

Sarah Goom

From: Sarah Goom
Sent: 17 May 2012 12:54
To: 'david.green@sfo.gsi.gov.uk'
Cc: Peter Fish
Subject: Staff - Personal

David

Thank you for the update you gave me earlier. I have now advised the Law Officers who are extremely concerned. I would be grateful if you could provide a short briefing when you have got to the bottom of this yourself. In particular the Law Officers will wish to know:

- How much was involved?
- On what basis was the payment made?
- What authorisation was sought from Cabinet Office and HM Treasury?
- Who authorised the payment within SFO?
- How it is proposed that this will be treated within the accounts?

Many thanks

Sarah

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

Sarah Goom

From: Peter Fish
Sent: 17 May 2012 12:59
To: Sarah Goom
Cc: Kevin McGinty
Subject: RE: Staff - Personal

Sarah - I mentioned this to Paul J who is very concerned. He also wants David to get to the bottom of this - including the ex gratia payments. He thinks that there is a case that they too should have been cleared with the Treasury. There may be a case for David getting in the NAO to look at this - ie proactively rather than waiting for it to come out - once he is clearer about what happened.

Peter

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

From: Sarah Goom
Sent: 17 May 2012 12:54
To: david.green@sfo.gsi.gov.uk
Cc: Peter Fish
Subject: Staff - Personal

David

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- How much was involved?
- On what basis was the payment made?
- What authorisation was sought from Cabinet Office and HM Treasury?
- Who authorised the payment within SFO?
- How it is proposed that this will be treated within the accounts?

Many thanks

Sarah

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

Sarah Goom

From: Peter Fish
Sent: 23 May 2012 13:15
To: 'David Green'; Tim Hurdle
Cc: Sarah Goom
Subject: Payments

David - you have been discussing with Sarah the fact that certain payments were agreed with and/or made to Phillippa Williamson (and Chris Bailes?) by the SFO before you took up office. You are looking into the circumstances. Although primarily an accounting officer issue, there are of course potential issues for the Law Officers too.

I think you agreed with Sarah that in the absence of a new full time finance director it would be helpful to have someone suitably qualified from outside the organisation to have a look at the payments in order to provide assurance that they were properly made, and/or provide advice on any other steps you might need to take. The Law Officers would welcome.

I spoke to Tim Hurdle this morning who kindly agreed to help. I am copying him in to this e-mail. His telephone number is [redacted]. Can I leave you and Tim to liaise. We would obviously welcome and update as things develop so we can keep the Law Officers in the picture.

Kind regards.

Peter

Peter Fish
Director General
Attorney General's Office
Tel:
Mob

Sarah Goom

From: David Green [David.Green@sfo.gsi.gov.uk]
Sent: 23 May 2012 11:33
To: Sarah Goom
Subject: FW: Matters of concern

Sarah

FYI. I need his explanations and he seems willing to engage. We shall see.
D

From: Richard Alderman
Sent: 23 May 2012 11:01
To: David Green
Subject: Re: Matters of concern

David

Good to hear from you.

Before I reply to your email can you let me have a bit more information about what is troubling you on a couple of issues. These are-

- para 4- which senior managers are you referring to here?

Richard

-----Original Message-----

From: David Green <David.Green@sfo.gsi.gov.uk>
To: richard!
Sent: Tue, May 22, 2012 3:51 pm
Subject: Matters of concern

Dear Richard

Many thanks for the good wishes you expressed to me by email on the day of your departure. Your sentiments were kind and most welcome, but very much at variance with the following matters which have come to my attention since my arrival. I raise them with you because some of these matters may have repercussions, and you may be asked to account for your conduct.

1.

2. You signed off departure packages for PW and others. As yet only PW's has been implemented. Some elements of these packages may be classified as "novel and contentious" requiring approval from HMT TOA. As you know, specific procedures should have been applied. I am currently having the detail assembled, and I am grateful for the memo which you left justifying the £15k payments said to reflect the consequences of the Allan inquiry. In any event, these matters will have to feature in the accounts, and the NAO informed. PAC interest cannot be discounted. Can you help on this?

- 3.

4. Your efforts to persuade senior managers and other staff to leave in the week prior to my arrival, on the basis of what you represented to be my intentions. This is interlinked with point 2 above, because it was never for you to declare people "surplus" to what were actually *my* requirements. Can you help on this?

I realise that you were subjected to enormous pressures and unjustified criticism from certain quarters. I am also aware of the solid achievements for the SFO which are much to your credit. Our personal contact was, for me, frank and enjoyable. These factors make the above matters the more difficult to comprehend. I look forward to your assistance where possible.

Best wishes

David

David Green CB QC

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purposes.

Sarah Goom

From: Peter Fish
Sent: 23 May 2012 14:02
To: Sarah Goom; [REDACTED]; Kevin McGinty
Subject: FW: Payments

For info.

Peter Fish
Director General
Attorney General's Office
Tel:
Mob: . .

-----Original Message-----

From: David Green [mailto:David.Green@sfo.gsi.gov.uk]
Sent: 23 May 2012 14:00
To: Peter Fish
Subject: RE: Payments

The plan is for Ally Cook (our vg temporary CFO) to assemble all the facts. I am happy for TH to become involved for the purposes you identify once that has been done, and will ask Ally to contact him.

D

-----Original Message-----

From: Peter Fish [mailto:Peter.Fish@attorneygeneral.gsi.gov.uk]
Sent: 23 May 2012 13:15
To: David Green; Tim Hurdle
Cc: Sarah Goom
Subject: Payments

David - you have been discussing with Sarah the fact that certain payments were agreed with and/or made to Phillipa Williamson (and Chris Bailes?) by the SFO before you took up office. You are looking into the circumstances. Although primarily an accounting officer issue, there are of course potential issues for the Law Officers too.

I think you agreed with Sarah that in the absence of a new full time finance director it would be helpful to have someone suitably qualified from outside the organisation to have a look at the payments in order to provide assurance that they were properly made, and/or provide advice on any other steps you might need to take. The Law Officers would welcome.

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Kind regards.

Peter

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

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From: Sarah Goom
Sent: 29 May 2012 12:56
To: david.green@sfo.gsi.gov.uk; Tim Hurdle
Subject: Staff - Confidential
Attachments: Stubbed Attachments.htm

This message's contents have been archived by the Barracuda Message Archiver.

[RESTRICTED] FW: SFO.eml (6.6K)

I have spoken to you both. As agreed, Tim will arrive at Elm House tomorrow morning to look into the matters we have discussed, assisted by Ally. He will then provide a report to David, who will consider how to proceed. Tim is there to assist David on the financial and government accounting issues arising.

If I can be of any help over the next few days, please don't hesitate to contact me. As you both know, I have been in contact with Cabinet Office, and I attach the emails I have received from the Adrian Dottridge there to you. Adrian is making inquiries with MyCSP and will provide me with any further information, which I will forward to you.

