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MINADEF

Arms Acquisition documentation, including letters of Sept. 13 & 15, 1994 signed by A. Bizimana and letter of Aug 30, 1994 signed by J. Kambanda, referring to G. Kabiligi's purchase contract in Nairobi on April 15, 1994.

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REPUBLIC OF RWANDA

Goma, 13 September 1994

Ministry of National Defence

Rwandan Army Headquarters (Letterhead, see original)

K0260787

His Excellency the Prime Minister

Bukavu

Mr. Prime Minister, Sir,

I wish to bring to your attention that I was in Nairobi from 28 to 30 August 1994 where I met the representative of Messrs Martin & Cie for the purpose of examining the status of execution of the terms of the contract signed between it and the MINADEF, of which you are aware. I used the occasion of my stay in Nairobi to discuss with our Embassy the follow-up to the munitions purchase contract signed with the Chinese firm, O.M.I. in April 1994.

With regard to the technical assistance contract by Martin & Cie, you will recall that the Ministry of Defence disbursed the sum of US \$ 200,000 out of US \$ 300,000 at the time when we went into exile. This company had also carried out reconnaissance missions before the signing the contract. For these missions, our Embassy in Nairobi authorized the payment of US \$ 40,000.

From our discussions in Nairobi, it was agreed that the Rwandan Government in exile would ensure with the Zairean authorities that a discreet military training camp was available inside Zaire, as well as procure the necessary permits for the Martin & Cie Group to fulfil its contractual obligations, which are mainly to train our people on the gathering and analysing of intelligence within the ranks of the enemy. The Martin & Cie Group affirms that it is prepared to deploy 8 expatriate cadres for this activity as soon as we indicate that all the conditions for success have been met.

With regard to the contract with the O.M.I., the Governor of the Rwandan national bank and the Ambassador in Nairobi recently met with Mr. King in Hong Kong and it was emphasized at that meeting that it was imperative for Rwanda to recover the deposit of US \$ 1,000,000 (one million US dollars) already paid but for which the equipment has not been delivered. The MINADEF will send a letter requesting for these funds following the cancellation of the said contract, which has already been notified to the Embassy in Nairobi.

Mr. Prime Minister, Sir, may I take this opportunity to inform you about the present situation of the "munitions purchase" dossier. I must emphasize right away that the Ministry of Defence is the administrator of this dossier, together with the Ministry of Finance and the Rwandan national bank. During the war the MINADEF played the role of identifying the suppliers, choosing the least costly, in conjunction with the MINFIN services, and contacting the Rwandan national bank for payment of the suppliers, following the procedures relating to the importance and urgency of the situation and of the transactions.

Since April 1994, the following orders have been placed:

1. Mil-Tec Corporation (Merstone Invest Ltd.) of Mr. Anhoop accepted to supply us munitions and batteries for Radias on credit in March 1993 for an amount of FF 1,057,500 and US \$ 945,000. In April 1994 this Corporation was contacted and accepted to deliver against cash payment; and at the same time they reminded us of the previous debt. Thus the transfer on 13 April 1994 of US \$ 1,265,500 facilitated the delivery on 20 – 25 April 1994 of Mi.50, 5.56mm, 7.62 KV cartridges, and some ten thousand hand grenades.

The transfer of US \$ 1,486,500 on 13 April 1994 to our Embassy in Cairo (to prevent the same supplier from obtaining part payment of his debts) paved the way for delivery on 30 April and 13 May 1994 of 60mm Mor bombs, hand grenades, 7.62 KV cartridges and 2,200 PM guns. The transfer of US \$ 1,023,500 on 4 May 1994 to Mil-Tec should cover part payment of the previous invoice as well as the additional costs for transportation borne by the same supplier.

On 17 July 1994, just as we left for Zaire on exile, this supplier delivered some thirty tonnes of equipment (K cartridges, hand grenades) which is kept in the stores of the Zairean military camp in Katindo. The Governor of the Rwandan national bank has authorized our Embassy in Cairo to pay for this last delivery amounting to US \$ 545,000.

Mil-Tec Corporation requests each time that Rwanda should settle its unpaid bills amounting to nearly US \$ 1,500,000 for military equipment.

2. Special attention should be paid to the dispute with the Dyl-Invest Company of Mr. Lemonnier, which owes the State of Rwanda 1,647,861 dollars, being the balance of deliveries on a supply contract signed in May 1993, that was not honoured for several reasons. The file is being handled by our lawyers in Paris, and the Ministry of Foreign Affairs is following this matter closely (documentation appended).

