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## Arms salesmen did cook the books — official

INTERNATIONAL Military Services Ltd, the MoD's arms-sales company, has been censured by the Public Accounts Committee for omitting 'significant' details from its accounts. IMS went into loss through the collapse of numerous profitable deals which relied on the Shah of Iran: the directors obscured this fact by rejigging the accounts so that £6 million profit appeared in place of £0.5 million trading loss. The difference was £7 million interest on large Iranian funds still held by IMS. (NS 16 October 1980).

The MoD acknowledged the purpose of the re jig, but said it was not illegal. The Public Accounts Committee suggests that it was misleading, and should have been recorded in the accounts — though the *New Statesman's* description of this as 'doctoring' is rejected as 'invalid'.

The question of bribery is discreetly skirted. The Committee confirms the NS report that a £491,000 'commission payment' was made last year to a coded, numbered Swiss bank account. The MoD's contention that 'no bribes are paid' refers merely to direct cash handovers to foreign government officials: what agents do with their commission it isn't possible to say. So long as agents are employed, says the Committee, the possibility of corrupt payments 'is a matter for the government to take into account'. □