



House of Commons
Committee on Standards

**Sir Malcolm Rifkind
and Mr Jack Straw**

First Report of Session 2015–16



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and Mr Jack Straw**

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Report, together with an appendix and formal minutes relating to the report

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The Committee on Standards

The Committee on Standards is appointed by the House of Commons to oversee the work of the Parliamentary Commissioner for Standards; to examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Interests and any other registers of interest established by the House; to review from time to time the form and content of those registers; to consider any specific complaints made in relation to the registering or declaring of interests referred to it by the Commissioner; to consider any matter relating to the conduct of Members, including specific complaints in relation to alleged breaches in the Code of Conduct which have been drawn to the Committee's attention by the Commissioner; and to recommend any modifications to the Code of Conduct as may from time to time appear to be necessary.

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Publication

Committee reports are published on the Committee's website at www.parliament.uk/standards and by The Stationary Office by Order of the House.

Evidence relating to this report is published on the Committee's website at <http://www.parliament.uk/standards>.

Committee staff

The current staff of the Committee are Eve Samson (Clerk), Katya Cassidy and Jennifer Burch (Second Clerks), and Cecilia Santi O Desanti (Committee Assistant).

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Report

1. The memorandum from the Parliamentary Commissioner for Standards setting out the conclusion of her inquiry into the conduct of Mr Straw and Sir Malcolm Rifkind is appended to this report. It is extremely unusual for the Commissioner to prepare a memorandum in a case where, like this, she finds that there has been no breach of the rules. She has done so because:

I took into account the seriousness of the allegations and the fact that unless I accepted the matter for investigation, there would be no detailed, authoritative and independent examination of all the evidence. There would also have been no finding on whether the rules of the House had been breached. This would not have been fair to the Members concerned.¹

2. Whether MPs should be allowed to have employment outside Parliament is a matter of legitimate debate. The rules currently permit it. As long as that is the case it is not improper to discuss possible roles. This is particularly pertinent if, as in Mr Straw's case, the discussions relate to what an MP might do after he or she has left Parliament. MPs invited to such discussions are unlikely to give authoritative commentary on the detailed rules of either House of Parliament. What matters is whether there is evidence they have breached or evaded the rules in the past, or are prepared to do so in future.

3. We regret that despite his public comments, Sir Malcolm Rifkind failed to refer himself to the Parliamentary Commissioner for Standards in a timely way. Otherwise, we note that both Sir Malcolm and Mr Straw co-operated fully with the Commissioner's inquiry, and that the Commissioner's findings about their conduct rest on documentary evidence. As far as actual breaches of the rules relating to the conduct of Members are concerned, the Commissioner has established that neither was in breach of the rules relating to paid advocacy, both had been scrupulous in observing the requirements relating to registration of interests, that there was no indication Sir Malcolm would fail in practice to declare interests, and that Mr Straw had made declarations even when such declarations were not technically required.² Mr Straw had been particularly at pains to keep his business work separate from Parliamentary resources.

4. The Commissioner's inquiries have been exhaustive, and we are grateful to her for her thoroughness. We agree with her finding that:

As is clear from my inquiries concerning Sir Malcolm and Mr Straw, although several allegations were made about each of them, arising from interviews recorded by undercover reporters, neither was in breach of the Code of Conduct or the Rules of the House other than—in Mr Straw's case—by a minor misuse of parliamentary resources. The use of carefully selected

1 [Appendix, Conclusion, para 2](#)

2 [See Appendix, Rt Hon Jack Straw, para 70](#), WE (JS) 18,

excerpts from the recordings does not necessarily give the viewer a detailed understanding of the circumstances and the full evidence behind the interviews. This may result in the viewer being led to conclusions which do not stand up to detailed scrutiny.³

5. While in these circumstances we recommend no further action, we wish to make some general comments on this case. The first is that Members of Parliament should be aware that even if their behaviour is within the rules, they may not escape criticism. For their own protection, all those in public life should bear in mind the likelihood that what they say in private may be made public and should be weighed accordingly. They should always be aware that their conduct will be measured against the seven principles of public life. Although no rules were broken, both men acknowledged to the Commissioner that they had made errors of judgment.

6. Secondly, the press coverage causes us concern. Some of the adverse comment was related to Mr Straw's intervention on behalf of Senator International, a major employer in his constituency. We disagree with the assumption in one of the articles that MPs will only take up the concerns of local companies for self-interested reasons. In fact it is normal and proper for MPs to intervene on behalf of local businesses, as all MPs are aware of the importance of successful business and industry to their constituency and, indeed, to the economy as a whole. We would expect serious political commentators to be aware of this. It is a matter for Governments to decide whether or not to act on industry's concerns, but it is in the public interest that such concerns can be raised effectively.

7. This is the third occasion within two years that the Commissioner has had to deal with a case arising from a "sting" conducted by journalists. In one case, the allegations were fully justified, and the Committee on Standards had no hesitation in recommending a heavy penalty.⁴ In the other two cases, the Commissioner found no rules had been broken.⁵ The Commissioner's role is to investigate the conduct of members, not that of the press, and she has not commented on this.

8. In all the cases examined the Commissioner has obtained the full transcripts of interviews. Comparing the full transcript with the reporting has allowed her to identify whether the allegations or insinuations in the stories were supported by the contemporaneous transcripts of the meetings. In this case, we note the Commissioner's view that:

If in their coverage of this story, the reporters for Dispatches and the Daily Telegraph had accurately reported what was said by the two Members in their interviews, and measured their words against the rules of the House, it would have been possible to avoid the damage that has been done to the lives of two individuals and those around them, and to the reputation of the

3 [Appendix, Conclusion, para 6](#)

4 Committee on Standards, [Eleventh Report of Session 2013-14](#), HC1225

5 Committee on Standards, [Fifth Report of Session 2013-14](#), HC849

House. However, it is not for me to investigate or make any judgement on the actions of the reporters or programme makers. This is for others to consider.⁶

9. We are very concerned that the matter should have been reported in this fashion. By selection and omission the coverage distorted the truth and misled the public as to what had actually taken place. The Commissioner rightly draws attention to the continuing debate around MPs' external interests, and notes some of the complexities involved. This is a legitimate subject for media scrutiny but it places a responsibility on the media to ensure fair and accurate reporting. The debate about what MPs should or should not do is not assisted by the conduct of the reporters in this case.

10. If the media fail to report fairly and accurately, the consequences can be profound, as in this case. As the Commissioner says, both Mr Straw and Sir Malcolm Rifkind suffered adverse publicity and were presumed guilty before any authoritative examination of the facts had taken place. This damage would have been limited if the Commissioner had had the opportunity to investigate before people rushed to judgment.

11. We will take up the Commissioner's invitation to consider how best to increase public understanding of an MP's role, and of the rules relating to that role. We will also consider further the role of the press in furthering such understanding and in detecting wrong doing. We are concerned about the delays in Channel 4 handing over their evidence to the Commissioner and this may raise further questions. At this stage however, we confine ourselves to reporting the Commissioner's memoranda. Sir Malcolm Rifkind and Mr Straw are cleared of any breach of the Code of Conduct.

6 [Appendix, Conclusion, para 14](#)

Appendix: Memoranda from the Parliamentary Commissioner for Standards—Complaint against Rt Hon Sir Malcolm Rifkind QC MP and Rt Hon Jack Straw MP

Rt Hon Sir Malcolm Rifkind

Background

1) On 23 February 2015 articles appeared in *The Daily Telegraph* newspaper alleging that Sir Malcolm had offered to use his position as a politician to lobby on behalf of a fictitious Chinese company (PMR) in return for payment.⁷ This allegation was repeated and developed by the newspaper and in the Channel 4 television programme, *Dispatches*, on the evening of 23 February 2015.⁸ In the subsequent media coverage, it was reported that Sir Malcolm had referred himself to the Commissioner.

The referral

2) I would usually expect the complainant or a Member making a self-referral to set out the allegations to be investigated. I would then consider whether there was sufficient evidence to justify the initiation of an inquiry. However, having seen the media coverage, including several references to Sir Malcolm having referred the allegations to me for investigation, I decided to start an inquiry on my own initiative and to determine for myself the issues for investigation.

3) The matters I investigated, set out in my letter to Sir Malcolm on 26 February 2015⁹ when I initiated my investigation, were whether, contrary to the rules of the House, he had engaged in lobbying for reward or consideration and whether his conduct was such as to cause serious damage to the reputation and integrity of the House of Commons as a whole, or of its Members generally. On 27 February Sir Malcolm wrote to me¹⁰ to acknowledge receipt of my letter and express his regret that he had not written to me sooner.

Relevant Rules of the House

4) The Code of Conduct¹¹ provides the following rules:

- “13. Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial

7 One example can be seen at WE2

8 [WE3](#)

9 [WE5](#)

10 [WE8](#)

11 [HC1885](#).

Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders.

- “15. Members are personally responsible and accountable for ensuring that their use of any expenses, allowances, facilities and services provided from the public purse is in accordance with the rules laid down on these matters. Members shall ensure that their use of public resources is always in support of their parliamentary duties. It should not confer any undue personal or financial benefit on themselves or anyone else, or confer undue advantage on a political organisation.
- “16 Members shall never undertake any action which would cause significant damage to the reputation and integrity of the House of Commons as a whole, or of its Members generally.”

5) The detailed rules in relation to the registration and declaration of Members’ interests are set out in Parts 1 and 2 of the Guide to the Rules. The rules on lobbying for reward or consideration are set out in part 3 of the Guide to the Rules. Paragraph 89 of the rules says:

“On 6 November 1995¹² the House agreed to the following Resolution relating to lobbying for reward or consideration:

“it is inconsistent with the dignity of the House, with the duty of a Member to his constituents, and with the maintenance of the privilege of freedom of speech, for any Member of this House to enter into any contractual agreement with an outside body, controlling or limiting the Member’s complete independence and freedom of action in Parliament or stipulating that he shall act in any way as the representative of such outside body in regard to any matters to be transacted in Parliament; the duty of the Member being to his constituents and to the country as a whole, rather than to any particular section thereof; and that in particular no Members of the House shall, in consideration of any remuneration, fee, payment, or reward or benefit in kind, direct or indirect, which the Member or any member of his or her family has received, is receiving or expects to receive-

- i) Advocate or initiate any cause or matter on behalf of any outside body or individual, or
- ii) urge any other Member of either House of Parliament, including Ministers, to do so,

by means of ... any approach, whether oral or in writing, to Ministers or servants of the Crown”

12 The Resolution was subsequently amended on 14 May 2002

6) Paragraph 90 of the Guide to the Rules continues:

“This Resolution prohibits paid advocacy. It is wholly incompatible with the rule that any Member should take payment for speaking in the House. Nor may a Member, for payment, vote, ask a Parliamentary Question, table a Motion, introduce a Bill or table or move an Amendment to a Motion or Bill or urge colleagues or Ministers to do so.”

Summary of Events

7) An independent television company, Vera Productions Ltd, decided to investigate whether the behaviour of Members of Parliament was in keeping with the House of Commons Code of Conduct and in particular, wished to make comparisons with the programme “*Politicians for Hire*” which had been broadcast in March 2010. Approaches were made to 12 Members to ask whether they would be interested in joining the Advisory Board of a fictitious Chinese company named PMR. Of the 12 Members approached, two responded positively to a request for a meeting. Sir Malcolm was one of these. Two reporters covertly recorded two meetings with him, on 7 and 13 January 2015, which subsequently featured in a *Dispatches* programme broadcast on 23 February 2015. The programme, and supporting articles in the *Daily Telegraph*, made allegations that Sir Malcolm had demonstrated his willingness to breach the Rules of the House by using his position and contacts for personal gain, for a fee from a company on which he had not carried out due diligence. He was also alleged to have offered to host a private business meeting in his parliamentary office and to provide a personal tour of Parliament for a business contact. It was alleged that he had also said he could seek information on PMR’s behalf without disclosing the organisation’s name and that he had said he was self-employed and did not receive a salary.

8) Following the broadcast, on 24 February, the Conservative whip was removed from Sir Malcolm, who announced that, in order not to distract from its work, he was standing down from his position as Chair of the Intelligence and Security Committee. He also announced that as an inquiry would take several months he would not stand for re-election in May 2015. He asserted throughout that, although he had made mistakes, he had not broken any rules or committed any impropriety.

9) Although Sir Malcolm had said publicly that he had referred himself to me, this was not in fact the case. After telephoning his office on two occasions and being told that he had written to me, I decided to start an investigation on my own initiative and wrote to Sir Malcolm on 26 February.

Evidence

Evidence from Channel 4 and the Daily Telegraph

10) On 26 February I wrote to the Executive Producer of the production company¹³ and to the editor of *The Daily Telegraph* asking for their assistance with my inquiry and in particular for:

“the full and unedited footage which formed the basis of the articles in The Daily Telegraph, including any un-broadcast and unpublished footage, together with any transcripts of the conversations. It would also be helpful to have any correspondence you or your reporters have had with Sir Malcolm or his representatives in the course of and after the preparation of the articles.”¹⁴

11) After exchanges by email and telephone, Channel 4, who had commissioned the programme, provided recordings of the two interviews, transcripts and copies of letters and emails to Sir Malcolm on 17 April.¹⁵ Having checked the transcripts for accuracy, I provided copies to Sir Malcolm on 28 April and invited his comments.

12) On 19 November 2014 a reporter from Vera Productions Ltd posing as Lin Zhang, Managing Director of a Chinese firm called PMR Communications, emailed Sir Malcolm saying;

“I’m writing to ask if you’d be interested in a new position on an advisory board supporting our clients based in the Far East. We are a Hong Kong based consultancy, advising several companies [... and] looking to set up a London office and appoint an advisory board made up of senior figures from the world of politics and business.... We feel your experience in both the political and commercial spheres makes you an ideal candidate for the board....”¹⁶

13) Sir Malcolm’s personal assistant responded to say that he was out of the office.¹⁷ On 24 November Sir Malcolm emailed personally to express an interest in the position.¹⁸ Lin Zhang suggested a telephone conversation to resolve concerns Sir Malcolm had expressed about possible conflicts of interest with his current responsibilities. Sir Malcolm replied on 1 December asking her to contact his personal assistant to arrange either a telephone call or a face to face meeting. A meeting was arranged for 7 January at an office in central London. A subsequent meeting was arranged for 13 January at the same location.

14) Transcripts of both meetings have been provided. I have shortened these by the removal of general conversations at the beginning and end of each interview, but I am satisfied that nothing of any significance to my inquiry has been omitted. The *Dispatches* Programme broadcast on 23 February used quotations from the interviews to support its allegations that Sir Malcolm;

1. corresponded with, and met representatives of PMR without first carrying out due diligence on the company.

14 [WE7](#)

15 [WE12](#), [13](#), [14](#)

16 [WE10](#), email 1

17 [WE10](#), email 2

18 [WE10](#), email 3

2. demonstrated [himself] as willing to act as an MP "for hire", using [his] position and contacts gained in that position for personal gain; in particular

(a) That [he] offered to host PMR in a private business meeting in [his] parliamentary office and provide a personal tour of Parliament for the representative's "uncle".

