

Sri Lankan government silences journalist over defence corruption scandal

Nanda Wickramasinghe
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The harassment of journalist Iqbal Athas for exposing the so-called MiG scandal is another warning sign of the Sri Lankan government's increasingly autocratic methods of rule, its heavy dependence on the military and its determination to stamp out any criticism, no matter how limited, of its renewed war against the Liberation Tigers of Tamil Eelam (LTTE).

Athas, a longstanding defence correspondent, writes a regular column, the "Situation Report", for the English-language *Sunday Times* in Sri Lanka and has close connections to the country's defence establishment. But in August, when he exposed potential corruption in the purchase of MiG-27 fighters from the Ukraine, his personal security detail was withdrawn, pro-government thugs made threats, and the military implied he was helping the LTTE. Athas stopped writing his column, and went into hiding, before resurfacing and effectively pledging to write no more on the issue.

The scandal dates back to last year. The Sri Lankan Defence Ministry and the Ukrainian government agency UKRINMASH signed an agreement in July 2006 to acquire four MiG-27 aircraft and overhaul three other MiG-27 craft and a MiG-23 UB trainer already in Sri Lanka's possession. The deal was worth \$US14.6 million or more than or 1.6 billion rupees, a significant sum compared to the 2007 defence budget of 139 billion rupees.

Athas first raised questions about the deal in December 2006, prompting investigations in the Ukraine, but not in Sri Lanka. His "Situation Report" on August 12 this year, entitled "MiGs loaded with millions in mega frauds", clearly stung the government and the military.

Based on inside sources and documents, Athas explained that a dubious London-registered corporation—Bellimissa Holdings Limited—had been the designated recipient of Sri Lankan payments for the MiGs. He confirmed that Bellimissa had no staff or office at the address listed in the contract. The names of the company's directors and beneficial shareholders were nowhere to be found. Yet, Sri Lanka's Peoples Bank had been making telegraphic money transfers to the company to pay the installments on the deal.

As Athas pointed out, the involvement of Bellimissa as a middleman was even more suspicious as the contract had been "government-to-government" to avoid the normal processes of tendering. One individual associated with Bellimissa had his name on the agreement—M.I. Kuldyrkaev. According to Athas's source in Kiev, the Ukrainian authorities had previously warned Kuldyrkaev not to involve himself in defence deals involving state agencies. Attempts by Ukrainian authorities to find and question Kuldyrkaev over the Sri Lankan agreement proved fruitless.

The character of the deal raised more questions. The same four

MiG-27s had been offered to Sri Lanka in 2000 and were rejected. Last year, however, the Sri Lankan Air Force decided to buy the warplanes—now six years older—for a larger sum. According to documents obtained by Athas, the government agreed to pay an extra \$US1.6 million for the four MiGs. The agreement contained another unusual feature—rather than the usual five years, full payment was to be completed in two years.

The publication of Athas's article immediately triggered a political storm. While not conclusive proof, the evidence pointed to a racket to siphon off funds involving the top levels of the military and the government. The opposition United National Party (UNP) immediately leapt on the revelations and forced the prime minister to announce a parliamentary select committee into the affair.

On August 15, just days after the article's publication, the military withdrew Athas's personal security detail. Three days later the police posted outside his residence were removed. Athas had been under guard since May 2005 when he was considered a possible LTTE target for his writings supportive of the military. The removal of his security detail, particularly under conditions of an escalating war, clearly posed a threat to Athas—not necessarily from the LTTE.

The day after the guard was ended at Athas's home, a gang of about 50, led by local leaders of the ruling Sri Lanka Freedom Party (SLFP), gathered outside. They shouted slogans and displayed placards branding Athas as "a guerrilla accomplice" who divulged military information to the LTTE and was "a threat to national security". In the highly-charged communal climate in Colombo, such accusations are tantamount to treason and the justification for violence and worse.

This menacing demonstration clearly had high-level support. Speaking at a press conference, Media Minister L.Y. Abeywardena brushed aside criticism, saying: "Anyone can protest anywhere. They even can protest opposite the President's house or office." Just a fortnight earlier, the police used water cannon and tear gas to violently break up rallies by university students over education cutbacks.

Several days later, an intruder, who claimed to be an air force officer, walked into the offices of Wijeya Newspapers, which publishes the *Sunday Times*, and warned the staff not to translate Athas's articles for the company's Sinhala-language *Lankadeepa*. According to the IPS news agency on August 28, the intruder also threatened Athas, saying if he did not give up his job and leave Sri Lanka within three months, he would meet the same fate as befell Tamil journalists.

The threat was not an idle one. A number of Tamil journalists and media workers have been murdered over the past 18 months in circumstances that point to the involvement of the security forces. Athas also received anonymous death threats over the phone. At the

same time, suspicious individuals started trailing Athas. Following these threats, the “Situation Report” did not appear in the *Sunday Times* for three weeks and Athas went into hiding.

