down on corruption by British companies abroad. Earlier this year they introduced tough new rules to ensure UK firms wouldn’t pay bribes. But now a whole series of allegations is surfacing about UK-backed projects. And File on 4 can reveal that a secretive government department is using taxpayers’ money to underwrite questionable deals.

SIGNATURE TUNE

ACTUALITY ON BRIDGE

In the mountainous terrain of Northern Papua New Guinea, a massive timber lorry clanks across a bridge as it takes its load to the port.

LEWIS:                                 We’re standing here in the rain at a bridge side across the Markham River. A place called Lae, which is on the northern side of Papua New Guinea. It’s a

combination of Bailey bridge and girder bridge. It washed away beginning of this year and was repaired locally.

**ABRAMS:** Papua New Guinea's a mountainous, tropical country and it's prone to both earthquakes and floods. Its farmers often face problems getting their coffee and cocoa palm to market. So no one disputes it needs bridges. And Mal Lewis' firm builds them. When he heard the government was tying up a big contract with a British company named Mabey and Johnson, he wanted to get involved.

**LEWIS:** I wrote to the then Prime Minister and said hey, we want to tender for this as well. Had a couple of verbal discussions and I basically got a letter back saying sorry, but the country needed this deal, end of story. We knew that our prices were in the order, depending on the spans, of 30% to 40% below the Mabey and Johnson price. Our price per bridge would have been more than a million kina cheaper. Basically we couldn't tender.

**ABRAMS:** Mr Lewis says he could have provided the bridges for around £15 million – considerably less than the £35.7 million paid to Mabey and Johnson. Critics might say he was bound to complain when he lost out on the deal - after all, he was a disappointed business rival. But he wasn't the only one who was unhappy.

**PHILEMON:** I was against it from the beginning on the basis that we did not go through the proper transparent process in procuring the contract, it was done without international tenders.

**ABRAMS:** Bart Philemon is Papua New Guinea's Finance and Treasury Minister. Just after he came into office two years ago he had to deal with a complete collapse in the country's economy. Schools were closed and hospitals unable to offer the treatment people needed. He blamed the recently-completed bridge project.

**PHILEMON:** It contributed towards our 2002 huge budget blow-out, because it wasn't provided for in the budget. This bridge, together with a number of other unbudgeted items, blew out our budget to almost 8% of our GDP, something which we could not sustain. All our resources, financial resources are going into paying these debts which obviously denies any funding for our road maintenance, our health, our education, has been committed for fourteen years.

**ABRAMS:** Under Papua New Guinea law, all public contracts have to be let by competitive tender. It's supposed to cut costs and help prevent corruption. So the bridge deal was fraught with legal difficulty. In the end, the government sidestepped the problem by certifying the contract as an emergency measure – claiming no other firm could supply the bridges. Mabey and Johnson didn't want to be interviewed, but insisted in a statement that their bridges represented good value for money.

**READER IN STUDIO:** The procurement process was lawfully certified by the Government of Papua New Guinea as not requiring a competitive tender, given the specialist nature of the requirement. Ours is the best value solution: we directly ensure that the bridges and associated infrastructure are built on time and within budget.

**ABRAMS:** There were other reasons for concern, though. The Papua New Guinean department responsible for the project had been condemned as corrupt after an official investigation. Engineers within that department were so worried about the issue that they compiled a dossier, seen by File on 4, which set out their concerns. A British campaigning group called The Corner House detailed the claims in a memorandum to a House of Commons committee:

**READER IN STUDIO:** These allegations are specific: that £2.7 million was paid to the ruling party of the time, the People's Democratic Movement, and £1.8 million to two ministers responsible for ordering the bridges. Several MPs and politicians from Papua New Guinea, including the former mining minister of the outgoing government, have called for investigations to ensure there was no corruption in the project.

**ABRAMS:** The memo called for British law enforcement agencies to carry out further investigations. Dr Susan Hawley, a research consultant with the Corner House, says she carried out a thorough investigation before going public.