3. It should be pointed out that equipment ordered and paid for from South Africa ($\pm 1,000,000$ dollars) is still being awaited. The supplier is waiting for our reaction to decide the outcome of this file, which Nzirorera (MP) initiated and followed up in person. In my opinion, he should be sent there to recover the money and suspend the execution of the contract relating thereto, considering the current politico-military environment which does not allow for supplies of this nature.
4. A former captain of the French gendarmerie called Barril signed a service contract with the Rwandan government in June 1994 that netted him an advance of 1,200,000 dollars through our military and air Attaché in Paris. Of that amount, the captain returned US \$ 200,000 to the military Attaché, which was used for hiring equipment. It is therefore necessary to recover the balance after settling Captain Barril's bills, which include US \$ 130,000 for hiring the plane used by his team in May 1994.
5. In order to dispel any doubts, we wish to bring the following details to the notice of the new commander of the Rwandan Army:
- The account of the Military Attaché is managed by Colonel Ntahobali, who will provide justification for its movement.
 - An imprest of US \$ 20,000 was made available to the Rwandan Ambassador in Nairobi for local small expenses of the Ministry of Defence. This Embassy shall write a report on the use of this fund, which is nearly exhausted.
 - Our Embassy in Cairo has been in charge of managing the "Transit Accounts". The MINIFIN or the Rwandan national bank should request for a report from this embassy on the movement of funds in these accounts.
 - An amount of US \$ 200,000 (recovered from the US \$ 1,500,000 deposit previously reserved for the Barril Contract) was made available to the Rwandan Embassy in Kinshasa for funding the carriage of equipment from Fayau-Largeau (Chad) to Goma; but this amount should instead have been used to pay for the hiring of the cargo boat Kinshasa-Goma, air tickets for military trainees returning from Europe, the Kinshasa-Goma, air tickets for journalism students in Kinshasa, as well as communication costs by telecel... The Embassy in Kinshasa should provide a report on the use of this fund. The account presently has a balance of nearly US \$ 20,000.
6. Attempts were made to export tea to Zaire in June 1994 in order to pay for the carriage of military equipment, but it was soon realized that the Zairean partners contacted wanted to buy Rwandan tea at the lowest price. Hence, the operation was suspended after sending 11 tonnes of tea; 29 more tonnes are stocked in the ACS warehouses at Goma. The General Manager of the BACAR and the Chief Accountant of the OCIR-Thé, who were responsible for follow-up and

organization of this operation, should provide a detailed report thereof and particularly follow up what happens to the remaining quantity in stock.

While hoping that the present correspondence will give you the exact situation of the "munitions" dossier, accept, Mr. Prime Minister, Sir, my best regards.

Augustin Bizimana,
Minister of Defence

Cc for information:

- His Excellency the President of the
Rwandan Republic,
Bukavu
- The Minister of Finance
- The Governor of the Banque Nationale du Rwanda (Rwandan national bank)
- The Rwandan Army Chief-of-Staff, Major-General Augustin Bizimungu

K0260791

Goma, 15 September 1994

REPUBLIC OF RWANDA
Ministry of National Defence
Rwandan Army Headquarters (Letterhead, see original)

Copy to the Prime Minister

Oriental Machineries Inc.
Building No. 1
No. 9 Chong Wen Men Xi Da Jie
Beijing, P.R. China
Tlx 210329 Les GN
Attention: Mr. Xojins Hua (Kin)

Subject: Restitution of the deposit received

Dear Sir,

We wish hereby to request the RESTITUTION of the sum of US \$ 1,000,000 (one million United States dollars) which you received as deposit under Contract No. OMI.RWA 940095 for the supply of military equipment to the Rwandan Army. The money should be paid into Account No.85000 815 held in The Commercial Bank of Africa LTD, Ncc Branch, International House, Mama Ngina 8 Strict, PO Box 45136, Nairobi, Kenya, Telex 22236.

In actual fact, considering that the execution of the contract in question was never started because of the difficulties we all know, and because of the present international political circumstances of the Rwandan issue, which make it impossible for us to maintain this file, we request you to return forthwith the amount already paid, in conformity with Article 7 of the above contract and the cancellation advice sent to you by our Embassy in Kenya.

Please accept, Sir, the assurances of our highest esteem.

Augustin Bizimana
Minister of Defence

K0260792

Bukavu, 30 August 1994

REPUBLIC OF RWANDA
PRIME MINISTER'S OFFICE

Mr. Denis Ntirugirimbabazi, Governor of the Banque Nationale du Rwanda (Rwandan national bank) and Mr. Cyprien Habimana, Ambassador of the Republic of Rwanda to Nairobi have full powers to re-negotiate the terms of the contract signed in Nairobi on 15 April 1994 between the Rwandan Ministry of Defence, represented by Colonel Gratien Kabiligi, and Oriental Machineries Inc., represented by Mr. King.

[Sgd] Jean Kambanda,
Prime Minister