

**IN THE HOUSE OF LORDS**

**ON APPEAL FROM THE DIVISIONAL COURT**

**B E T W E E N:**

**THE QUEEN**

**on the application of**

**(1) CORNER HOUSE RESEARCH  
(2) CAMPAIGN AGAINST ARMS TRADE**

**Respondents**

**-and-**

**THE DIRECTOR OF THE SERIOUS FRAUD OFFICE**

**Appellant**

**-and-**

**BAE SYSTEMS PLC**

**Interested Party**

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**SECOND WITNESS STATEMENT OF ANN FELTHAM**

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**I, Ann Feltham, Parliamentary Co-ordinator, Campaign Against Arms Trade, 11 Goodwin Street, Finsbury Park, London N4 3HQ SAY AS FOLLOWS:**

1. I make this statement to update the House of Lords as to developments in the investigations into BAE Systems Plc in recent weeks and months.
2. Following the decision of the Serious Fraud Office to discontinue its investigation into BAE's involvement in the Al-Yamamah aircraft sales in December 2006, the US Department of Justice began an investigation covering the same ground under the US Foreign Corrupt Practices Act.

3. The investigations by the US authorities into alleged bribery and corruption by BAE in relation to the Al-Yamamah military aircraft contracts have continued apace in recent months.
4. In May 2008 it was widely reported that the Chief Executive of BAE and another non-executive director were detained on arrival in the United States, served with subpoenas and their computers and other electronic devices were inspected. At the same time, raids were conducted on the homes and offices of US-based BAE executives, who were also served with subpoenas.
5. More recently it has been reported that Alan Garwood the former head of DESO (the defence exports arm of the Ministry of Defence) and BAE's Business Development Director has also been served with a subpoena on a recent visit to the United States.
6. Action has also been taken against Prince Bandar personally in the US. In particular, there is a pending class action claim brought by a pension fund against BAE and, it seems, Prince Bandar, for alleged misconduct in relation to Al-Yamamah in the United States. A US Court has now issued a freezing order over Prince Bandar's substantial US assets in order to ensure that the assets are not moved out of the jurisdiction.
7. Meanwhile, I understand that the Swiss authorities are conducting their own investigation and providing mutual legal assistance to the US authorities.
8. All of the above steps in the US and Switzerland appear to have been taken without any negative consequences to US or Swiss national security.
9. I exhibit newspaper articles dealing with the above matters, along with some further documents exhibited to my first witness witness statement that were omitted from the Appendix in error.

Statement of Truth

I believe that the facts set out in this witness statement are true.

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Ann Feltham

23 June 2008

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**OF ANN FELTHAM**

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**Ref: RS/JB**

**Agent for the Claimants**