
Acquittal of two men for making corrupt payments on UK-Saudi arms deal must lead to full independent inquiry into UK government's role - Background Briefing

Two individuals were today acquitted of paying bribes to public officials in Saudi Arabia, in order to secure and maintain a multi-billion-pound defence contract for the UK government. The company at the heart of these payments, GPT Special Projects management, pleaded guilty to making these payments in 2021.

These acquittals raise serious questions about government knowledge and complicity with the alleged corruption.

Jeffrey Cook was Managing Director of GPT - an Airbus subsidiary - on behalf of whom he was charged with making or conspiring to pay £9.7 million worth of bribes to senior officials in Saudi Arabia's National Guard in order to win or influence £1.6 billion worth of contracts.

Mr Cook was found guilty of charges of misconduct in public office, relating to commission he received for placing a contract on behalf of the Ministry of Defence when he worked for the department.

John Mason was financial officer and part-owner of Simec and Duranton, two offshore companies that were given subcontracts by GPT through which it was alleged that bribes were paid to Saudi officials. He was found not guilty of making or conspiring to make corrupt payments to these officials.

Spotlight analysis

The case has exposed high-level knowledge by the UK government and the Ministry of Defence (MOD) about alleged corruption that has been going on for decades. It has also raised very serious questions about whether the MOD operated mechanisms for continuing to facilitate payments to Saudi public officials well after the allegations emerged, and on other UK government defence contracts with Saudi Arabia.

The MOD has meanwhile consistently obstructed the Serious Fraud Office's (SFO) investigation by failing to provide a full, timely and accurate picture of the department's knowledge. Drip feeding of material, and the absence of full and frank disclosure by the department is likely to have influenced the collapse of the first trial against the men, and to

the SFO inadvertently providing inaccurate information to the court on at least one occasion.

While the jury's job was to decide whether the two individuals were guilty of paying bribes, the questions about the MOD and UK government's involvement were not specifically decided by the court.

That is why it is urgent that there is now a full, independent judge-led inquiry into the nature and extent of the government's involvement in facilitating payments to Saudi public officials, and whether arrangements to do so have ceased or are ongoing.

It is also essential that the House of Commons' Defence Select Committee undertake an urgent review of what mechanisms the MOD has put in place to prevent future bribery taking place and to protect whistleblowers.

And finally the National Audit Office should conduct a review of MOD's bank accounts used in its Saudi government to government arrangements, and publish a report about the risks of corruption in these arrangements.

Background

The UK government has had a Memorandum of Understanding (MOU) with the Saudi Arabian government since 1978 to provide billions of pounds worth of military communications equipment, maintenance and training to its National Guard, known as the Saudi Arabian National Guard Communications (SANGCOM) project. Under the SANGCOM project, which is run by Ministry of Defence civil servants, the MOD contracts with a Prime Contractor to deliver the project.

From 1994 to 2019, the Prime Contractor responsible for delivering this project was a specially formed company, GPT Special Project Management Limited, which operated as a subsidiary of defence giant Airbus from March 2007. GPT was responsible for managing sub-contractors to deliver the goods and services required for the project.¹

The UK's Defence Export Services Organisation - a government defence sales body within the MOD until 2008, which later became part of UK Defence and Security Exports in the Department for Business and Trade - sponsored and had general oversight of the SANGCOM project and acted as a representative for the UK government in the MOU with the Saudi Arabian government.

The whistleblowers

In early 2011, a whistleblower, Colonel Ian Foxley, who had formerly worked as GPT's Programme Director, went to the MOD Police and Airbus compliance staff with material alleging that GPT had paid millions of pounds to two Bahrain-registered companies, Simec and Duranton, between 2007 and 2010, despite no evidence of any substantive services being performed.

¹ Mr Justice Bryan (28 April 2021) approved sentencing remarks in *R v GPT Special Project Management Limited*, para 48.