(b) That [he] claimed [he] could facilitate access to any foreign ambassador in the UK "in a way that is useful".

(c) That [he] said [he] could write to a minister on PMR's behalf, but wouldn't name on whose behalf [he was] asking, and that [he] could take soundings on e.g. future plans regarding HS3.

(d) That [his] fee, if [he] were to work for PMR, would be similar to fees [he] had earned in the past. [He] defined this as being in the region of £5,000 to £8,000 for part of a day.

3 [His] comments in the meetings gave the impression that [he was] not applying [himself] fully to [his] duties as an MP; in particular

(a) [He] claimed [he had] a lot of free time; [he] didn't work for any one person full-time; [he was] self-employed and that nobody [paid him] a salary.

(b) [He] suggested that the time from Thursday evening to Monday lunchtime was for [him] "qui et time".¹⁹

15) Allegations 1, 2(d) and 3 would not, if proven, constitute breaches of specific rules. Allegations 2(a), (b) and (c) might, if proven, amount to breaches of House of Commons rules. I have considered all of the allegations made because, if proven, they might contribute to causing serious damage to the reputation and integrity of the House as whole, or of its Members generally.

1. that [Sir Malcolm] corresponded with, and met representatives of PMR without first carrying out due diligence on the company.

16) The first of these allegations is of a failure to take action by making enquiries about PMR before agreeing to meet with representatives of the company. It therefore, relies on an absence of evidence.

17) The evidence cited for each of the remaining allegations is as follows:

2(a) that [Sir Malcolm] offered to host PMR in a private business meeting in [his] parliamentary office and provide a personal tour of Parliament for the representative's "uncle".

In the first meeting the following exchanges took place:

19 [WEZ](#)

(C and L are the two reporters)

“L: Because one of the interests on a personal or business level, people, a lot of people in China, including my uncle, are very impressed with the Parliament, the knighthood, the Lordship and you know the, it's the whole history and everything...

MR: Yes, well if I'd known this we could have had this meeting in my office in Parliament [laughter]—next time you come then.

L: Well it would be even better if he comes.

M: Well, if your uncle... Does he come to London?

L: Not yet but ...

M: No, no, but if he comes, you tell him, that if he comes... you tell him if he comes I will give him a personal tour of the British Parliament—

L: Oh fantastic. Thank you. That would be, he will be so happy.

MR: It's a wonderful building. I enjoy doing it because I do it for other people as well and I enjoy it, because it's such a marv.... Have you been there?

C: Yes I have.

MR: It's a lovely building isn't it?

C: It's stunning

MR: Stunning building, it really is I mean...

L: OK, I'll tell him.”

And later in the same interview;

“C: Yes, I imagine there will, might be, a second meeting for us, you'll have more questions, as will we...

MR: Yes, sure.

C: And in terms of what we're going to....

MR: Well let me invite you into the House of Commons.

C: Ah, thank you.

MR: If there's a second meeting, please come to me,

C: That's very kind.

MR: If that would be of interest...

C: Yeah.

MR: I'm happy to come here but if it would be of interest please come and pay me a visit.”²⁰

18) This exchange is mentioned in a subsequent email from the reporter. The second meeting, in fact, took place in a central London office.

2(b) [Sir Malcolm] claimed [he] could facilitate access to any foreign ambassador in the UK "in a way that is useful".

2(c) [He]said [he]could write to a minister on PMR's behalf, but wouldn't name on whose behalf he was asking, and that [he]could take soundings on e.g. future plans regarding HS3.

19) Sir Malcolm mentioned on several occasions that he has extensive political contacts both in this country and abroad. Specifically, in his first interview he says;

“M: I have quite a lo.... in most of these countries there are people I, I know, who either I worked with as a, who were Ministers or who I met since then. I'm still part of a number of groups. I am for example you have, know who I mean by Madeleine Albright?

C&L: Yes.

M: The American; former American Secretary of State. Well she and I are good friends, she's a very old fr... I worked with her when I was in Government and she chairs a group of 22 former foreign ministers.. ...

C: Ah

MR:of various countries. We've all served as Foreign Minister and we meet several times a year. We're meeting in China in April...

C: Oh, Fantastic.

MR: In Beijing, is our next meeting; beginning of April, as it happens, and that means you know I still have the contacts with all these people who have served at a very senior level, some of them still do so. Some of them are still active.

MR: China, as well as every country in the World. They are operating in 180 countries so if necessary I can ring contacts. These are examples.

C: Yes

MR: If you've done the kind of work I've done over the years, without realizing it, you find you know an awful lot of people.

C: Absolutely, very lucky.

MR: And they know you and one of the advantages I have—is very lucky—is that because of the jobs I've done, if I go to a country and I want to see someone, I can usually get access.”

In the second interview he says;

“MR: On the political, whether the government would have a problem, I would speak to the Ambassador in London.

C: Mm

MR: And, I can, because I have been Foreign Minister, if I wish to speak to an Ambassador they are very happy to speak to me.

C: Yeah.

MR: They come to see me quite often.

C: Oh that's lucky.

MR: Not on, not on business matters but on political matters, I have an ambassador in my office once every two or three weeks.

C: What do they want to come and see you about?

MR: Well it, ambassadors always are trying to, they're, they're, being asked to report to their own governments, what is the political developments in Britain.

C: I see.

MR: You know, so for example, let me give you an example. There is a debate in Britain about whether we should continue to stay in the European Union.

C: Mm

MR: And there is to be a referendum in two or three years. So I had an ambassador from one European country who came to see me a few weeks ago, he said “can I come and see you?” I said “yes of course.” And he wanted to discuss how much of a risk is this? Is this likely?

C: Mm, yes.

MR: We read about this in the newspapers, um, you know.

C: Yes, what does it all mean?

MR: What does it mean? Should we, you know? Another ambassador wanted to see me because he wanted to discuss what was happening in the Middle East.

C: Yep

MR: In Iraq and Syria with the Islamic State, these terrorist people and so forth. So for example, next week I shall be at the Jordanian ambassador; he is giving a dinner for the American Ambassador...

C: Ah

MR: ...and he said, would you be willing to come and take part in that dinner? I know the American ambassador, I like to do so.... I specialise in foreign policy.

C: Yes.

MR: So, that's what ambassadors are there for. They want to make contact so they can understand what is happening in, in Britain and report to their own governments.

C: Yes, I see.

L: And they will, for somebody, like if you change, um, or you retire, for example, or if they retire, does that change, have they got out of date...?

MR: No. If I left Parliament, erm, I'm still a former Foreign Minister, and as long as I'm active they will be, they will wish to.... Not just me, it's not just me personally. Anybody who has done this kind of job.

C: Yeah.

MR: The same applies in China. The same applies in other countries. People who have, who have had the job of being a foreign minister or a cabinet minister in their own country, they have experience. And if they are still active in public life people want to use that experience.”²¹

And with regard to contacting a Minister concerning publicly announced policy he said:

“MR: If it's a matter of government policy then there's two aspects to government policy. That which they have announced and which is public knowledge, you can find it in the various ways of...

C: Of Google [laughs].

MR: Or in my own case I could, I can write to a Minister.

C: Right. Right. Yeah, that would be useful.

MR: and I would, well I wouldn't name who was asking, I would say I've been asked to, to establish what your thinking is on X, Y, Z, can you tell me what that is? I can get a reply either from the Minister or from one of the senior officials."

2(d) Sir Malcolm's] fee, if [he] were to work for PMR, would be similar to fees [he] had earned in the past. [He] defined this as being in the region of 5,000 to £8,000 for part of a day.

20) There are discussions in both interviews about the level of payment which might be on offer and Sir Malcolm makes reference to payments which he already received and which are set out in the Register of Members' Financial Interest, as a point of reference.²² For example during the first interview Sir Malcolm raises the question of remuneration.

MR:...Um, one sensitive issue, but I have to mention it. You mentioned there would be obviously remuneration.

L: Of course.

C: Definitely.

MR: Can you tell me what you are thinking of in that territory?

C: In some ways I think we would be guided by you for what you are looking for but roughly for an advisory board I would have thought between £60–£80 thousand, um, and then of course if there was...

MR: Is that pounds, or....

C: Pounds, yes.

MR: Pounds. £60–80,000 roughly, something of, something of that order yeah.

C: But of course it would be um, guided by you.

MR: Sure, sure

C: And what you were looking for and then, of course, if there was any additional work one... that might be um kind of consultancy, we might look at a project and think actually we all need to get stuck into this, I think that would probably be done at a day rate, um, but we're, we're very up for talking about it.

MR: Yes, no, I understand. The normal thing I'm to expect. You know sort of, the normal structure that you would, you would obviously cover all the travelling expenses. Your.... If there was additional work it would be on, on a day, daily rate, something, but in terms of basic remuneration you're talking about something on the £60 to £80,000.

C: Yes, does that sound reasonable to you?

MR: It sounds reasonable. Yes, yes, that does sound reasonable um, I'd have to think about it but I don't immediately say no that's not, that's not realistic.

L: Does that sound like your usual package that you're used to?

C: Yes, I don't know what your other packages

MR: um, It depends, it varies because it depends on the commitment. You know, so there's no single figure. I'd need to think about... that's why I'm interested to know what sort of commitment you're expecting and requiring and then against that one works out what is fair.

C: Yes, precisely

MR: Because the test is what is fair to me and what is fair to you if we were to, to go ahead. But from what you've said so far I think we, we are in similar territory, if I can put it that way.

C: Yes

MR: If I can put it that way. I don't find any immediate...

C: It doesn't jolt....

MR: it doesn't jolt..."²³

Later in the interview, the reporter asks about Sir Malcolm's day rates.

L: Okay, is there a range? So I can get some reference for my uncle?

MR: Um, Normally I, well I can ... I simply give it as an example, but um, when I did a series of presentations for JP Morgan and for a number of other City of London... on the Middle East, and that was usually something in the order of ... I mean it wasn't a whole day, it was usually a whole morning or an afternoon and that was somewhere in the region of £5,000 to £8,000. Something of that kind. Something of that kind. But it, it varies. Don't take that as an absolute given but it was something of that, something of that order. I'm not an American. I, I, I have fewer zeros [laughs]....

21) The question of remuneration was also raised in the second interview,²⁴ when the discussion covered much the same ground as in the first.

3(a) [he] claimed [he had] a lot of free time; [he] didn't work for any one person full-time; [he was] self-employed and that nobody pays [him] a salary; and

3(b) [Sir Malcolm] suggested that the time from Thursday evening to Monday lunchtime was for [him] "qui et time"."

22) During that interview Sir Malcolm said:

“MR: Well I am very busy. Because I'm used to it. I'll tell you, you're quite right, you're absolutely right. Because erm, for 18 years I was a, a government minister, and I had no free time at all. And I enjoyed that. But when that stopped, right, you can't just spend your time doing nothing.

C: It's nice to be busy.

MR: You know, it's part, it becomes part of your DNA. You have to be busy, you know, because I find it stimulating, and it's how you use your time. So you'd be surprised how much free time I have. I spend a lot of time reading, I spend a lot of time walking. Because, because I'm not a Minister or full-time working for one person I can sort out my day. So, that I, I may have three or four things that day, but in between if I want to I go for a walk.

C: Yes. That's nice. It's a good way to live, isn't it?

MR: I can go and have a cup of coffee. Now if you're, if you're employed to work nine to five or nine to eight, you know, you have to get someone's permission to do something else, and there's nothing wrong with that- that's how most people live their lives. I'm self-employed. So nobody pays me a salary, I have to earn my income, but when I'm not doing something I can do what I like. And because I'm in my sixties that's how I, how I prefer it.

C: Yeah, well that sounds like a good situation.

L: You also don't seem to travel as much as the other...

MR: That's the other point we discussed last week. Because if as a Member of Parliament I was travelling back and forth to Edinburgh or Birmingham or Glasgow or something that would take up the whole day each time you travel.

C: Yes, that's true.

MR: No, I mean, for example, most Members of Parliament leave London on a Thursday evening and don't come back till Monday lunchtime. So they're in another part of the country. For me that is quiet time [laughs]. It's easy."

23) I have set out fairly lengthy quotations on each of these issues to ensure that they reflect the context in which the remarks were made. Overall the two meetings are exploratory discussions of the kind of role Sir Malcolm might play as a member of the Advisory Board, his experience and its relevance and the possible remuneration. Sir Malcolm points to other relevant quotations in his evidence.

Evidence from Sir Malcolm

24) In response to my letter to Sir Malcolm, on 10 March he sent me an initial statement and paperwork relating to his contact with Vera Productions Ltd.²⁵ His paper set out his background as a Member over two periods (1974-97 and 2005 onwards) and he commented that this was the first time that his conduct had been called into question. He told me that, with the consent of his local Conservative Association, he had continued with some of the business interests he had developed while he was outside Parliament. He estimated that he spent at least 75% of his time on parliamentary and constituency matters. He said his business activities have been advisory or non-executive roles, principally based in London; and overseas travel for business purposes has been limited. For family reasons he sought a London constituency when he was selected for a second time, in order to reduce the amount of travel between his constituency and Westminster, and to enable constituency work to be done during the week. Sir Malcolm said that business interests are accepted by the House as being legitimate and his "*present parliamentary and business interests do not begin to compare with the burden I had to shoulder as a senior minister.*"

25) Sir Malcolm went on to explain the approach made to him by email by PMR concerning a possible position on a new Advisory Board. He had responded to express an interest but had said, "*I would need to be satisfied that there would not be any conflict of interest with my current responsibilities and that the time that would be required to meet your needs would not be a problem.*"²⁶ He said that he considered his experience as a Minister of State for Europe and as Foreign Secretary was the probable reason why he had been approached. He said that he was familiar with Advisory Boards and did not have any reason to think that lobbying might be involved. He also said that, "*normally, due diligence is done when a firm proposal is made. No such proposal was ever made.*"²⁷

26) With regard to the two interviews, Sir Malcolm told me that much of the discussion was relevant to the purpose of the Advisory Board, but he was surprised by the discussion of HS3 since there is no such project at the moment. It was in this context that he told me "*I had already made clear to them that on any subject that might come before an advisory board, I would not be able to assist with access to any information that was privileged or secret. That I made this clear is not in dispute. The letter I received from*

25 [WE9](#)

26 [WE 10](#), email 3

27 [WE9](#)

Vera, the production company acting on behalf of Channel 4, says, specifically, that they acknowledge that I made clear that I could not assist them with "access to any privileged or secret information".....

27) Sir Malcolm had told the reporters explicitly that *"You cannot give privileged information to one private citizen or a company that is not available to others"*. This was acknowledged during the *Dispatches* programme, which included a voiceover which says *"Sir Malcolm does make clear the limitations of what can be achieved"* before using the words quoted at the start of this paragraph.²⁸

28) At the time Sir Malcolm gave me his initial statement he had not seen any of the transcripts. He later commented in more detail, and I deal with those comments below.

29) Sir Malcolm did accept that he may have said something like; "I wouldn't name who was asking but I would say I've been asked to establish what your thinking is on XYX". He said;

"I do recall saying something of this kind, though not the precise words. I have tried to remember why I may have used those words and what I had in mind.

