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Press Release: Follow the Money – what happened to USD 6,143,000 misappropriated from Sri Lanka’s arms deal?

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Johannesburg: Thirteen years after newspaper editor Lasantha Wickrematunge began investigating the purchase of MiG aircraft by Sri Lanka, there is still no answer as to what happened to more than six million US dollars that the Ukrainian prosecutor said was misappropriated in the course of the deal. Instead, Lasantha was assassinated on 8 January 2009 in broad daylight in Colombo District for following the money trail. Hopes of justice for the journalist’s murder are fading as the court hearing has been delayed again until June 2021.

A parallel Sri Lankan police case against Sri Lanka’s former Ambassador to Ukraine, Udayanga Weeratunga, who brokered the MiG deal, has also stalled. For years Udayanga absconded from justice, only returning home once the Rajapaksas – his cousins – were back in power. Udayanga was arrested on return to Colombo in 2020, released on bail, and then astonishingly media reports say he was appointed Coordinating Secretary in the office of the Prime Minister Mahinda Rajapaksa – his cousin¹.

“The questions raised by Lasantha Wickrematunge’s fearless reporting have still not been answered; instead he was killed to silence him, while others have been threatened, or forced in exile,” said the ITJP’s Executive Director, Yasmin Sooka.

“A man died investigating this arms deal – we owe it to him to bring his killers to justice and to get to the bottom of where millions of dollars of tax payers money disappeared. Udayanga Weeraatunga should not hold a government position until he has cleared his name.”

¹ <http://www.dailynews.lk/2020/08/11/local/225546/ancl-staffers-mark-govt's-landslide-victory-appointment-pm>
Udayanga withdraws complaint to Presidential Commission, Sunday Times Lanka, 1 Nov 2020.

The MiG Deal

In 2006 the Sri Lankan Air Force bought MiG-27 ground attack aircraft from a Ukrainian state-owned defence company, State Self-Establishment Foreign Trade and Investment Firm, UkrinMash². Sri Lanka bought four MiG-27 aircraft for USD 9,848,000 and had a contract with UkrinMash for the overhaul of its existing fleet of MiG aircraft for USD 4,128,000.³ After journalists reported on the deal, it was later investigated by the authorities in Sri Lanka and Ukraine.

The Ukrainian Investigation

In March 2017, the Chief Military Prosecutor of the Prosecutor General's Office of Ukraine, stated that USD 6,143,000 had been misappropriated in the course of the MiG Deal.⁴ In six pre-trial petitions to the Pecherskyi District Court of Kiev, the Ukrainian Prosecutors articulated the mechanism by which the financial misappropriation took place.⁵ They found that the MiG Deal comprised two sets of parallel contracts – one set of which were “false” – and both related to the sale of the same aircraft. The Ukrainian Prosecutors stated that the price differential between these contracts deprived UkrinMash of USD 6,143,000. The Ukrainian investigation did not name Udayanaga Weeratunga as a suspect or any other Sri Lankans but focused on the involvement of their own nationals⁶.

The Sri Lankan Investigation

A parallel Sri Lankan police investigation began in March 2015 with assistance from Ukraine. On 7 February 2018, Fort Magistrate's Court granted the police a warrant to arrest Udayanga Weeratunga. The warrant alleged that Weeratunga, “*did during the period February 6, 2006 to February 17, 2010, in Colombo, Sri Lanka [...] and elsewhere, voluntarily commit Cheating, Criminal Breach of Trust, Forgery for the Purpose of Cheating, and that he along with others thereby committed offences punishable under Sections 400, 389 and 457 of the Penal Code and Offences Against Public Property Act, and the offence of Money Laundering in terms of Sections 3 of the Prevention of Money Laundering Act*”.⁷

Absconding on Official Trips

Throughout the five-year Sri Lankan police investigation, Udayanga Weeratunga was abroad and refused to return to Sri Lanka to answer

² **Multimillion dollar MiG deal: Focus on fake contract but real story emerges now, 18 March 2018, Sunday Times (accessed via Factiva)**

³ **The total value of the MiG deal, including a transportation charge of USD 700,000, was USD 14,676,000.**

Multimillion dollar MiG deal: Focus on fake contract but real story emerges now, 18 March 2018, Sunday Times (accessed via Factiva)

⁴ **In March 2017 the Investigative Department of the Chief Military Prosecutor of the Prosecutor General's Office of Ukraine filed six petitions at the Pecherskyi District Court of Kiev requesting authorisation to access the phone and banking records and to conduct searches of UkrinMash's offices. The court authorised the requests. (Ref: Case No. 757_13863_17-K; Case No. 757_16350_17-K; Case No. 757_16372_17-K; Case No. 757_16374_17-K; Case No. 757_16674_17-K; Case No. 757_20609_17-K).**

⁵ **The most detailed account was made in a petition before the Pecherskyi District Court on 23 March 2017 (see Ref: Case No. 757_16674_17-K).**

⁶ **A Ukrainian suspect was reportedly arrested in France on charges of money laundering though it's not clear if this was in connection with the MiG deal.**

⁷ **A copy of the warrant is available on the [website](#) of The Colombo Telegraph.**

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investigators' questions. He recently told the media that the last government "could not bring me down here at that time. I am smarter than them".⁸ A study of his own website reveals that even after an arrest warrant was issued in Sri Lanka, Udayanga was ostensibly travelling with his cousin Mahinda Rajapaksa on official trips to Japan and Pakistan. As an opposition MP and a former President, Mahinda Rajapaksa would have travelled with state security officials who must have been aware of the presence of a wanted man in their entourage and yet do not seem to have reported this. In addition, Mahinda Rajapaksa as a member of parliament bound by his oath to uphold the law and should have reported the whereabouts of his cousin. Likewise Sri Lankan diplomats based in these countries must have known that Udayanga was subject to an arrest warrant back home.

When Udayanga did finally return home on 13 February 2020, he was arrested but on 3 April 2020 released on bail and later in 2020 given an official position in Prime Minister Mahinda Rajapaksa's office. He has most recently been at the centre of a controversial pilot project to bring tourists from Ukraine to Sri Lanka despite the COVID pandemic.

Another suspect in the MiG deal was Air Vice Marshal Jayanath Kumarasiri⁹, who applied for a license to run Sri Lanka's third international airline¹⁰.

"Both the investigation into the assassination of Lasantha Wickrematunge and into the purchase of the MiG aircraft have stalled – not just the journalist's family but the whole country needs answers," said Ms. Sooka. *"It is vital that the MiG case moves forward before the statute of limitations expires".*

⁸ http://www.dailymirror.lk/breaking_news/We-have-to-be-thankful-for-Ukraine-for-sending-tourists-Udayanga-Weeratunga/108-203267

⁹ Kumarasiri was given a distinguished service award in 2015 October by President Sirisena despite the fact that he was a suspect in the MiG investigation. <http://www.asiantribune.com/node/88014>

¹⁰ <http://www.smartaviation-apac.com/2020/09/fly-lankan-asia-to-operate-boeing-737-200s-and-bae-146s/>

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