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FILE TITLE:

HINDUJA BROTHERS

SERIES

Annex 1: Hammond Inquiry Report.

MINISTERS.

PART:

1

PART BEGINS:

8 JUNE 2001

PART ENDS:

5 MAY 03

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# PART

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DATE CLOSED	5 MAY 2005
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Series : **MINISTERS**

e Title : **HINDUJA BROTHERS**

Part : **1**

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Date	From	To	Subject	Class	Secret
			Annex 1 - Hammond Inquiry Report	U	
12/06/2001		PM	From S P Hinduja: Congratulations on election victory	C	0
05/09/2001	HO	Cab Off	PCS Case: Mr Martin Bedford	U	0
02/10/2001	SOC	Ch.Staff	Hammond review	C	0
07/11/2001		HO	from Parliamentary Ombudsman: Mr Martin Bedford, 24 Ainsley st,	C	
08/11/2001	SOC	Ch.Staff	Hammond Inquiry	C	
15/11/2001	Ch.Staff	PM	Hammond: Peter Mandelson	C	
21/11/2001	HO		Parliamentary Ombudsman : Complaint by Mr Martin Bedford	U	0
21/11/2001	Ch.Staff	SOC	Hammond Inquiry	C	0
30/11/2001	Ch.Staff	PM	Hammond	C	0
06/12/2001	SOC	Ch.Staff	Hammond Inquiry	C	0
06/12/2001		HO	Complaint from Mr Martin Bedford	U	0
06/12/2001			To Parliamentary Commissioner for Administration ; Complaint from	U	0
10/12/2001	SOC	HO	Complaint from Mr Martin Bedford	U	0
10/12/2001	SOC		To PCA : Complaint from Mr Martin Bedford	U	0
10/12/2001	Ch.Staff	SOC	Hammond Inquiry	C	
11/12/2001	SOC		To Sir Anthony Hammond : Hinduja Inquiry	U	0
14/12/2001		SOC	From Sir Anthony Hammond: Hinduja Inquiry-Draft Letter to SOC	U	
18/12/2001	SOC	PM	Hammond Inquiry	C	
19/12/2001		SOC	From the parliamentary ombudsman: Complaint from Mr Martin Bedf	C	
20/12/2001	PS/SOC	CommsDir	Hammond Inquiry - lines to take	C	
21/12/2001	SOC		to Peter Mandelson - Anthony hammond to review his conclusions.	C	
21/12/2001	SOC		To Sir Anthony Hammond - Hinduja Inquiry	C	
15/01/2002	PS/SOC		Hammond Inquiry	U	
18/01/2002			Letter from Mike O'Brien MP to Sir Anthony Hammond re inquiry	C	
21/01/2002			Letter from Sir Anthony Hammond to Mike O'Brien MP re inquiry	C	
22/01/2002			From Mike O'Brien MP to Sir Anthony Hammond - Inquiry	U	
14/02/2002	PS/SOC	SOC	Hammond - note from Sue Gray	C	
14/02/2002		Ch.Staff	From Peter Mandelson: Meeting with Hammond	C	
21/02/2002			From Sunday Times - Hinduja and Lord Levy (what a combination!)	C	
23/02/2002	PD(WP)	Ch.Staff	Chronology of Dome and Hinduja	C	
25/02/2002		PM	Hammond - Hinduja review	C	
25/02/2002		PM	from Sir Anthony Hammond, Hinduja review	C	
01/03/2002		Ch.Staff	Peter Mandelson's Comment on Hammond Review	U	
12/03/2002	PM		to Anthony Hammond - thank you for your letter enclosing your repor	C	



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UNDATED CONTENTS PAGE





10 DOWNING STREET  
LONDON SW1A 2AA

12 March 2002

THE PRIME MINISTER

Dear Sir Anthony,

Thank you for your letter of 25 February enclosing your report. I am very grateful to you and your team for conducting this work in such a comprehensive and thorough way.

Yours sincerely,  
Tony Blair

Sir Anthony Hammond KCB QC



When I left the government a year ago, I said I was pleased Sir Anthony Hammond had fou.. Page 1 of 1

**Jonathan Powell**



**From:** Peter Mandelson [peter@mandelson.gov.uk]

**Sent:** 01 March 2002 06:59

**To:** 'Jonathan Powell'

**Subject:** PETER MANDELSON'S COMMENT ON HAMMOND REVIEW

**PETER MANDELSON'S COMMENT ON HAMMOND REVIEW**

I welcome the statement from No10 that the sequence of events that led to my resignation may well have been different if these newly found documents had been available to the Prime Minister. If we had had them at the time of the controversy, things would have been handled better by all concerned.

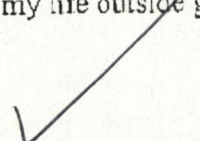
The new documents confirm that

- I was correct to state that this matter had been handled by my private office
- I did not intervene to influence any decision over a passport for SP Hinduja
- I was fully aware of the propriety of the matter and agreed with my private secretary the appropriate course of action to take

In the event, in the days leading up to my forced resignation, I did not have an instant recollection of all that had happened, thus contributing to the confusion.

I am grateful that Sir Anthony Hammond and the Prime Minister have fully cleared my name and I wish to close this unhappy chapter and get on with my life outside government.

ENDS



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*For info (02)*



Rt  
—

Jonathan Powell

cc AC, CS, TK, Duty Press Officer

We spoke. I can find no record so far that the PM intervened in the nature or size of the Hinduja foundation contribution to the Faith Zone. There appear to be no outgoing minutes from No10 nor internal minutes nor formal meetings raising the issue.