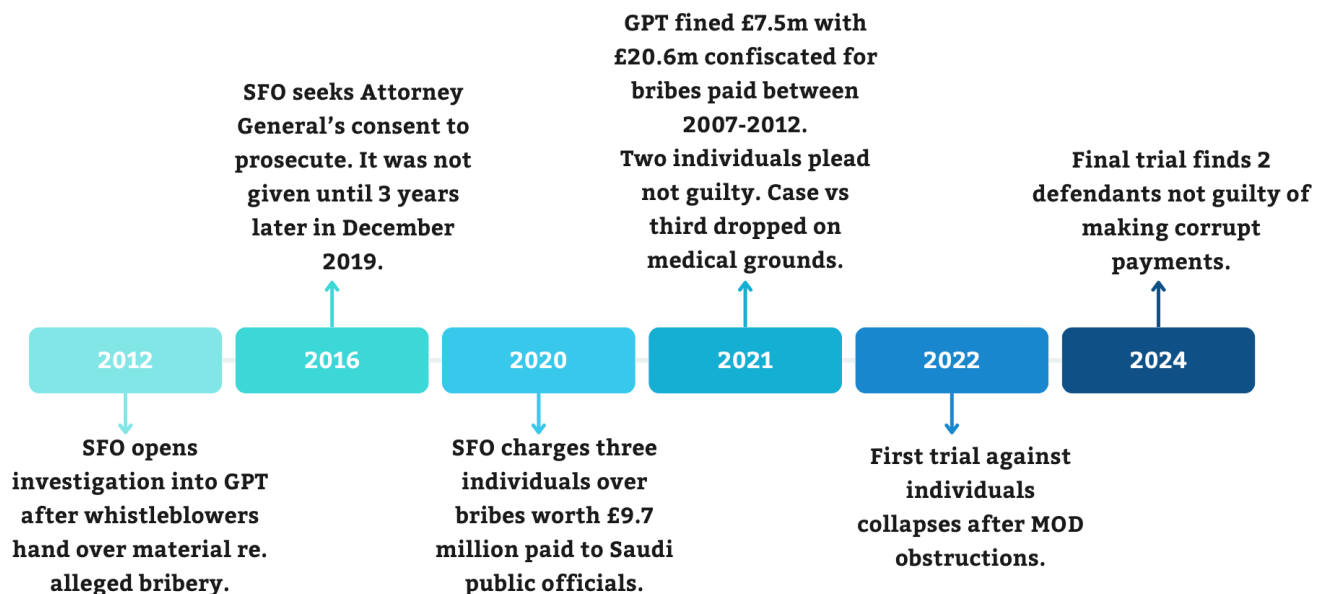
Foxley's material came in large part from an internal whistleblower, GPT's former Chief Financial Officer, Michael Paterson, who sought to get the payments investigated by Airbus in 2007, but ultimately decided not to go to law enforcement.²

When Foxley first raised his concerns about these payments to the MOD's SANGCOM Team in Saudi Arabia, they referred his concerns back to GPT. Foxley was subsequently threatened with prison in Saudi Arabia by GPT's Managing Director, and left Riyadh hastily in December 2010.³

Both the MOD police squad and Airbus reported Foxley's allegations to the Serious Fraud Office in February 2011.⁴ Beyond this referral, it is not clear what serious steps the MOD has taken to investigate the allegations itself.

Foxley's actions were credited by the prosecution and the judge during Cook and Mason's trial with preventing a further £170 million worth of bribes being paid by GPT.

Both Foxley and Paterson have faced considerable discrimination and loss as whistleblowers and have yet to receive any compensation.



² Hawley, S. (October 2017) *State-Sponsored Bribery? Airbus's Saudi Saga and the UK's Ministry of Defence*

³ Private Eye (19 September 2014) *Shady Arabia and the Desert Fix* (Eye 1375)

⁴ Mr Justice Bryan (28 April 2021) approved sentencing remarks in *R v GPT Special Project Management Limited*, para 31-33

The Serious Fraud Office's prosecution

The SFO opened its investigation in August 2012. The agency sought the Attorney General's consent to prosecute under the Prevention of Corruption Act 1906 in late 2016.⁵ However, it was not granted until three years later, in December 2019.⁶

In July 2020, the SFO announced charges against GPT and three individuals – the former Managing Director of GPT, the financial officer of two Bahrain registered companies, Simec and Duranton, who received subcontracts from GPT, and a former MOD employee.⁷

The July 2020 indictment against the individuals charged them with corruptly giving or conspiring to give payments via two companies: Weston Finance Incorporated, and Arab Builders for Telecommunications and Security Services (ABTSS) – both owned by the politically connected Fustok family.

Who was paid?

According to the SFO's charges, the two intermediary companies paid £9.7 million to four senior officials in the SANG and four intermediaries during the indictment period as follows:

Which individuals were charged?

Jeffrey Cook⁸ (GPT's former Managing Director) and John Mason⁹ (financial officer and 10% owner of Simec), pleaded not guilty to corruption. Mr Cook also pleaded not guilty to a further charge of misconduct in public office in relation to commission paid to him when he worked for the MOD in Saudi Arabia before joining GPT.

The SFO dropped its case against the third individual, Terence Dorothy – for allegedly aiding and abetting Mr Cook's misconduct in public office – on medical grounds.

Another "*pivotal figure*" in the case, the 90% owner and managing director of Simec, Peter Austin, was too ill to interview or charge. Austin was a "*fixer in the Middle East for decades, often relied upon by the British commercial community for his extensive contacts and good relations in the host state.*" In GPT's sentencing, Mr Justice Bryan noted that "*were it not for his ill-health, it is highly likely Mr. Austin would also have been charged.*"¹⁰

When did the company plead guilty?