I would make the following points.

1. At the time there was no Advisory Board nor any decision by me as to whether I would wish to serve on one.
2. Accordingly, at no time did I say, or could I have said, that I was intending to write to a Minister on their behalf....
3. The discussion was restricted to how, theoretically, one could ascertain what information was in the public domain. I was suggesting to them various ways that this could be done.
4. I believe that I did suggest that, in my opinion, writing to a Minister was one option that it would be proper for me to do if I was a member of an advisory board.
5. I was aware that if, as an MP, I wrote to a Minister on behalf of someone else I should say so. It is acknowledged that I said that if I, hypothetically, were to write such a letter I would need to say "I've been asked to establish"
6. I am not clear in my own mind why I obviously thought at the time that it would not be necessary to mention the name of the people on whose behalf I might be writing. I think it must have been because I assumed that as it was only information already in the public domain about which one was enquiring, it wouldn't be necessary.

You will come to a view as to whether I was wrong in that assumption. I recognize that I may have been but, if so, it was an honest mistake [...]

Most important of all, I was doing no more than expressing an off the cuff opinion of what might be permissible. Opinions expressed may, sometimes, turn out to have been mistaken. Off the cuff opinions are even more likely to be! Expressing a mistaken opinion is not, in itself, improper, I would suggest, if the mistake has been made in good faith.”²⁹

30) In his statement, Sir Malcolm went on to give an initial response to allegations that he was offering access to ambassadors for cash, that he said he did not receive a salary and the suggestion that he would expect £5,000 per day. As I have noted above, at this time he had not had access to the recording and understandably could not recall his exact remarks. He commented overall that the media presented information “*in a distorted manner*” and with regard to his comment that he did not receive a salary he said, “*Again, by quoting this out of context it appeared a ridiculous statement. I was, obviously, aware that I receive a salary. [...] but I am certain this was said when I was referring to my business interests. As regards these I am either a non-executive director or a consultant. In neither case am I employed nor do I receive a salary. This is another example of how remarks made in an informal conversation can be distorted by amoral journalists.*” He concluded this statement by saying that; “*I have never engaged in lobbying nor have ever offered to. During my years as an MP I have never undertaken, nor would undertake, any lobbying as an MP on behalf of any private organisation from which I was receiving remuneration, [...] I consider it improper for an MP to undertake such work. [...] There is nothing that I said, did, or contemplated in these discussions that constituted lobbying. Indeed, to be fair nor was there any request or suggestions from those I was meeting that I should act in such a fashion.*” Sir Malcolm enclosed with his statement copies of the emails and letters exchanged with Channel 4 before the programme was shown.

31) On 28 April³⁰ I shared with Sir Malcolm the transcripts of the two meetings which he held with the reporters and his response, received on 4 May is included in the evidence.³¹ He acknowledged that “*All the relevant information is, therefore, now available and not in dispute*” and said he did not wish to amend his original statement. Sir Malcolm used the evidence of the transcripts to strengthen points he had made in his first submission. Additionally he said:

“As the transcripts make clear, at no time, did I suggest that my status as an MP could be used to their advantage. Indeed when asked, on more than one occasion, what added value I could provide to an Advisory Board I not only made no mention of my being an MP but, repeatedly, stressed my business experience in the private sector as the most important consideration.”

29 [WE11](#)

30 [WE15](#)

31 [WE16 & 17](#)

He commented that:

“It was agreed by me and those I was speaking to that the purpose of meeting with an ambassador would be limited to ascertaining whether their government would have any problem with a proposal for investment in their country by a foreign company”.

32) Although I have not relied on the *Dispatches* programme itself as a source of evidence, I did request a transcript of the programme. On 4 June Sir Malcolm sent me his comments on the transcript provided.³² He said:

“It is a disturbing example of how “cut and paste” journalism can not only sensationalise but also be used, deliberately or through incompetence, to mislead the viewer.

Throughout the transcript there are questions posed which are combined with quotations from me presented to the viewer as if my remarks were, during the actual meeting, given in response to the same questions. As can be seen by comparing these extracts with the full transcript it is clear that my remarks were either to different questions or in a quite different context”.

33) Sir Malcolm sets out five examples of this, one of which I quote here. The whole of Sir Malcolm’s comments and the other examples, are included in the evidence.

“3. No.42.page 5.

The narrator says “We discussed with Sir Malcolm what he thought he could bring to a role on the board”.

They then use again my remark on knowing foreign Ambassadors in London with the clear inference that this was what I thought I could bring to a role on their board. The transcript makes clear that that is a dishonest distortion of what was, actually, said.

In the first transcript at page 16 I am asked “what you think you’d bring to the board? In my answer I make no reference to ambassadors at all. I reply that my experience of the European Union and how it works would be of value. A second example I give is in the assessment of political risk in various Eastern European countries, including Russia.

I am asked again (transcript 2, page 20) “What would you say, if we have you on the board would be the most value added sector”

Again, I make no reference to access to ambassadors. Instead I say that it is the combination of my political experience with 20 years of commercial experience in the private sector that would be the added value.”

34) A further note from Sir Malcolm on 11 June is also attached in evidence.³³

35) Sir Malcolm came to my office for an interview on 15 June. The interview was recorded and the transcript has been agreed with some redactions.³⁴ Sir Malcom was very open with me in interview and I have redacted personal information and confidential information about companies with which he has had contact. I asked Sir Malcolm some specific questions to clarify the evidence he had already given and about the impact of these events upon him. In particular, it was as a direct result of the allegations made against him that Sir Malcolm did not stand as a candidate in the May election. He had not been intending to stand down at this stage. (In commenting on the factual accuracy of a draft of this report, Sir Malcolm told me that he had decided that it would be unfair to his constituents to be a candidate at the election while there was a Parliamentary Inquiry taking place with regard to these allegations.) Sir Malcolm acknowledged that he did, of course, receive a salary as an MP. He did not receive an additional payment for his chairing of the Intelligence and Security Committee.

36) Sir Malcolm explained statements he had made about how busy he was, the arrangement of his constituency work and the closeness of his home and his constituency to the House, which removed the need for any significant amounts of travelling time. He also clarified the statement he had made that he was “self-employed” and acknowledged that it was a “*stupid remark*” He went on to say; “*You will have seen the context. It was a silly remark, because it’s obviously nonsense and such obvious nonsense I wasn’t deceiving anyone, or trying to deceive anyone. It was just a silly way of putting it. [...] Talking about life, I said, either as a consultant or as a non-executive director, I get remuneration, but I don’t receive a salary. That’s my version, but it was a silly way of putting it. I am not even going to try to defend it at all*”. Sir Malcolm has also said “*I think I said I made some errors of judgment....*”

37) We discussed the nature of the meetings which had taken place with PMR and I asked Sir Malcolm whether had seen them as the beginning of a job recruitment process. He said; “*Not—well, it may be from their perspective. No. Somebody asked me—suggested that I got involved in the negotiation. I didn’t get involved in negotiation. We never reached that stage.*”

38) I also asked Sir Malcolm whether he considered he was holding business meetings and after some discussion he concluded, “From my perspective, at that stage, I do not even know whether I want to have a relationship with them at all at that stage, so I do not see it as a business meeting, but it obviously is a meeting which, if it leads to other things, will end up as a business relationship...”. I reminded him about an email he had sent to Vera Productions Ltd on 11 February 2015. In that email he says, “You suggest that I offered “to host PMR in a private business meeting in my parliamentary office and provide a personal tour of Parliament”. This is a travesty of the actual conversation. Ms Zheng indicated that she had never visited Parliament and I invited her, if she wish to visit me in my office. I did, indeed, say that I would be happy to show her uncle around,

33 [WE22](#) & [23](#)

34 [WE25](#)

as well. No business meeting in my office was asked for nor proposed.”³⁵ The transcript shows that email to be incorrect.

39) Sir Malcolm agreed. He said “it would be incorrect to imply this did not happen. Of course I said it, but that was—she had said her- I was doing what I would do with anyone. If people tell me that they have never been to Parliament and they would love to see round it, that is what one does. I think every MP does that.”³⁶

Evidence from the Registrar

40) I wrote to the Registrar on 12 June seeking information about Sir Malcolm’s registered entries and any correspondence that she might have had with him.³⁷ The Registrar responded on 15 June indicating that the majority of positions mentioned by Sir Malcolm were recorded in the Register and that three others might well have dated from a time when he was not a Member of the House. (Sir Malcolm has since confirmed that this is correct.) She added that:

“Our correspondence with Sir Malcolm’s office during the last Parliament was limited to routine exchanges about Register entries and reminders about registering individual payments. We do not hold any contractual information relating to any of Sir Malcolm’s outside work. We would expect to hold this only if a Member is providing services in their capacity as an MP. Sir Malcolm told us in February 2012 that he did not provide such services.”³⁸

Statement of facts

41) I consider the following to be established facts. It is on these that I base my conclusions.

- On 19 November 2014 a reporter using the name of Lin Zhang emailed Sir Malcolm to ask if he would be interested in a position on the Advisory Board of a fictitious company named PMR.
- Following email exchanges with Sir Malcolm and his PA, the two reporters arranged two meetings with Sir Malcolm. On each occasion they made a video recording of the interview without his knowledge.
- On 10 February 2015, Vera Productions Ltd wrote to Sir Malcolm making a number of allegations which they said were evidenced by the recordings and which they proposed to use in a *Dispatches* Programme on Channel 4 and in associated articles in the *Daily Telegraph*.
- The first article appeared in the *Daily Telegraph* on 23 February 2015 and the *Dispatches* Programme was also broadcast on 23 February.

35 [WE12](#)

36 [WE25](#)

37 [WE21](#)

38 [WE 24](#)

- On 24 February Sir Malcolm was interviewed on the *Today* programme. He denied any wrong doing and said that he had referred himself to the Commissioner for Standards.
- Later that morning Sir Malcolm resigned from his position as Chair of the Intelligence and Security Committee. The Conservative whip was withdrawn and he announced that he would retire from the House of Commons. (He had previously intended to stand for re-election.)
- On 26 February following two attempts to contact Sir Malcolm through his office, I wrote to him to say that I would begin an inquiry on my own initiative.
- Sir Malcolm told the reporters that he was self-employed.
- Sir Malcolm offered a future meeting with PMR at the House of Commons and offered to give them a tour of Parliament. Neither the meeting nor the tour took place.
- Sir Malcolm told reporters that, when writing to seek information already in the public domain, he could say that he had been asked to make enquiries but need not say on whose behalf.

Analysis

42) The first matter raised by Vera Productions in their letter to Sir Malcolm was that he had; “*corresponded with, and met representatives of PMR without first carrying out due diligence on the company.*” As I said earlier, the allegation relies on an absence of evidence and Sir Malcolm does not deny that he had made no enquiries. He has stated his view that it is usual to undertake ‘due diligence’ at the time when an offer of appointment is made. The allegation has no bearing on the rules of the House nor on whether Sir Malcolm was prepared to engage in lobbying. I therefore do not propose to consider it further.

43) When I wrote to Sir Malcolm to initiate this inquiry I said that I would investigate whether he had, contrary to the rules of the House, engaged in lobbying for reward or consideration and whether his conduct was such as to cause serious damage to the reputation and integrity of the House. The basis for the inquiry was media coverage of two interviews with Sir Malcolm undertaken by undercover reporters. Following those interviews the production company had written to Sir Malcolm alleging specifically that Sir Malcolm had demonstrated his willingness to engage in lobbying by;

- Saying that he could seek information on behalf of a company without disclosing the organisation’s name; and³⁹
- Offering to hold a private business meeting in his office and to provide a personal tour of Parliament for a business contact.

44) Sir Malcolm has accepted from the outset that in the course of the two interviews he had said a couple of “silly” or “stupid” things, in particular in relation to whether or not

he received a salary.⁴⁰ As Sir Malcolm has since acknowledged to me, he was not self-employed and he did receive a salary (as a public office holder) in his capacity as a Member of Parliament.

45) The context in which these unwise comments were made became much clearer during my investigation, when I had the benefit of the transcripts of the unedited interviews. These comments and the way they were reported coloured much of the publicity surrounding the television programme. In interview I asked Sir Malcolm to explain his position with regard to these comments. He then acknowledged that he had made “*errors of judgement*” and “*off the cuff*” remarks, about which he might have been “*mistaken*”.⁴¹ While those errors allowed others to draw unflattering inferences, they do not provide evidence that Sir Malcolm had done anything which could be considered a breach of the rules on lobbying. Nor do those comments in themselves amount to a breach of any other of the rules of conduct.

46) Sir Malcolm could find himself in breach of the rules if he wrote to a Minister without disclosing any relevant financial interest which he had in a matter, but he made no offer to do so for PMR. The discussion was a hypothetical one. Having considered carefully the transcripts of the unedited interviews, I am satisfied that this was in the context of seeking information already in the public domain and Sir Malcolm had made it clear that he could not obtain information on behalf of a company if that information was not public.

47) For example, in the second interview the following exchange takes place;

MR: People say, “We want [inaudible] a big campaign to ease the traffic by building some new road. In such a situation they will be only too happy to say yes, we're thinking about it. That's when they'll be wanting to say it. But sometimes it will be for other reasons. So there's no simple...

C: No, of course.

L: So they won't tell us, of course, but will they tell you?

MR: They won't tell me either. Certainly not. Certainly not.

L: Over a drink?

MR: I hope not, because as a citizen I'd be very worried about that. No, no, no we have quite... they have to be very careful. You cannot give privileged information to one private citizen or a company that is not available to others. Because that, why should they? There is no benefit from their point of view, and they will simply be severely criticised. But there is an awful lot of

40 [WE4](#)

41 [WE25](#)

information which is not secret which if you ask the right questions you'll get the answer.”⁴²

48) Sir Malcolm has since acknowledged that he may have been wrong to suggest that when seeking publicly available information he would need only to say that he had been “asked to establish what the thinking is on X, Y, Z” and would not need to say on whose behalf of the enquiry was made.⁴³ If a Member corresponds with someone about a matter in which they have a relevant financial interest, they must obey the rules on declaration and observe the prohibition on lobbying for reward or consideration. Those specific rules should, of course, be read in the context of the general principles of conduct, particularly that of openness.

49) However, I do not consider Sir Malcolm’s words to amount to evidence of a willingness to breach those rules; I accept his explanation that this was an ‘off the cuff’ remark. While he was wrong to suggest that he need not say on whose behalf he was enquiring if he were to make an enquiry, I have found no evidence to support the principal allegation that Sir Malcolm engaged in lobbying or was prepared to do so.

50) In interview I asked Sir Malcolm if he had seen the two meetings with the reporters as the beginning of a recruitment process. He accepted that they might have viewed them in that light but said that “*I didn’t get involved in negotiation. We never reached that stage.*” While I am satisfied that the meetings between Sir Malcolm and PMR did not reach the stage of formal negotiations, I do think they were conducted on the basis of at least the preliminary stages of a recruitment process. Sir Malcolm’s comments on possible payment, on the extent of his contacts (which he agrees might have been slightly exaggerated), and a joke about not suggesting anyone else who could possibly be suitable can all be seen within that context.