**HAWLEY:** We don't make these allegations lightly. We heard about these allegations from extremely good sources. I'm prepared to say that it was actually the World Bank, someone from within the World Bank who initially raised these allegations with us. We also know that concerns were raised about these allegations by senior members, both within the Papua New Guinean government and also within the UK

HAWLEY cont: government. We believe that it's right that where there's a public interest, in fact, where there are credible allegations, that they should be made known to the right people. So we believe there was a very strong public interest case for actually doing what we did.

ABRAMS: The British Foreign Office, alerted by UK diplomats in Papua New Guinea, was also worried about the bridges project. It gave details of its concerns to the Metropolitan Police, who passed them to the Serious Fraud Office. For its part, Mabey and Johnson says it hasn't been involved in any wrongdoing.

READER IN STUDIO: The unfounded allegations against our company are completely false. We have not, do not and will not pay or authorise the payment of bribes or any other form of unlawful inducement. We have a comprehensive anti-corruption policy with procedures which are vigorously enforced.

ABRAMS: And there's one British government department that hasn't displayed any reservations about the project – the Export Credits Guarantee Department. This little-known offshoot of the DTI gives financial backing to British exporters when they do business abroad – and it promises to pick up the bill if their foreign clients don't pay. It underwrote the Papua New Guinea bridges with £35.7 million of taxpayers' money. Unlike the World Bank, the ECGD as it's known, doesn't require competitive tendering on the contracts it backs. The chairman of the House of Commons Trade and Industry Committee, Martin O'Neill, is very concerned.

O'NEILL: I wouldn't say that you need to have competitive tendering in every instance, but if the country is in any way disreputable then I think that that should be used as a criterion for rejection on the basis that if there is no competitive tendering and there is a record of difficulties in that country, putting it no more strongly than that, then I think that we would want to err on the side of caution.

ABRAMS: In Papua New Guinea, of course, there has been a history of concern about corruption, and we did have a case here where this contract had been won without competitive tendering.

O'NEILL: Well I think in that area there ought to be a clear indication from ECGD that their rigour has been of an exceptionally tough kind. It would be wrong to suggest that in a country where corruption is rife, that every contract is the subject of corrupt practices. But on the other

hand I think that, like Caesar's wife, you have got to be above reproach, and I think the ECGD and the Foreign Office have got to make sure that that is the case.

## ACTUALITY AT DOCKLANDS

**ABRAMS:** This anonymous glass tower in London Docklands is the headquarters of the ECGD. Here 350 civil servants support British industry in its operations abroad. Their job is to give insurance cover to overseas deals – usually when projects are considered too risky by the private sector. We want to ask the ECGD why it doesn't require competitive tendering on projects it supports, and why, despite the allegations about Papua New Guinea, it's now considering further backing for a second batch of bridges. But neither its Chief Executive, Patrick Crawford, nor the responsible minister, Douglas Alexander, is prepared to talk to us.

Papua New Guinea couldn't have bought those bridges without help from the British government. The money came from a bank, but it was only prepared to make the loan because the ECGD provided a guarantee. Most Western governments offer similar services to exporters. In fact, about one-thirteenth of the world's total exports is covered by these state guarantees. According to Andy Scott, the Director of International Competitiveness for the Confederation of British Industry, it's essential to the UK's economy.

**SCOTT:** Last year, the ECGD provided cover of something like about £3 billion for a range of different parts of the export market, particularly difficult markets where the private sector itself cannot provide the insurance cover or the necessary financial guarantees. And we in the UK have the ECGD, the Export Credit Guarantee Department, and so too do all our developed competitor countries.

**ABRAMS:** What would it mean to British exporters if we didn't have this back-up system?

**SCOTT:** It would be particularly unhelpful for companies associated in the defence industry, in the aerospace industry, which are internationally focused companies who are competing across the world, and if we weren't able to provide this sort of cover for them within the UK, they would have the option of looking at getting that cover elsewhere. If they got that financial cover elsewhere, very often the actual business would go to those countries too, so we would be losing jobs in the UK, we would be losing economic activity in the UK, and we would be losing competitiveness, so it is a key part for some of the major export companies that we have in the UK.

