

David/Paul

Whilst any general comments on the report would be helpful

I would appreciate your specific comments please. These are:

- 1 Paul - could you please review the amended report and check the appendices please?
O/S
- 2 Who was in the team administering the LBA structure?
- see attached organigram from Sept 2002
- see listing from Gsy HR Dept
- 3 What is the current position please with regard to trustees of the Trusts, directors of the companies and assets within the structure? DH

The entities that still exist are as follows:

The Odessa Capital Trust
The Odessa Income Trust
The Minsk Trust
LBA
Shereth
Riverdell

The assets are as follows:

Riverdell- Strathairly House Edinburgh
Shereth- factory and land in Daventry
Cash of approx £70,000

- 4 Did we manage to trace any details about Sound Day?

Sound Day. We have not managed to trace any further details re this company. It is NOT on the IOM register (Sharon C checked today) despite references to it being so in IB's fax/letter to RC Kamani. There is reference to Sound Day in Hansard of 18 Dec 1997 re licenses for the export of tear gas and plastic baton rounds to Kenya.
- 5 What do we know of contracts K19 and K20? Who were they between and what were they for?

There is no further information to add

- 6 The existing report makes a lot of assumptions around the two contracts we have never seen. Could we discuss please exactly what ITG did in relation to transfers and what documentation it had from where when to explain those transactions? Section 4.1 needs more work still.

For discussion.

- 7 Do we know why the application forms for each of Ludmilla and Mr MacGill on IT(G)'s files are only partially completed?

The application form on file indicates that Ludmilla and Mr MacGill signed a blank application form, photocopied it and sent it back to Ian Burns. Ian then completed the details with a fountain pen (blue ink).

- 8 Do we have a copy of the 2003 risk review for the MacGill structure that rated it as high risk?

Yes copy obtained.

- 9 What reviews have been done of the other structures that came over to Investec with Ian? When were they completed and what were the conclusions?

The Three main structures that came over from Bachan's with Ian were:

- MacGill
- Stuve
- Datells

Stuve has been reviewed during 2005. SC has requested DH to undertake an in depth review asap. Initial meeting held with Sarah Green (client manager) 27/4/06.

Further planning meeting to be held 4/5/06 with a view to commencing review in w/c 8/5/06. (20 entities in structure).

Two other structures came over shortly after:

- The Lian Trust – since closed down
- The Bluebell Trust – came over May 2002 – normal periodic reviews have been undertaken.

Matters we still need to incorporate (which I will follow up on) are to:

- 1 Include a reference to the note from AM to IB dated 15.1.03 quoting the para which mentions backsheesh with a suitable explanation of what, if anything, IB understood this to be about.

As discussed (PK & RAC) RAC to discuss with IB.

- 2 When did ITG become aware of arms trading? .

OG became aware of previous arms trading (under Bachmann administration) in 2001 when the files were taken on from Bachmann and reviewed – as noted in the OG memo 11.9.02

OG memo 11.9.02 (bottom of the page) notes a letter from Edgar Bros UK confirming an order for \$97,050. This would most likely have been our first identification of arms trading, however, there is nothing on file to indicate that anyone (other than OG) raised the matter prior to OG in his July 02 memo (UTL) and the concern in the OG 11.9.02

The analysis of the US\$ No1 a/c shows a payment of \$1,461 on 21.6.02 for spare parts for Taurus revolvers. Although comment notes No documents provided at time of request of payment. Therefore they may not have been aware at the time.