Many thanks to Tim for his help on this.
<<[RESTRICTED] FW: SFO>>

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

10/10/2012

From: Sarah Goom
Sent: 29 May 2012 13:09
To: david.green@sfo.gsi.gov.uk
Subject: Staff - Confidential

David

As well as Tim's inquiries, Peter has spoken to Paul Jenkins who suggests that there are some other issues you will need to consider in the slightly longer term. Paul suggested you may need to get legal advice from an independent senior counsel (rather than just internal advice) given the risk of this coming before the PAC etc and them asking what steps you took. This could be done through TSol or direct as you prefer. In particular Paul suggests you might need advice on the following civil issues:

- is there a legally binding agreement to pay Chris Bailes or can SFO decline to pay.
- is there any legal claim to recover money from Phillippa
- is there any legal claim against RA
- is there any legal claim to get back the £15,000 from any of the three

This in addition to any consideration of possible criminal conduct and possible disciplinary proceedings.

As you appreciate, it is likely that the accounts will be qualified as a minimum if due process wasn't followed but there is then the issue of further steps which you may or may not need to take - and that will include taking legal advice.

Peter would be happy to talk to you about any of these issues.

Kind regards

Sarah

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

Sarah Goom

From: Tim Hurdle <Tim.Hurdle@TSOL.GSI.GOV.UK>
Sent: 29 May 2012 14:16
To: david.green@sfo.gsi.gov.uk
Cc: Sarah Goom
Subject: RE: Staff - Confidential

David,

I have cleared my diary for tomorrow and as agreed will get started tomorrow morning.

Based on an initial discussions with Sarah and Ally I suggest the scope of the initial piece of work is to:

- Identify the reasoning behind the agreements and any supporting information;
- Identify what approval was sought and/or received from the Cabinet Office / HM Treasury for the redundancy and ex-gratia payments; and
- Check that payments made were in line with the approval given.

This initial piece of work should provide a clearer picture of the process for making these decisions and the quality of the supporting advice. I suggest that, for completeness, we should also try to gain assurance that there have been no other similar payments to any other staff. The NAO are likely to look for this assurance too.

Would you be available for a brief discussion at 9.30am to discuss the scope of the initial work and also agree the process for reporting the findings to you.

Regards

Tim Hurdle
Finance Director
Treasury Solicitors Department
One Kemble Street
London WC2B 4TS
telephone
mobile

-----Original Message-----

From: Sarah Goom [<mailto:Sarah.Goom@attorneygeneral.gsi.gov.uk>]
Sent: 29 May 2012 12:56
To: david.green@sfo.gsi.gov.uk; Tim Hurdle
Subject: Staff - Confidential

I have spoken to you both. As agreed, Tim will arrive at Elm House tomorrow morning to look into the matters we have discussed, assisted by Ally. He will then provide a report to David, who will consider how to proceed. Tim is there to assist David on the financial and government accounting issues arising.

If I can be of any help over the next few days, please don't hesitate to contact me. As you both know, I have been in contact with Cabinet Office, and I attach the emails I have received from the Adrian Dottridge there to you. Adrian is making inquiries with MyCSP and will provide me with any further information, which I will forward to you.

Many thanks to Tim for his help on this.

<<[RESTRICTED] FW: SFO>>

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

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From: Sarah Goom
Sent: 08 June 2012 15:44
To: Peter Fish; [REDACTED] Kevin McGinty
Subject: SFO payments

David Green called to update me. Tim Hurdle has been to see him and outlined his findings. Tim will provide a written report next week which will be copied to this office and Paul Jenkins. It is clear that none of the payments was authorised either by Cabinet Office or HM Treasury. DGQC is intending to meet next week with the Treasury Office of Accounts to seek their views on whether it is possible/desirable to seek retrospective authorisation for the payments. The options appear to be to refuse to seek authorisation, which will guarantee that the accounts are qualified, or to seek retrospective authorisation if available and to place a note in the accounts to that effect. In addition he will be seeking the legal advice that Paul Jenkins suggested on the ability to claw back payments or to refuse to make those payments which have been agreed but not yet paid.

I suggested that once he has the advice from the Treasury that he might want to discuss the options with Peter. He agreed and said he would come back to us once the meeting has taken place.

Sarah

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

From: Sarah Goom
Sent: 15 June 2012 11:46
To: Peter Fish; Kevin McGinty; [REDACTED]; Kristin Jones; [REDACTED]
Subject: SFO update

Tim Hurdle has completed a draft of his report which he has provided in draft hard copy to Paul and DGQC who are meeting on Monday to discuss. Once he has their comments he will finalise and make available to this office. DGQC has made contact with HMT to arrange a discussion of whether it is appropriate to seek retrospective authorisation of the payments in order to regularise them and avoid qualification of the accounts. Tim and I are both very concerned about DGQC seeking retrospective authorisation as it will have the effect of DGQC accepting that they were properly made. It also throws up problems in relation to the two payments that have been agreed but not yet made - DGQC would have to honour those too, which would be his decision in this accounting year for which he would be accountable. Tim has advised Ally Cook and I have advised DGQC along these lines. David's position is that having qualified accounts could be the final nail in the coffin for the SFO. Tim was going to urge Paul to discuss these issues with David and to urge caution. I think Peter will want to discuss with David early next week, so that he can update the AG but ideally without a meeting with the AG. One concern is that there is only a G7 left in our Treasury team. If there are concerns, we may need to speak to David Lamberti, who either has moved or is about to move on. The SFO accounts will be delayed, probably until after recess, but [REDACTED] has advised that provided they are published in this Parliamentary session, that is not a problem.

Sarah

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel:

[REDACTED]

From: Peter Fish
Sent: 21 June 2012 15:22
To: [REDACTED] Kevin McGinty
Subject: Fw: Protect - Draft SFO Report v1.0
Attachments: Stubbed Attachments.htm

This message's contents have been archived by the Barracuda Message Archiver.
[Draft SFO Report v1.0.docx](#) (48.5K)

Haven't read yet.

From: David Green <David.Green@sfo.gsi.gov.uk>
To: Peter Fish
Sent: Thu Jun 21 15:15:46 2012
Subject: FW: Protect - Draft SFO Report v1.0

Peter
FYI. Final version still to come.
David

From: Tim Hurdle [mailto:Tim.Hurdle@TSOL.GSI.GOV.UK]
Sent: 21 June 2012 00:15
To: David Green
Cc: [REDACTED]
Subject: Protect - Draft SFO Report v1.0

David,

Please find attached the draft SFO report. It now has a timeline (Annex A) and payments made (Annex B) included. I have also refined some of the wording and updated the summary a little. The main change from the rough draft I shared with you is that I feel I can be firmer in the summary (para 11) about Richard not seeking Treasury approval for the ex-gratia payments. Whilst neither Ian nor Lesley will say that they specifically said to Richard – 'this needs Cabinet Office and/or Treasury approval' both state that they did discuss this with him, both felt uncomfortable with what was being proposed and he 'instructed them' to proceed. I suspect, but cannot confirm that Richard signing the payable orders on the 18th and preparing the justification for the NAO on the 20th was a direct result of his meeting with Lesley.