“Sir Malcolm Rifkind: But when one thinks about it, that is basically the thrust of the Channel 4 programme.... That’s basically what they were really objecting to. It was not because I was an MP—not the experience I got as an MP. It was the fact that, as a former Minister—although in my case 18 years before—I had an experience and I knew people and had various contacts that might be relevant.

Kathryn Hudson: And the suggestion that you knew all the ambassadors there were in London?

Sir Malcolm Rifkind: Well, not them all.

Kathryn Hudson: It comes across that way. So there might be a slight exaggeration there, perhaps.

42 [WE14](#)

43 [WE25](#)

Sir Malcolm Rifkind: It was a private conversation, which, you know, wasn't formal evidence."⁴⁴

51) The first meeting ends with an exchange about a second meeting in which both sides would have further questions and a more senior person might be involved. While I accept that Sir Malcolm did not regard his discussions with PMR as part of a negotiation process, I do think this is evidence of the preliminary stages of a recruitment process. Viewed in this light, Sir Malcolm's offer to hold a meeting in his office in the House and to provide a tour of Parliament could potentially put him in breach of the rules. At interview he says,

Sir Malcolm Rifkind: It is where she says, "Because one of the interests on a personal business level, a lot of people in China, including my uncle, are very impressed with the Parliament, the knighthood, the lordship, and, you know, it is the whole history and everything." Yes, well, if I had known this, we could have had this meeting in my office in Parliament, laughter. That happens to me all the time, and it happens to every MP all the time. We are all very proud of the building. We love showing people round, and whenever anybody over the last 33 years has said to me, "I have never been to Parliament," or "I'd love to see Parliament," I say, "Look, come. We can meet in my office and I will show you round.

Kathryn Hudson: Without wanting to make too much of an issue of this, there is a point I think early on when you say no, you did not offer to hold a meeting in your office, and I wondered whether, in the light of having read this, you accept that you did at least offer....

Sir Malcolm Rifkind: Well, I agreed to meet them in my office. [...] I certainly—I do not for a moment deny—it would be incorrect to imply that this did not happen. Of course I said it, but that was—she had said her—I was doing what I would do with anyone. If people tell me that they have never been to Parliament and they would love to see around it, that is what one does. I think every MP does that.

52) A previous Commissioner accepted that the rules about the use of Members' offices need to be "*operated with a sense of proportion*". I agree. In 2010 the Commissioner said "*It may also be most convenient for a Member to make use of parliamentary facilities in meeting others not strictly for the purpose of parliamentary business. This is because it keeps the Member near at hand so that they can continue to conduct parliamentary business if necessary. But the use of House facilities simply as a way of boosting a Member's employment prospects would, in my judgement, be a misuse of those facilities. I think it is clear that [the Member]'s suggestion was indeed intended to boost his employment prospects (he said "the Americans love it by the way"). Had [the Member]*

*used House facilities for this purpose, I consider that would have been a breach of the rules of the House....*⁴⁵

53) Had Sir Malcolm's offer been taken up, particularly after the second meeting when it was clear that PMR were likely to have further questions relating to the possibility of employing him, Sir Malcolm might then have been in breach of the rules by using parliamentary resources for the purpose of boosting his employment prospects.

54) For completeness, I turn now to the involvement of Sir Malcolm's personal assistant in making appointments for him with PMR.⁴⁶ (It would be for the Independent Parliamentary Standards Authority (IPSA)—which administers the system for parliamentary expenses—to make a formal determination on a specific allegation of a misuse of her time. I have, therefore, considered only whether I should refer the matter to them.) In the course of my interview with Sir Malcolm I asked about how he managed administration relating to his external interests and in particular about the use of his personal assistant. Sir Malcolm said that her job was to ensure that *“anything I did would not interfere with a parliamentary commitment. [...] you can only have that kind of situation working if one person is responsible for the diary. If that doesn't work—it was actually very infrequent but nevertheless it made sense to do that.”* Sir Malcolm told me that he managed other business related to his external commitments himself.⁴⁷

55) In 2006–07 the Standards and Privileges Committee said “[The Member] fairly makes the point and the Commissioner accepts, that the intertwining of Members' various capacities—as parliamentarians, party members, and private individuals—means that it would be impracticable to require that only business which is exclusively parliamentary in nature can ever be conducted by Members from their offices on the parliamentary estate.”⁴⁸ While that comment was made in a different context, I think it is relevant to this case and, in light of that, I find no evidence which would justify a referral of this matter to IPSA for formal determination.

56) In summary, while Sir Malcolm did indeed make some errors of judgement, which he has since acknowledged, I find no evidence that he was in breach of the rules of the House by engaging in lobbying. Other allegations made concerning him did not constitute breaches of the rules of the House. Sir Malcolm has suffered as a result of the allegations and inferences made, which were covered widely in the media; he gave up the chairmanship of the Intelligence and Security Committee and he decided to retire from the House of Commons sooner than he had planned.

57) While I do think it is possible to cause significant damage to the reputation and integrity of the House as a whole, or of its Members generally without being in breach of any of the other rules, I do not think Sir Malcolm has done so. Sir Malcolm's errors of judgement may reflect upon him but not upon other Members or the House itself. I therefore do not find him in breach of paragraph 16 of the Code of Conduct.

45 [HC 654-11, Committee on Standards and Privileges, Ninth Report of Session 2010-11 Volume II](#)

46 [WE10](#)

47 [WE25](#)

48 [HC 429, Committee on Standards and Privileges, Second Report of Session 2006-07](#)

Rt Hon Jack Straw MP

The Referral

1) On 20 February 2015, Mr Straw, the then Member for Blackburn, wrote to me to refer himself and request that I investigate allegations arising out of a television programme, which he had been given notice would be broadcast on Channel 4 on 23 February.⁴⁹ He asked that I consider “*all the claims made about me by Channel 4, and the Daily Telegraph, and any others which may arise from the Dispatches programme or press reporting.*” In deciding whether or not to accept a complaint or self-referral for investigation, I consider whether there is sufficient evidence to justify the initiation of an inquiry. Having seen the television programme on 23 February and the associated media coverage, I decided on 24 February to begin an investigation.⁵⁰ The matters I investigated, set out in my letter to Mr Straw on that date, were that, contrary to the rules of the House he had:

- used parliamentary resources for purposes other than in support of his parliamentary duties;
- failed on occasion to be open and frank in drawing attention to relevant interests in communications with Ministers, Members, public officials or public office holders;
- engaged in lobbying for reward or consideration.⁵¹

2) I also told Mr Straw that I would consider whether his conduct had been such as to cause serious damage to the reputation and integrity of the House of Commons as a whole or of its Members generally.

Relevant Rules of the House

3) The Code of Conduct provides the following rules:

“13. Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders.”

“15. Members are personally responsible and accountable for ensuring that their use of any expenses, allowances, facilities and services provided from the public purse is in accordance with the rules laid down on these matters. Members shall ensure that their use of public resources is always in support of their parliamentary duties. It should not confer any undue personal or

49 [WE3](#)

50 [WE5 & 6](#)

51 [WE8](#)

financial benefit on themselves or anyone else, or confer undue advantage on a political organisation.”

“16. Members shall never undertake any action which would cause significant damage to the reputation and integrity of the House of Commons as a whole, or of its Members generally.”⁵²

4) The rules in relation to the registration and declaration of Members’ interests are set out in Parts 1 and 2 of the Guide to the Rules. The rules on lobbying for reward or consideration are set out in part 3 of the Guide to the Rules. Paragraph 89 of the rules says:

“On 6 November 1995⁵³ the House agreed to the following Resolution relating to lobbying for reward or consideration:

“it is inconsistent with the dignity of the House, with the duty of a Member to his constituents, and with the maintenance of the privilege of freedom of speech, for any Member of this House to enter into any contractual agreement with an outside body, controlling or limiting the Member’s complete independence and freedom of action in Parliament or stipulating that he shall act in any way as the representative of such outside body in regard to any matters to be transacted in Parliament; the duty of the Member being to his constituents and to the country as a whole, rather than to any particular section thereof; and that in particular no Members of the House shall, in consideration of any remuneration, fee, payment, or reward or benefit in kind, direct or indirect, which the Member or any member of his or her family has received, is receiving or expects to receive-

Advocate or initiate any cause or matter on behalf of any outside body or individual, or

urge any other Member of either House of Parliament, including Ministers, to do so,

by means of ... any approach, whether oral or in writing, to Ministers or servants of the Crown”

Paragraph 90 of the Guide to the Rules continues: “This Resolution prohibits paid advocacy. It is wholly incompatible with the rule that any Member should take payment for speaking in the House. Nor may a Member, for payment, vote, ask a Parliamentary Question, table a Motion, introduce a Bill or table or move an Amendment to a Motion or Bill or urge colleagues or Ministers to do so.”

52 [The Code of Conduct together with The Guide to the Rules relating to the Conduct of Members 2012, HC 1885:](#)

53 The Resolution was subsequently amended on 14 May 2002

Summary of Events

5) An independent television company, Vera Productions Ltd, decided to investigate whether the behaviour of Members of Parliament was in keeping with the House of Commons Code of Conduct and in particular wished to make comparisons with the programme “*Politicians for Hire*” which had been broadcast in March 2010. Approaches were made to 12 Members to ask whether they would be interested in joining the advisory board of a fictitious Chinese company named PMR. Of the 12 Members approached, two responded positively to a request for a meeting. Mr Straw was one of these. Reporters met with him on 7 and 13 January 2015 and covertly filmed the second meeting, which subsequently featured in a *Dispatches* programme broadcast on 23 February 2015. The programme and supporting articles in the *Daily Telegraph* made allegations that Mr Straw had breached the Rules of the House by using his position and contacts for personal gain and using his office in the House for business purposes.

6) On 23 February Mr Straw voluntarily withdrew from the Parliamentary Labour party pending consideration of his referral to me. Mr Straw has asserted throughout that he did not believe he had breached the Rules of House but also expressed his great regret for his actions and misjudgement. He said; “*I am mortified that I fell into this trap, despite my best efforts to avoid this, and my previous public criticism of colleagues of all parties who have done so in the past. Of course I am kicking myself. However, I am clear that there was nothing that I said in the meetings which was improper.*”⁵⁴

7) Mr Straw had contacted my office informally on 16 February, first to ask for advice on the rules relating to the use of a Member’s office. On that date he met informally with the Registrar during my absence on leave. He explained that he had been the subject of a “sting” and that he wanted to refer himself to me. He left some preliminary papers with the Registrar and wrote formally to me on 19 February to seek advice and again on 20 February to refer himself in respect of all the allegations which might be made in the *Dispatches* programme due to be shown on 23 February.^{55,56} I met Mr Straw informally on that day.

8) Following the broadcast of the *Dispatches* programme and consideration of the articles published in the *Daily Telegraph* I wrote to Mr Straw on 24 February accepting his self- referral.⁵⁷

Evidence

Evidence from Channel 4

9) On 26 February, I wrote to the executive producer of the production company⁵⁸ and to the editor of the *Daily Telegraph* asking for their assistance with my inquiry and in particular for:

54 [WE4](#)

55 [WE2](#)

56 [WE3](#)

57 [WE8](#)

58 [WE9](#)

“...the full and unedited footage which formed the basis of the articles in the Daily Telegraph, including any un-broadcast and unpublished footage, together with any transcripts of the conversations. It would also be helpful to have any correspondence you or your reporters have had with Mr Straw or his representatives in the course of and after the preparation of the articles.”

⁵⁹

10) After exchanges by email and telephone, on 17 April Vera Productions Ltd provided a recording of the second interview, a transcript of that interview and a copy of the letter sent to Mr Straw on 10 February.⁶⁰ & ⁶¹ The material was released subject to my assurances about the use to which it would be put and in particular that I would preserve the anonymity of the two undercover reporters. Having checked the transcript for accuracy and having made some very minor corrections, I provided a copy to Mr Straw on 23 April and invited him to send me his comments and any notes which he had made of the first meeting.⁶² A copy of the transcript is included in the evidence.⁶³

11) Since it had become apparent that only the second of the two interviews had been recorded, I asked whether any notes had been kept of the first meeting. Notes of the first interview⁶⁴ were provided to me on 26 May together with a copy of the transcript of the *Dispatches* programme itself.⁶⁵ I shared these with Mr Straw on 1 June.⁶⁶

12) On 19 November 2014 a reporter from Vera Productions Ltd posing as Lin Zhang, Managing Director of a Chinese firm called PMR Communications had emailed Mr Straw saying;

“I’m writing to ask if you’d be interested in a new position on an advisory board supporting our clients based in the Far East. We are a Hong Kong based consultancy, advising several companies [... and] looking to set up a London office and appoint an advisory board made up of senior figures from the world of politics and business.

“We feel your experience in both the political and commercial spheres makes you an ideal candidate for the board.”⁶⁷

13) Mr Straw responded to the request for a meeting on 3 December⁶⁸ and a meeting was arranged for 7 January 2015. That meeting (with only one of the reporters) was arranged to take place in the House of Commons. There was no audio or video

59 [WE10](#)

60 [WE11](#)

61 [WE1](#)

62 [WE22](#)

63 [WE11](#)

64 [WE28](#)

65 [WE6](#)

66 [WE27](#)

67 [WE12](#)

68 [WE13](#)

recording made but the reporter's note summarising the meeting has been provided by Channel 4.⁶⁹ Mr Straw has also given me a copy of the brief note which he made in his day book.⁷⁰ The reporter's notes summarise her recollection of the issues they had discussed, which were among those discussed in more detail in the second interview. I gave Mr Straw the opportunity to comment on the reporter's notes. In his letter of 16 June he says that does not accept the typed notes as an accurate reflection of the meeting, particularly with regard to the use of certain expressions and some inferences which the reporter made.⁷¹ For this reason I have placed greater reliance on the recording of the second interview—where there is no dispute about what was said—rather than on these notes. For completeness, however, a copy of the reporter's notes is included in the evidence appended to my report.

14) The reporter then arranged a second interview with Mr Straw through his parliamentary researcher and invited him to attend a meeting in Mayfair. She was told that Mr Straw could not do this and she agreed to come to his office again.⁷² On this occasion she and her colleague made a video recording of the meeting and a transcript has been provided.⁷³

15) Vera Productions Ltd wrote to Mr Straw on 10 February 2015 inviting him to respond to the following allegations, which were based on the recorded interview. They said:

“The filming, interviews and research for this programme have revealed evidence of the following matters:

- That you corresponded with, and met, representatives of PMR without first carrying out due diligence on the company,
- That you demonstrated yourself willing to act as a “politician for hire”, using your position and contacts gained in that position for personal gain; in particular
 - a) you claimed that you were well aware that what you could bring to PMR was “my name”
 - b) you claimed you had helped ED&F Man (a company for whom you are a paid advisor) in Ukraine by arranging a meeting for the company with the British Ambassador in Kiev and the Ukrainian Prime Minister Azarov as result of which the law was changed to benefit ED&F Man
 - c) you claimed to have negotiated a change in the EU sugar regulations with regard to tolling to the benefit of ED&F Man by

69 [WE28](#)

70 [WE26](#)

71 [WE30](#)

72 [WE14 \(Emails 9-19\)](#)

73 [WE11](#)

seeing the relevant director general and his officials in Brussels, and that your parliamentary researcher carried out a lot of work.