On 28 April 2021, GPT pleaded guilty to making the corrupt payments with which Jeffrey Cook and John Mason were charged between January 2007 and December 2012 in relation to contracts under SANGCOM. It was fined £7.5 million and had £20.6 million confiscated.¹¹

⁵ Spotlight on Corruption and Transparency International UK (4 October 2019) [letter to the Attorney General](#)

⁶ Mr Justice Bryan (28 April 2021) approved sentencing remarks in *R v GPT Special Project Management Limited* para 38

⁷ Serious Fraud Office (30 July 2020) [SFO charges GPT and three individuals following corruption investigation](#)

⁸ GPT's former Managing Director

⁹ GPT's former Financial Officer and part-owner of GPT's subcontractors, Simec and Duranton

¹⁰ Mr Justice Bryan (28 April 2021) approved sentencing remarks in *R v GPT Special Project Management Limited* para 40

¹¹ Serious Fraud Office (4 May 2022) [GPT Special Project Management Ltd](#)

When sentencing the company, the judge, Mr Justice Bryan, identified that the UK government “was substantially involved in the historic corrupt arrangements which led to GPT’s offending conduct. ... There is evidence to demonstrate that knowledge and at least tacit approval of the arrangements within HMG continued (even if many within HMG were unaware of the true purpose of the ... payments) into the indictment period.”¹²

Bryan J identified this involvement as the most significant factor for reducing GPT’s culpability,¹³ and, as a result, the amount of fine it should pay.¹⁴

NAME AND ROLE	TOTAL RECEIVED
UNIDENTIFIED BENEFICIARY (THOUGHT TO BE PRINCE MIT’EB) C/O SALAH FUSTOK	£2,177,760
HRH PRINCE MIT’EB BIN ABDULLAH BIN ABDULAZIZ AL-SAUD – FORMER COMMANDER OF THE SAUDI ARABIAN NATIONAL GUARD (SANG).	£1,804,806
LIEUTENANT GENERAL MOHAMMED BIN KHALED BIN SAAD AL-NAHEDH – FORMER CHIEF OF MILITARY AFFAIRS COMMAND AT THE SANG.	£3,304,092
ABDUL MOHSEN AL TUWAIJRI – DEPUTY COMMANDER OF THE SANG.	£726,463.75
DR ABDULRAHMAN BIN SUBAIT AL-SUBAIT – A SENIOR ADVISOR IN THE SANG.	£370,029.40
MOHAMMAD BIN ABDUL RAHMAN BIN FAHAD AL KREEDES – A SAUDI BUSINESSMAN.	£518,641.76
SALAH MOHAMMED FUSTOK – A SYRIAN / LEBANESE BUSINESSMAN, CONSIDERED TO BE CLOSELY ASSOCIATED WITH THE SAUDI ROYAL FAMILY	£428,631.81
MAJID FUSTOK - NEPHEW OF SALAH FUSTOK WHO WAS DESCRIBED IN THE TRIAL AS THE “HEIR APPARENT” TO SALAH FUSTOK’S BUSINESS EMPIRE.	£155,857.20
RAMI SALAH FUSTOK - SON OF SALAH FUSTOK.	£164,595

¹² Mr Justice Bryan (28 April 2021) approved sentencing remarks in *R v GPT Special Project Management Limited* para 173

¹³ *Ibid.* para 161

¹⁴ *Ibid.* paras 179

What happened in the trial?

While awaiting trial, in late October 2021, the defendants brought an abuse of process application to have the case dismissed, based partly on the UK government's longstanding alleged knowledge and involvement in the payments. That application was refused after a hearing in March 2022 and the case went to trial in May 2022.

During the trial, redacted information was belatedly revealed which indicated that the government was considering other arrangements for paying officials in Saudi Arabia after GPT terminated its subcontracts with Simec in January 2011. Mr Justice Bryan ordered the prosecution to make full disclosure about this arrangement.

After further evidence of government involvement emerged from this disclosure process, Mr Justice Bryan decided that the trial could not continue until full disclosure of material was completed – and particularly material relating to payments to officials in the post-indictment period. He discharged the jury and aborted the trial on 14 July 2022.

The material that emerged during and after the first trial – which was drip-fed belatedly by the MOD to the SFO – led the defendants to bring a second abuse of process application. Again the defence argued that the UK government's knowledge and involvement in payments to Saudi officials undermined the case against their clients. That was heard in October 2023 by a new judge, Mr Justice Picken, and was again unsuccessful.

The second trial started in November 2023 under Mr Justice Picken and culminated in today's verdict of Mr Cook and Mr Mason.