**ABRAMS:** The sort of projects that need export credits are by their very nature risky. But even so, the Export Credits Guarantee Department is supposed to assess them to ensure the government doesn't take on unnecessary risk. It's also supposed to check on a range of ethical issues, such as environmental factors, whether the project will be good for the country concerned and whether corruption might have been involved. But although the department has the power to turn down an application on any one of these grounds, it's never used it. Susan Hawley of the Corner House says it has to prove it's serious.

**HAWLEY:** It's all about implementation and enforcement. And the ECGD clearly has the will to look good on paper, but whether they have the will to actually enforce the things that they ask companies to do is a whole different matter. And that's the trouble is that because it's very very discretionary, so the ECGD in this situation has shown that, you know, it's never refused cover because of a corruption allegation. We know it's never used any of its audit powers to investigate a company because of suspicions of corruption, and as far as we know it's never actually taken action against a company because of corruption, whether that's refusing it further support or withdrawing cover. The only thing the ECGD does is really offload its responsibility to the police by referring allegations to the law enforcement agencies. But in terms of what it's actually done, we've seen very little action.

**ABRAMS:** ECGD says it's always been keen to ensure the projects it backs are financially viable, environmentally sound and free from corruption. Yet one project to which it gave substantial backing raises questions on all three counts.

## ACTUALITY OF FENCE RATTLING

**ABRAMS:** Near Dabhol, 150 miles south of Mumbai, in India, a fence separates villagers from the land they used to cultivate. They lost their mango orchards when the US energy corporation, Enron, built a giant power station on the site. Vital Bhalekar says the power project was a disaster for him and his fellow villagers.

**BHALEKAR (VIA INTERPRETER):** The farmers who lost their land due to the project used to earn their living from growing mangoes and cashew nuts. The compensation they received for the loss of

their land really wasn't very much. They got it, and now it's run out. Now they have neither land, nor work, nor money. These people are now bankrupt. Absolutely bankrupt.

## ACTUALITY OF MILKING

**ABRAMS:** Rajesh Jangli is preparing to milk the cows which are his sole source of income since his orchards were taken by Enron. His family refused compensation.

**JANGLI (VIA INTERPRETER):** My father refused to take the money as a matter of principle because he was part of the movement which opposed the project because of the damage it would do to the environment. When work began on the project, the tree felling started on our land. My father couldn't bear to see it. He was a broken man. He has been ill since and finally died in Mumbai six months ago.

**ABRAMS:** The villagers' troubles date back to a key decision by the Indian Government in the early 1990s. It decided to open up its power sector to outside investors. A high-level delegation went abroad and came back declaring they had a new partner. Enron would build a plant, and the Maharashtra State Electricity Board would buy the power. The £2 billion plant would be India's biggest power project – and also the biggest foreign investment project the country had ever seen. But Girish Sant, a locally-based energy analyst, says right from the start there were serious concerns about how the deal was done.

**SANT:** Firstly the whole contract was a secret contract. There was a lack of competitive bidding, then all approvals by different authorities in India happened at a very lightning speed. And last, but not the least, there was acknowledgement by US officials in the US Senate that Enron had spent \$20 million educating Indian officials and other people. And what does one mean by educating? There was no account of that. It did not give any account of where the \$20 million was spent, it's not a small amount.

**ABRAMS:** What was the suspicion then of how that \$20 million was spent?

**SANT:** We don't know. You can't spend \$20 million on education on so few individuals.

**ABRAMS:** The World Bank refused to back the project, and questioned whether it was financially viable. Later, a panel of judges would declare it had been tainted by corruption. But the Export Guarantee Department was happy to get involved – at an early stage it gave insurance worth about £45 million to a group of banks which was financing the project. In 2000, after years of controversy over the plant, ECGD was asked to give its backing again – this time to a British construction company which wanted a guarantee of £30 million. The department agreed. A few months later the plant closed down. Girish Sant says no one should have been surprised.

