

HOUSE OF COMMONS
ORAL EVIDENCE
TAKEN BEFORE THE
HOME AFFAIRS COMMITTEE

PRIVATE INVESTIGATORS: FOLLOW-UP

TUESDAY 2 JULY 2013

SIR IAN ANDREWS and TREVOR PEARCE

Evidence heard in Public

Questions 1 - 70

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Oral Evidence

Taken before the Home Affairs Committee

on Tuesday 2 July 2013

Members present:

Keith Vaz (Chair)
Nicola Blackwood
Mr James Clappison
Michael Ellis
Dr Julian Huppert
Steve McCabe
Chris Ruane
Mr David Winnick

Examination of Witnesses

Witnesses: **Sir Ian Andrews**, Chair, Serious Organised Crime Agency, and **Trevor Pearce QPM**, Director General, Serious Organised Crime Agency (SOCA), gave evidence.

Q1 Chair: Sir Ian, Mr Pearce, may I thank you warmly on behalf of the Committee for responding so very quickly to our request that you come to give evidence today? We are most grateful to you for doing so.

Exactly a year ago, on 6 July last year, the Committee published our report into private investigators. Both of you were witnesses before this Committee who provided us with very useful information. You have provided us—I requested—a copy of the report that you had sent us previously, dated January 2008, and I spoke to you, Sir Ian, last week. At that stage, you had asked that we keep this report confidential under lock and key in a sealed and secure building.

The Committee has read the report and we have also read the extensive publicity in a number of newspapers, including Tom Harper's articles in *The Independent* and, indeed, the BBC website today. We find there is nothing particularly confidential about the information in this report other than what is already in the public domain. You have sent us another copy of the report with some words redacted and we, therefore, will publish this report with your redactions. I think that all that you have redacted in respect of your report are the names of certain inquiries and perhaps the names of some individuals. We will respect that confidentiality and not refer to those inquiries, though later on we will probably ask why you think keeping a name confidential somehow compromises the operational activities of your investigation.

The first question is a serious question because the Committee is considering whether or not SOCA misled the Committee in respect of a number of issues. When you gave us the report on the last occasion there were some very, very serious matters contained in there. In the public domain, there are various articles and comments to the effect that private investigators have been found by SOCA and the Metropolitan Police to be involved in listening to telephone calls of individuals.

I think that in part of your investigations one found a blagger's manual, which talked about dishonesty and snooping, how to hack computers. Clearly, somewhere in the

investigations that you have there is a list of people and organisations that have requested private investigators to involve in dishonest, corrupt and illegal activities. We have also read that private investigators were hired by criminal gangs to infiltrate the witness protection programme.

We have also received evidence in the past from senior officials at the Metropolitan Police, including John Yates and others, in respect of our inquiry into phone hacking, some of which is of interest to this Committee because it is at variance with what was told to this Committee. This morning, the BBC published the name of a Philip Campbell Smith whose computer hard disc had been seized.

I understand that SOCA has a copy of that hard disc, but only some information has been passed on to Operation Tuleta—the Metropolitan Police investigation into phone hacking—which will be the subject of our investigation next week. These are very, very serious allegations and my first question—you can obviously comment on them—is as a result of this shocking report into illegality by private investigators, what did SOCA do about those individuals or companies that hired private investigators to break the law? Sir Ian.

Sir Ian Andrews: Chairman, thank you. As you rightly say, if there is any suggestion that SOCA has misled the Committee, that is of great concern. I am absolutely satisfied, having looked at this, that we have not, but it is absolutely right for you to ask questions to satisfy yourself on that.

The questions that you have asked, as you and I discussed on the phone last week, are very much issues of operational judgment, but if I may—just to help the Committee—make just a short statement on a letter that I wrote to you yesterday, which I hope you have seen. I think it is because of the recent reporting and commentaries that are out there that it is important that the record should be established.

The report at issue was commissioned to help policymakers and law enforcement partners to identify potential intervention opportunities against the threat posed by unscrupulous members of this industry. That was to inform the then Government's consultation process on whether to regulate. It was, if you like, a snapshot—almost a review of the literature. It was looking at existing operations as at the end of September 2007. The statements in the report, which were derived in the process of looking at those investigations, three of them were conducted by the Metropolitan Police Service and we also drew on additional information from the Information Commissioner's Office, which I believe was the source of the blagger's manual to which you referred. A number of those individuals have been brought to trial and convicted as a result of the investigations by the five individual investigations.