But I don't yet have a definitive read out from DCMS who hold all the dome files and until we do we are not watertight. The key official – Clare Pillman is at present uncontactable and the records are not available until Monday at earliest. So we don't yet know how the decision was taken to ask Hinduja's to down size and re-classify their donation.

I do not know what transpired at the PM's meeting with Lord Levy on 23 October 1998. You thought it unlikely that the faith zone came up.

Clare Sumner has helpfully come up with a number of lines of which I can stand up the following after checking records and speaking to DCMS:

Sponsorship

(1) Sponsorship was a matter for NMEC. We have always said that Ministers were involved but ultimately the details were a matter for NMEC.

(2) The faith zone was supported by a range of faiths in order to provide a multi-faith attraction.

PM

As we have always said the Prime Minister did launch the Dome sponsorship event on 24 February 1998 where he did meet the Hinduja's. The Hinduja's then wrote to the Prime Minister. The letter was passed to Peter Mandelson and their interest was taken forward by him and NMEC.

Lord Levy

As we said in the PQ answer on 5 February 2002, Lord Levy attended a meeting on 29 October 1998, at the request of NMEC.

W Perrin  
23 Feb 2002



## Levy/Hinduja/Dome Faith Zone – fact sheet as at 1615 23/2/02

## Sunday Times accusation

Darin Jewell – 'Levy claimed to have had a prior discussion with Tony Blair about issue and told the Hinduja that PM would prefer the brothers to give a donation to the Dome, rather than underwriting it.'

## Observer

It is alleged that Levy claimed that "Tony" has asked me to ask you donate a £1m and not underwrite the Faith Zone

Facts needed – did PM discuss with Levy at lunch prior to

Levy/Page/Hinduja meeting of 29 Oct. – [don't know and Levy side-steps this, nothing on file]

Did PM express view on sponsorship vs underwriting [don't know, nothing on file]

## Public Line from Clare S recollection:

PM launched sponsorship event for Dome – met Hinduja along with many others at that event in February 1998. The Hinduja subsequently wrote but issue of sponsorship was referred on to Mandelson and NMEC.

		Comment	Source
24 Feb 1998	PM attends fund raising launch of Millennium Experience	Meets Hinduja	
24 Feb 1998	Hinduja foundation made verbal offer to NMEC to underwrite entire cost of Spirit Zone		File
Feb 98	SPH writes to Mandelson offering to underwrite Spirit Zone to the tune of £3m		SRW note to JP 23/1/01 on file
June 1998	Hinduja Foundation announced to religious groups it was willing to underwrite cost of spirit Zone – not picked up in media		Dome Press Office Briefing note 23 Jan 2001
22 October 1998	PM chairs big Dome progress meeting with DPM, Mandelson, Ayling Page et al – issue of funding Spirit Zone not raised		File
23 October 1998 (Friday)	PM 'Depart No10 1300 for Lord Levy's' Arrives back at No10 1600	Presumably lunch – what happened ? Was this MEast related (during Wye Talks) Barak had been in town day before	Diary
	Levy, Mandelson, Page and officials meet at DTI about 'sponsorship arrangements		Hammond Report, citing



	for the Dome'		Levy
27 October 1998	SPH writes to PM with ' <i>offer to underwrite zone</i> ' – ' <i>Jennie Page and Michael Levy have organised a meeting on Thursday to finalise our agreement</i> '	No figures mentioned – still 'underwrite'	File
29 October 1998	Lapsley-PS/Mandelson at DTI (they had previously spoken) about SPH letter above ' <i>quick advice whether...that NMEC, Lord Levy and the Hinduja's are meeting today to finalise an agreement – is true. If so, this comes as something of a surprise here</i> '	If PM did discuss underwriting etc with Levy and proximity of deal he did not mention it to private office. This minute is incongruous in tone.	File
29 October 1998	Levy, Page, Hinduja's, [plus Jewell ? was he there? ] meet in HoL. Hammond Report says: ' <i>At that meeting Lord Levy said that a gift would be more satisfactory instead of the previous "underwriting" arrangement which was suggested and a gift of £1 million was offered instead</i> ' Hammond also says wrt the Hinduja's and negotiations on Dome sponsorship: ' <i>...Ministers generally and Mr Mandelson in particular, acted correctly</i> '	Can't find anything on record in No10 that news of this meeting was formally reported back to here. Surprise as funding Spirit/Faith Zone was big/good news.	Hammond
2 Nov	'Cabinet Office' paper on Hinduja's produced		
	Faith zone funded by personal donations rather than formal sponsorship (unlike other zones)	Dome Press Office	File
9 December 1998	SPH writes to PM updating on progress on Spirit Zone	[No copy of letter in No10 files]	Hinduja Chronology
4 January 1999	Angus Lapsley letter to SPH thanking for 9 December letter		File
3 March 1999	SPH writes to PM updating and informing of signing	[No copy of letter on No10 files]	Hinduja Chronology
14 April 1999	PM letter to SPH – 'delighted' at sponsorship of faith zone – in reply to 9/12/98 letter	Did he write to other sponsors in similar vein (H donation one of the smaller ones)	File
21 April 1999	SPH writes to PM on faith zone and further ideas for zone	[No copy of letter on No10 files]	Hinduja chronology on file
12 May 1999	PS/PM thank you letter in reply to 21/4/99 letter		