- d) you stated that although it was public knowledge that the regulations had been changed “the best way of dealing with these things is under the radar”.
- e) you indicated that you would expect a fee of £5,000 a day for your services.
- f) you said that while you wouldn’t speak on sugar in the House of Commons, due to the strict rules on paid advocacy, the rules in the House of Lords where you said you might be going, were different and you might be able to help PMR more if you were there.
- g) That you conduct[ed] a tour of the Commons at the end of your meeting with PMR.”⁷⁴

16) The allegations are not framed in relation to the relevant rules of the House and as far as possible I have set out both the evidence and my analysis so that it relates to the three areas identified in the first paragraph of this report i.e. lobbying for reward, failing to be open and frank in declaring interests, and the misuse of parliamentary resources. Some of the issues, if proved, would not constitute breaches of specific Rules of the House but might contribute to a possible allegation of causing significant damage to the reputation of the House of Commons as a whole, or of Members generally, and others are not relevant to the rules at all.

17) Those matters which are not relevant to the Rules of the House are;

- That [Mr Straw] corresponded with, and met, representatives of PMR without first carrying out due diligence on the company, ...
- [Mr Straw] claimed that [he was] well aware that what [he] could bring to PMR was “my name”
- [Mr Straw] indicated that [he] would expect a fee of £5,000 a day for [his] services

18) With regard to the first point of these points, Vera Productions Ltd allege that Mr Straw corresponded with and met representatives of PMR without first carrying out due diligence on the company. They base this allegation on their statement that “...*the company only exists on a website. It’s not registered anywhere in the world...*” and that “*anyone checking it thoroughly would find flaws*”.⁷⁵ Mr Straw has provided evidence that he did undertake some due diligence checks, discovered that the website for PMR was in Chinese and consulted a contact in Hong Kong.⁷⁶ While his contact told Mr Straw that they did not know PMR and could give no specific background on them, they went on to say “*Their [PMR’s] office building is decent and in a respectable part of town! I should*

74 [WE1](#)

75 [WE6, points 25 & 26](#)

76 [WE16](#)

think they are bona fide". The contact suggested that PMR could be invited to a Foreign Office reception in Hong Kong. This invitation is mentioned in the evidence. I do not consider it necessary or relevant to consider this matter any further since there is no breach of the Rules.

19) Secondly, regarding the value of Mr Straw's name, this refers to an exchange during the interview:

"C: Mmm. In terms of the advisory board, is this the kind of thing that you would be able to -

JS: I'm interested in it. Claire, I need to, I mean I need to know more about it. Um, ah, I need to have, you know, an understanding of—basically, what would I be able to bring to it.

C: Yeah

JS: I'm well aware of the fact that I bring my name, alright. Okay, so I get that [laughs]. But it's what it is you want from me, what I can offer you, could do for you, what's the time commitment, those things.

C: Well just to answer some of those questions, I think we'd be looking at a meeting every other month -

JS: Right -

C: Six meetings a year. Mainly, I think, in London. Maybe one a year in Hong Kong. In terms of a time commitment for that, I'd imagine that the day would be the actual meeting day, but there might be a day of preparation."

20) It is true that Mr Straw is a well-known figure in public and political life and has a reputation as a result of his work. He makes passing reference to his knowledge of this particular fact, and this is not a breach of the Code of Conduct or the Rules of the House. Again, I do not consider it necessary or relevant to consider this matter further although it is mentioned in the analysis.

21) The evidence in relation to the third point is as follows. Mr Straw discussed the possible payment for his work in the following terms;

"JS: And you know obviously if we get down the track there's issue of what fee you have in mind -

C: Oh of course. Actually it would be good, I don't know if you have a kind of daily rate in mind?

JS: I haven't. Um, well look, should you wish to do this, you would find that what I have been paid for outside earnings, uh, in the last four and a half years is public. Because if you remember, we have to declare down to the last penny—which is slightly boring—but anyway. So normally, if I'm doing a speech or something, it's £5,000 a day, that's what I charge, so yeah

C: Yeah. Well that's the kind of ballpark I think we were roughly thinking—

L: And with ED&F Man?

JS: ED&F Man, they pay me 60,000 a year... I will... and they have done for five years, uh, four years. Um, I do a lot of work for them. And when the, when I finish as an MP I'll have a discussion with them about that.

C: Are you likely to continue do you think -

JS: Oh no absolutely will continue, yeah yeah sure. When I finish as an MP, I'll talk to them about increasing that.

C: Ah, I see

JS: Okay. Um because Claire, I mean, A, I've got a day job, that's my first responsibility. And B, uh, I don't, you know, I've managed to keep out of any kind of scandal all my political career—[he goes to knock on wood]

C: Sounds good.

JS: What? You see what I mean

C: Yeah yeah

JS: Although I, um, I have no... I don't want to attract attention by earning a lot more, although I, cos, so, as a result of the... I turned down quite a lot, just because I, you know, I've got to be able to justify to myself and as well to my constituents that working for Man is something I can do in my spare time.”

22) Mr Straw was asked in his meeting with the reporters about his expectations of payment if he became a member of the advisory board. He told them that he received £5,000 for preparing and delivering a speech, and that he was paid £60,000 pa for his work for ED&F Man. Both of these figures are reflected in his entries in the Register of Members' Financial Interests.⁷⁷ Again the rules of the House permit Members, subject to certain conditions, to take on external employment. Having outside interests was not a breach of the rules and the rate of payment was a matter for him and the company concerned. I have not considered this matter further.

23) The final allegation contained in the letter of 10 February relates to the complaint that Mr Straw has used parliamentary resources other than in support of his parliamentary duties.

That [Mr Straw] conduct[ed] a tour of the Commons at the end of your meeting with PMR.”

24) At the end of the interview Mr Straw took the reporters from his office in the Palace of Westminster as far as Westminster Hall. The camera and microphone were still on

but the recording is less clear. While it is not possible to pinpoint from the audio recording precisely how long it took for Mr Straw to walk the reporters to Westminster Hall where he left them, it is clear that it was a matter of only a few minutes. The description of the building Mr Straw gave shows that he took them by a fairly direct route and paused to point out places of interest on the way.

25) The letter of 10 February makes wider allegations that Mr Straw used his parliamentary office in breach of the rules by conducting two meetings with the reporters there and that he used his parliamentary researcher to investigate an issue to “*further your external private interests*”.

26) The most serious allegation is that Mr Straw was prepared to engage in lobbying and the production company cited the following as evidence of this:

(a) “That [Mr Straw] demonstrated [himself] willing to act as a “politician for hire”, using [his] position and contacts gained in that position for personal gain; in particular

(b) [he] claimed [he] had helped ED&F Man (a company for whom [he is] a paid advisor) in Ukraine by arranging a meeting for the company with the British Ambassador in Kiev and the Ukrainian Prime Minister Azarov as result of which the law was changed to benefit ED&F Man

(c) [he] claimed to have negotiated a change in the EU sugar regulations with regard to tolling to the benefit of ED&F Man by seeing the relevant director general and his officials in Brussels, and that [his] parliamentary researcher carried out a lot of work.

(d) [he] stated that although it was public knowledge that the regulations had been changed “the best way of dealing with these things is under the radar”.

(f) [he] said that while [he] wouldn’t speak on sugar in the House of Commons, due to the strict rules on paid advocacy, the rules in the House of Lords where [he] said [he] might be going, were different and [he] might be able to help PMR more if [he] were there.”

27) All four of these points relate to a detailed example which Mr Straw gave of work that he had done with ED&F Man to persuade the Ukraine to change the regulations relating to the import and export of sugar. During the course of the interview, he made a number of comments about this;

“JS: Ok, alright. Do you want me to tell you my interest in sugar? Do you want me to explain it?”

“JS: Yeah Ok, I am an advisor to a firm you probably won't have heard of but is one of Britain's biggest soft commodity traders, and they're called ED&F Man, okay, and [... -]”

“JS:And so the main commodities that they're in are sugar, molasses and coffee. The coffee operation is based in Switzerland [-]”

“JS: Coffee is basically traded, coffee is traded from one town, I can't remember its name now, in Switzerland. And Man actually had to move their coffee operation to this town...”

“JS: But anyway. It got, as well as buying and selling sugar on the open market, it also has direct interests in refineries and indeed in Ukraine, [...] Anyway, to cut a very long story short [redacted], I got into, took Man with the British ambassador in Kiev to see the Ukrainian Prime Minister [...]”

“JS: [...] it's a combination of sort of charm and menace, and that this was maybe not a good idea. And um, I mean he understood, because he's not, he wasn't corrupt ...-

JS: Yeah. My experience of dealing with corrupt countries is that often, there is no country which is, where everybody is corrupt. There are lots of people who are trying to be un-corrupt ... But it's a question of spotting these people ...

JS: Anyway, so I had a meeting with him in Kiev in September 2011 and then there was a subsequent meeting when he was over here, and to cut a very long story short, we got it sorted out.

JS: They got the law, it all changed...

C: So they must have been really happy

JS: They were pleased about it, yeah, um, yeah, because, this was when the Ukraine wanted an association agreement with the EU and indeed they still do. So I've been, I said to them, this was going to cause them lots of trouble within Brussels if they were screwing other EU countries—So anyway, that, um took an awful lot of work.”

28) Towards the end of the meeting, the following exchange took place;

“L: I didn't explain very clearly last... with my uncle the last time that you might be leaving and what are the implications—

JS: Well, the implications are that I can do a lot more for you.

C: Ah ha, in what way?

JS: Well, it's not subject to regulation. Obviously I'm not, if I'm not um, I'm still the same person—I mean, if you are a Member of Parliament and you have commercial interests, you have to be so careful, alright, not to—if I was ever to stand up in the House of Commons and talk about sugar, I could end up being disqualified okay. Because there are very strict rules against advocating advocacy on behalf of companies who are paying you -

C: Right

JS: Okay. Well obviously if I'm not in the House of Commons, I'm not in that position. Um, I could end up in the House of Lords, so you're aware—you may have seen that -

C: That'd be good -

L: You mentioned.

JS: Yeah. I mean there's speculation in the paper at the moment—no one has said anything to me officially. But the rules there are different and plenty of people have commercial interests there -

C: Ah great so you'll be able to help us a lot more potentially -

JS: I'll be able to help you more Claire—I'll be able to help you more. Um, well

I wouldn't take this on as long as I was a Member of Parliament—

C: Yeah

JS: Alright. Um because -

C: It doesn't sound like you quite have time -

JS: I don't have time and also I think that, with ED&F Man, it's—within the British establishment- it's a company that's quite well known. Um, the person who had this position before for 10 years was a man called Lord MacNally who was- he was leader of the Liberal Democrats in the House of Lords. Um, so it's kind of okay—do you see what I mean?”

29) In addition to the above, the production company's letter also suggests that Mr Straw has failed to be open and honest in declaring his interests in ED&F Man during negotiations on their behalf, using the reference to work being done “*under the radar*” to support this contention.

Evidence from Mr Straw

30) Mr Straw has provided detailed written evidence, some of it dating back a number of years, in respect of the allegations made against him. He has provided email trails which confirm information he gave while talking to the reporters and examples of other firms which he had assisted over a period of time as a constituency MP. Some of the information is commercially sensitive.

31) I have considered all of the papers Mr Straw provided very carefully, but where I am satisfied that they corroborate or give further examples of information provided in other ways, I have not included them in the evidence supporting this report.

Misuse of Parliamentary Resources

32) In his memorandum⁷⁸ in response to my initial questions Mr Straw says; “At the outset I would like to say that throughout my thirty-six years I have always sought to observe the highest standards of conduct and integrity [...] I have sought to act with honesty, openness and frankness at all times. I have never misused Parliamentary resources.” Mr Straw provides evidence to support these statements, saying that “I have done everything I practicably can to ensure that no costs arising from my outside interests fall on Parliamentary resources. Since 2007 I have paid an outside IT company [name redacted] ... for a separate [address redacted] IT platform. My staff [...] monitor my parliamentary account. I rarely use it myself. I charge IPSA only the basic monthly rental for my Blackberry [...] I use my home London address for all invoices, and letters in respect of outside interests.” It was suggested by Vera Productions Ltd that Mr Straw had used his researcher, funded through the parliamentary expenses system, for his private work for ED&F Man.⁷⁹ Mr Straw has since told me “Since 2011 I have paid my Commons Researcher from my own outside income in respect of his work on my outside interests. Two-thirds of his income from working for me is paid by IPSA,⁸⁰ one third by me.” In interview I asked Mr Straw how the researcher’s time was arranged and he told me:⁸¹

“According to the demands of the time. Most of his time was spent on parliamentary business, and I think I gave you an overall calculation that only about a sixth of his time was spent on non-parliamentary business. Indeed, at that particular time, he was doing virtually none on non-parliamentary business at all”

“...The main non-parliamentary things he did were helping to research and draft speeches for which I was paid, and work for ED&F Man. The main work he did there was on the Ukraine and on the EU, as you are familiar with. The Ukraine was 2011 and the EU sugar regs were 2012-13. He didn’t—there were some other ED&F Man things that I actually was handling, because it was just easier and they didn’t involve a great deal of research. I could go through his diary and mine, but in this period—the autumn—he was overwhelmingly doing parliamentary business, by which I always include the Chilcot stuff.”

“... and my paying him a third of the salary he received from me from my non-parliamentary resources was, in a sense, an over-compensation. [...] I wanted to ensure that he was available full time, principally for parliamentary stuff, but also as an ancillary for non-parliamentary stuff.”

78 [WE17](#)

79 [WE1](#)

80 The Independent Parliamentary Standards Authority, which administers the expenses system for MPs

81 [WE31](#)

33) Mr Straw's management of the division between his use of parliamentary resources and the resources needed for his private interests is important in respect of the allegation that he misused parliamentary resources in his contact with the reporters. With regard to the arrangements for meetings he comments in his memorandum to me that, *"the email string with "PMR" shows that [...] I was so pressed by Parliamentary business that if the venue had not been the Commons the meetings would not have taken place at all. This was a prospect about which I was wholly relaxed. It was "PMR" who were insistent [...] as to why the meetings could not be deferred."*⁸²

34) Mr Straw wrote to me in confidence on 12 March 2013 setting out some of the background to his obligations at the relevant time. I was satisfied by the evidence he provided that he had had to restrict himself even more than usual to his office in the House of Commons in December 2014 and the early part of 2015. He has also argued that the 2006-07 report of the Committee on Standards and Privileges into the conduct of Mr David Cameron upheld the view of the then Commissioner that *"the House is ...sensible not to seek to spell out detailed rules relating to the use made by Members of accommodation made available to them on the Parliamentary Estate. Within the overarching understanding that this is provided for Parliamentary purposes this must be left to the good sense and judgement of individual Members in the light of their personal circumstances."* He also suggested that a distinction can be made between *"business purposes and discussions of the type that took place in this interview"*. I consider these issues in my analysis.