As a consequence of that report, in September 2008 the then Government announced its intention to regulate and, indeed, specifically acknowledged the evidence that SOCA had provided with other law enforcement and that we had pressed for regulation to improve levels of compliance and discourage unlawful or unethical practices. The report that you described as the non-protectively marked version—which has been on the SOCA website, as you acknowledged in your last report, freely available for some time—listed five categories of the clients of private investigators, which were specifically domestic, debt recovery, insurance—

Chair: Yes, take it as read that we do look at websites and we do look at correspondence.

Sir Ian Andrews: My last comment is that we never expressed a view, nor do we have any basis to do so, on the numbers or proportions of the use by those clients. The sample size is, frankly, too small. I think it is important, Chairman—I set that out in the letter to you, which I am sure you have all read.

Chair: It was extremely helpful. Thank you very much for that statement. We will go to specific questions. Mr Pearce, perhaps you can answer these.

Sir Ian Andrews: These are operational judgments, Chairman.

Q2 Chair: Indeed, we understand that. We do not want all this information coming to us. We are not paid to deal with this issue; Mr Pearce and his colleagues are. In respect of the hard disc of Philip Campbell Smith, which was the subject of the revelations today, has that disc now been given to Operation Tuleta so they can conduct their investigation?

Trevor Pearce: As soon as we became aware that there may have been information on that, which I think is probably two or so years ago, all that information—the hard drive, supporting documentary evidence, statements and, indeed, follow-up inquiries from our officers—were provided to the Metropolitan Police.

Q3 Chair: So they have the hard disc?

Trevor Pearce: They have had that for some significant period of time.

Q4 Chair: Well, two years is, indeed, very significant. Secondly, as a result of this report—I think the Home Secretary then was Jacqui Smith—did Ministers take any action, as far as you are aware, about the issues that were raised in this report?

Trevor Pearce: I understand that there was an original intention to legislate or to allow for the licensing and regulation of private investigators. I might just deal with that further shortly.

Q5 Chair: No, we understand the licensing issue, but there are criminal acts that have taken place here. The breaking into the witness protection programme is a pretty serious issue.

Trevor Pearce: Other than seeing in the media reporting, I have never heard anything formerly. As a law enforcement officer who has had some significant engagement with the undercover world and the protected persons' world, I have not heard of that before.

Q6 Chair: But as far as the Ministers are concerned, your understanding was that they had read this report?

Trevor Pearce: Yes.

Q7 Chair: Because when we took evidence from Lynne Featherstone, who was the Minister last year, she had not actually read the report.

Trevor Pearce: I have seen that from the evidence that Ms Featherstone gave to your Committee last year, sir. My understanding is that this report was brought to the attention of Ministers by officials back in 2008. As to subsequent engagement, I think clearly officials will have to answer on that.

Q8 Chair: Thank you. You have been very helpful and very open and clear with us. In respect of those people who hired these corrupt private investigators who had been breaking illegally into various websites and computers, is there a list of these companies?

Trevor Pearce: There may well be some details, but let me say firstly, of course, that how the system operates is that there is not necessarily a request to say, "Do something illegal". The request is, "Please get me ...". There is, therefore, potentially the absence of mens rea. Consequently, when the investigation takes place, we need to take account of that. It therefore takes you into a hierarchy of is there a potential criminality or is this a matter that can be dealt with by the appropriate regulatory authorities.

Q9 Chair: That is extremely helpful. Obviously, you know your criminal law and the difference between mens rea and actus reus, which is very good. Mr Ellis and Mr Clappison I

am sure will help us if we have a problem. So that this does not become a seminar on criminal liability, let us stick to the facts. You said there may well be a list. Is there a list of those companies that asked private investigators to involve themselves in any activity? Whether they then acted in a criminal manner after that is a secondary issue. Is there such a list?

Trevor Pearce: As to there being a definitive list, I do not believe there is. There are names of people who clearly may have commissioned such activity.

Q10 Chair: Right, so how many names?

Trevor Pearce: I cannot tell you that. We can go away and provide further detail if you request. It may well be that some of those are already subject to continuing investigations or it is deemed appropriate to refer them—

Q11 Chair: After five years?

Trevor Pearce: Well, I think the nature is yes, there are potentially continuing investigations.

Q12 Chair: Let me just clarify. After five years, you have a list of people, names, organisations that may or may not be the subject of criminal investigation?

Trevor Pearce: In relation to other investigations, not in relation to these five extant investigations at the time from which the assessment was drawn. As you can tell, those have been concluded. Three of those were Metropolitan Police investigations, one was a SOCA intelligence development investigation, and the other one was a historic National Crime Squad investigation.