**SANT:** It should have been very obvious to the British government that anyone who was in India would have known about the controversy related to Enron, and it was a very clear thing that this projected to the media – impending disaster. So the UK government, in very common sense should have known this was a major problematic project and they should not have got involved in the project.

**ABRAMS:** And if they asked you now what they should do, having got themselves into this situation, what would you say to them?

**SANT:** The Export Credit agency ought to ensure that the money that they are giving supports projects which are pro-development and not anti-development. They are not exploiting people doing something illegal or very obviously illegal. And if something illegal comes up, then they have to withdraw from the whole thing.

**ABRAMS:** We wanted to ask ECGD whether its officials actually visited India before they gave £75 million in guarantees to the Dabhol power plant. And we wanted to know what questions they asked - about its impact on the local population, about its economic viability and about the allegations of corruption. Its officials weren't prepared to talk about the case. They're still dealing with the aftermath of Dabhol's collapse. They've received claims amounting to around £45 million from the banks – and they're likely to pay out several million more on the construction contract they supported. That money will come from funds held on behalf of the British taxpayer. But ECGD will do its best to claw back the money, according to Susan Hawley of the Corner House.

**HAWLEY:** It's not actually the British taxpayer who picks up the bill, but it's actually the taxpayers of the poor countries or the country where the project takes place, in this case India, who end up footing the bill. The way the ECGD works is that it always requires a counter-

guarantee, a sovereign guarantee from the government of the country where the project is going ahead, so that in the event that it all goes wrong, we try to get the money back off the government of the country where the project took place.

**ABRAMS:** What are the implications then for a very poor country of getting involved with the British government and ECGD?

**HAWLEY:** There are enormous implications. I mean, let's remember that 95% of the debt owed by the poorest and most indebted countries of the world that is owed to the UK is owed specifically to the ECGD and results from projects basically that the ECGD supported. So a poor country getting into an ECGD contract has to know that that project is going to be viable, that it's not going to be beset by problems.

**ABRAMS:** It's part of a pattern that goes back decades. Many of the world's poorest and most troubled countries owe huge sums to ECGD. Iraq still owes more than £600 million for debts it ran up in the 1980s. Indonesia owes a total of £1.4 billion – some of it for Hawk Jets sold during the 1990s. But the biggest debtor of all is Nigeria. It owes £4.4 billion – and some of that dates back to the 1970s. Yet ECGD is still giving new backing to Nigeria. Two years ago the then trade minister, Baroness Symons, announced a £127 million guarantee. It was for a British-based firm named MW Kellogg to help build a new gas plant at a place called Bonny Island. The project looked like a financial and environmental success. But beneath the optimism there was an undercurrent of intrigue. The scramble to win one of Africa's most lucrative contracts had led to some bizarre goings on.

**SMITH:** I spoke to the oil minister of Nigeria at the time, and he told me someone rang him up and said, 'My name is London Weather and we will set up an account for you, and every time I put money into it I will phone you up and say London Weather is calling.' And he told me that he'd turned down such an offer.

**ABRAMS:** Patrick Smith is editor of a specialist London-based foreign affairs journal, Africa Confidential. He's been following the tale closely since the contract was won several years ago by a consortium including MW Kellogg - which is now a subsidiary of the American corporation, Halliburton.

SMITH: For some time rumours have been circulating in Nigeria that there was some sort of slush fund linked to the project, to buy favour within the communities of the Niger delta where the project is situated. There were stories that senior officials in the military had demanded some sorts of kickbacks from the project; and there was a lot of scepticism that a project, which was going to be worth a total of \$10 billion, could have been set up and executed without some form of kickback or bribery. And these rumours had continued about a slush fund.

ABRAMS: They were more than just rumours. Details of the fund are contained in a series of contracts and other documents, which have been seen by File on 4. They suggest executives of MW Kellogg persuaded the gas consortium to buy 'consultancy' services from a Gibraltar-based company named Tri-Star. Tri-Star was to be

ABRAMS cont: paid around £100 million pounds, through bank accounts in Switzerland and Monaco.