Happy to receive comments – please let me know if anything is missed or any changes that could improve clarity.

Once you are content, and I have completed Annex B, I will move to finalising the report.

Very happy to discuss report and next steps

Regards

Tim

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[REDACTED]

From: Ally Cook [Ally.Cook@sfo.gsi.gov.uk]
Sent: 29 October 2012 17:16
To: Sarah Goom
Subject: FW: Advice - compromise agreements
Follow Up Flag: Follow up
Flag Status: Green
Attachments: SFO Report.docx

From: Tim Hurdle [mailto:Tim.Hurdle@TSOL.GSI.GOV.UK]
Sent: 31 July 2012 16:39
To: David Green
Cc: [REDACTED]; Ally Cook
Subject: RE: Advice - compromise agreements

David,

Please find attached a final version of my report. This has been updated for the cost C Bailes package but has not been updated following my review of the Beachcroft papers. My intention would be to issue a further one page update that will cover the findings from this (review of Beachcroft papers) and any subsequent work once concluded.

In terms of next steps, the Beachcroft papers suggest that there was e-mail correspondence between IM and RA which could shed further light on what occurred. It may also be worth examining correspondence between IM and CB/PW relating to this matter but as yet I have been unable to secure access (or a response to my request for access) to IM e-mails. If you wish for me to complete this part of my review, please can you arrange for me to have access. To ensure that I do not see e-mails relating to other operational matters I am content for another SFO employee to sit by me and vet access if that helps.

Prior to a final decision on the way forward on this matter, I suggest that it will be sensible to ask Chris Bailes direct about the ex-gratia payments and the authorisation of these and the redundancy packages.

I will be on leave from Thursday until 20 August 2012 but happy to pick this up when I return. However, if you feel that you already have enough information to proceed, please let me know and I will complete and issue my one page update.

Regards

Tim Hurdle
Finance Director
Treasury Solicitors Department
One Kemble Street
London WC2B 4TS
telephone
mobile

From: [REDACTED]
Sent: 31 July 2012 15:12
To: 'Ally Cook'; 'David Green'; Tim Hurdle
Cc: [REDACTED]
Subject: FW: Advice - compromise agreements

[REDACTED]

From: Ally Cook [Ally.Cook@sfo.gsi.gov.uk]
Sent: 20 August 2012 17:28
To: Sarah Goom
Subject: RE: Various financial issues - Confidential

Sarah

Good to catch up with you earlier.

On last point, delay was apparently due to [REDACTED] leave. Info is now with Lesley to forward to AGO.

Best wishes,

Ally

-----Original Message-----

From: Sarah Goom [mailto:Sarah.Goom@attorneygeneral.gsi.gov.uk]
Sent: 20 August 2012 10:52
To: Ally Cook
Subject: Various financial issues - Confidential

Hi Ally.

Welcome back, I hope you had a good break.

Without wishing to overwhelm you on your return, I have had conversations with NAO and [REDACTED] at HMT at which issues relevant to SFO came up. I attach a note of the main points arising from the discussion with [REDACTED], which I sent to my Senior Management and copied to David Green.

It would be good to get an update if you are able. These are the main points, in no particular order:

* We understand from the NAO that there is a confidentiality clause in the PW severance contract, which appears to permit disclosure as required by statute, which should cover the annual accounts, but Peter Fish asked for some reassurance that the confidentiality issues have been carefully thought through. Are you dealing with this aspect? Could we discuss?

* NAO explained that they had agreed that there was no need to disclose anything in this year's accounts re: CB, but that there was a need to ensure that all the proper authorisation and process was followed in order to ensure that next year's accounts are not qualified. Does SFO have the necessary advice and expertise to work through this? Do you need any support from AGO_or from other LODs who have experience in this like Tim or Paul?

I think this covers everything! Happy to discuss.

Kind regards

Sarah

<<SFO funding>> <<Managing Pressures note.doc>>

Sarah Goom
Deputy Director, Finance and Strategy
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Tel:

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Sarah Goom

From: Sarah Goom
Sent: 20 August 2012 18:05
To: Peter Fish; Kevin McGinty
Cc: Kristin Jones
Subject: FW: Various financial issues - Confidential

Following the meeting that Peter and I had with the NAO, and the conversation I had with HMT, I asked for an update on a number of financial issues from SFO. Ally Cook called me to respond, and here are the bullet points in which you will be interested:

- The accounts for 2011/12 are still being resolved. Likely to be laid towards the end of October. He will share drafts with us at the same time they are shared with NAO, so we can expect to see in early October.
- He agrees there are risks around the confidentiality clause in the PW compromise agreement. Once he has clarified the range of disclosures required in the Governance Statement and the Remuneration Report, they will seek counsel's advice on the scope of the confidentiality clause. He agrees that PW is likely to challenge any breach of the clause, and he (Ally) thinks she will seek legal redress, including through pursuing unfair dismissal proceedings.
-

Tim

Hurdle has asked for further evidence, including asking David to agree to accessing the archived emails of Chris Bailes and Ian McCall.

- Re Chris Bailes' compromise agreement, nothing is currently being done. CB is due to leave in December, but that has not finally been agreed and he may stay(!) If he is leaving, David needs to commission a new business case to obtain authorisation from Cabinet Office, but on the basis of the existing compromise agreement. If that is obtained, NAO have indicated they would not seek to qualify the accounts this year in relation to the severance, and have indicated that they may not object to the £15k ex gratia payment as it is de minimis and distinguishable from the identical payment to PW as the fact that she was the CEO is aggravating.

Happy to discuss.

Sarah

From: Sarah Goom
Sent: 20 August 2012 10:52
To: 'Ally Cook'
Subject: Various financial issues - Confidential

Hi Ally.

Welcome back, I hope you had a good break.

Without wishing to overwhelm you on your return, I have had conversations with NAO and [redacted] at HMT at which issues relevant to SFO came up. I attach a note of the main points arising from the discussion with [redacted] which I sent to my Senior Management and copied to David Green.

It would be good to get an update if you are able. These are the main points, in no particular order:

- We understand from the NAO that there is a confidentiality clause in the PW severance contract, which appears to permit disclosure as required by statute, which should cover the annual accounts, but Peter Fish asked for some reassurance that the confidentiality issues have been carefully thought through. Are you dealing with this aspect? Could we discuss?
- NAO explained that they had agreed that there was no need to disclose anything in this year's accounts re: CB, but that there was a need to ensure that all the proper authorisation and process was followed in order to ensure that next year's accounts are not qualified. Does SFO have the necessary advice and expertise to work through this? Do you need any support from AGO, or from other LODs who have experience in this like Tim or Paul?

I think this covers everything! Happy to discuss.

Kind regards

Sarah



SFO funding



Managing
Pressures note.d...