26 January 2001	<p>SRW minute to PM <i>'David James has told Robin Young that the Hinduja's insisted on their contribution being a donation rather than a sponsorship. This had tax advantages but according to James was wrong in accounting terms. Jennie Page filled in the forms which declared it to be a donation but has told David James that she did so on Peter Mandelson's instructions. James has found no papers to confirm this. The VAT will now have to be declared to Customs and Excise'</i></p>	<p>JP thinks this is matter of how it was paid not what form it took. DCMS hazy recollection is that the form is important – one is taxable one not but this not in public domain. So Hinduja donation was less than £1m as tax had to be netted off.</p>	File copy of SRW note
5 Feb 2001	<p>Written answer - Hinduja Brothers</p> <p>Mr. Soames: To ask the Prime Minister when Lord Levy met the Hinduja brothers at the House of Lords on behalf of the Government to confirm their sponsorship of the dome; what instructions he was given; what report he made of the meeting; and to whom.</p> <p>The Prime Minister: At the request of the New Millennium Experience Company (NMEC), Lord Levy attended a meeting on 29 October 1998 with the then Chief Executive of NMEC and representatives of the Hinduja Foundation to discuss their potential support of the Faith zone in the Millennium Dome.</p>	<p>Hammond did not come up meaningfully at PMQs at time of publication (9 March 2001)</p>	Hansard



## Levy/Hinduja/Dome Faith Zone – fact sheet as at 1615 23/2/02

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## PERSONAL AND CONFIDENTIAL

Levy/Hinduja/Dome Faith Zone – fact sheet

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Facts needed – did PM discuss with Levy at lunch prior to Levy/Page/Hinduja meeting of 29 Oct. – [don’t know and Levy side-steps this, nothing on file]

Did PM express view on sponsorship vs underwriting [don’t know, nothing on file]

The tax issue is troubling (see end) – not clear where that stands.

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# Inquiry by Sir Anthony Hammond KCB, QC

Queen Anne's Gate, London, SW1H 9AT

Secretary to the Inquiry  
Tyson Hepple  
Telephone: 020 7273 3903

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Personal Assistant  
Miss Rosie Joseph  
Telephone: 020 7273 3903

1) PR 2) File

The Right Honourable Tony Blair MP  
The Prime Minister  
No.10 Downing Street  
London  
SW1A 2AA

25 February 2002.

Dear Prime Minister,

## HINDUJA REVIEW

Shortly before the end of last year, you asked me to review the conclusions of my original Inquiry into the circumstances surrounding the applications for naturalisation by Messrs S P and G P Hinduja in the light of new documents which were not previously available to my Inquiry, but which had since come to light.

I regret that I took longer to complete my Review than I expected when I began my work. This was because key witnesses were abroad during part of the time and also because, after my Review began, further evidence emerged from Mrs Fiona Jones which bore directly on the events which I was investigating. I deal with this in Chapter 3 of my Report.

I have now completed my Review and enclose my Report.

Yours sincerely,  
Wally Hammond

SIR ANTHONY HAMMOND, KCB QC



# Inquiry by Sir Anthony Hammond KCB, QC

50 Queen Anne's Gate, London, SW1H 9AT

(F)

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*Personal Assistant*  
Miss Rosie Joseph  
Telephone: 020 7273 3903

The Right Honourable Tony Blair MP  
The Prime Minister  
No.10 Downing Street  
London  
SW1A 2AA

25 February 2002

*Dear Prime Minister,*

## HINDUJA REVIEW

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I have now completed my Review and enclose my Report.

*Yours sincerely,*  
*Wally Hammond*

**SIR ANTHONY HAMMOND, KCB QC**



**Further Review of the  
Circumstances Surrounding  
an Application for Naturalisation  
by Mr S P Hinduja in 1998**

**Sir Anthony Hammond KCB, QC**



**To the Prime Minister**

**The Right Honourable Tony Blair MP**



## INTRODUCTION AND SUMMARY OF CONCLUSIONS

### CHAPTER 1

- 1.1. On 21 December 2001 you asked me to review the conclusions of my Review of the Circumstances Surrounding an Application for Naturalisation by Mr S P Hinduja in 1998, which was published on 9 March 2001, in the light of some documents which had come to light since my original Report. The full terms of reference of the review of my conclusions are as follows:-

"To review the conclusions of my Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached."

The 'further papers' referred to above are those which are reproduced at Annexes B to D of this Report. I began work on 7 January 2002.

- 1.2. These documents were discovered by Mr Mandelson amongst his personal papers in the autumn of 2001. I describe the circumstances more fully in Chapter 2, (paragraphs 2.1 to 2.4). Suffice it to say, here, that they consist of an exchange of notes between Mr Mandelson and his Private Secretaries about the contacts which he or his office had with Mr O'Brien or his office in June or July 1998, concerning Mr S P Hinduja's enquiries about his desire to be granted naturalisation as a British citizen. These contacts are exhaustively discussed in Chapter 5 of my original Report.
- 1.3. I invited comments on these documents from Mr Mandelson and Mr O'Brien and the relevant officials who were in the Private Offices of each of them at the time the events to which the documents relate took place, in June and July 1998. In



particular, I invited them to comment on whether the new documents affected in any way the evidence which they gave to me during my original Review or the conclusions which I reached in my Report. I interviewed both Mr Mandelson and Mr O'Brien and the Private Secretaries principally involved.

- 1.4. A further issue which came to light during the course of this review of my conclusions was a letter from Mrs Fiona Jones, the former Member of Parliament for Newark, who had been with Mr O'Brien in her constituency on the day of Mr Mandelson's resignation (24 January 2001) when, she claims, Mr O'Brien had told her he could not recall the telephone conversation with Mr Mandelson in 1998. Although this matter arose after the terms of reference of my current Review had been drawn up, since it relates directly to the events which are the subject of the documents at Annexes B to D, I decided to consider this evidence. The results of this are set out in Chapter 3.
- 1.5. A full list of those whom I interviewed or consulted in writing is set out in Annex A.
- 1.6. Before summarising my conclusions, I should like to express my gratitude, once again, for the invaluable assistance which I received from Mr Tyson Hepple, who acted as the Secretary of this review of my conclusions, as he did for my original Report. I should also like to thank my Personal Assistant, Miss Rosie Joseph, who worked immensely hard and managed my office with great skill and efficiency.