Q13 Chair: Very helpful. Of the ones that have been closed you can, therefore, supply the Committee with a list of names?

Trevor Pearce: Well, they are not our investigations.

Chair: To avoid us going round in circles, who do we write to?

Trevor Pearce: The Metropolitan Police Service.

Q14 Chair: They are coming in next week; we will ask them. In respect of companies that have had their data stolen, the BBC and Tom Harper in *The Independent*, I believe, have reported that among the companies are British Telecom, British Gas and HMRC. Is that correct?

Trevor Pearce: I think that it is fair to say that there are a number of utilities companies and other bodies who have been subject over a period of time—and not necessarily in relation to matters here—to those practices that have been described colloquially as blagging.

Q15 Chair: So they are the victims?

Trevor Pearce: They would be victims, yes—any organisation who had in some way been “conned” into providing information, yes.

Q16 Chair: Do you know whether they as victims have been furnished with any evidence or any information that would allow them or the Metropolitan Police to prosecute those who have stolen data from British Telecom, HMRC or British Gas?

Trevor Pearce: In relation to any company or organisation, if an obvious victim, one would hope those contacts would have been made.

Can I just tell you also, though, in terms of the furtherance of our activity around this, we produced about six alerts to private sector and public sector organisations, including

banking and utilities. The purpose of that is to enable those companies to protect themselves from such attacks, which goes back to one of the fundamental tenets of what SOCA was set up to do—to have a strategic impact and to mitigate the consequences of organised crime. Clearly, corrupt private investigators are a potential consequence of organised crime, although not set absolutely in the priorities that we have from the Home Secretary in terms of our responsibilities.

Q17 Chair: Indeed. In terms of the Daniel Morgan inquiry, is some of this information relevant to that inquiry and has that been placed? Because we are not conducting an inquiry into this. We know there is a judge-led inquiry announced by the Home Secretary. Will this information be made available to the Daniel Morgan inquiry?

Trevor Pearce: If we have material that is relevant to that, we will make that absolutely available to the judge and his inquiry.

Q18 Chair: Will you wait for a request from the judge or will you just give it to him or her?

Trevor Pearce: In fact, pre-empting this, I have already asked for a trawl of our records to take place so we are in the position to have them.

Q19 Chair: When did you ask for that?

Trevor Pearce: About four weeks ago, before, I think, or at the time of the announcement because it is important that we are able to contribute.

Q20 Mr Clappison: Just taking you back to the people who commissioned the private investigators to act in this way, what was the information that they were seeking?

Trevor Pearce: I think, broadly, it was a range of information from that which would identify someone to that which would give an indication of their financial and other circumstances.

Q21 Mr Clappison: Looking at this report, which you supplied us with, the operations looking into the activities of private investigators, we are told of payments, reports of telephone interception, reports of hacking into computers and reports of personal company bank details.

Trevor Pearce: Yes.

Q22 Mr Clappison: The companies or individuals who were commissioning the private investigators to seek this information must have known that that was being obtained illegally, mustn't they, if they were being given the details of somebody's bank account?

Trevor Pearce: It depends on the question that they have asked and exactly what their intention was.

Q23 Mr Clappison: How would you find details of somebody's bank account other than snooping illegally?

Trevor Pearce: I am sure there are legitimate ways, for some people, through orders etcetera.

Q24 Chair: Mr Pearce, you sound as if you are defending this action.

Trevor Pearce: I am not at all. I have spent particularly the last 15 years of my life tackling organised crime and some of the corruption that exists around it. I am trying to put forward to the Committee—as you expect me to—an objective view, because do I

categorically know exactly who and what made those requests? As I sit here, no, I don't. But, yes, very clearly, a whole range of requests can be made, which is why over a period of time we have put forward alerts to the relevant bodies warning them about these tactics and techniques and approaches to private investigators—

Chair: Sure.

Q25 Mr Clappison: What about reports of telephone interceptions, if they came back from the private investigators to the companies or individuals concerned?

Trevor Pearce: There would clearly be, I would imagine, an awareness of how that material may have been acquired.

Q26 Mr Clappison: I am going on what you have told us in this Operation Barbatus—

Trevor Pearce: Which was dealt with at court, and resulted, I think, in five convictions.

Q27 Mr Clappison: Were those the people who had asked for the information or the private investigators who were doing the snooping?

Trevor Pearce: My recollection, sir—and I will check, and we will definitely come back to you—is that there were police officers and there was one private investigator.