Sarah Goom
Deputy Director, Finance and Strategy
Attorney General's Office
20 Victoria Street
London SW1H 0NF

Tel: 020 7271 2479

[Redacted]

From: Peter Fish
Sent: 08 October 2012 15:36
To: [Redacted]
Subject: FW: LETTER FROM DAVID GREEN CB QC
Importance: High
Sensitivity: Confidential
Attachments: 031012 - Ltr to Peter Fish.pdf
for info.

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

From: [Redacted] [mailto:[Redacted]@sfo.gsi.gov.uk]
Sent: 03 October 2012 16:46
To: Peter Fish
Cc: paul.jenkins@tsol.gsi.gov.uk
Subject: LETTER FROM DAVID GREEN CB QC
Importance: High
Sensitivity: Confidential

Dear Peter

Please see David's letter of 3 October 2012.

Best wishes.

[Redacted]

[Redacted] | Senior Personal Secretary to the Director | SFO | Elm House | 10 -16 Elm Street | London | WC1X 0BJ |

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Serious Fraud Office

Elm House
10-16 Elm Street
London WC1X 0BJ

Peter Fish
Director General
Attorney General's Office
20 Victoria Street
LONDON
SW1H 0NF

Direct Line

Direct Fax

E-mail:

Your Ref:

Our Ref:

DG

Date:

3 October 2012

Dear Peter

SFO ACCOUNTS - REDUNDANCY

I am aware that Ally Cook has been keeping AGO in touch with developments on the above matter.

I remain strongly of the belief that I should continue to apply the detail of disclosure I had previously drafted. Not to do so would look weak and evasive alongside the in-depth disclosure that NAO will be making.

I understand that you queried NAO's conclusion in its report that the payments were inappropriate, in the context of my (Governance Statement) disclosure that "on the contractual amounts, this is **only** because Cabinet Office and HM Treasury approval had not been obtained". On reflection, NAO's line is perfectly reasonable given that the business case had set out an option for redeployment which had not been explored. I have therefore changed my wording to "On the contractual amounts this is **not least** because...."

I also understand that AGO has queried why we have not referenced the decision to make Chris Bailes redundant. I am very clear that this is a 2012-13 matter and its outcome will depend on whether or not a fresh redeployment option is identified. Chris is applying for other posts, with my support. If it was to go to a PAC hearing, I would have no problem with explaining why I did not disclose his severance decision in the



11-12 accounts. NAO have said they too would be uncomfortable about disclosing his position in 2011-12 accounts, and have confirmed that, so long as retrospective Cabinet Office approval is sought for the decision (if we are, in the event, tied to the existing agreement), they would not qualify the 2012-13 accounts on that matter. Retrospective approval could be sought based on my own reasons for no longer requiring a COO role.

On wider matters:

- The NEDs asked me to add a line in the Governance Statement to say that this matter was not brought to their attention. I am sure this is correct and am willing to incorporate it, and it makes sense to include AGO in that statement. The wording now reads: "Neither the redundancy decision nor the terms of it were brought to the attention of or discussed with the Non-Executive Directors, nor with the Attorney General's Office."
- I will be following up with TSol on their pursuit of explanations from Richard Alderman. I gather he has responded to TSol enquiries.

I am copying this letter to Sir Paul Jenkins and would be happy to discuss.

DAVID GREEN CB QC
Director

cc Sir Paul Jenkins,

From: Ally Cook [Ally.Cook@sfo.gsi.gov.uk]
Sent: 03 October 2012 18:01
To: Sarah Goom
Subject: Re: LETTER FROM DAVID GREEN CB QC
Sensitivity: Confidential

PS I should reconfirm in respect of my circulation of Audit Committee papers that Chris has not been involved in any decision-making on the accounting disclosures, nor will he be involved in the AC deliberations on the accounts. Ally

From: Sarah Goom [mailto:Sarah.Goom@attorneygeneral.gsi.gov.uk]
Sent: Wednesday, October 03, 2012 05:36 PM
To: Ally Cook
Subject: RE: LETTER FROM DAVID GREEN CB QC

No worries, absolutely fine.

Sarah

From: Ally Cook [mailto:Ally.Cook@sfo.gsi.gov.uk]
Sent: 03 October 2012 17:30
To: Sarah Goom
Subject: RE: LETTER FROM DAVID GREEN CB QC
Sensitivity: Confidential

Sarah

Sorry if I got that wrong. Hopefully still good to have raised the matter in order to close it off?

Ally

From: Sarah Goom [mailto:Sarah.Goom@attorneygeneral.gsi.gov.uk]
Sent: 03 October 2012 17:09
To: Ally Cook; Tim.Hurdle@TSOL.GSI.GOV.UK
Subject: RE: LETTER FROM DAVID GREEN CB QC
Sensitivity: Confidential

Thanks Ally. Actually, AGO is content with the approach not to disclose the CB arrangement, not least because it would definitely breach the confidentiality agreement as not required by statute. I think it was Tim who was concerned about this from a handling point of view, and David has made clear that he will deal with that if raised in the PAC, so I am happy with this, but haven't had chance to discuss with Peter yet.

Sarah

From: Ally Cook [mailto:Ally.Cook@sfo.gsi.gov.uk]
Sent: 03 October 2012 17:06
To: Sarah Goom; Tim Hurdle (Tim.Hurdle@TSOL.GSI.GOV.UK)
Subject: FW: LETTER FROM DAVID GREEN CB QC

10/10/2012

Importance: High
Sensitivity: Confidential

Hopefully this fast tracks you seeing this correspondence.

From: [REDACTED]
Sent: 03 October 2012 16:48
To: Ally Cook
Subject: FW: LETTER FROM DAVID GREEN CB QC
Importance: High
Sensitivity: Confidential

Ally

Copy for your files.

[REDACTED]

[REDACTED] | SFO | Elm House | 10 -16 Elm Street | London | WC1X 0BJ |

From: [REDACTED]
Sent: 03 October 2012 16:46
To: 'peter.fish@attorneygeneral.gsi.gov.uk'
Cc: 'paul.jenkins@tsol.gsi.gov.uk'
Subject: LETTER FROM DAVID GREEN CB QC
Importance: High
Sensitivity: Confidential

Dear Peter

Please see David's letter of 3 October 2012.

Best wishes.

[REDACTED]

[REDACTED] | SFO | Elm House | 10 -16 Elm Street | London | WC1X 0BJ |

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Sarah Goom

From: Peter Fish
Sent: 03 October 2012 13:39
To: Sarah Goom; ;
Subject: FW:
Attachments: [Untitled].pdf

Follow Up Flag: Follow up
Flag Status: Completed

Not sure this entirely squares with the facts ...