One of the immediate reasons for the sensitivity over the MiG scandal is the alleged involvement of President Rajapakse’s relatives. The president’s first cousin, Udayanaga Weeratunga, was involved in the MiG deal. He had studied in the former Soviet Union and after its collapse was engaged in business activities in the Ukraine for 10 years. President Rajapakse appointed him as Sri Lankan ambassador to Russia and Ukraine in July 2006, the same month that the MiG agreement with the Ukraine was signed.

According to the *Sunday Leader* of September 2, the guardroom records at the Sri Lankan Air Force headquarters show that Weeratunga visited no less than 25 times to meet the top Air Force officials in the period leading up to the MiG deal.

Following his appointment as ambassador, Weeratunga secured the agreement of the Ukrainian government that all “end user certificates” involving military sales to Sri Lanka should be certified by the Sri Lankan Embassy in Moscow. In his capacity as ambassador to the Ukraine, Weeratunga urged that the letter of credit for Bellimissa Holdings be finalised without delay.

More questions are raised concerning the president’s brother, Gotabhaya Rajapakse, who as defence secretary presides over the country’s huge defence bureaucracy. On July 27, 2006, the day after the MiG deal was signed, Defence Secretary Rajapakse established a state-owned company, Lanka Logistics and Technologies Limited (LLTL), to deal with all procurements for the security forces. As defence secretary, LLTL is firmly under his control. Official oversight is the responsibility of the defence ministry and thus President Rajapakse, who is also defence minister and finance minister.

The opposition UNP is certainly intent on exploiting the scandal to undermine Rajapakse and the government. But like all scandals, this one reflects deeper tensions in ruling circles. The present conflicts have been generated by the return to civil war. After narrowly winning the November 2005 presidential election, Rajapakse effectively tore up the 2002 ceasefire and initiated a covert war of provocation, followed in July 2006 by open military offensives aimed at capturing LTTE territory and destroying its military capacity.

While supporting the war, layers of the ruling elite are concerned that Rajapakse’s adventure will end in disaster. Athas himself warned in his “Situation Report” against the dangers of overly optimistic assessments. He repeatedly pointed to the LTTE’s capacity in the past to inflict serious defeats on the armed forces, despite its inferiority in numbers and equipment. In April and May 2000, for instance, the LTTE overran the key strategic army base at Elephant Pass—the gateway to the northern Jaffna peninsula—and threatened to seize Jaffna town itself.

Sections of the corporate establishment are worried that the war is placing the economy at risk. Huge military spending has led to inflation, compounded the country’s balance of payments and debt problems and diverted money away from urgently needed infrastructure. The uncertainty created by the war is inhibiting foreign investment and hitting tourism—a major foreign currency earner. Pressure from business circles was a major factor in the UNP’s decision to sign a ceasefire in 2002 and open up peace talks with the LTTE. Now even these limited steps have been negated.

After 24 years, the war is also deeply unpopular. Its economic burdens are being imposed on ordinary working people, directly through cutbacks to government spending on social services and

indirectly through escalating prices. Already there have been significant protests by workers, students and farmers over deteriorating living standards. The fear among layers of the Colombo elite is that the war will produce a social explosion against the Rajapakse government and its policies.

Athas indirectly warned of rising popular anger over the war and deepening social inequality. In his August 12 article, he cuttingly concluded: “The more successive Government leaders have pledged to deal with the corrupt; the more things have remained the same. Nevertheless, the stakes have become higher and higher. A vast segment of the population is reeling from the heavy burden placed on them by the mounting cost of living. Prices are rising daily. A few peons, clerks, constables and the like are being rounded up for taking a few hundred rupees. However, those dabbling in millions of dollars or billions of rupees in military procurements get away in this paradise isle.”

These comments carry all the more force since Athas is anything but an opponent of the military or the war. As he explained in his September 16 column, his first after a three-week silence, he speaks for a segment of the loyal military hierarchy. “The facts I have revealed do not fall from the sky to my lap. The greater majority of loyal, patriotic, committed men and women in the armed force love Sri Lanka, their only motherland... That is why they have reached out to me. I am just one of those conveying it. To try to murder, maim or malign me, therefore, is to silence the voice of that majority,” he wrote.

The article entitled “My story behind the story” is indignant about his treatment and the threat to free speech and democratic rights. In the key passage, however, Athas declares that he does not wish to “re-visit” the alleged corruption involved in the MiG-27 deal, “nor will I delve into other issues already known”. He intends to leave the matter in the hands of the appointed Parliamentary Select Committee and to the Commission to Investigate Bribery or Corruption, even though, as he well knows, their track record is to investigate “peons, clerks, constables and the like” and make them the fall guys for high-level official corruption.

Clearly, Athas has been scared off. Given his close contacts with the security forces, he is undoubtedly more aware than most of the ruthlessness with which the military pursues anyone perceived as a political threat. The thuggish methods used to silence him constitute a sharp warning to working people. If these are the means used against someone who is effectively one of their own, the government and the military top brass will stop at nothing to suppress any popular opposition to the war and deteriorating living standards.



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