Q28 Mr Clappison: Yes, but going back to the question the Chairman originally asked you at the beginning, how many of the people who were paying private investigators, or whoever, to obtain this information—the commissioners—how many of them have been prosecuted?

Trevor Pearce: I cannot tell you as we sit here today. We will endeavour to find that out. But, as I say, three of the investigations—which we reported on—were Metropolitan Police investigations.

Q29 Chair: We understand that, Mr Pearce, but I find this difficult to understand because these investigations—Flandria, Gloxia and Millipede—were all SOCA-led investigations.

Trevor Pearce: Yes.

Chair: Just passing the buck on to the Met and saying, “These were Met investigations” does not really answer Mr Clappison's and my question. You must have these names. This has been going on for five years. If SOCA exists for anything, it is to uncover organised crime. I find it extraordinary—given all that has happened in the newspapers, and the fact that you are called before us—that you do not have the names of the organisations that we are asking for. Will you be able to find them?

Trevor Pearce: We will have them in our records if they are there.

Q30 Chair: Are these SOCA-led investigations—Flandria, Gloxia and Millipede?

Trevor Pearce: Yes.

Q31 Chair: They are all your investigations?

Trevor Pearce: They are.

Q32 Chair: They are not Met investigations?

Trevor Pearce: No, they are our investigations.

Q33 Chair: Well, let the Met look after themselves next week. What is your concern?

Trevor Pearce: Okay. Right. Can I deal with those three investigations?

Chair: Yes.

Trevor Pearce: Millipede is the one where specifically—and we had convictions on that—individuals had accessed, on behalf of others, confidential data. There were clearly those who commissioned those pieces of work. That has moved on to the consideration of whether there were to be prosecutions against them or whether it would be better to be potentially dealt with by the regulatory agency, which is the Information Commissioner. That is still under way. It is always difficult to identify the absolute criminality of those making a request, but they would have been thoroughly looked at.

Q34 Chair: By?

Trevor Pearce: By us during the course of that investigation.

Sir Ian Andrews: Chairman, can I just help on one of them?

Chair: Yes.

Sir Ian Andrews: My understanding is that Gloxia, which was a former National Crime Squad investigation, actually involved organised crime groups targeting associates. Arrests were not made. The judgment was there was insufficient evidence to arrest or charge the subjects of that operation. Nonetheless, our understanding of what we believe to have happened reflected the content of that 2008 report.

Chair: Very helpful.

Sir Ian Andrews: That one is closed and I don't think it is appropriate to go there because there was not sufficient evidence to charge.

Chair: Well, we will decide whether it is appropriate.

Q35 Mr Winnick: The position is that the private investigation industry is totally unregulated. Is that not the position?

Trevor Pearce: That is correct.

Q36 Mr Winnick: As I understand it, the Private Security Industry Act 2001 has provision for the Security Industry Authority to license private investigators, but it has never been introduced.

Trevor Pearce: That is correct.

Q37 Mr Winnick: So a lot of this murky business, of which the Chair is fully informed, even if we are not quite as knowledgeable as he in asking you questions about this, in essence, the job of your organisation, presumably, where private investigators are clearly breaking the law—as all the evidence would suggest is the position—your job is to try to deal with that as far as is possible?

Trevor Pearce: That is correct, where it is relevant to what we do or where it touches on our investigations.

Q38 Mr Winnick: Yes. But would it not be the position that, however much you are trying—and one works on the assumption that SOCA is doing so, at least I hope so—as long as this industry remains unregulated, any kind of spiv can get involved? There is no necessity for anything else for them to set up shop. As long as that exists, one will have the sort of murky business that I have already referred to.

Trevor Pearce: I think that is absolutely right, sir. This is the whole purpose of us doing this assessment in 2007 to 2008, which was to inform policymakers at the time that

there was a gap here, and our recommendation—covered in our annual report, the communications we have had with both MOJ and the Home Office, and indeed the impact assessment around the legislation—is that there should be some form of regulation. We have been saying that since 2007-2008 and we were delighted when your Committee last year agreed the same thing, because this is actually getting it into the agenda.

Can I make one point about the motion of this? Which is, where this has become more complicated over the years is, it is not about the private investigator—you could call yourself a security consultant and maybe take yourself outside the remit—

Mr Winnick: It sounds a more dignified name, doesn't it?

Trevor Pearce: Yes, but it is about the functions. It is about what these individuals do. So is it “blagging” your way into people’s resources? Is it putting technical equipment on people’s cars to follow them around? We can go within three miles of where we are and buy very sophisticated tracking equipment, and it can be deployed by private investigators. So it is a range of things that they do, which I think we need to make sure that we are able to properly regulate, as well as the individuals around due diligence, and the businesses as a whole.