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

-----Original Message-----

From: Paul Jenkins [<mailto:Paul.Jenkins@TSOL.GSI.GOV.UK>]
Sent: 03 October 2012 13:32
To: Peter Fish
Subject: FW:

to see my email in context

-----Original Message-----

From: Tim Hurdle
Sent: 03 October 2012 13:12
To: Paul Jenkins
Subject: FW:

FYI

Tim Hurdle
Finance Director
Treasury Solicitors Department
One Kemble Street
London WC2B 4TS
telephone
mobile

-----Original Message-----

From: Tim Hurdle [<mailto:Tim.Hurdle@TSOL.GSI.GOV.UK>]
Sent: 03 October 2012 11:37
To: Tim Hurdle
Subject:

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Dear Mr Hurdle,

Exit Agreements

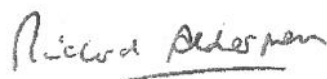
Thank you for your letter dated 6 September. The answers to your questions are as follows. I have numbered your bullet points for convenience.

1. PW, CB and I had been looking for other roles for them since at least the previous summer. PW and CB had been told by AGO and others that they could stay in the SFO for a month or two following my departure but that they would then be expected to clear their desks and move out. This was in line with what Paul Jenkins told me when I went to see him in the summer of 2011 to discuss succession planning. Paul advised me not to recruit a new General Counsel. He said that my successor should be free to make that appointment. He also said that he expected my successor to move out the current senior management of the SFO within a month or so of his arrival. David Green discussed his plans with a number of people following his appointment last December and before he took up his new role. Information about his plans was relayed to PW and CB. It was clear from this that David Green saw no need for PW and CB in the SFO. This is in line with a comment made by David Green in the Financial Times when he said that he had never understood why a Chief Executive was needed in the SFO. I should add that I strongly recommended David Green to meet PW and CB before he started as Director. He refused to do so. The result of all of this is that PW, CB and I looked at whether there were other opportunities for them. We could not find anything suitable.
2. As I have said David Green saw no need for those roles and made this clear in the discussions he had (including some with me). He said that he expected to be the Chief Executive himself. He also said that there needed to be more management by lawyers and less involvement by administrative civil servants. This was a matter for him. It was right for him to think about these issues. The SFO had developed considerably during the years following the appointment of PW and CB and it was right that David Green considered whether he wanted those roles to continue. From my point of view I regretted the fact that he was not prepared to see PW and CB to

explain his thinking directly to them and to reassure them about the way they would be treated particularly when they were hearing so much about his thinking from others.

3. PW's departure was announced during the course of one of my final days in the SFO. It was immediately picked up by the media and was on the front page of the FT as well as in other papers. I recall that I was away from the office for most of that week. I did not have the opportunity to see the Attorney following the announcement. I did not brief AGO before the announcement and only a very few people knew. This was because of the obvious media sensitivity. Four years of media leaks by members of the SFO showed that this information would have been leaked to journalists in a way that caused maximum difficulty for the SFO. I also knew that there were channels of communication between AGO and members of the SFO. For example I had briefed David Green on a one to one basis about a sensitive and confidential staffing issue. Shortly afterwards what I had said became generally known in the SFO. I complained to David Green. He said that he had not spoken to SFO staff about this but that he had briefed AGO. I should add that the Attorney knew about the problems I had with leaks to journalists and was very sympathetic about the problems I had.
4. I asked Ian McCall who was advising us on the exit agreements. He said it was the Cabinet Office. I asked for the advice from the Cabinet Office. I did not ask for the name of the individual or individuals involved in the Cabinet Office. What was important to me was that the advice was coming from the Cabinet Office. The amount originally offered was from the SFO and the Cabinet Office. An amount was needed to make a waiver of rights effective and to ensure that any claims were settled. I was advised that a nominal amount of £100 was customarily agreed if there were no actual or potential claims. This provided consideration for the waiver. I was advised that this was not the position here in view of the claims by PW and CB and that I would need to decide the appropriate amount. I decided on the amount therefore following the advice of the Cabinet Office that this was for my judgment as Accounting Officer. I had to take into account the likelihood of litigation, the likely outcome and the amount that would be awarded by an Employment Tribunal if the claims were litigated and not settled before a court hearing.
5. Claims were made by PW and CB. I asked whether these claims were supported by independent lawyers acting for PW and CB. This was confirmed.
6. This was not the advice of Beachcrofts. I asked what advice we were receiving from Beachcrofts. I was told that Beachcrofts had said that we could resist the claims if we wished to do so and proceed to litigation. They also said that they could not express a view on who would be successful. I should add that I was in no doubt that PW and CB would have pressed their claims and would have litigated.

Yours sincerely,



RICHARD ALDERMAN

Sarah Goom

From: Peter Fish
Sent: 08 October 2012 14:56
To: Sarah Goom
Subject: FW:

Follow Up Flag: Follow up
Flag Status: Completed

For file.

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

-----Original Message-----

From: Paul Jenkins [<mailto:Paul.Jenkins@TSOL.GSI.GOV.UK>]
Sent: 03 October 2012 13:32
To: Tim Hurdle
Cc: Peter Fish
Subject: RE:

Tim

For the record I said that, whilst it was a matter for him, my advice would be not to replace the General Counsel. I said it was not a role that a distinguished fraud lawyer of the sort we were hoping to recruit, would necessarily want. It was in this context that I said that any incoming Chief Exec would, as Alderman himself had done, want to decide what he needed in terms of a top team. I was not, in any way, specific about individuals. Nor did I say that I expected his successor to move out the current senior management within a month or two. (In my view, one of Alderman's first mistakes when he took up the post was to clear out his top team far too quickly - I was hardly likely to hope that his successor would make the same mistake)

Paul

-----Original Message-----

From: Tim Hurdle
Sent: 03 October 2012 13:12
To: Paul Jenkins
Subject: FW:

FYI

Tim Hurdle
Finance Director
Treasury Solicitors Department
One Kemble Street
London WC2B 4TS
telephone
mobile

-----Original Message-----

From: Tim Hurdle [mailto:Tim.Hurdle@TSOL.GSI.GOV.UK]
Sent: 03 October 2012 11:37
To: Tim Hurdle
Subject:

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[REDACTED]

From: Peter Fish
Sent: 08 October 2012 16:22
To: [REDACTED] Sarah Goom; Kevin McGinty; [REDACTED]
Subject: SFO
Attachments: [Untitled].pdf

This is what I am proposing to say in response to Tim's request for comments on Richard Alderman's note. I should be grateful for any comments/corrections from those who may have had any involvement in these matters. Sarah - I am not sure that it is worth asking Annewen if she has anything to add but let me know what you think.

"Tim, these are my comments in relation to Richard's note of 28/9/12. I have confined myself to those points which touch on AGO directly.

Para 1:

"PW and CB had been told by AGO and others that they could stay in the SFO for a month or two following my departure but that they would then be expected to clear their desks and move out."