#### Summary of Conclusions of my original Review

- 1.7. It may be helpful if I summarise briefly the conclusions which I reached in my original Report on which the documents at Annexes B to D have a bearing, before commenting on whether these documents affect those conclusions. They are as follows (see Chapters 2 and 5 of the original Report):-



- (1) Both Mr Mandelson and Mr O'Brien behaved properly throughout in their dealings over the case of Mr Hinduja (paragraphs 2.1, 2.5 and 5.212 to 5.215);
- (2) Although it was not possible to reach firm conclusions about the nature of the contacts which took place about Mr S P Hinduja, it is likely that there was a telephone conversation between Mr Mandelson and Mr O'Brien (paragraphs 2.5, 5.197 and 5.198);
- (3) It is likely that Mr Mandelson spoke personally to Mr Laxton, one of the Private Secretaries in Mr O'Brien's office (paragraph 5.197);
- (4) There were also contacts between the officials in the two Private Offices (paragraphs 2.5 and 5.197);
- (5) Both Mr O'Brien and Mr Mandelson were consistent and frank in their dealings with me (paragraphs 5.205 and 5.206). Mr Mandelson's belief that he had not spoken directly to Mr O'Brien was honestly held (paragraphs 2.5 and 5.206);

### Record Keeping

1.8. I commented in Chapter 9 of my original report on the lack of consistent record keeping in the Private Offices concerned. The emergence of the new documents leads me to qualify what I said, in relation to the record keeping in Mr Mandelson's office when he was the Minister without Portfolio. Even now, however, they do not consist of a full account of all the exchanges which took place between the offices of Mr Mandelson and Mr O'Brien, although I would not have expected all of the exchanges between Private Secretaries to have been minuted. The substance of what I said in Chapter 9 is still, therefore, valid, particularly in relation to the Home Office, where no Private Office notes have come to light.



- 1.9. I have also considered the implications of the fact that the new documents were discovered amongst Mr Mandelson's own papers some eight months after my original Inquiry. I describe the circumstances in which they came to be in Mr Mandelson's possession and were discovered more fully in Chapter 2. Both Mr Mandelson and the officials in his Private Office understood that official papers should be retained in Departmental files when a Minister leaves office and what happened in the present case was the result of inadvertence on the part of officials.

### **Review of my conclusions**

- 1.10. If anything, this review of my conclusions has reinforced my original view that, of itself, the question of whether Mr Mandelson spoke directly to Mr O'Brien in a telephone conversation was intrinsically insignificant, although, as Mr Mandelson made clear to me, the confusion which ensued, in January 2001, over whether or not such a telephone conversation took place directly led to his resignation from Government.
- 1.11. The main issue remains the question of whether the application for naturalisation by Mr S P Hinduja was handled correctly by Mr O'Brien and his officials, and, whether Mr Mandelson had behaved with propriety throughout what he has described as his brief and fleeting involvement, which had preceded any re-application from Mr S P Hinduja.

### **The New Documents Supplied by Mr Mandelson**

- 1.12. Following this review of my earlier findings, I have concluded that the new documents do not affect my original conclusion that both Mr Mandelson and Mr O'Brien behaved properly throughout their involvement in Mr S P Hinduja's interest in, and re-application for, naturalisation as a British citizen. If anything, they reinforce my judgment that Mr Mandelson was concerned both to act, and to be seen to act, with propriety. These documents also show that Mr Hinduja's



enquiries were processed mainly by the Private Secretaries in the Home Office and Cabinet Office.

- 1.13. As I have said above, the question of whether or not a personal telephone conversation took place is intrinsically insignificant. However this issue became the subject of disproportionate interest during the course of my original Inquiry because of the circumstances which led to Mr Mandelson's resignation. I have, also, therefore, carefully considered whether the new documents throw any additional light on whether such a conversation took place.
- 1.14. I am still unable to conclude with certainty that such a conversation did or did not take place. As I say in paragraph 3.31, the new disclosure from Mrs Jones does not lead me to change this conclusion. I comment in paragraph 2.24 on Mr Mandelson's belief that, as the new documents do not contain any reference to such a telephone conversation and pass on all the information he was seeking in relation to Mr S P Hinduja's interest in naturalisation, the balance of probability should be shifted away from my original conclusion that it was likely that the telephone conversation between Mr Mandelson and Mr O'Brien took place.
- 1.15. In paragraphs 2.21 to 2.26 I report Mr O'Brien's view that the documents support his contention that such a conversation took place because they prove that Mr Mandelson had access to a telephone number for Mr O'Brien's office and because they cast doubt on the reliability of Mr Mandelson's memory – he could not recall the telephone conversations with Mr Laxton or Mr S P Hinduja, but now accepted that they had taken place. Might it be possible (Mr O'Brien's suggested) that Mr Mandelson had also forgotten his telephone conversation with Mr O'Brien? Mr Mandelson's view was that this was an unfair and unreasonable inference.
- 1.16. The fact that the new documents contain no reference to a direct telephone conversation between Mr Mandelson and Mr O'Brien offers some support to Mr Mandelson's contention although they do not preclude the existence of such



a conversation. Mr Mandelson also argued that there was no need for any personal contact between him and Mr O'Brien because all of the information he had needed had been obtained by his Private Office. But against this is Mr O'Brien's continuing firm recollection of such a conversation and his view that the documents lend support to his recollection because the references to potential policy changes could only have been introduced into the exchanges by him, Mr O'Brien, rather than his Assistant Private Secretary, Mr Laxton, who had been dealing with the case, although it is clear that, at some point, Mr Laxton became aware of the policy dimension as he would later pass this information on to Ms Scott.