Q39 Mr Winnick: If I could ask Sir Ian, as chair, perhaps a more senior figure—

Sir Ian Andrews: Different.

Mr Winnick: —in the whole position in SOCA? Can I put it to you, Sir Ian, that if this sort of business is going to continue, we can bring you in from time to time, but clearly this sort of criminal activity by various spivs will continue, whatever they call themselves—private investigators, security consultants, what have you. What pressure are you putting on the Government to try to regulate this so that you would have far more powers to deal with the problem?

Sir Ian Andrews: Sir, if I may, I take you back to what SOCA was established to do by Parliament. It was that SOCA should operate in accordance with the strategic priorities of the Home Secretary of the day, and the current priorities are around drugs, fraud, immigration crime, fire arms, and cyber. Therefore, what SOCA is doing is implementing the will of Parliament as expressed by the Home Secretary’s strategic priorities. We do not have a locus because the sort of people you are describing, it is not organised crime unless it is being used to facilitate those crimes in the area that Parliament has given us the authority to look at.

Q40 Mr Winnick: Yes, and it is still so, isn't it?

Sir Ian Andrews: What we also have the responsibility to do is to provide advice on how criminals operate in this space, and to assist with the prevention and target hardening, and people being aware of what the threats are. The report in question was an example of that second stream of activity. The Home Secretary’s strategic priorities—which I am obliged to ensure SOCA remains within—do not extend to this area.

Mr Winnick: Thank you.

Q41 Nicola Blackwood: I just wanted to follow up on a couple of the points that have come out in the media coverage. Mainly, they are the allegation that not much was done with the evidence behind this report. I am conscious that in evidence that we received from Commander Spindler in our report, he told us that you had also done a report into the threat to UK law enforcement from corruption, and that one of the key findings in that was that one of the four corrupters of law enforcement was actually private investigators, which I think would fall under your remit and would make this part of your work stream.

Also, one of the key findings of the report was that the activities involved were perverting the course of justice. So can I ask not so much what impact there was on the specific policy of changing regulation, but what impact followed after this report on

operational matters? What changed after this report, in terms of the way you engaged with this particular area?

Trevor Pearce: As you rightly point out, the threat from private investigators to organised crime investigations is significant, so we always have to have a set of risk management practices around that, both in our own regard but also supporting other law enforcement.

I think last year, in support of other law enforcement, we carried out about 40 different pieces of work, either direct covert support or investigations into corruption where it touched on law enforcement or the public sector more widely. The engagement of private investigators in matters that are parallel to or, indeed, intertwined with organised crime are significant and are actually quite challenging to deal with. So we are always on the case of that. In fact, we carried out an investigation where a former police officer, who was a private investigator, was effectively a money carrier for an organised crime group. He was arrested and dealt with as part of that investigation. So we will continue to target—and we do target—private investigators who are there on the edge of our investigations.

We support other public sector bodies and law enforcement around the challenges that they have, because we have particular capabilities that are available to them. Then we also engage in this wider role, the mitigation of these threats, which is why we have sought to identify the issues around the regulation of the private investigators. This is why we have gone to a whole range of financial institutions, other public sector bodies, in order to warn them off. It is a rounded approach. If I am candid, you will not arrest your way out of this. This requires a range of different approaches and a strategic impact at the end of the day as part of your campaign plan.

Q42 Nicola Blackwood: So my question is, other than the specific regulatory proposals, which we already know about, what are the other changes that have come in or which you think should be coming in to deal with this—as you say—significant threat?

Trevor Pearce: We engaged with the Ministry of Justice over the sentencing around some Data Protection Act offences. At one stage the maximum penalty was fines. There is now a two-year penalty. I think that will have had some impact. We have sought to use a range of innovative tactics in how we operate against organised criminals, and then we have put in these alerts, as I say, to both the private and public sector as a means of mitigating against it. So there is a range of things that we have done to try to explore this.

Q43 Nicola Blackwood: Do you recognise this claim in *The Independent*, which says that 80% of the illegal activity, hacking or otherwise, is not related to the media?

Trevor Pearce: Absolutely not.

Nicola Blackwood: No?

Trevor Pearce: No.

Chair: Sorry, what are you saying?

Trevor Pearce: This 80% figure I don't recognise.

Q44 Chair: What should the figure be then?

Nicola Blackwood: What would be your assessment?