At no stage did I discuss with Phillippa or Chris what their position would be at SFO after David took up his post. . Nor, so far as I am aware, did the Attorney General, the Solicitor General or any member of staff at AGO. Nor did anyone in AGO have any such discussion with Richard Alderman about Phillippa or Chris's position after David took up appointment. My view was that these were matters which David would have to give consideration to once he was in post.

para 3:

"I did not brief the AGO before the announcement and only a very few people knew. This was because of the obvious media sensitivity ... I also know that there were channels of communication between AGO and members of SFO. For example I had briefed David Green on a one to one basis about a sensitive and confidential staffing issue. Shortly afterwards what I had said became generally known in the SFO. I complained to David Green. He said that he had not spoken to SFO staff about this but that he had briefed AGO."

There are some rather different points which seem to be conflated here. The first question is why did Richard did not tell the Attorney or AGO in advance that Phillippa was leaving. This was highly relevant information to the transition arrangements and to the Attorney's superintendence role. The only explanation is "the obvious media sensitivity". The implication seems to be that he did not want to tell us because we (AGO) would have leaked it to the media. This is entirely unfounded and unjustified. I am not aware of any circumstances in which AGO staff have leaked information to the media.

There is a separate point made about "channels of communication between AGO and members of SFO". It is entirely appropriate that there should be channels of communication between AGO and members of staff at AGO - that is how we conduct business with the CPS and how we would have wanted to conduct business with the SFO. There appears to be a reference to a particular incident where information was shared with David Green which got back to staff at SFO with the implication that this

was as through someone at AGO. I am not aware of the incident referred to.

The key point, though, is that we are accustomed to dealing with highly sensitive and confidential information at AGO and to suggest that Richard could not share information about the Chief Executive of the SFO leaving until after it was announced because of concerns about media sensitivity is quite frankly ludicrous.

Peter

Peter

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

-----Original Message-----

From: Tim Hurdle [mailto:Tim.Hurdle@TSOL.GSI.GOV.UK]
Sent: 05 October 2012 16:35
To: Peter Fish
Subject: FW: SFO

Peter,

I wrote to Richard Alderman asking for clarification on a number of matters. He has responded (as attached) and refers to actions of the AGO. I would therefore be grateful for your comments on those aspects relating to the AGO or Attorney.

Regards

Tim Hurdle
Finance Director
Treasury Solicitors Department
One Kemble Street
London WC2B 4TS
telephone
mobile

-----Original Message-----

From: Tim Hurdle [mailto:Tim.Hurdle@TSOL.GSI.GOV.UK]
Sent: 03 October 2012 11:37
To: Tim Hurdle
Subject:

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Sarah Goom

From: Peter Fish
Sent: 09 October 2012 15:11
To: Sarah Goom; Kevin McGinty;
Subject: FW: SFO

Follow Up Flag: Follow up
Flag Status: Completed

for info and file

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

From: Peter Fish
Sent: 09 October 2012 15:10
To: 'Tim Hurdle'
Subject: RE: SFO

Tim, these are my comments in relation to Richard's note of 28/9/12. I have confined myself to those points which touch on AGO directly. Let me know if there are any other points you would like me to clarify.

Para 1:

"PW and CB had been told by AGO and others that they could stay in the SFO for a month or two following my departure but that they would then be expected to clear their desks and move out."

At no stage did I discuss with Phillippa or Chris what their position would be at SFO after David took up his post. Nor, so far as I am aware, did the Attorney General, the Solicitor General or any member of staff at AGO. Nor did anyone in AGO have any such discussion with Richard Alderman about Phillippa or Chris's position after David took up appointment. My view was that these were matters which David would have to give consideration to once he was in post.

Para 3:

"I did not brief the AGO before the announcement and only a very few people knew. This was because of the obvious media sensitivity ... I also know that there were channels of communication between AGO and members of SFO. For example I had briefed David Green on a one to one basis about a sensitive and confidential staffing issue. Shortly afterwards what I had said became generally known in the SFO. I complained to David Green. He said that he had not spoken to SFO staff about this but that he had briefed AGO."

There are several different points which seem to be conflated here. The first question is why did Richard did not tell the Attorney or AGO in advance that Phillippa was leaving. This was highly

relevant information to the transition arrangements and to the Attorney's superintendence role. The only explanation is "the obvious media sensitivity". The implication seems to be that he did not want to tell us because we (AGO) would have leaked it to the media. This is entirely unfounded and unjustified. I am not aware of any circumstances in which AGO staff have leaked information to the media.

There is a separate point made about "channels of communication between AGO and members of SFO". It is entirely appropriate that there should be channels of communication between AGO and members of staff at SFO - that is how we conduct business with the CPS and how we would have wanted to conduct business with the SFO. There appears to be a reference to a particular incident where information was shared with David Green which got back to staff at SFO with the implication that this was as through someone at AGO. I am not aware of the incident referred to.

The key point, though, is that we are accustomed to dealing with highly sensitive and confidential information at AGO and for Richard to suggest that he could not share information with the Attorney/AGO about the Chief Executive of the SFO leaving until after it was announced because of concerns about media sensitivity is quite frankly ludicrous.

Peter

Peter Fish
Director General
Attorney General's Office
Tel:
Mob:

-----Original Message-----

From: Tim Hurdle [<mailto:Tim.Hurdle@TSOL.GSI.GOV.UK>]
Sent: 05 October 2012 16:35
To: Peter Fish
Subject: FW: SFO

Peter,

I wrote to Richard Alderman asking for clarification on a number of matters. He has responded (as attached) and refers to actions of the AGO. I would therefore be grateful for your comments on those aspects relating to the AGO or Attorney.

Regards

Tim Hurdle
Finance Director
Treasury Solicitors Department
One Kemble Street
London WC2B 4TS
telephone
mobile

-----Original Message-----

From: Tim Hurdle [<mailto:Tim.Hurdle@TSOL.GSI.GOV.UK>]
Sent: 03 October 2012 11:37
To: Tim Hurdle
Subject:

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AGO

Attorney General's Office

20 Victoria Street
London
SW1H 0NF

David Green CB QC
Director
Serious Fraud Office
Elm House
10-16 Elm Street
London
WC1X 0BJ

General
enquiries:
Direct line:
Fax.

020 7271 2402

peter.fish@attorneygeneral.gsi.gov.uk

9th October 2012

SFO Accounts – Redundancy

Thank you very much for your letter of 3 October and for setting out so clearly and helpfully how you intend to proceed in relation to this matter. I am also very grateful to Ally Cook for keeping AGO in touch with developments.

On the question of the detail of disclosure, I agree with you entirely that it must be right to provide full and frank disclosure for public accountability purposes. I understand that TSol have looked again at the legal position and concluded on reflection that disclosure would not amount to an actionable breach of contract.

On the wording of the Governance Statement, your amended wording seems sensible and as you say seems to be consistent with the position being taken by NAO.

For my part, I agree with you that it is not be appropriate to make reference to the decision in relation to Chris Bailes in these accounts. The point had been raised by Tim Hurdle in the context of the work he had done for you in looking into the background to these payments and was passed on by Sarah Goom for discussion. But it is not something which we in AGO felt needed to be included.