35) Vera Productions Ltd suggest in their letter that it was improper for Mr Straw to have conducted a tour of the House of Commons. The reporter's notes indicate that Mr Straw gave her a short tour on her first visit and the transcript of the second meeting also contains evidence of a short tour having taken place. With regard to the second meeting, Mr Straw told me, *"I wanted to get them out through the public area, so I popped up there [to the principal floor], showed them the back of the Chair, just out of courtesy. One side is the back of the Chair in the Commons Chamber, and the other side is the Chancellor of the Exchequer and the Prime Minister's rooms and the rooms I occupied in various jobs. I think I must have gone down the corridor. Either I dropped straight down the staircase, across a courtyard and into Westminster Hall by the cloakroom, or I would have gone down the corridor that the Deputy Speakers are on, down the staircase there and into Westminster Hall, then very quickly showed them Westminster Hall and off. So it wasn't a tour; this was not a Line of Route tour. [...] It was absolutely not a Line of Route tour."*⁸³ *I didn't have time. This took an extra two minutes. I wanted to be courteous with them, but also gently shoo them out."*⁸⁴

36) Mr Straw also offered to invite the reporter and her "uncle" to lunch at a future date. I asked Mr Straw whether he considered this invitation to be within the rules and told me; *"Yes, I do. It never occurred to me that it wouldn't be within the rules to see somebody*

82 [WE17](#)

83 The 'line of route' is the route taken by formal tours of the Palace of Westminster.

84 [WE31](#)

for lunch. I didn't see him, as it happens. [...] If I had thought it was outside the rules, Mrs Hudson, I wouldn't have suggested it."

37) In the interests of completeness, while examining the evidence provided by Mr Straw I found reference to a charity auction to which he had donated a lunch and tour of the House together with a bottle of whisky.⁸⁵ When I met with Mr Straw, I drew his attention to the advice of the Speaker over a number of years that Members should not offer tours as prizes in raffles or auctions.⁸⁶ I do not consider that this matter requires any further action.

Drawing attention to relevant interests

38) In the course of his interviews with the reporters Mr Straw gave detailed examples of work that he has done for two companies, in one case in his role as a constituency MP and in the other as a paid adviser. The inference was drawn that he has not always fully declared his interests and that his dealings are not open and above board.

39) Mr Straw has provided me with detailed evidence and supporting documents in relation to both of the companies.⁸⁷ The evidence he provided was consistent with what he told the reporters about the work he had done. I found nothing that suggested he had exaggerated or misrepresented that work.

40) With regard to ED&F Man Holdings Ltd Mr Straw became a paid adviser to them on 1 April 2011. His interest is recorded in the Register of Members' Financial Interests⁸⁸ and he has the approval of the Advisory Committee On Business Appointments (ACOBA) to undertake this role.⁸⁹ This committee considers applications from former ministers to take up appointments within two years of their last ministerial position. He states clearly "*Whenever I have been in contact with a UK official abroad, or with a foreign government official, I have always drawn specific attention to my role as a consultant to [ED&F] Man and in writing.*"⁹⁰

41) It is in relation to his work for ED&F Man that Mr Straw refers to his approach as "under the radar". He told me that "There was absolutely nothing sinister about this remark, as some have implied. It was a colloquial reference, and one I often use, to describe how I thought it best to negotiate with EU officials—not under the glare of publicity, where they would easily be boxed into a corner, but politely and quietly. There was nothing furtive or secretive about this work."⁹¹

42) Mr Straw had sought additional advice from ACOBA on this matter and was told; "Lord Lang's advice is that he would see no objection to you having dealings with the UK Embassy in Kiev on behalf of ED&F MAN provided it was clear that your involvement was in the context of assisting the Embassy in its pursuance of an existing

85 [WE 19B, letter 4](#)

86 [WE37](#)

87 [WE18 & WE19](#)

88 [WE20](#)

89 [WE18](#)

90 [WE17](#)

91 [WE17](#)

policy objective in the national interest. He considers that, in order to remain on the right side of the line, you would need to be satisfied that you were operating alongside the Embassy, but not seeking to persuade them in a new direction or to launch a new initiative. Judging by the information you have provided, that would appear to be the situation here.”⁹²

43) Senator International is the second firm which Mr Straw mentions in interview, and one which he assisted as a local business important to the livelihood of his constituents. I understood that the firm does not have any plants in his constituency but in an adjacent one. (When invited to comment on the factual accuracy of a draft of this report, Mr Straw told me that he has since learned that Senator do (and did) have a factory in his constituency employing around 100 people. He had been unaware of this until very recently, as the business had been acquired by Senator in 2007 and it had continued to operate under its original name until about two years ago.) Mr Straw has told me about the work he has done for Senator and provided copies of the correspondence relating to their offer of employment.⁹³ When Senator first approached Mr Straw for help, Mr Straw became involved with the support of his fellow MP, Mr Graham Jones, who has written to me to confirm this. He said:

“I had entered the House of Commons in May 2010. As my constituency neighbour, sharing all sorts of problems common to our area, and as an extremely experienced Member with a high reputation for his constituency work, Mr Straw has (and remains) something of a mentor to me—though it is fair to add that over the years we have also become good friends.

I recall that at this meeting [the first meeting with Senator] in December 2011 Mr Straw made very copious notes. At the end of the meeting he told me that he’d be happy to take the matter up on behalf of us both. He would of course keep me posted about what he did.

I have to say that I was delighted by this offer from Mr Straw. The issues raised by Mr Mustoe were complex and quite technical. I could have dealt with them myself, but I was in no doubt that Senator would be in good hands with Mr Straw. As a relatively new MP I was extremely busy, having to cope with endless demands which pile onto recently elected Members, and was very happy for Mr Straw to take this burden from me.”⁹⁴

44) Mr Straw has assisted Senator by making representations about the processes of the Government Procurement Service, by arranging for a senior representative of the British Government to attend the opening of Senator’s showroom in New York, and in discussions about compensation in respect of a showroom in an area which would need to be acquired because of the planned HS2 expansion of Euston Station. His

92 [WE18](#)

93 [WE19B](#)

94 [WE19A](#)

memorandum to me and his oral evidence set all of this out in some detail and is confirmed by further documentary evidence he provided to me (which is not attached).

45) Mr Straw paid a visit to Senator's factory in May 2014, when he was asked whether he would be interested in working for the company after he retired.⁹⁵ He has told me that this was the first time the matter had been raised and that he told Senator that *"I was not at that stage making any firm plans about my future post-election"*. An exchange of letters follows and on 22 May 2014 he wrote *"However, as I explained, I don't want to enter into any binding undertakings about my future, post May 2015 until I am clearer about the totality of demands on my time. Meanwhile I shall of course continue to do everything I can, as a local MP, to assist..."*⁹⁶ He said nothing had been agreed and that this remained the position until a meeting on 10 January 2015. In the intervening period Mr Straw continued to support Senator in resolving the issue of HS2 compensation. The details are contained in his evidence and led to him writing a letter to the Secretary of State on 8 January 2015. On 10 January Senator again raised with Mr Straw the offer of an advisory post. Terms were discussed which Senator subsequently confirmed in writing on 12 January 2015.⁹⁷ Mr Straw accepted this offer in a letter dated 28 January⁹⁸ and agreed to take up the role on 1 June 2015.

46) It was during the period between the offer and the acceptance, on 13 January, that Mr Straw met with the reporter and told her, *"I am considering an offer which I will almost certainly take to be an adviser to a medium-sized manufacturing firm just outside my constituency."*⁹⁹ Mr Straw has told me that *"If it had for a second occurred to me between 2 May 2014 and 10 January 2015 that the mere fact of [Senator's] offer of 2 May [2014] required me to declare this as an interest, I would have done so. [...] The help I have provided Senator, and the representations which I have made on their behalf, has never at any time been in the expectation of any employment or financial advantage...."* Further details of Mr Straw's involvement with Senator are included in his evidence. Mr Straw has also told me *"After that date [13 January 2015] I would of course have declared this expectation of employment in any correspondence with Ministers, or public officials, and sought advice as to whether it was declarable on the public record. In the event however, I have made no such representations since that date; and the possibility of taking up such a position has been put on ice, at my request, at least until this investigation by the Commissioner has been concluded."*¹⁰⁰

47) I asked Mr Straw whether the level of assistance he had provided to Senator as a constituency MP was unusual.¹⁰¹ He said it was not and provided me with examples of three other companies to which he had given considerable help in various ways over the

95 [WE19B letter 1](#)

96 [WE19B, letter 2](#)

97 [WE19B, letter 5](#)

98 [WE19B, letter 6](#)

99 [WE11](#)

100 [WE 17](#)

101 [WE31](#)

years. Some of the information he gave is commercially sensitive and is not directly relevant to this complaint and therefore not attached, but at interview Mr Straw told me,

“I mean, there are plenty of other cases, both company cases and local authority cases and individual cases where I have spent much more time. [...] although I said in my submission to you that most of the constituency cases were dealt with by my staff, I mean I should have qualified that by saying that there were some complicated ones which I dealt with. And so, for example—[one constituent], who came to see me in 2000 about a problem she had of 60,000 tons of waste being dumped just above her land. And that has taken a huge—I mean a phenomenal amount of time: my time and my office time—office’s time—and it’s still going on. [...]

...I mean, bear in mind the cases originally arose because people had come to see me, and I—people didn’t need appointments to see me [...], because I thought, particularly the more senior I became, that it was really, really important that my constituents should have direct access to me without any gatekeepers in between. So I would always have a handle on cases at the start and then would follow them through.

[...], and if it’s a business case then I always took it up myself personally. And there were loads of businesses for whom I did much more work than Senator.”¹⁰²

48) Again, the accuracy of all the information which Mr Straw gave in his interview with the reporter is supported by the documentary evidence he has provided.

Indicating a fee of £5,000

49) Mr Straw was asked in his meeting with the reporters about his expectations of payment if he became a member of the advisory board. He told them that he received £5,000 for preparing and delivering a speech and that he was paid £60,000 pa for his work for ED&F Man. Both of these figures are reflected in his entries in the Register of Members’ Financial Interests.¹⁰³

References to doing more in the Lords.

50) Towards the end of his meeting with the reporters Mr Straw talks about the impact of standing down at the election saying “...so I’ll become a free agent. [...] the implications are that I can do a lot more for you.” He goes on to explain that MPs have to be careful “Because there are very strict rules against advocating, advocacy on behalf of companies who are paying you.[...] Well obviously, if I’m not in the House of Commons I’m not in that position. Um, I could end up in the House of Lords, so you’re aware...”

Evidence from the Registrar and IPSA

51) Mr Straw had told me that he has kept his register entries up to date and that he had exchanged emails with the office about more helpful ways of registering earnings. I

102 [WE31](#)

103 [WE20](#)

wrote to the Registrar on 11 June 2015 to seek any relevant information from her records and her advice on the date on which Mr Straw first had a reasonable expectation of a registrable benefit in relation to Senator.¹⁰⁴ She responded on 23 June¹⁰⁵ and stated that “*From your letter I can see no evidence that [a] “reasonable expectation” existed on 8 January 2015. The email you quote from May 2014 shows that Mr Straw had declined to enter into a “binding undertaking” with Senator at that stage.*”

52) The Registrar also informed me that “Mr Straw is right to say that he was assiduous in complying with the rules on declaring his interests....He has also deposited with us (as required by the rules) agreements (with ED&F Man Holdings and with the Eurasian Council on Foreign Affairs) to make plain that he would not undertake paid advocacy. As Mr Straw says, when the Guide to the Rules was under review he proposed a change which would allow advance registration of outside earnings on occasion. This proposal was incorporated....”

53) In the light of the suggestion that Mr Straw had used his parliamentary researcher to further his private business interests and Mr Straw’s explanation that he had arranged to pay part of the salary for that post himself, I wrote to the Independent Parliamentary Standards Authority (IPSA) on 18 June to seek evidence on this.¹⁰⁶ IPSA responded to me on 29 June¹⁰⁷ saying; “*In clarification, [the researcher] has been employed on a part-time basis only, commencing on 4 November 2010. Initially he worked 27.5 hours per week, increasing to 36 hours per week with effect from 1 April 2012.*”¹⁰⁸ An attached record shows that a full-time post would be 42 hours per week.

Statement of facts

54) I consider the following to be established facts. It is on these that I base my conclusions.

- In 2014 Mr Straw indicated his intention to leave the House on dissolution on 30 March 2015.
- Mr Straw has reported in the Register of Members’ Financial Interests payments received in respect of his employment by ED&F Man. He has also, as required by the rules of the House, deposited with the Registrar a copy of an agreement with ED&F Man which made plain that he would not undertake paid advocacy.
- On 19 November 2014 a reporter using the name of Lin Zhang emailed Mr Straw to ask if he would be interested in a position on the Advisory Board of a fictitious company named PMR.
- The reporter met Mr Straw on two occasions, on 7 and 13 January 2015, in his parliamentary office, and recorded the second interview only. A second reporter was present on 13 January.

104 [WE29](#)

105 [WE33](#)

106 [WE32](#)

107 [WE34](#)

108 [WE34](#)

- On 10 February the *Daily Telegraph* emailed Mr Straw, making a number of allegations which they said were evidenced by the recording and which they proposed to use in a *Dispatches* Programme on Channel 4 and in associated articles in the *Daily Telegraph*.
- Mr Straw contacted my office for advice and on 20 February wrote formally to me referring himself for investigation in respect of all the allegations made by the *Daily Telegraph* and Vera Productions Ltd.
- The first article appeared in the *Daily Telegraph* on 23 February 2015 and the *Dispatches* Programme was broadcast on the evening of 23 February.
- Mr Straw had sought permission from the Advisory Committee On Business Activities for his work with ED&F Man and for his work on their behalf in Ukraine.
- Mr Straw had set up arrangements to separate his business interests from his parliamentary work. He claimed against his parliamentary expenses for part of the salary of the parliamentary researcher named in the allegations.
- Mr Straw's efforts on behalf of Senator vis-à-vis the government procurement processes, the attendance of an official at the opening of their New York showroom and the impact of HS2 developments on their Euston premises were undertaken as part of his constituency casework, with the support of the MP in a neighbouring constituency .
- In May 2014 Senator first raised with Mr Straw the possibility of employing him after he left the House in May 2015.
- Mr Straw replied, saying that he did not want to commit himself to anything until he was clearer about the totality of the demands on his time post-election.
- On 10 January 2015 Senator renewed their offer of employment—again to commence after the General Election—confirming the offer in writing on 12 January and setting out the broad terms the remuneration on offer and the hours expected in return.
- On 15 January 2015 Mr Straw told the reporters that he was “*considering an offer which I will almost certainly take to be an adviser to a medium sized manufacturing firm just outside [my] constituency*”.
- Mr Straw formally accepted Senator's offer on 28 January 2015.

Analysis

55) The media coverage has touched on a wide range of issues and potential allegations but I return now to the matters which I accepted for investigation. These were that Mr Straw;

- used parliamentary resources for purposes other than in support of his parliamentary duties;

- failed on occasion to be open and frank in drawing attention to relevant interests in communications with Ministers, Members, public officials or public office holders;
- engaged in lobbying for reward or consideration.