Trevor Pearce: I don't know. We do not have a view on the quantum. As Sir Ian said, we have identified five categories of individuals who may commission such work. We have no idea of the quantum. I was personally surprised to see that figure. It is clearly a source that *The Independent* newspaper has; I do not know whether that source will be made available to you.

Q45 Nicola Blackwood: What about the allegation that, although this evidence was available from 2006-2007, charges were not brought until after the hacking scandal?

Trevor Pearce: On the five investigations that were subject to the assessment—the document that you have—they were all ongoing at that time and arrests and so on took place. The Millipede investigation, which we have talked about, I think must have been in the last three or four years, so it would have been coterminous with some of the issues that we have seen over that period of time.

Q46 Nicola Blackwood: My last question is if there were five categories, which you identified, associated with this kind of illegal activity—hacking and so on—and you thought this was such a significant threat that it is a major part of your work stream, how do you account for the fact that when the debate was ongoing about the hacking scandal, it was exclusively focused at that time on the media? Did you raise this within the Home Office as well?

Trevor Pearce: No, we did not.

Q47 Nicola Blackwood: Why not?

Trevor Pearce: Well, this document was available within the Home Office. It was a document that was available and known to law enforcement. As you are aware, subsequently we provided a copy of this report to the Leveson Committee. This was outside our remit.

Q48 Nicola Blackwood: It would have been a hopeful opportunity to remake the point that you might need the private investigators legislation for wider than the—

Trevor Pearce: That was continued through this period. We also had the opportunity, in terms of evidence to your Committee last year, to enforce that. Again, we are delighted to see the recommendation in your report.

Sir Ian Andrews: Chairman, if I could just help—

Chair: Before you do that, just now what you said to Nicola Blackwood—you are not a policymaking body?

Trevor Pearce: No.

Q49 Chair: What you are telling this Committee is you did your job. You provided the report. You gave it to Ministers. It was not your job to ring up Jacqui Smith, or anyone else, and say, “What have you done about it?” You moved on to drugs and all the other things that you are supposed to be doing. Is that a fair summary?

Trevor Pearce: We had continued engagement with relevant officials within the Home Office; we had discussions with—

Chair: Yes, discussions—but you do not have the right to tell them what to do?

Trevor Pearce: No.

Sir Ian Andrews: No.

Q50 Chair: I turn to the issue of John Yates and what he told *The Guardian* when *The Guardian* asked him whether or not phone hacking was widespread, and he said it was one rogue reporter, and to what he told this Committee in evidence during phone hacking. What you are telling this Committee, in your answer to Nicola Blackwood, is that this was being uncovered simultaneously.

Trevor Pearce: These were investigations that were looked at in 2007. That was the intelligence cut-off for this. So these were ongoing investigations or concluded at that time.

Q51 Chair: So, someone senior at the Met in June 2009 would know about this, if you are working with the Met?

Trevor Pearce: I cannot comment on that.

Q52 Chair: But was the Met aware of it or was it kept in that arm, the home of SOCA?

Trevor Pearce: The Metropolitan Police had a copy of this report. Where it went to within the Met, I can't say, sir.

Q53 Chair: In January 2008 they had a copy?

Trevor Pearce: That would be right, sir.

Sir Ian Andrews: I think it went to them in February 2008.

Trevor Pearce: In early 2008.

Q54 Chris Ruane: In your report, on page 3 you mention the various categories that private investigators explore. They include: domestic, debt recovery, tracing, insurance claims, media and criminal fraternity. Is there a sixth one there? Have the private construction companies used rogue investigators to look at workers and blacklist workers?

Trevor Pearce: Not that we identified in the investigations that are ongoing, sir.

Q55 Chris Ruane: The second question is, in your investigations did you come across any evidence to suggest that people may have committed suicide or been killed or murdered, as a result of the activities of these rogue investigators? If we are dealing with the criminal fraternity, if we are dealing with domestic spousal conflict, if we are dealing with the media, scoops putting pressure on people, did you come across any evidence that the outcomes of their investigations had led to death?

Trevor Pearce: Not in the five investigations that were the subject of this assessment, sir.

Sir Ian Andrews: If I could add to that from the perspective of the chairman, it is very clear to me that, where there is suspicion of a threat to life, that is taken very seriously by my operational colleagues. Trevor Pearce and his people are very focused on that.

