

Greasing Palms: The Thales Defense Group Blueprint for Corruption

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Global Research, July 30, 2024

Region: [Europe](#)

Theme: [Law and Justice](#)

It is a point verging on the trite: an arms corporation suspected of engaging in corrupt practices, spoiling dignitaries and officials and undermining the body politic. But one such corporation is France's Thales defence group, which [saw raids](#) on their offices in France, the Netherlands and Spain on June 26 and June 28. The prosecutors are keen to pursue charges ranging from standard corruption and attempts to influence foreign officials to instances of criminal association and money laundering.

It is clear in this that even the French republic, despite having a narcotics grade addiction to the international arms industry, thought that Thales might have gone just that bit far. Some 65 investigators from the Nanterre-based office responsible for battling corruption, financial and fiscal offences have been thrown into the operation. A further twelve magistrates from the National Financial Prosecutor's Office (PNF), with the assistance of the European agency Eurojust, aided by Dutch and Spanish officials, have all been involved in this sprawling enterprise.

The police raids arise from two separate investigations. The first, starting at the end of 2016, involved suspicions of corruption pertaining to a foreign official, criminal association and money laundering. The topics of interest: the sale of submarines to Brazil, along with the construction of a naval base.

The second commenced in June 2023, with claims of suspected corruption and influence peddling, criminal conspiracy and money laundering connected with the supply of military and civilian equipment to overseas clients.

Giving little by way of details, a spokesperson for Thales [insisted](#) that the corporation "strictly complies with national and international regulations." It had "developed and implemented a global compliance program that meets with the highest industry standards." That, it may well turn out, is precisely the problem.

The company propaganda on such compliance with national and international regulations is plentiful and fabulously cynical. After a time perusing such material, one forgets that this is a defence outfit much dedicated to sowing the seeds of death, a far from benign purpose. Group Secretary and General Counsel Isabelle Simon, for instance, is [quoted as saying](#) that the company, over the course of two decades "has developed a robust policy on ethics, integrity and compliance, which are the foundations of our social responsibility and the key to building a world we can all trust."

The anti-corruption policy, so it is claimed, is also “regularly reviewed and updated to reflect increasingly strict international rules and requirements on corruption and influence peddling,” a point “further strengthened by Thales’s progress towards ISO 37001 certification.”

Typical of the guff surrounding modern organisational behaviour, the company wonks assume that workshops and training sessions are the way to go when inspiring a spirit of compliance. The more sessions you run, and the more you do, the more enlightened you become. In [boasting](#) about its “zero tolerance on corruption,” we are told that 11,270 “training sessions on corruption and influence peddling were delivered in 2019-2020.”

Other features are also mentioned to ward off any suspicions, among them a code of conduct intended to stomp on any corrupt practices, a “corruption and influence peddling risk map,” a disciplinary system, an anti-bribery management system and an internal whistleblowing program.

The presence of such measures tends to be cosmetic. Even defence contractors need to show an iota of principle and “social responsibility”. But an iota is what it remains. As Bernard Keane of the Australian publication Crikey [observes](#),

“bribery might be a tool in Thales’ arsenal for dealing with defence officials around the world, along with stringing out negotiations for its own ends and refusing to comply with request [sic] for tender requirements”.

The last point Keane makes is of particular interest to Australian lawmakers, given the referral by the country’s defence department of a lucrative 10-year contract inked with Thales in 2020 to the National Anti-Corruption Commission (NACC). The contract covers the management of two Commonwealth-owned munitions facilities at Mulwala in New South Wales and Benalla in Victoria.

The referral was prompted by a [report](#) by the Australian National Audit Office (ANAO), which found the extent Thales had wooed Australian officials in a skewed tender process. A bottle of champagne, for instance, had been solicited by a defence official in the course of discussions, one that also involved providing Thales with confidential information. This all worked swimmingly for the official in question, given that he later joined the company.

Thales also got what it wanted, effectively bypassing, with the blessing of the defence department, a competitive tender process. This took place despite a 2017 offer from the global munitions company, NIOA, and the ANAO’s own recommendation to pursue an appropriate tender option. All in all, the audit [found](#) that “Defence’s management of probity was not effective and there was evidence of unethical conduct.”

This is putting it mildly, given that Thales had not only been involved in drafting the criteria for the request for tender (RTF) documents (some 28 workshops were held for that purpose between October 2018 and August 2019), but did so deficiently. In October 2019, this very point was made by the Defence Department, which noted no fewer than 199 “non-

compliances” by the company against the RTF.

Apart from giving officialdom their time in the sun of oversight and regulation, chastening investigations into corruption do little to alter the spoliation that arises from the defence industry. Defence contractors are regularly feted by government authorities, often with the connivance of the revolving door. Yesterday’s officials are today’s arms sales consultants. The defence sector, notably for such countries as France, is simply too lucrative and important to be cleansed of its unscrupulousness. Even as these investigations are taking place to ruffle Thales, the Brazilian military establishment, by way of example, has happily continued doing business with the French weapons giant.

In February last year, the defence group [trumpeted](#) securing a contract with the Brazilian Airspace Control Department (DECEA) for the supply and installation of ADS-B ground surveillance stations to improve the safety of commercial civil aviation. The effort is not negligible: 66 stations to be installed in over 20 Brazilian states.

On June 17, the company [announced](#) the acquisition by the Brazilian Air Force of the Ground Master 200 Multi-mission All-in-one (GM 200 MM/A) tactical air surveillance radars. With much bluster, the announcement goes on to describe such radars as giving the user “superior situational awareness for air surveillance, as well as ground-based air defence (GBAD) operations up to Mid-Range Air-Defence (MRAD).” Some gloating follows: “The contract signed with the FAB consolidates Thales’ position as a leader in the radar market in Brazil.” One can only wonder how many palms were greased, and local regulations breached, for that to happen.

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