56) Mr Straw said on several occasions during his discussions with PMR that they “*were predicated on the basis that we were talking about what I might do when I finished as an MP*”. The very detailed evidence Mr Straw provided supports both of these statements. I have found no evidence that suggests in any way that Mr Straw would have been willing to take up a post—if it had been offered—before 8 May 2015.

Use of Parliamentary Resources

57) The resources in question are Mr Straw’s office, the Information Services and Technology provided by the House and the time of a parliamentary researcher. In this part of my report, I will also address his offer of a tour of the House and lunch.

58) Mr Straw met with the reporter on two occasions in his office in the Palace of Westminster. There can be no argument that the office and the IT facilities in it are publicly funded resources which the rules say should be used “*always in support of their parliamentary duties*” A discussion about whether or not the meetings were for “*private business purposes*” as described in the Members’ “handbook”¹⁰⁹ or merely “*private*” is irrelevant since the meetings clearly were not for parliamentary business as expressed by the rules themselves. Both were about a possible business opportunity. However, as Mr Straw is aware, two of my predecessors have considered the application of this rule. A previous Commissioner accepted that it “*needs to be operated with a sense of proportion.*” He said in 2010, “*It may also be most convenient for a Member to make use of Parliamentary facilities in meeting others not strictly for the purpose of Parliamentary business. This is because it keeps the Member near at hand so that they can continue to conduct parliamentary business if necessary. But the use of House facilities simply as a way of boosting a Member’s employment prospects would, in my judgement, be a misuse of those facilities....*”¹¹⁰

59) In 2006–07 the Standards and Privileges Committee said “[The Member] fairly makes the point and the Commissioner accepts, that the intertwining of Members’ various capacities—as parliamentarians, party members, and private individuals—means that it would be impracticable to require that only business which is exclusively parliamentary in nature can ever be conducted by Members from their offices on the parliamentary estate.”¹¹¹

60) The two meetings Mr Straw had with the reporters in January were relatively short and in my opinion the email exchanges arranging them make it clear that there was pressure from the reporter to arrange at least one of these meetings at short notice. Mr Straw was busy at this time and has provided evidence to me that he needed to be in the

109 [WE38](#)

110 [HC 654-I, Committee on Standards and Privileges, Ninth Report of Session 2010-11](#)

111 [HC 429, Committee on Standards and Privileges, Second Report of Session 2006-07](#)

House even more than usual. I agree with my predecessors that the rules about the use of parliamentary offices should be applied with a sense of proportion.

61) While this was a minor breach of the rules, I accept that there were extenuating circumstances. Mr Straw has explained that he was pressed for time and that meeting in the House enabled him to continue with his parliamentary duties with minimal disruption. I also accept that Mr Straw did not choose to use his parliamentary office with the intention of boosting his employment prospects. I believe that he did so for straightforward pragmatic reasons. However, the meeting was, about the possibility of future employment and was not about parliamentary business.

62) While I do consider this to be a breach of the rules, it is important to acknowledge that this was an occasional use of the office for meetings which fell outside Mr Straw's parliamentary duties; it was not a regular and sustained use of the room for business purposes and, in all the circumstances, I consider Mr Straw's breach of the rules to be minor.

63) Mr Straw has told me that he had "*put in place systems to ensure that no resources of the House were expended on my external interests.*" For example, he has a separate IT platform for private email and uses his home address for communications about his outside interests. The email accounts used for his exchanges with PMR in relation to appointments, are all private ones and not parliamentary email addresses, as are those used for the emails relating to Senator, a manufacturer of business furniture based in a neighbouring constituency. He explains his email address towards the end of the recorded interview with the reporter when he said, "*...can I just give this- that's got my home address on it ...please send to my home address, don't send it here*" and... "*The email stays the same because I have these outside interests.*" Mr Straw appears to have made efforts to ensure that he did not use parliamentary email accounts to further his private interests.

64) It was also alleged that Mr Straw was using the parliamentary resource of his researcher to support his private business interests, both in contacts with PMR and in his work with Senator. Mr Straw explained in his memorandum¹¹² that his parliamentary researcher was funded partly through his parliamentary expenses and partly by Mr Straw himself to enable him to do some work on Mr Straw's private interests as well as constituency work. While it would be for IPSA, which administers the system for parliamentary expenses, to make a formal determination on a specific allegation about misuse of the researcher's time, for completeness, I asked Mr Straw about this matter during my interview with him.¹¹³ Mr Straw told me he organised the researcher's time "*...according to the demands of the time. Most of his time was spent on parliamentary business, and I think I gave you an overall calculation that only about a sixth of his time was spent on non-parliamentary business. Indeed, at that particular time, he was doing virtually none on non-parliamentary business at all...*" He went on to say "*my paying him a third of the salary he received from me from my non-parliamentary*

112 [WE17](#)

113 [WE31](#)

resources was, in a sense, an over-compensation. It was also just in recognition of the fact that I was at the limit of my salary allocation, as I pointed out in Blackburn. I wanted to ensure that he was available full time, principally for parliamentary stuff, but also as an ancillary for non-parliamentary stuff.”

65) I asked IPSA for information concerning the researcher’s salary and they have provided evidence that parliamentary expenses funded the researcher’s salary on a part-time basis only, commencing on 4 November 2010. Initially he was paid through parliamentary expenses for 27.5 hours per week, increasing to 36 hours per week with effect from 1 April 2012. (Full-time hours would have been 42 hours per week.) On this basis, and in the light of Mr Straw’s assurance that the parliamentary researcher was engaged on parliamentary work almost exclusively by the relevant time, I am satisfied that Mr Straw had made proper provision for his researcher to undertake work outside his parliamentary responsibilities. I have seen no evidence that the outside work done by Mr Straw’s researcher encroached on the time funded by the public purse and I see no basis to refer the matter to IPSA’s compliance officer for a formal determination.

66) Finally, with regard to the possible misuse of parliamentary resources, Mr Straw did offer to invite the reporter and her “uncle” to lunch and a tour of the House. This is not against the Rules and in any event the lunch did not take place. I do not consider that the walk between Mr Straw’s office and Westminster Hall following either meeting constituted a tour of the House and even if they had, they would also not have constituted a breach of the rules.

67) In considering all of the issues raised by the *Dispatches* programme I have followed the evidence as far as was reasonable in establishing the facts, particularly in relation to the detail of Mr Straw’s use of resources. I have not embarked on any examination of his activities which were not raised as part of the initial concerns raised nor do I think that this would have been appropriate. In circumstance such as these, it would be all too easy to embark on a “fishing expedition”. Mr Straw was unwise to use his office for meetings with the reporters but I have found no other evidence that that Mr Straw made use of parliamentary resources for purposes outside his parliamentary duties.

Failure to declare relevant interests

68) It is difficult to identify precisely the information on which the allegation that Mr Straw has failed to declare his interests appropriately is based. I have considered carefully the transcript of the recorded interview on 13 January, Mr Straw’s entry in the Register of Members’ Financial Interests and the comments of the Registrar, and the emails relevant to some of Mr Straw’s interventions on behalf of Senator and ED&F Man. The allegations in the letters from Vera Productions Ltd appear to focus on the interpretation of the expression “*under the radar*”, Mr Straw’s contact with the Ukraine and Brussels on behalf of ED&F Man and his more recent work with Senator at around the time when they offered him a post on their board.

69) The transcript of the interview between the reporter and Mr Straw records that in relation to ED&F Man and an issue over sugar regulations, Mr Straw says; “...*it’s public that the regulations have been changed, but the best way of dealing with these things is ‘under the radar’.*” Great emphasis has been placed on this comment, which is not

developed further in the interview. However, Mr Straw says in his interview on the *Today* programme (and again later in his first submission to me), *“Let me just deal with this issue about ‘under the radar’ because it is very important. I work, have worked for, a very fine old established firm of British commodities suppliers, called ED&F Man. Issues have arisen about some unbelievably obscure aspects of the sugar regulations inside the EU and I’ve sought to help them negotiate changes in these EU sugar regulations and when I was talking to, as it turned out, the undercover reporters about this. I said, in relation to EU negotiations that it was better to handle negotiations like this quote ‘under the radar’ than to go and shout in the street about them. In other words that you can get further with EU officials by being polite and quiet and forensic than shouting.”*

70) Given the evidence that Mr Straw sought advice from ACOBA on this visit to the Ukraine, the details of which were then recorded in the Register of Members’ Financial Interests, his involvement in the visit and his connection to ED&F Man support his assertion that his interest was fully disclosed and the term ‘under the radar’ refers to his approach to a delicate matter. I have seen evidence that Mr Straw told EU officials about his remunerated employment with ED&F Man.¹¹⁴ (I did not consider it proportionate to ask Mr Straw to provide evidence in respect of his contact with Ukrainian government, since the rules did not- in any case—require him to make such a declaration, and his assurances on the wider point have been substantiated. Although the 2012 Guide to the Rules stated that the requirement to declare an interest “covers almost every aspect of a Member’s parliamentary duties extending to correspondence and meetings with Ministers and public officials” it nowhere listed a requirement to declare their interests to officials or other representatives of the EU or of overseas governments.)

71) It has been implied that Mr Straw did not, in dealings with UK Ministers and/or officials, declare an interest in Senator, a manufacturer of business furniture based in a neighbouring constituency. I have found no evidence that at the relevant times Mr Straw had an interest which required declaration. Mr Straw had given considerable assistance to Senator in his capacity as a local MP from November 2011 onwards. Many of his constituents were employed by the business and the MP of the constituency in which Senator is based had welcomed Mr Straw’s involvement. In May 2014 in anticipation of Mr Straw’s retirement from the House, which had already been announced, he was invited to work for the company as an adviser or non-executive director. After an exchange of letters Mr Straw wrote on 22 May to say, *“I don’t want to enter into binding undertakings about my future, post May 2015, until I am clearer about the totality of demands upon my time.”* No details had been discussed and no commitments given. The offer of a post was renewed on 10 January 2015 and specific details were discussed. Mr Straw wrote accepting the offer on 28 January.

72) Mr Straw had written on Senator’s behalf to the Secretary of State for Transport on 8 January 2015 and I sought the Registrar’s advice on whether Mr Straw should have declared an interest when he wrote. She told me:

“This is relevant because the Guide to the Rules then in force said that a Member had to declare the expectation of future benefit only when his plans... “have passed beyond vague hopes and aspirations and reached the stage where there is a reasonable expectation that a financial benefit will accrue...”¹¹⁵ If Mr Straw had a reasonable expectation of financial benefit when he wrote to the Secretary of State for Transport on 8 January 2015, he should have declared his interest when he wrote.

Having read the exchange of letters between Mr Straw and Senator in early 2015 (Mr Mustoe’s letters of 12 January and 12 February, and Mr Straw’s letter of 28 February) it seems to me that Mr Straw’s plans had by then reached a stage where there was a “reasonable expectation that financial benefit will accrue”. But these letters were written after Mr Straw’s approach of 8 January 2015.

From your letter I can see no evidence that a “reasonable expectation” existed on 8 January 2015. The email you quote from May 2014 shows that Mr Straw had declined to enter into a “binding undertaking” with Senator at that stage.”¹¹⁶

I agree with the Registrar’s advice.

73) Mr Straw has told me that his agreement with Senator has been “*put on ice*” at least until this inquiry is concluded.

Engaged in lobbying for reward or consideration

74) Vera Productions Ltd allege that Mr Straw indicated that he would expect a fee of £5,000 a day for his services and that he said that while he would not speak on sugar in the House of Commons, due to the strict rules on paid advocacy, the rules in the House of Lords were different and he might be able to help PMR more if he were there. They focus on his comment that “*I’m well aware of the fact that I bring my name*” and the fact that he has many contacts. They use these comments, and the examples Mr Straw gives of work he has done, to suggest that he has been engaged in lobbying or would be willing to lobby.

75) As has already been shown above, I have found no evidence that the work Mr Straw has done on behalf of ED&F Man has been outside the Rules of the House. Mr Straw has regularly registered his remuneration and deposited with the Registrar the required agreement with ED&F Man. The material supplied by Channel 4 provides no evidence that Mr Straw has acted outside that agreement nor does it provide evidence of any activity that might amount to lobbying for reward or consideration.

76) Similarly, the reporters’ interviews with Mr Straw do not provide any evidence that at the time he was helping Senator he received or expected any remuneration or benefit

115 [The Guide to the Rules relating to the conduct of Members, approved on 9 February 2009, HC 1885:](#)

116 [WE33](#)

of any kind from the company. The question of lobbying for reward or consideration simply does not arise in that context.

77) It may be relevant that some of Mr Straw's remarks in interview with the reporters are capable of different interpretations depending on the context in which they were made. I have therefore had to consider whether the inferences drawn by the television production company are more likely to be correct than the interpretation offered later by Mr Straw himself. For example, it has been asserted by Vera Productions Ltd that Mr Straw is a "politician for hire" yet towards the end of the interview, when Mr Straw talks about earning money, he says "*but money is not the thing that motivates me, alright? And reputation is much more important than making some extra money.*" He goes on to talk about the extra time available when he retires from the House of Commons and "*I'll become a free agent*". He also stresses that in the House of Commons "*there are very strict rules against advocating, advocacy on behalf of companies who are paying you*". Mr Straw then mentions that he may go into the House of Lords.

78) He goes on to say that this [his elevation to the Lords] is not certain "*But the rules are different and plenty of people have commercial interests there...*" The reporter seems to interpret this as meaning that he might be able to advocate there and says "*Ah great, so you'll be able to help us a lot more potentially...*" The comment is open to that interpretation but it can also be read in the wider context of his comments about his time. I am persuaded that Mr Straw's responses still refer to the amount of time available. He says, "*I'll be able to help you more Claire, I'll be able to help you more. Um, well I wouldn't take this on as long as I was a Member of Parliament.....I don't have the time....*"

79) Similarly, the remark about Mr Straw's name is lifted out of a longer comment and is not put in the context of the discussion in which Mr Straw has said "*I need to, I mean I need to know more about it. Um, ah, I need to have, you know an understanding of basically what I would be able to bring to it. I am well aware of the fact that I bring my name-alright- so I get that (laughter). **But it's what is it you want from me, what I can offer you, could do for you, what's the time commitment- those things**". [My added emphasis.] A Member's reputation will be important to them and, inevitably, is part of the "package" on which they may rely when they later seek employment outside the House.*

80) When pressed about his expectations for remuneration Mr Straw states his past earnings and makes it clear that that information is a matter of public record, which can be found in the Register of Members' Financial Interests. The evidence I have seen supports Mr Straw's assertion that he "*neither exaggerated nor boasted*" in what he said to the reporters.

81) In summary, I have found no evidence that Mr Straw has engaged in lobbying for reward or consideration or that he was offering to do so in the interviews with the reporters. Nor have I found anything other than a very minor breach of the rules on the use of parliamentary resources.