- 1.17. In the light of these honestly held views, which continue to conflict, and in the absence of conclusive evidence either way, I must record the view that it is still not possible to reach any firm conclusions about the contacts which took place between Mr Mandelson and Mr O'Brien. Although the new material does not provide any support for the existence of a telephone conversation between them, it does not persuade me that I can revise my original judgment about the likelihood that such a telephone conversation took place. This review of the conclusions of my original Inquiry has consolidated my original (and more important) view that both men have been honest and frank in the accounts which they have given me.
- 1.18. However, these new documents do, I believe, have a bearing on the conclusion that Mr Mandelson and Mr Laxton spoke personally over the telephone. The reference by Mr Mandelson in the new documents to Mr Laxton by his first name, as well as Mr Mandelson's testimony to me, have led me to re-affirm my original conclusion that such a conversation took place, although this has no bearing on my main conclusion that Mr Mandelson behaved throughout with propriety.
- 1.19. Finally, the new documents have also led me to revise the suggestion in paragraph 5.42 of my original Report that Mr Mandelson would not have known how to contact Mr O'Brien's office direct. It is clear that, at some point, Ms Scott



wrote Mr Laxton's telephone number on the document at Annex B and it would appear that this came to be in Mr Mandelson's possession when Ms Scott resubmitted these papers after she had written her second note at Annex D. Although this meant that Mr Mandelson would have been able to telephone Mr O'Brien's office direct it does not offer proof that he did so and it is also clear that the telephone number was written down relatively late in the dealings between the two Private Offices, after any telephone conversation between Mr O'Brien and Mr Mandelson is likely to have taken place. I return to this issue in Chapter 2. Although Mr Mandelson believes that he spoke to Mr Laxton he still does not precisely recall how this came to pass and still believes that Ms Scott made any call to Mr Laxton and that he took the telephone from her during the discussion in order to give Mr Laxton the information he required.

#### **Letter from Mrs Fiona Jones**

- 1.20. Chapter 3 deals with the information I was given by Mrs Jones, where I say that I find it very difficult to believe that Mr O'Brien told Mrs Jones that he could not recall the telephone conversation with Mr Mandelson. I do not though have any reason to disbelieve Mrs Jones' firm recollection and must conclude that there has been some misunderstanding. I am sure that the critics of my earlier Report will seize upon the fact that I have, again, been unable to apportion blame but, where two people honestly hold a different view of a conversation, which took place some time ago, where there is no third party corroboration, and where individual reputations are at stake, I am not prepared to reach firm conclusions when there is a lack of convincing evidence.

#### **Mr Darin Jewell**

- 1.21. Finally, I should respond to some newspaper and radio reports that I have refused to take account of evidence from Mr Darin Jewell, a former employee of the Hinduja brothers. During my original Review, Mr Jewell spoke to The Mirror in January 2001, rather than my Inquiry, about a meeting in August 1998



between the Hinduja and Mr Mandelson where naturalisation was discussed. As I reported in paragraph 8.6 of my original Report, Mr Mandelson had no knowledge of attending any such meeting and it was not traced in any official papers. I accepted his explanation. It also seemed clear that Mr Jewell did not attend any such meeting and Mr Mandelson has told me that Mr Jewell was not present at any meetings which he had with the Hinduja brothers. Since then, in an article in The Observer newspaper on 10 February 2002, and on Radio 4's Today Programme on 15 February 2002, Mr Jewell has claimed that he sent, to my home address, copies of two agenda for meetings between Mr Mandelson and the Hinduja, where naturalisation was discussed. It is not true that I received them. At no time, either during my original Inquiry, or since, have I received any communication from Mr Jewell, either at my home address or elsewhere. It is a matter of public record that I have said that if he sends me any information I will consider it. Mr Jewell has expressed some surprise at the fact that I have not sought to interview him about this matter. As he has not provided me with the evidence he has mentioned to the media, I have been unable to ascertain whether the issues he wished to raise with me are within my terms of reference or, if they were, what conclusions I should have drawn from them.

- 1.22. In an article, also in The Observer newspaper on 24 February 2002, Mr Jewell referred to a meeting which took place between the Hinduja brothers and Lord Levy in October 1998, where sponsorship of the Millennium Dome was discussed. This meeting was covered in paragraph 8.7 of my original Report where I recorded Lord Levy's account that:

"...at no time was there, at this meeting, any reference, explicit or implicit to the obtaining of passports or citizenship by the Hinduja."

This seems consistent with Mr Jewell's account to The Observer that naturalisation was not discussed at any meeting. In The Observer article, Mr Jewell also claims that Mr S P Hinduja wrote to Lord Levy after the meeting in October 1998 to seek guidance about the issue of naturalisation. Like Mr Jewell's letter to me enclosing agenda for meetings between the Hinduja



and Mr Mandelson, this seems not to have arrived, and Lord Levy told The Observer that:

"he never received a request 'verbally or in writing'."

1.23. In my view, this article in The Observer had raised no new issues which were not satisfactorily dealt with in my original Report. I therefore did not think it necessary to speak to Lord Levy a second time, and again I have not received any communication from Mr Jewell about these issues.