On the wider matters, I note the addition you are proposing to make in relation to the absence of discussion with the NEDs and AGO and am very happy for this to be included. I also note that you will be following up on the explanations from Richard Alderman.

I am copying this letter, as yours, to Paul Jenkins.

Peter Fish
Director General
Attorney General's Office

From: Ally Cook [Ally.Cook@sfo.gsi.gov.uk]
Sent: 29 October 2012 17:17
To: Sarah Goom
Subject: FW: Draft SFO Report Addendum
Attachments: SFO Report Addendum.docx

Hope this and last email give you what you need?

From: Tim Hurdle [mailto:Tim.Hurdle@TSOL.GSI.GOV.UK]
Sent: 19 October 2012 16:44
To: David Green
Cc: Ally Cook
Subject: Draft SFO Report Addendum

David,

Please find attached a very short draft addendum to my initial report. I do not believe the additional information gathered substantially changes my initial report findings or conclusion but it appears that the Beachcrofts advice was more forthright than previously suggested and sits awkwardly with Ian McCall's proposition (not specifically stated in original report) that the claims were initiated by PW and CBs visit to Farrers.

I would be grateful for your or Ally's comments on scope/content of the addendum, that I have tried to keep brief.

I am on leave for the next two weeks but hopefully, subject to you and Ally's comments, I will give it a final read through when I return and issue.

Kind Regards

Tim

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DRAFT

Dear David,

Serious Fraud Office – Review of Senior Staff Exits

Following my initial report into SFO exits, at your request I have obtained and reviewed the legal correspondence. This provided further insight into the process used and advice provided in relation to these exits and as a result I sought additional clarification on a number of matters from Richard Alderman, Ian McCall and Beachcrofts. On the basis of this additional work I provide the following addendums that should be read alongside my initial report.

In response my letter requesting clarification on a number of matters, Richard Alderman in justifying his decision to begin the process for making Phillippa Williamson and Chris Bailes redundant has claimed that, at that time, the Attorney General's Office and others, including Paul Jenkins (The Treasury Solicitor) had opined that PW and CB would be 'expected to clear their desks and move out' within a month of your arrival. In addition he claims that you [David Green] had made it clear that you 'saw no need for PW and CB in the SFO' or their roles. The AGO, Paul Jenkins and yourself have refuted that these claims and furthermore were of the opinion that, for at least a period having these staff in place would provide valuable continuity.

The review of legal correspondence and papers, together with correspondence with the SFO's solicitor Beachcroft, yielded further information about the establishment of the £15,000 ex-gratia payments and legal advice provided. Specifically:

- Farrers inserted the £5,000 compensation payment '*in return for signing the agreement and the waiver of claims consistent with similar payments made previously by the SFO in comparable circumstances*';
- the Beachcroft Employment Partner states in an e-mail to Ian McCall that '*There is no suggestion of a grievance or a claim risk from their respective employments and/or their terminations so I challenge the requirement for a compensation payment of £5000*';
- A Beachcroft attendance note of a phone call states that '*He [Ian McCall] appreciates the advice that we provided to date and the confirmation that there is no legal justification for the payment of an ex gratia*';
- Another Beachcroft attendance note states '*Ian confirmed that the e-mail I sent to him setting out the reservations about the current offer had been incorporated in the e-mail sent to Richard. Richard has acknowledged that Ian's e-mail was received*'; and
- An e-mail from Farrers to Beachcrofts on 14 February states '*I understand that our respective clients have discussed and agreed revised terms, in effect bypassing ourselves.*'

Overall, this additional information does not substantially alter the findings of my original report. It highlights that the SFO's solicitors went further in challenging the need for the ex-gratia payments and confirms that there was very little independent legal advice or evidence to support the need to make any ex-gratia payment. It appears that Richard Alderman decided on the quantum of the ex-gratia amount based solely on his view of '*.....the likelihood of litigation.....the likely outcome.... and the amount that would be awarded by an Employment Tribunal*'. This appears to be despite or in ignorance of the advice provided by the Beachcrofts Employment Partner.

DRAFT

Richard Alderman's response to my queries also confirms that he did not discuss or liaise with anyone on his decision to offer voluntary redundancy to CB and PW. His justification stems from his view that informing the AGO, yourself or others would leak to this information being leaked to the press thus causing '*maximum difficulty for the SFO*'.

Yours sincerely

[REDACTED]
From: Ally Cook [Ally.Cook@sfo.gsi.gov.uk]
Sent: 01 November 2012 15:18
To: Sarah Goom; [REDACTED]@hmtreasury.gsi.gov.uk
Subject: FW: Accounts

Fyi

From:
Sent: 01 November 2012 15:17
To: Ally Cook; [REDACTED]; Christian Bailes; [REDACTED]
Subject: Accounts

All

Just to confirm that our accounts have been laid in the House

Deputy Head of Finance | Serious Fraud Office | Elm House | 10-18 Elm Street
London | WC2A 3BB | Tel: [REDACTED] | Fax: [REDACTED]

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[REDACTED]

From: [REDACTED]@sfo.gsi.gov.uk]
Sent: 05 December 2012 16:48
To: [REDACTED]
Cc: Sarah Goom; Kevin McGinty
Subject: Re. Shadow AG Discussion

[REDACTED]

Short answer to these questions is:

1) There is nothing sinister about those payments made below the SCS. CB's agreement is still in the process of being agreed and there are parts that I would consider dubious (you know about Alderman's thought processes already). The same should also be said of the other SCS redundancy payment made between 25k-50k (that's para 7 of the WMS).

2) We are unable to give such an assurance at this point. It is obviously a matter for the NAO but we are briefing them on all of this as we go along.

[REDACTED]

-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]@attorneygeneral.gsi.gov.uk]
Sent: 05 December 2012 14:59
To: [REDACTED]
Cc: Sarah Goom; Kevin McGinty
Subject: Shadow AG Discussion

[REDACTED]

During the generally productive discussion with the Shadow AG yesterday, the AG was asked for 3 pieces of information I'd be grateful if you could supply for us to include in a note to her:

- 1) could we confirm that the other redundancy payments (those lower down the list that aren't PW or RA) are not considered to be 'sinister';
- 2) could we confirm that as far as we are aware the accounts will be signed off next year; and

Grateful if we could get a note on those three at some point tomorrow?
Hoping these are simple to answer.

[REDACTED]

[REDACTED]

Principal Private Secretary to the Law Officer (Principal Secretary) [REDACTED]

[REDACTED]

From: [REDACTED]
Sent: 10 January 2013 12:42
To: Kevin McGinty; [REDACTED]; Rowena Collins-Rice; Sarah Goom; [REDACTED]
Cc: [REDACTED]
Subject: Note following RBM with SFO 9.1.13

Attachments: Note of meeting - SFO RBM 130109.docx

All,

Please see attached note following RBM with SFO yesterday.



Note of meeting -
SFO RBM 1301...