## ACTUALITY ON WEST GREEN ROAD

ABRAMS: The money trail leads here, to a scruffy office next to a Halal butcher's in a poor area of North London. The man behind Tri-Star, a solicitor named Jeffrey Tesler, has worked here for more than thirty years. There's little sign of the huge sums he's supposed to have been paid. We've just been inside to try to talk to him, but sadly he's not here.

Mr Tesler proved hard to track down, and he hasn't responded to our invitations to take part in this programme. But he did talk to a French judge, Renaud Van Ruymbeke, who's investigating a French company that was involved in the project. Mr Tesler admitted receiving enormous amounts of money, and acknowledged he'd made payments - to a senior Nigerian official and to consortium executives. He insisted those payments were for legitimate purposes. But a Nigerian Parliamentary inquiry, headed by MP Chudi Offordile, concluded the companies involved should be barred from doing business with the Nigerian government.

OFFORDILE: Unfortunately, one of the most successful projects undertaken in this country has ended up being also one of the most embarrassing. The companies need to come clean, the western government need to encourage them to come clean and to, you know, for us to get to the root of this matter and then solve it and hope that in the future other projects will not suffer the same fate.

ABRAMS: In simple terms, what was the role played by Jeffrey Tesler in this?

OFFORDILE: In simple terms, Tesler was the anchor man. Somehow he persuaded, or somebody persuaded the consortium to engage his services, and in Nigeria that is part of the problem we face, you know, the cost of doing business in Nigeria is increased by these middle men who come in ostensibly to help sort out things on the local side.

ABRAMS: Judge Van Ruymbeke is now conducting a criminal investigation in Paris. In America, MW Kellogg's parent company, Halliburton, has sacked two of its executives, and it's told financial authorities it's found evidence bribes may have been paid. Halliburton told us it was now doing its best to help those authorities in a major investigation, as well as carrying out its own inquiries. It also said it took the issue of corruption extremely seriously. It's still not clear where most of the money went – though much of it has been frozen in a Swiss bank account. Mr Offordile thinks the British government should have known about the bribery allegations.

OFFORDILE: I believe they should have known in 2002. The allegations were public knowledge before the contract was signed, and if the British government supported it, I'm sure they knew or they ought to know. And I expected them to conduct what is called due diligence. You don't just jump into projects like this. If you are going to participate in a project and raise money, you ought to ask questions. That's due diligence – finding out exactly what the project is all about, how it has come up. They ought to have done their due diligence. If they had done so I'm sure these things would have come up.

ABRAMS: What would you like to see the British government do now?

OFFORDILE: The British government should have its own inquiry. Tesler is resident in London, some of the contracts are signed in their offices in London. I mean, it would be of immense assistance to this investigation if the government of the UK goes ahead with its own inquiry. Up to this moment I don't think the British government has done enough.

ABRAMS: As recently as July this year, ECGD was proclaiming the Bonny Island project a success in its annual report. That was nine months after the news broke that the French

were investigating. The Serious Fraud Office have told us they're helping the French inquiry, and they're also assisting the investigation in America, where Kellogg's parent company is based. But there are still questions about whether the British government or British law enforcement agencies should be setting up their own inquiries. The Trade and Industry Committee chairman, Martin O'Neill, says the UK should be doing more.

O'NEILL: It could be argued that although it's taking place abroad and we are helping the authorities with their inquiries, but I think that where there is a British cornerstone role, then something ought to be done. And I think that when we have the minister before us, this is one of the questions we will be asking: why is it that where there is British involvement in what seems to be an international scandal, there is such a limited investigatory role being carried out by the British authorities.

ABRAMS: Again, ECGD wouldn't be interviewed, but it did issue a statement in which it said it would automatically refer any allegations of corruption to the police:

READER IN STUDIO: An admission or a conviction for bribery and corruption is a prima facie reason for ECGD refusing cover for new business. Companies that engage in corrupt activity in relation to a contract insured by ECGD will have their insurance for that contract voided, and the Department will seek repayment of any claims it may have paid out under that insurance.