Q56 Steve McCabe: I was struck by Mr Pearce's remark earlier that you cannot arrest your way out of this. I am wondering if people are watching this at home with the impression that SOCA are sitting on a pile of information about people obtaining thousands of pounds illegally, employing companies that you know the names of, and asking no questions about what goes on. What is serious and organised crime if that isn't an example of it, and shouldn't there be more arrests? Are we not entitled to say, "Something has to happen to put an end to a practice like this"? You may not conclude it by arrest, but it seems astonishing that we are not seeing any greater activity than we have seen so far.

Trevor Pearce: Where we have information and it is not relevant to us to carry on the investigation, that gets passed to the appropriate other agencies, whether they are law enforcement agencies or regulators who have responsibility in this area. What I meant by "We don't arrest our way out of it" is that arrest and criminal justice is one aspect.

Actually, as you identified in your report last year, the wider approach to dealing with this is a range of issues, through regulatory frameworks, through to prevention initiatives, through to hard-edged criminal justice investigations where we can do that. More broadly, in terms of where private investigators have been involved in corruption around conventional organised crime, shall we say, where they have tried in some way to impact on an organised

crime investigation, those arrests do take place. It is saying that arrests are one of the facets we have to use.

Q57 Steve McCabe: Are you surprised there have been so few? Given the scale of the information that you currently have, are you surprised?

Trevor Pearce: Am I surprised? If we had the resources, as always, to do this. I am surprised at the number of drugs investigations sometimes that you cannot get to and you have to take a different approach to it.

Chair: Yes—forget about drugs, just concentrate on this.

Trevor Pearce: In terms of this—as I said, resources against the priorities we have—I think we are doing as much as we can, which is why we have sought to deliver a much broader approach.

Q58 Steve McCabe: Could you give the Committee some indication of what the scale is, then? You do not have enough resources, so how many people have been allowed to just carry on and make their thousands and walk away? What is that in relation to the small number we have seen prosecuted? Are we talking about 2%? What is the scale?

Trevor Pearce: I would need to come back with those figures, sir.

Q59 Steve McCabe: But do you have an idea? If it is a resource issue, somebody is making a judgment to say, “Put quite a chunk of this on one side”.

Trevor Pearce: First, it is a question about: can you progress these investigations? Is there another agency that has a remit or is there an appropriate regulatory body? There is a range of ways of dealing with this. I will go away and see what more information we can furnish the Committee.

Q60 Steve McCabe: What I am asking is have you no idea what the scale is at the moment? As a figure, if we start with 100%, are we talking about your having dealt with 2%, 10%, 20%, 25%? You have no idea?

Trevor Pearce: I could not comment at this stage accurately to you.

Sir Ian Andrews: Could I just address one of Mr McCabe’s specific questions?

Chair: Before you do, Sir Ian, just before we lose this thought, I think what you are saying to Mr McCabe is if you had the resources you could have done more?

Trevor Pearce: There are lots more things I would like to do with resource. It is a balance of resources against the priorities which we have.

Q61 Chair: But Mr McCabe’s point to you, which was very succinctly put, based on all this information you have given this Committee, is that more should have been done to prosecute people. Is it still going on now, do you think?

Trevor Pearce: I can only presume that it is. I am sure there are investigations; not necessarily by SOCA but there are investigations going off. We would—if it was in our remit—obviously support or we would engage in those.

Q62 Chair: At the moment, you think there is still this criminality going on. People are commissioning rogue private investigators to involve themselves in criminal activity, you are not involved in investigation—somebody else is—but it is going on?

Trevor Pearce: I would presume that others are. The intelligence on this is diminishing. It may be that there has been an effect, whether it is the change in legislation, whether it is other activities going on, but—I can’t comment in detail—I would be surprised if

other organisations were not in some way carrying out investigations into corrupt private investigators in their broadest sense.

Q63 Chair: Yes. Now, what I would like you to do is this: in 14 days this Committee would like the list of names—after you have trawled through your documents—any names that you have of people who have commissioned this activity; secondly, we do not want you to guess today but, in answer to Mr McCabe’s question, we would like to know from you of anyone who has not been pursued by the relevant agencies; thirdly, we would like to know who these relevant agencies are. We have the Metropolitan Police coming in next week, so we will of course ask them. Who is the best person to ask in the Metropolitan Police?

Trevor Pearce: Again, I would need to check and—

Chair: But you are the head of SOCA; surely you know who we should ask.

Trevor Pearce: I would suggest it might well be the Director of Professional Standards.

Chair: It may well be, but who is that?

Trevor Pearce: I can’t say at the moment. Or the Deputy Commissioner, Mr Mackey. We will need to identify—

Chair: We will write to Mr Mackey, since you have suggested it.

Trevor Pearce: All right.