82) At the time when these matters came to light strong views were expressed in several quarters that Mr Straw's actions had brought the House into disrepute. It was for that reason that, in accepting Mr Straw's self-referral for investigation, I considered this further allegation. While I do think it is possible to bring the House into disrepute without being in breach of any of the other rules, I do not think that Mr Straw has done so. Mr Straw's own reputation has been damaged by the allegations and inferences made but I have seen nothing that suggests his conduct would have merited criticism if the approach made by PMR had been genuine. I go on to consider some of the broader issues arising from this inquiry and another in my conclusion.

Kathryn Hudson

Overall Conclusion

1) My individual reports on the allegations made about Sir Malcolm and Mr Straw make it clear that I have not found any evidence that their conduct, in itself, caused significant damage to the reputation and integrity of the House as a whole, or to other Members generally. Nevertheless I do consider that these have been damaged by the circumstances and publicity surrounding this inquiry and would like now to consider some of the implications of this. The rule that: “*Members shall never undertake any action which would cause significant damage to the reputation and integrity of the House of Commons as a whole, or of its Members generally*” is intended to be used in cases where it is clear that serious misconduct by a Member could not be caught within the letter of other existing rules. In this situation it appears that the distorted coverage of the actions and words of the Members concerned has itself been the main cause of the damage.

2) Mr Straw had already referred himself to me before the *Dispatches* programme was aired and Sir Malcolm indicated his intention to follow this course of action immediately afterwards. In taking on any matter for investigation, I am required to consider whether there is sufficient evidence to justify beginning an inquiry. In this situation, as in other cases of self-referral, I took into account the seriousness of the allegations and the fact that unless I accepted the matter for investigation, there would be no detailed, authoritative and independent examination of all the evidence. There would also have been no finding on whether the rules of the House had been breached. This would not have been fair to the Members concerned.

3) Having considered the evidence, I could at a later stage have decided to discontinue my investigations, rather than completing a formal memorandum for the Committee on Standards in each case, particularly since both of the individuals concerned are now no longer Members. Had I done so, the evidence and the depth of my investigation would not necessarily have been apparent to others and could easily have led to suggestions that information had been hidden. In addition to this, the Committee on Standards would have had no opportunity either to comment on the matter, or to consider any action it might wish to recommend in relation to the damage to the reputation of the House. Both Sir Malcolm and Mr Straw, while anxious to have this matter concluded as quickly as possible, have understood my reasoning. I am grateful for their full and timely co-operation with my work which must, on occasions, have been onerous and intrusive. They have conducted themselves throughout my inquiry with dignity and honesty.

4) It has already been made clear that the *Dispatches* programme was intended to be a follow-up to a previous programme undertaken with *The Sunday Times* in 2010. My predecessor¹¹⁷ observed that the interviews given by the six Members subject to that undercover investigation raised some questions about the adequacy of the rules on

lobbying by Members of Parliament and former Members. He raised questions about the way in which the rules prohibiting paid advocacy operated and the need to avoid giving the impression that a Member could advocate a policy or lobby a Minister for personal benefit rather than a public purpose. He also considered issues about the activities of former Members of Parliament. While he found that three of the six Members had not breached the Code, he concluded “*The mischief which needs to be considered is whether former Members of Parliament should be able to be “hired hands”, using the contacts they have made in the course of their parliamentary duties to benefit directly an employer.*”

5) Outside employment per se is permitted by the House, but must be detailed in the Register of Members’ Financial Interests and declared appropriately when relevant to the proceedings of the House. The new rules which apply in the 2015 Parliament have tightened the restrictions on paid lobbying (as defined by the House) by existing Members, and will in future prohibit Members from taking up jobs involving paid lobbying for at least 6 months after their departure from the House.¹¹⁸ However, it is not at all clear whether if either Member had taken up the advisory board position being proposed by “PMR”, this would have infringed any rule of the House, provided that it was registered and declared appropriately, since at no point was either Member explicitly asked to lobby and at no point did they offer to do so. Both in fact explained that there would be limits on what they would be able to do.

6) As is clear from my inquiries concerning Sir Malcolm and Mr Straw, although several allegations were made about each of them, arising from interviews recorded by undercover reporters, neither was in breach of the Code of Conduct or the Rules of the House other than—in Mr Straw’s case—by a minor misuse of parliamentary resources. The use of carefully selected excerpts from the recordings does not necessarily give the viewer a detailed understanding of the circumstances and the full evidence behind the interviews. This may result in the viewer being led to conclusions which do not stand up to detailed scrutiny.

7) The House has on several occasions considered restricting the outside employment of Members, and has not done so. (The most recent occasion was on 25 February 2015, when a motion to ban Members from taking paid directorships and consultancies was defeated.¹¹⁹) In this context it is not unusual for Members to be approached and asked to consider positions such as the one described on this occasion. It is Sir Malcolm and Mr Straw’s misfortune that on this occasion the company making the offer was a bogus one and they have paid a heavy price for that.

8) Mr Straw had announced in 2014 his intention to leave the House at the next election. He had responded to an initial email from PMR because he was looking at possible opportunities available to him after that time. The outcome has been that he

118 In addition, former Members are not allowed to use the parliamentary estate for lobbying, and their security pass can be forfeited if misused. And those who left Ministerial office within the last two years are subject to a separate set of restrictions imposed by the Advisory Committee on Business Appointments, and those who become peers are subject to the restrictions on lobbying which apply in the House of Lords.

119 [Official Report, 25 February 2015, cols 381-426](#)

resigned from the Parliamentary Labour Party and his last few weeks in Parliament were not the farewell he would have anticipated after his long service.

9) Sir Malcolm had intended to stand for re-election in May 2015. As a result of this “sting” the Conservative whip was suspended, he resigned as chair of the Intelligence and Security Committee and he was unable to stand for a further term in office.

10) Both men suffered adverse publicity and were presumed guilty of breaches of the Code of Conduct before any authoritative examination of the facts had taken place, with consequent reflection upon the House and Members as a whole.

11) The question of whether Members should be permitted to take external employment has already been widely discussed in connection with this incident. Such a discussion leads to a consideration of the whole role of Members. It relates in part to the insecure prospects of elected Members of the House (who, in common with many others, cannot be sure of their long term positions and may protect themselves by maintaining their professional interests or seeking other opportunities) and in part to the trust and confidence which the public has in the motivation of Members and the level of their continuing engagement with the “outside” world.

12) It may also be that “broad brush” rules do not fit the circumstances of different Members who come from widely varying backgrounds, nor the expectations which their constituents from equally varied backgrounds may have of them and of the opportunities available to them. This matter was discussed more fully in the Committee on Standards’ report on *Interests of Committee Chairs: a consultation*.¹²⁰ What is clear is that if the current arrangements remain, I and my successors will continue to receive allegations concerning external employment and lobbying, which may or may not be justified. On each occasion the reputation of the House and Members risks further damage from the inference that Members are serving their personal interests rather than those of the public.

13) The report by the Standards Committee on *The Standards System in the House of Commons*, published shortly before the end of the last Parliament, identifies the issue of the lack of public trust and its continued impact upon how Members’ activities are seen and reported.¹²¹ It also considers how the House might give a clearer picture of the role and expectations of a Member. It makes proposals to improve contact with the media in relation to standards matters, again with a view to increasing the knowledge and understanding of the general public of the work of Members. The new Committee, with the increase in lay members from 3 to 7, may wish to take up some of the ideas contained in that report and develop that work further.

14) If in their coverage of this story, the reporters for *Dispatches* and the *Daily Telegraph* had accurately reported what was said by the two Members in their interviews, and measured their words against the rules of the House, it would have been possible to avoid the damage that has been done to the lives of two individuals and those around

120 [Eighth report of 2013-14 HC997](#)

121 [Sixth report of 2014-15 HC383](#)

them, and to the reputation of the House. However, it is not for me to investigate or make any judgement on the actions of the reporters or programme makers. This is for others to consider.

15) It must also concern all those who value the reputations of the House and of its Members generally that those reputations proved so easy to tarnish. For the truth was that in this situation, there was no breach of the rules on paid lobbying, although it is clear that many people thought that there had been.

16) In this new Parliament the time has come to review the rules again, as is done on a regular basis, and I hope that this will provide an opportunity to clarify expectations and to broaden understanding of the standards of behaviour expected of Members. The resolution of the issues raised will be a matter of political consensus and not easily achieved, but I am of course ready to assist the Standards Committee and the House in any way possible in tackling them.

Kathryn Hudson

Parliamentary Commissioner for Standards

1 September 2015

Formal Minutes

Tuesday 15 September 2015

Members present:

Kevin Barron, in the Chair

Sir Paul Beresford	Peter Jinman
Mr Christopher Chope	Walter Rader
Sharon Darcy	Tommy Sheppard
Mr Dominic Grieve	Jo Stevens

Draft Report (*Sir Malcolm Rifkind and Mr Jack Straw*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 11 read and agreed to.

The Commissioner's memoranda were appended to the Report.

Resolved, That the Report be the First Report of the Committee to the House.

Written evidence received by the Parliamentary Commissioner for Standards and an article from the Daily Telegraph were ordered to be reported to the House for publishing with the Report.

None of the lay members present wished to submit an opinion on the Report (Standing Order No. 149 (9)).

Ordered, That the Chair make the Report to the House.

[Adjourned to a day and time to be fixed by the Chair.]

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/standards

Written Evidence relating to Sir Malcolm Rifkind

- 1 Letter from Vera Productions Ltd to Sir Malcolm Rifkind QC MP, 10 February 2015, handed to the Commissioner by Sir Malcolm on 5 March 2015
- 2 Article from Daily Telegraph (on-line) 23 February 2015
- 3 Script from Dispatches 'Politicians for Hire', 23 February 2015
- 4 Transcript of interview with Sir Malcolm Rifkind QC MP on the Today programme on 23 February 2015
- 5 Letter from the Commissioner to Sir Malcom Rifkind QC MP, 26 February 2015
- 6 Letter from the Commissioner to Vera Productions Ltd, 26 February 2015
- 7 Letter from the Commissioner to the Editor of the Daily Telegraph, 26 February 2015
- 8 Letter from Sir Malcom Rifkind QC MP to the Commissioner, 27 February 2015
- 9 Statement by Sir Malcolm Rifkind QC MP handed to the Commissioner by Sir Malcolm on 5 March 2015
- 10 Emails between Sir Malcolm Rifkind QC MP and 'PMR Communications', November 2014–January 2015
- 11 Letter from Sir Malcolm Rifkind QC MP to the Commissioner 10 March 2015
- 12 Enclosures with letter of 10 March 2015: emails between Sir Malcolm & Vera Productions in advance of the Dispatches programme
- 13 Transcript of interview: 'PMR Communications' with Sir Malcolm Rifkind QC MP on 7 January 2015, provided to the Commissioner on 20 April 2015
- 14 Transcript of interview: 'PMR Communications' with Sir Malcolm Rifkind QC MP on 13 January 2015, received by the Commissioner on 20 April 2015
- 15 Letter from the Commissioner to Sir Malcolm Rifkind, 28 April 2015
- 16 Email from Sir Malcolm Rifkind to the Commissioner, 4 May 2015
- 17 Attachment to email of 4 May: Sir Malcolm's response to transcripts
- 18 Letter from the Commissioner to Sir Malcolm Rifkind, 1 June 2015
- 19 Email from Sir Malcolm Rifkind to the Commissioner, 4 June 2015
- 20 Attachment to the email of 4 June 2015, Sir Malcolm's comments on the Dispatches script
- 21 Letter from the Commissioner to the Registrar, 9 June 2015
- 22 Email from Sir Malcolm Rifkind to the Commissioner, 11 June 2015
- 23 Attachment to the email of 11 June 2015: comments in advance of meeting the Commissioner
- 24 Letter from the Registrar to the Commissioner, 12 June 2015
- 25 Transcription of Interview between the Commissioner and Sir Malcolm Rifkind QC, 15 June 2015
- 26 Letter from the Commissioner to Sir Malcolm Rifkind QC, 1 July 2015
- 27 Email from Sir Malcolm Rifkind QC to the Commissioner, 4 July 2015
- 28 Sir Malcom's entry in the Register of Members' Financial Interests as at 23 February 2015

Written evidence relating to Mr Jack Straw

- 1 Letter from Vera Productions Limited to Mr Jack Straw MP, 10 February 2015
- 2 Letter from Mr Jack Straw MP to the Commissioner 19 February 2015
- 3 Letter from Mr Jack Straw MP to the Commissioner, 20 February 2015
- 4 Jack Straw Statement 22 February 2015
- 5 Article from *Daily Telegraph* 23 February 2015
- 6 Script from Dispatches 'Politicians for Hire', broadcast on 23 February 2015
- 7 Transcript of interview: The Today Programme with Mr Jack Straw MP, 23 February 2015
- 8 Letter from the Commissioner to Mr Jack Straw MP, 24 February 2015
- 9 Letter from the Commissioner to Vera Productions Limited, 26 February 2015
- 10 Letter from the Commissioner to the Editor, the Daily Telegraph, 26 February 2015
- 11 Transcript of reporters' interview with Mr Jack Straw MP on 13 January 2015, provided to the Commissioner on 20 April 2015
- 12 E-mail from PMR Communications to Mr Jack Straw MP sent on 19 November 2014, provided to the Commissioner on 20 April 2015
- 13 Email from Mr Jack Straw MP to PMR Communications, 3 December 2014
- 14 Emails from PMR Communications to Mr Jack Straw MP—Advisory Board Position
- 15 Email from PMR Communications to Mr Jack Straw MP, 14 January 2015
- 16 Email exchange between Mr Jack Straw MP and [redacted], 5 January 2015
- 17 Memorandum from Mr Jack Straw MP to the Commissioner, 10 March 2015
- 18 E D & F Man Papers
- 19 Senator International Papers
- 20 Mr Jack Straw MP—Entry in the Register of Members' Financial Interests as at 23 February 2015
- 21 Email exchange between the Commissioner and Mr Jack Straw, 20 April 2015
- 22 Letter from the Commissioner to Mr Jack Straw, 23 April 2015
- 23 Email exchange between the Commissioner and Mr Jack Straw, 27 April 2015
- 24 Email exchange between the Commissioner's Office and Mr Jack Straw, 6 May 2015
- 25 Email Exchange between Mr Jack Straw and the Commissioner, 12 May 2015
- 26 Letter from Mr Jack Straw to the Commissioner, 12 May 2015
- 27 Letter from the Commissioner to Mr Jack Straw, 1 June 2015
- 28 Reporter's notes of 6 January interview with Mr Jack Straw MP, provided to the Commissioner by Channel 4 on 22 May 2015
- 29 Letter from the Commissioner to the Registrar, 11 June 2015
- 30 Letter from Mr Jack Straw to the Commissioner, 16 June 2015
- 31 Transcript of Interview with Mr Jack Straw, 18 June 2015
- 32 Letter from the Commissioner to IPSA, 18 June 2015
- 33 Letter from the Registrar to the Commissioner, 25 June 2015
- 34 Letter from IPSA to the Commissioner, 29 June 2015
- 35 Letter from the Commissioner to Mr Jack Straw, 29 June 2015
- 36 Email from Mr Jack Straw to the Commissioner, 9 July 2015
- 37 The Speaker's letter of 18 October 2010
- 38 Extract from the "Members' handbook"

[Article from the Telegraph](#)