Regards,
[REDACTED]

[REDACTED]
Private Secretary to the Law Officers
Attorney General's Office

20 Victoria Street | London | SW1H 0NF

T: +

Email: [REDACTED]@attorneygeneral.gsi.gov.uk

SFO: Routine Business Meeting

10:00 on Wednesday 9 January 2013

Attendees:

Attorney General, Solicitor General, Sarah Goom, [REDACTED] [REDACTED]
[REDACTED]

David Green QC, [REDACTED] [REDACTED]

UPDATES:

RECENT PQs AND FOI REQUESTS ON ALEX ALLAN AND TIM HURDLE
REPORTS

15. DG apologised for the difficulties experienced by all in collating the information. SFO is trying to establish a baseline on tricky matters so accounts are consistent.
16. AG said he is keen to be as open as possible with Emily Thornberry and get all the historical issues out of the way. AG expressed wish to stick to a strategy whereby all that can be said is said. AG advised that the confidentiality argument is unlikely to survive a PAC and that there must be a constant impression that everyone is being upfront. **DG suggested inviting Emily Thornberry to the SFO.**
17. **DG said he will talk further with Paul Jenkins about the differing accounts of Philippa Robinson's promotion in both reports**
18. **SFO will provide a summary in response to the Allan report given that the allegations of impropriety were ultimately rejected. AG agreed with DG's view.**
19. **The SG has requested copies of both reports.**

From: Paul Jenkins [Paul.Jenkins@TSOL.GSI.GOV.UK]

Sent: 11 January 2013 15:14

To:

Subject: SFO

Attachments: [Untitled].pdf

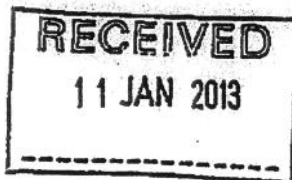
Dear Alex

I attach a self explanatory letter I have received from David Green, the new Director at the Serious Fraud Office. There is growing parliamentary interest in various things Richard Alderman appears to have done whilst at the SFO including excessively generous, and unauthorised redundancy packages for Philippa Williamson and other senior staff just before Alderman himself left. There is, therefore, a renewed focus on the processes that led to Philippa and others final grading.

I know David would be very grateful for any light you are able to shed on what you were told.

Best wishes

Paul



SFO

serious
fraud
office

2-4 Cockspur Street London SW1Y 5BS
Director: David Green CB QC

Sir Paul Jenkins QC
Treasury Solicitor
One Kemble Street
London
By hand

10th January 2013

Dear Paul

As you may be aware, the AGO has been dealing with a Freedom of Information request in relation to the Alex Allan Report and there has been considerable Parliamentary interest in what happened at the SFO between 2008 and 2012.

This has required my staff to review the limited historical information available and this has revealed a discrepancy between the SFO information and Sir Alex's report at paragraph 1.41:

A number of concerns were raised with me about senior appointments. Some of these were based on misunderstandings – for example suggestions that the Chief Executive had had a number of promotions in post, whereas she was in fact transferred to the SFO in a managed move at her current grade.

The report is dated November 2011 but the SFO records contain an unsigned contract letter addressed to Phillippa Williamson arranging her transfer from HMRC to SFO on 1 January 2010 as an SCS2. Pay records show that her salary increased at this point. Ian McCall told myCSP that Phillippa Williamson was seconded from HMRC as an SCS1 in 2008/9 and was transferred on 1 January 2010 and received a salary of £120,000 from that point at SCS Payband 2. There is no evidence of a Board. This is in clear conflict with what is said in the report.

The report does not refer to Christian Bailes directly but he was promoted from SCS Payband 1 to 1a on 14 August 2009 and to Payband 2 on 1 April 2010. Again, there is no evidence of a Board but there is a letter from Phillippa

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office2-4 Cockspur Street London SW1Y 5BS
Director: David Green CB QC

Williamson referring to an internal selection exercise for the first of these promotions. We do not know how this exercise was conducted.

There is a later reference at paragraph 1.55 to senior salary increases after the pay freeze and it has been confirmed that there were no further increases after the pay freeze.

I would be most grateful for your advice about how we should bring this to Sir Alex's attention, so that he might check the detail.

Yours ever

David Green CB QC
Director SFO

Sarah Goom

From: Sarah Goom
Sent: 14 January 2013 11:09
To: 'Kristin Jones'
Cc:
Subject: FW: SFO
Attachments: SFO

Kristin

You may have received this already, but if not, here is Alex Allan's response to David's letter. I think this makes it more likely that the AG will want to disclose as much of the AA report as possible, rather than go with DG's proposal that we could simply say that the allegations had been found to be unfounded. Obviously we will wait to receive the representations from those identified in the report, but all other things being equal, I think the public interest is likely to suggest wider disclosure. Let's talk again when we have those responses.

Peter Fish and I also discussed the disclosure of the Tim Hurdle report, and the balance between the public interest under the FOI act and the contractual confidentiality clauses. He suggested SFO might want to get counsel's advice on which takes precedence, and I said I would pass this on to you.

Sarah

From: Peter Fish [<mailto:Peter.Fish@tsol.gsi.gov.uk>]
Sent: 14 January 2013 10:45
To: Sarah Goom
Subject: FW: SFO

Peter Fish
Deputy Treasury Solicitor
Tel: 020 7210 3090
Mob: 07795 832297

From: Paul Jenkins
Sent: 14 January 2013 10:44
To: Peter Fish
Subject: FW: SFO

From: Alex Allan
Sent: 12 January 2013 04:34
To: Paul Jenkins
Cc: - Cabinet Office
Subject: Re: SFO

Paul

Thanks for this. I'm in Australia and don't have any documents to check what we were told. But what I said would certainly have reflected what I was told - and the report was checked for factual accuracy by those involved (including I think Phillippa Williamson herself, though I can't be sure without checking the records). It certainly looks as if I was misled. I can sort-of see how this might have happened. David's letter makes clear that Phillippa's promotion seems to have occurred at the time she was transferred to SFO, after

having been on secondment for the previous two years. This presumably explains the formulation in my report that "she was transferred to SFO in a managed move at her current grade." But given the full facts in David's letter, this was clearly misleading - and I don't have much doubt that this was deliberate on the part of those who provided this information to me.

Alex

On Friday, 11 January 2013, Paul Jenkins wrote:

Dear Alex

I attach a self explanatory letter I have received from David Green, the new Director at the Serious Fraud Office. There is growing parliamentary interest in various things Richard Alderman appears to have done whilst at the SFO including excessively generous, and unauthorised redundancy packages for Philippa Williamson and other senior staff just before Alderman himself left. There is, therefore, a renewed focus on the processes that led to Philippa and others final grading.

I know David would be very grateful for any light you are able to shed on what you were told.

leading.

Best wishes

Paul

TSol is located at One Kemble Street, London, WC2B 4TS. The building is just off Kingsway, near the Royal Courts of Justice. The nearest tube stations are Temple, Holborn and Covent Garden.

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