## THE CONTACTS BETWEEN THE TWO PRIVATE OFFICES IN 1998 AND THE NEW DOCUMENTS

### CHAPTER 2

#### How the new documents were discovered

- 2.1. The new documents (Annexes B to D) were discovered by Mr Mandelson in the autumn of last year whilst he was sorting through some papers which seem to have emanated from his days in the Cabinet Office. When Mr Mandelson left the Cabinet Office in July 1998, to take up his post as Secretary of State for Trade and Industry, official papers were sent to the Cabinet Office archives, but Mr Mandelson's personal and political papers, including any papers dealing with current issues, were sent on to the Department of Trade and Industry, where they remained, undisturbed, until Mr Mandelson left the Government in 1998. At that point they were sent to his office at the House of Commons.
- 2.2. During my original Inquiry, it became clear that some official papers had, in error, been included in the political and personal papers which had travelled with Mr Mandelson. These included a file of papers relating to the Hinduja brothers' sponsorship of the Millennium Dome which had, erroneously, been amongst Mr Mandelson's papers and which he had returned to the Government for my original Inquiry.
- 2.3. Mr Mandelson told me that these new documents were also amongst some personal and political papers, but in a separate container from the papers which I had retrieved. Mr Mandelson and his former research assistant, Mr Ben Wegg-Prosser, had come across these new documents when sorting through the political and personal papers last autumn. Mr Mandelson and Mr Wegg-Prosser have confirmed that, as far as they are aware, no other documents which might be relevant to my original Inquiry were amongst these papers.



- 2.4. It is unfortunate that these new documents, which, apart from the email from Mr Laxton of 2 July 1998, are the only documents to record the contacts between the two Private Offices in June or July 1998, were not available earlier and, in particular, that I did not have access to them at the time of my original Inquiry. But I accept Mr Mandelson's account of what happened and it is corroborated (so far as he is able to) by his Private Secretary at that time, Mr Mark Langdale. I am satisfied that no papers were suppressed.

#### Analysis of the new documents

- 2.5. The documents at Annexes B to D are an exchange of notes between Mr Mandelson and his Cabinet Office Private Office in 1998 and are clearly relevant to the events of June or July 1998, which are described in Chapter 5 of my original Report.
- 2.6. The documents offer some insight into the way in which the Private Office operated and there are a couple of general points I would wish to make about this. First, apart from Mr Langdale's minute to Mr Mandelson of 15 July 1998, none of the exchanges are dated. This did not seem to surprise some of those whom I interviewed, although I would have thought it normal practice to date such notes. What I have deduced, in terms of timescale, however, is that the first of these notes was written before Mr Laxton's email of 2 July 1998 to Mr Andrew Walmsley (then head of the Home Office Nationality Directorate); that Mr Mandelson's note at Annex D(ii) was written on or after 6 July 1998 when Mr Langdale took over as Private Secretary; and that the exchanges set out in these new documents conclude with Mr Langdale's dated minute of 15 July 1998.
- 2.7. Second, I noticed that all of the notes, apart from the Schedule of Absences (Annex C), were written in manuscript on unheaded pieces of paper. Again, this throws some light on how the office operated and I accept the explanation that such exchanges took place, informally, in writing, rather than orally, because the office was busy and Mr Mandelson, like most other Ministers, spent much time



either out of the office on official business or in meetings. The originals of the pieces of paper which are reproduced at Annexes B and D were, I was told by Mr Langdale, taken from pads of paper – possibly recycled - which were used by the Private Office for notes of these kind. This would explain why they are of an unusual size – somewhere between A4 and A5. One of these pieces of paper has a very clear watermark which suggests to me that it has been salvaged from some headed notepaper which could no longer be used, perhaps, because the person whose notepaper it was had changed jobs.

#### **Annex B**

- 2.8. The first document in the sequence is attached at Annex B. This contains an exchange of notes between Mr Mandelson and Ms Emma Scott, an Assistant Private Secretary in his Private Office in 1998.
- 2.9. The note at B(i) has been written by Ms Scott. It is undated, but it seems likely that it was written before Mr Laxton's email of 2 July 1998 as it records the fact that Mr Laxton is still seeking the information about Mr S P Hinduja's absences from the United Kingdom which was subsequently included in the email.
- 2.10. All those I interviewed confirmed my assumption that it is likely that the telephone call from Mr O'Brien's office which is referred to in Ms Scott's note had been made in response to an earlier call from Mr Mandelson's office which had enquired about whether a change in Government policy would affect Mr S P Hinduja's chances of attaining naturalisation. I have been unable to establish with any certainty who made this call – whether it was Mr Mandelson, or Mr Mandelson's office or a combination of both. If a telephone conversation had taken place between the two Ministers, then, Mr O'Brien told me, it was likely that it had been early in the exchanges and certainly predated the 2 July email. This would be consistent with Mr O'Brien's recollection to my original Inquiry that the telephone conversation which he said he had had with Mr Mandelson had begun with reference to "an Asian businessman". Mr Mandelson would not have needed to begin the conversation in such a general way, I suspect, if



Mr Hinduja's interest in naturalisation was already known to Mr O'Brien. However, this is difficult to reconcile with Mr O'Brien's speculation, having seen these new documents, that an unplanned telephone conversation between him and Mr Mandelson might have led Mr Mandelson to write his note to Mr Langdale about propriety (Annex D(ii)) at some point towards the end of the exchanges recorded by the new documents. I believe that Mr O'Brien's original explanation is more likely.

- 2.11. If such a telephone conversation took place I have been unable to determine with any certainty when it might have been in this chain of events, although, as I have said, the general way in which Mr O'Brien recalls the telephone conversation starting would suggest that it happened at the beginning of any exchanges between Mr Mandelson's and Mr O'Brien's offices.
- 2.12. Ms Scott believed that this initial call was made by her as she had some recollection that she had discussed, possibly with Mr Rupert Huxter, Mr Mandelson's departing Private Secretary, how to handle such a call to Mr O'Brien's office so that it was clear that her Minister was not making representations on behalf of Mr S P Hinduja. When I interviewed him, Mr O'Brien had remarked that this initial call between the two offices had not been minuted. I would not necessarily have expected a note to have been made of a telephone call between two Private Secretaries about something which was not core Departmental business.
- 2.13. Ms Scott's note (Annex B(i)) is addressed to "MWP" – Minister without Portfolio, Mr Mandelson's position at that time – and records that Mr O'Brien's office wanted to know about G P (sic) Hinduja's absences before they could answer the original query. Although Ms Scott had identified the wrong Hinduja brother – something which Mr Mandelson corrects in the first of his notes – it is interesting that she does not need to use Mr Hinduja's surname, which suggests (as one would expect) that she and Mr Mandelson may have discussed this issue previously.



