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US wants to nail giant corporation Barlow Rand linked to a big weapons pinch

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MEGA-CORPORATION
Barlow Rand is facing possible losses of millions of rands as United States prosecutors threaten to seize the assets of its companies allegedly involved in a massive arms-smuggling operation.

The conglomerate's possible preparations to write off the value of the assets come in the wake of reports last month that it had also suffered losses of around R20 million earlier this year, when its trading operation was destroyed in riots in the Zaire capital, Kinshasa.

Barlows subsidiary Fuchs Electronics — which is part of the Reunert Technology Systems group (Reutech), which is 78 per cent owned by Barlows — is one of three South African companies indicted in the US smuggling case. The other companies are Armscor and Kentron, Armscor's missile-manufacturing arm.

In addition to the companies, seven South Africans — William Randy Metelerkamp, Vern Davis, Brian Scott (also known as Graham Craighness), Bert Quinn, Johan Lombard, Jaco Budricks and Gerrit "Bull" Pretorius — have been

charged in their personal capacities.

Mr Pretorius — who joined Barlows in 1978, and was appointed to the board of Reutech last year, is the managing director of Reutech, while Mr Budricks is reported to be the technical director of Fuchs. Mr Metelerkamp was involved in arms smuggling allegations previously as one of the "Coventry Four" arrested by British authorities in 1984, and Mr Quinn is reported to be involved in the inertial guidance system department of Kentron.

Heavy fines

Fuchs itself faces a fine of about R60 million, while Mr Pretorius and Mr Budrick each face fines of up to R65 million.

If Fuchs is convicted, and the fine is not paid, its assets in the US could be seized.

Business sources pointed out this week that it would be "extremely difficult" for the US government to trace Barlows assets to seize them, as operations would probably have been conducted through a complex network of middlemen and front companies. Even in cases where companies are identified, they are likely to have insubstantial assets.

Barlow Rand director Clive

Parker declined to comment on a number of questions put to him by the Sunday Star this week, including:

- A request for biographical and career details of Mr Pretorius and Mr Budricks.
- Will the men and/or the company defend the case and, if so, will Barlows pay for their defence?
- In the worst-case scenario, if the company and your employees are fined, will you pay?
- If the fines are not paid, then the US government has said it will seize Barlow assets in the US. Have you made preparations for this? How much do you forecast will have to be set aside? What are Barlows assets in the US worth?

The US indictment alleges the UN arms embargo against South Africa was broken by the illegal acquisition of weapons — including high-tech items — and their export to South Africa. From South Africa, the allegations go, the weapons were tested and reproduced and later re-sold to Iraq and used in the Gulf War where they were used against US forces.

The weapons cited included night-vision devices, missile components, navigation systems and components, missile testing and tracking systems, grenade technology and restricted electronic components.



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