ABRAMS: But that would require prosecutions, and no executive of a British company has ever faced charges in the UK for paying bribes abroad.

## ACTUALITY IN PARIS

ABRAMS: Here in Paris, it's a different story. In the past decade, the judges here at the Tribunal De Grande Instance have uncovered numerous scandals involving French companies – and they've brought charges against them. This is where judge Renaud Van Ruymbeke, is investigating the Bonny Island allegations. The judge has told us he can't talk about the case, other than to say that he's getting good co-operation from the Serious Fraud Office. But he does want to tell us about the concerns he and his fellow judges across Europe have over Britain's attitude to tackling corruption.

VAN RUYMBEKE: In general terms myself and other judges who are in Paris and

Swiss too, in Luxembourg, we have a lot of difficulties with co-operation from UK in financial cases, and we don't know how to progress.

ABRAMS: How do you think the rest of the world now views Britain in terms of its ability to tackle corruption?

VAN RUYMBEKE: We think that it's a heaven in London, in Britain. I am asking you, do you know cases, financial cases, bribery cases, companies which were prosecuted and sentenced in the UK? Who has been prosecuted in UK? Who? Perhaps in UK nobody pays bribes. Nobody? It is the first country where is it so.

ABRAMS: ECGD gave its backing to the Bonny Island project in 2002. But earlier this year it brought in tough new rules, which meant in future cases companies would have to give detailed information about agents, such as Jeffrey Tesler. Dr Susan Hawley of the Corner House says it was a move which should have been welcomed.

HAWLEY: In May this year they introduced a whole raft of new procedures, which were actually quite visionary and they required a good deal of disclosure. Companies had to disclose a lot of information about agents they were using, commission payments that they were making, and they also had to warrant that they weren't going to pay bribes, and that none of their partners would pay bribes either. They were strong and they were very very good. And it put the ECGD really in the lead. It's one of the few, if not the only areas where the UK has shown genuine international leadership on bribery. But what happened is, shortly after they introduced these new procedures, various customers got very unhappy about them and they have been negotiating with ECGD over the last five or six months to get them watered down.

ABRAMS: Those rules were meant to ensure Britain complied with an OECD convention on bribery and corruption, which we signed up to four years ago. But over a six-month period, industry representatives, along with major exporters such as BAE, Airbus and Rolls Royce, met ministers and officials no fewer than eight times to complain about them. The CBI was at the forefront of the lobbying operation. According to its Director of International Competitiveness, Andy Scott, the new measures were unreasonable.

SCOTT: Many in the business community fully accept the need to have

rules, regulation, legislation which outlaws and which then comes down hard on illegal and on unethical practices. That isn't in debate, that has always been accepted by business. But many would have also said that the ECGD has the provisions to ask the sorts of questions which it legitimately is entitled to ask. Now when they introduced those enhanced provisions in May of this year, they did so on a unilateral basis. They didn't consult with business, we were not aware of them until it was formally announced on their website that these new provisions were to be introduced, and as a result – really rather unsurprisingly – there were an awful lot of practical issues which have made it very difficult for certain businesses to be able to comply with them.

**ABRAMS:** Surely what ECGD was trying to do was to put Britain in the forefront of moves to combat corruption, and what you were trying to do was basically to water down the provisions that they were bringing in? That doesn't really give a very good signal, surely?

**SCOTT:** Well, I don't think it's that at all. What we were at pains to want to ensure was that we at least had something which was practicable, we at least had a workable solution, we had something which had a degree of certainty to it. And also something which was not going to place the UK – ie ECGD – at a competitive disadvantage, because at the end of the day this is a competitive environment.

**ABRAMS:** A few weeks ago, ministers announced a climbdown. Companies would no longer be required to investigate before declaring they knew of no plans to pay bribes. They'd no longer have to vouch for the honesty of their venture partners. And if they didn't want to disclose the names of their agents, they wouldn't have to do so. Andy Scott says our rules are still stricter than those of other industrialised countries.