2.14. I asked Ms Scott whether this apparent familiarity with the Hinduja's suggested that she and her colleagues had previously followed up queries on their behalf. Ms Scott said that it did not. She told me that she had been familiar with the Hinduja's because of their involvement in the, often difficult, negotiations over the Spirit or Faith Zone in the Millennium Dome. Ms Scott's note also comments on the question of Mr S P Hinduja's absences from the UK and passes on the information given to her by Mr O'Brien's office that 450 days absences from the United Kingdom over the five year period preceding any application for naturalisation was a rough limit if an individual was to have a reasonable chance of being successful (although that limit could be waived).

2.15. This is consistent with Schedule 1, paragraph 1(2)(a), of the British Nationality Act 1981 (Annex C of my original Report) which sets out the requirement that:

"... the applicant was in the United Kingdom at the beginning of the period of five years ending with the date of the application, and that the number of days on which he was absent from the United Kingdom in that period does not exceed 450."

2.16. The fact that Mr S P Hinduja had spent 819 days and Mr G P Hinduja 540 days out of the country in the relevant five year periods and were still granted citizenship is covered at some length in my original report (paragraphs 5.178 to 5.187).

2.17. The note at B(ii) is from Mr Mandelson. This section, I was told by Mr Mandelson, is made up of two notes, which were written at different times. The first note, which was written by Mr Mandelson in response to Ms Scott's note of her discussion with Mr O'Brien's office says:

"S P, not G P. I'll phone him if you remind me."

In his interview with me, Mr Mandelson supposed that he had spoken to Mr S P Hinduja, as a result of the response from Mr O'Brien's office (although he



had no specific recollection of having done so), and thought that the Schedule of Absences (Annex C(i)) would then have been sent to the Cabinet Office Private Office following this discussion.

- 2.18. Mr Mandelson thought that the fact that he would need to be reminded to make a telephone call to Mr S P Hinduja indicated how fleeting and relatively inconsequential the issue of his naturalisation had been at a time when Mr Mandelson and his office were dealing with many other more important issues. If his interest in Mr Hinduja's naturalisation had been as important to Mr Mandelson as some have speculated, possibly because of the potential sponsorship of the Dome, then he would not have needed to be reminded to make the call requesting the Schedule of Absences.
- 2.19. Mr O'Brien challenged the notion that any involvement by Mr Mandelson had been quite so fleeting or inconsequential. He suggested that the fact that Mr Mandelson had spoken personally to Mr Hinduja and Mr Laxton, rather than asking his office to do so, suggested that Mr Mandelson regarded this issue to be at least significant enough to make those calls. I do not think that this conclusion (although possible) follows from any personal contact which Mr Mandelson had with Mr S P Hinduja. The Hinduja's were well known businessmen who may have expected Mr Mandelson to communicate with them direct, rather than through his office.
- 2.20. Annex B(iii) is a note from Ms Scott to Ms Maria Daniels (Mr Mandelson's Diary Secretary in the Cabinet Office) asking her to set up a call to Mr S P Hinduja. Both Ms Scott and Mr Mandelson confirmed that this was in Ms Scott's handwriting.
- 2.21. After Mr Mandelson had spoken to Mr S P Hinduja, the next event in the sequence seems to be that the Schedule of Absences for Mr S P Hinduja (Annex C(i)) was sent to Mr Mandelson. He had then written a note to Ms Scott on the earlier piece of paper (Annex B(ii)):



"Emma

Pls send to Matthew"

This is followed by an arrow, in Mr Mandelson's handwriting, which, I was told, is pointing to the Schedule of Absences, which were now attached, rather than the telephone number (Annex B(iv)) for Matthew Laxton which was written by Ms Scott, she recalls, as an aide memoire after she had received the Schedule of Absences from Mr Mandelson. Although this telephone number would have probably been in Mr Mandelson's possession at some point – and Mr O'Brien thought this significant as it meant that Mr Mandelson had access to a telephone number for Mr O'Brien's office - this would have been relatively late in the sequence of exchanges between the two Private Offices and after, I suspect, any personal contacts between Mr Mandelson and Mr O'Brien's office had taken place. Mr O'Brien thought that there was some ambiguity over whether the arrow was pointing to the Schedule of Absences or Mr Laxton's telephone number which Ms Scott thought she had written after the Schedule of Absences had been given to her.

2.22. I asked Mr Mandelson about his use of Matthew Laxton's first name in the notes at Annex B(ii), and in particular, whether this increased the likelihood that he had spoken personally to Mr Laxton at some point. In my original report, I reported that Mr Laxton recalled speaking personally to Mr Mandelson about the case of Mr S P Hinduja (paragraph 5.32), something which I recorded had been corroborated by Mr David Barnes, another Assistant Private Secretary in Mr O'Brien's office in 1998. Mr Mandelson had told my original Inquiry that it was conceivable that he had spoken to Mr Laxton, although he did not actually remember such a conversation. I had concluded that it was likely that a telephone conversation between Mr Laxton and Mr Mandelson had taken place in 1998.

