



TRANSPARENCY INTERNATIONAL | USA

January 12, 2007

The Honorable Constance A. Morella
United States Permanent Representative to the OECD
US Mission to the OECD
12, avenue Raphael
75016 Paris
France

Dear Ambassador Morella,

Thank you for sending us the newly adopted Recommendation on Bribery and Officially Supported Export Credits. This is a significant step forward both in its elevation from an Action Statement to a Recommendation as well as in the breadth of its coverage. We will continue to work with other TI chapters in OECD countries to promote full adherence to its provisions. We are most appreciative of your efforts to secure this important outcome and we hope you will share our thanks with Helen Recinos.

On a more problematic note, as you know, the UK Government took the decision recently to terminate the investigation into allegations of bribery by BAE Systems in connection with the Al Yamahah contract with the Government of Saudi Arabia. The termination violates Section 5 of the Convention which provides that foreign bribery enforcement "shall not be influenced by considerations of national economic interest, the potential effect upon relations with another State or the identity of the natural or legal persons involved." If allowed to stand, the termination of the BAE investigation would emasculate this essential provision, jeopardizing future enforcement actions.

We appreciate US support for the letter from the Management Committee of the OECD Working Group asking that the UK explain this decision at the Working Group meeting next week. We thought you would be interested to see the attached letter which TI sent to the Secretary General and to know that TI-UK has been actively engaged in seeking to reverse the decision and to ensure that other investigations go forward. TI-USA and other TI chapters in OECD countries have been in touch with their governments to register deep concern.

The UK decision threatens the credibility and future viability of the convention as an effective curb on foreign bribery. You have always been a stalwart proponent of progress on this important convention and we will appreciate your continued support at this critical time.

Kind regards,

Nancy

Nancy Boswell
President

Fritz

Fritz Heimann
TI-USA Board of Directors