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SFO is 'actively' pursuing corruption allegations

By Jimmy Burns and Michael Peel

The Serious Fraud Office is "actively" pursuing cases of alleged corruption involving British companies, and the government remains committed to its international anti-bribery obligations, Mike O'Brien, the solicitor-general, told MPs yesterday.

Mr O'Brien disclosed the SFO was looking at corruption allegations regarding BAE System's interests in Qatar as well as continuing to probe claims about all-eged bribery in South Africa, Tanzania, Romania, Chile and the Czech Republic.

The company has denied all claims of corruption. Last night it said it was co-operating fully with the SFO but could not comment while investigations were ongoing.

The minister's remarks came as the government resisted an attempt by the Liberal Democrats in the Commons to force an independent inquiry into the ending of the SFO investigation into bribery claims surrounding the BAE arms deal with Saudi Arabia.

Liberal Democrat MPs argued that the process surrounding the abandonment of the SFO inquiry remained unclear, and disputed government claims that the public interest had been served by submitting to threats from the Saudi regime that it would break off security co-operation.

But Tory MPs, led by Dominic Grieve, the shadow attorney-general, and Sir Malcolm Rifkind supported the government in arguing that Tony Blair had been right in saying the SFO in-vestigation should be called off on national security grounds.

The SFO's interest in Qatar stems from a 2001 Jersey police investigation into suspicious financial transactions on the island linked to Sheikh Hamad bin Jassem bin Jabr al-Thani, the Qatari foreign minister. The authorities froze more than £100m in a trust fund controlled by the minister while police probed whether the trust was set up to accept payments made by British and other European companies to secure contracts in Qatar.

BAE said at the time it had been "asked questions" relating to the case, al-though it added it was "not the object of the investigation". The company said it had acted as a contractor on a 1996 deal with Qatar to deliver armoured vehicles made by GKN, the engineer and arms maker.

In an echo of the BAE-Saudi probe, the Qatari government was angry about the investigation, while British officials expressed concerns that the probe was damaging relations between the countries. Jersey dropped the investigation in 2002, citing public interest concerns. Mr Hamad, who denied any wrongdoing, paid £6m to the Jersey authorities to compensate for any perceived damage caused by the events.

The Qatar case is unlikely to lead to a British prosecution, whatever the evidence. The events all took place before 2002, when British law banned companies and individuals from bribing foreign public officials. Last week the office of Jersey's attorney-general declined to comment on whether it had received a request for assistance from the SFO.

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