**SCOTT:** They have given the ECGD enhanced provisions on guarantees, on audits, on agents and commissions. What we have been able to do is find a workable solution such that the companies are then able physically to comply with those, and that's really frankly what we've been looking for from day one in this.

**ABRAMS:** You mention agents, but if you look at just that one issue, you could take three or four countries that would be ahead of us now on that. Holland requires details of agents, Australia and Japan require companies to give guarantees their agents won't bribe. Norway says it will hold companies liable if they find that an agent has paid a bribe. And yet now our companies are not being asked to give any guarantees about their agents' activities. Surely that means

we've slipped backwards?

SCOTT: I don't think it does. I mean, I think if you look closely at what indeed has been of the provisions, there is indeed more information which is required on the agents. A number of other countries may have stronger provisions in certain of those areas, but then many others don't. So again I think it's a question of looking at this in the round.

ABRAMS: But when you look at the detail, for example, on agents, there's a rule that says if the agent's commission is more than a certain amount of the contract then you should name the agent. And then the rules go on to say, but if you don't want to name the agent, you have to give a reason. Surely that's just a huge loophole, isn't it?

SCOTT: Well, it's not a huge loophole. It comes back to what is practicable. In certain areas, if there is a non-disclosure agreement, which is a perfectly acceptable and normal part of business practice, which by disclosing the details of that agent you would be in breach of, that would be a criteria which would justify not disclosing the agent's name. It doesn't mean that ECGD then might not indeed ask for more information or indeed ultimately might not provide that finance, if it felt that for whatever reason the name of that agent had been withheld unreasonably.

ABRAMS: The row has led to numerous questions in the House of Commons, with MPs demanding to know why ministers caved in so readily to pressure. The Trade and Industry Select Committee now wants to question ministers about their commitment to tackling bribery. After all, the Prime Minister himself has led the government's anti-corruption drive. Martin O'Neill, the committee's chairman, says they'll have some tough questions to ask.

O'NEILL: The Secretary of State should come and tell us why there has been this step change, because it is quite a significant change, and I think for many people – myself included – a rather disappointing one.

ABRAMS: Who would you hold responsible for that?

O'NEILL: Aggressive lobbying combined with vacillating ministerial and civil service responses. They didn't stand up to these people. This is profoundly disappointing. If people are serious about addressing the issues of corruption in its myriad forms, then Britain might be a softer touch than they had anticipated, and I think that's regrettable, because we were beginning to

carve out, I think, a credible position as a country that set and maintained high standards.

**ABRAMS:** And the government is likely to face more criticism in the coming months. The OECD has been in the UK to review progress on implementing its anti-bribery convention, and it's likely it will have serious criticisms. In Paris, Judge Van Ruymbeke says the convention and the rules which are meant to enforce it mean nothing if they're not applied, and he questions whether Britain's doing enough.

**VAN RUYMBEKE:** There is a political choice to do. Do you want to protect your companies, close your eyes, or do you want to clear the place and to apply the convention and to fight against the briberies? It's a political choice, bit you can't sign the convention of OECD and in the same time refuse to co-operate, to check, to investigate.

**ABRAMS:** The British companies, of course, would say we are very much against bribery, we wouldn't dream of bribing anybody, but we just think the rules are too complicated, we can't possibly know what our associates abroad are doing, so we can't apply these rules.

**VAN RUYMBEKE:** I don't understand why they can't apply these rules. Do they want to say, we want to pay briberies? That's what they say today?

**ABRAMS:** They would say not. They would say no, we don't want to pay bribes.

**VAN RUYMBEKE:** What is the problem? If they don't pay, what is the problem? There is no problem.

**ABRAMS:** So if Britain is dragging its feet on the OECD convention, what message is that sending to other countries like France and Italy?

**VAN RUYMBEKE:** The message is clear – our companies will get more contracts than you.

**SIGNATURE TUNE**