Chair: It is just that I worry about your pausing as to knowing who we should write to on an issue that has been in the public domain for 10 days, and you are sitting before a Select Committee of the House.

Trevor Pearce: I am trying to make sure that we would direct you to the right Metropolitan person—

Q64 Chair: But you do not know at the moment who it should be?

Trevor Pearce: I would generally go to the Deputy.

Q65 Chair: You see, what worries me is that those who have got away with this, and some people have, clearly—in your view as well, because you could not pursue all of them—are rubbing their hands with glee at the thought that we have agencies who are passing, in a sense, the buck to each other because nobody quite knows where it stops and where it ends.

Trevor Pearce: I think we are sharing responsibility, Chairman.

Sir Ian Andrews: Chairman, if I could come back?

Q66 Chair: Sorry, can I just finish this point? As far as the Leveson report is concerned, do you know why Lord Justice Leveson did not investigate this and did not circulate the report?

Trevor Pearce: I don’t.

Q67 Chair: Were you aware that the Government said to us that they could not bring forward recommendations on private investigators—such as Mr Winnick mentioned at the beginning—because they were awaiting the outcome of Lord Justice Leveson’s report, and that Lord Justice Leveson has written to this Committee to say that he was not investigating this at all?

Trevor Pearce: I was not aware of that correspondence, no.

Chair: I will send you the correspondence. Sir Ian?

Sir Ian Andrews: Mr McCabe asked a question about reports that SOCA—I think these were your precise words, sir—were sitting on piles of information about this. I am very

clear that those reports are incorrect. There is not a wealth of information that SOCA is deliberately withholding—indeed, I don't think there is any.

We have been very open and I have made it very clear, Chairman, we had a conversation about the role of this Committee exercising oversight on behalf of Parliament, and we have over the years—I hope you would agree—been very helpful in assisting you with a number of investigations that you have been conducting. So I am very clear where our responsibilities lie. But I am also very clear, as the chairman of SOCA, that I am under a statutory obligation to ensure that the resources SOCA has are deployed in the most effective way to deliver against the Home Secretary's strategic priorities. Those are, as we have said, those areas. Therefore, I have a responsibility to Parliament and to them through you, Chairman, to make sure that the resources that Parliament has allocated to us are being used in the most effective way for the priorities that Parliament has given us.

Q68 Chair: Of course, and we are very grateful for that, Sir Ian. When are you being abolished?

Sir Ian Andrews: The National Crime Agency starts on 7 October.

Q69 Chair: Because some of these inquiries relate to the NCA, your predecessor committee, we are very worried that, by the time we get to 7 October, and we do not have the answers, it will have disappeared into this great black hole in the sky and we won't get the answers.

What is going to happen to you, Mr Pearce? Are you going to go to the NCA?

Trevor Pearce: I have a role as one of the directors of the NCA.

Chair: Excellent, so you are secure.

Trevor Pearce: Also, some of this information predates SOCA. I am happy that the information handling practice that we have in complying with both data protection—our obligation is to hold material—are such that we can identify and draw in any information that may well be required.

Sir Ian Andrews: Can I say, Mr Chairman, from the point of view of the Chairman of the SOCA board, that I have complete confidence in the integrity with which my Director General and his staff exercise those responsibilities?

Q70 Chair: I am sure you have because you are sitting next to him, and you would not have brought him here if you did not have confidence in his integrity.

Let me say this to you, Sir Ian. I find this and I think the Committee finds this very unsatisfactory. We do not think we have got to the bottom of this whole issue. Please would you let me have those answers in 14 days? But I remain very grateful to you, Sir Ian, and to you, Mr Pearce, for responding so quickly to our request to come here and provide—

Trevor Pearce: Thanks, and can I just perhaps—

Chair: Not if it is another long statement. Is it?

Trevor Pearce: The initiative to tackle corruption from private investigators as an enabler to organised crime was a SOCA one. We commissioned this piece of work. We did this assessment. We have used it to effect policy. We have used it to provide a range of alerts, and we have carried out investigations on the end of it. The characterisation that we have in any way held anything back, or sat on our hands is, frankly, wrong and I think we have shown in the material that we have given just exactly what we have done.

Chair: Mr Pearce, I think that message is clear. The concern of Mr McCabe and the rest of the Committee is not that you do not have this information and that you have produced this wonderful report, even though most of it was redacted when we first received it, but the fact that nothing was done as a result of it, whether it is SOCA's responsibility—Sir Ian says

it isn't—or the Metropolitan Police's or the regulator's is what the Committee will find out.
Thank you very much for today.