2.23. Given the use of Mr Laxton's first name in both Mr Mandelson's note at B(ii) and Ms Scott's note at D(i), I asked Mr Mandelson whether he had any further



recollections about whether or not he had spoken to Mr Laxton over the telephone. Mr Mandelson thought that he had spoken to Mr Laxton. In the evidence he gave to my original Inquiry, Mr Mandelson had said that he had recalled Mr Laxton's name, which suggested that a conversation with Mr Laxton had taken place. Mr Mandelson's evidence this time was consistent with that. He told me that the name "Matthew" had meant more to him at the time of my original Inquiry, than the memory of any particular telephone call with Matthew Laxton.

2.24. Mr O'Brien thought that Mr Mandelson's acceptance of the fact that he had probably spoken to Mr Laxton supported the version of events he had given to my earlier Inquiry. Although he could not be sure that this was what had happened, he speculated that this added credence to his original suggestion (paragraph 5.26 of my original Report) that Mr Mandelson might have spoken originally to Mr Laxton, then telephoned back himself, only to find that Mr Laxton was not in the office. This call would have been answered by another one of Mr O'Brien's Private Secretaries (although none of them recall it) who would then have put the call through to Mr O'Brien. It is fair to add, at this point, that Mr Mandelson does not accept this conclusion as he has argued that he had no need to speak to Mr O'Brien personally as all the necessary information had been obtained from Mr O'Brien's officials. In paragraph 1.16 I set out Mr O'Brien's belief that the issue of a possible change in naturalisation policy had been introduced into exchanges by him personally and made it more likely that there had been personal contact between the two Ministers.

2.25. In the light of Mr Mandelson's view that he had probably spoken to Mr Laxton, during one of the telephone calls between the two Private Offices, I asked him whether this meant that his comment to The Observer newspaper, which was published on 21 January 2001, was still accurate. That quotation had said:

"The matter was dealt with by my Private Secretary. At no time did I support or endorse this application for citizenship."



Mr Mandelson thought that it was. He had certainly not endorsed any application for citizenship, which had not been submitted at that stage in June or July 1998. The significance of Mr Mandelson's other manuscript note (Annex D(ii)) is covered in paragraph 2.42.

- 2.26. Although he may have spoken to Mr Laxton personally Mr Mandelson did not think that this diluted the explanation which he was trying to give to The Observer that it was his Private Office who were the main driver and handler of any contacts with Mr O'Brien's office. Indeed, in his view, the new documents strengthened this explanation. This was consistent with Mr Mandelson's evidence to my earlier Inquiry that he had wanted to make it clear that any query was dealt with officially, using Civil Servants, and not through political channels (paragraph 5.91). Mr O'Brien questioned this interpretation, when I put it to him, because, he said, both the telephone conversation with Mr Laxton and the likely one with Mr S P Hinduja had involved Mr Mandelson personally, rather than just members of his office, (although it is common ground between them that there was no attempt by Mr Mandelson to influence Mr O'Brien). Mr O'Brien also thought that Mr Mandelson's acceptance that he had spoken to Mr Laxton and Mr S P Hinduja, but could not recall these conversations, cast doubt on the reliability of his memory. As I set out in paragraph 1.15, Mr Mandelson thinks that this is an unfair and unreasonable inference.

### Annex C

- 2.27. The next of the new documents is at Annex C. Annex C(i) contains the Schedule of Absences which, Mr Mandelson told me, were sent to him by Mr S P Hinduja. Ms Scott is unclear whether she faxed the Schedule over to Mr O'Brien's office or read out the details over the telephone, but the figures were included in Mr Laxton's email of 2 July 1998 to Mr Walmsley (Annex I to my earlier Report).
- 2.28. Mr Laxton told me that he did not send the Schedule itself to Mr Walmsley – he may not have had it - but summarised the key information in his email. Curiously, Mr Laxton's email does not pass on to Mr Walmsley all of the



information in the Schedule of Absences, only the absences for 1993-1997. Mr Laxton thought this happened because the Schedule of Absences, obviously, only contained the figures for the first six months of 1998. He did not think that Mr Walmsley would need this.

2.29. The other slight irregularity about this Schedule of Absences is that they do not appear to be on the Nationality Directorate's files. Rather, there is a separate document (Annex E) which records Mr S P Hinduja's absences. This is different in a couple of places. For 1996 the Nationality Directorate document records 167 rather than 155 days and, for 1997, 110 instead of 111. I do not attach any significance to this and suspect that it is consistent with Chapter 5 of my earlier Report, where I expressed some concerns about certain aspects of the way in which Mr S P Hinduja's second naturalisation application had been handled by officials. It is also relevant to the developing practice in the Nationality Directorate, which I record at paragraph 5.180 of my original Report, that the precise number of days of absence was not regarded as crucial if other factors pointed towards naturalisation.

2.30. Mr Langdale's manuscript note of 15 July 1998 was also written on the Schedule of Absences. (Annex C(ii)). As this note was clearly written at the end of the period covered by these new documents, and because it was written in response to a note from Mr Mandelson, I will not comment on Mr Langdale's note here. I consider it in paragraphs 2.47 to 2.64.

#### Annex D

2.31. The final new document, Annex D, contains a note to Mr Mandelson from Ms Scott, and then a note from Mr Mandelson to Mr Langdale, which comments on his own involvement in Mr S P Hinduja's interest in naturalisation. Mr Langdale's response was written on the Schedule of Absences (Annex C), but, as shown by the arrow which has been written alongside Mr Mandelson's note (by Mr Langdale), it is clearly a response to his Minister's note.



- 2.32. The note at Annex D(i) was written by Ms Scott. It reports that Mr Laxton had written to the head of the Nationality Directorate – Mr Walmsley – asking why Mr S P Hinduja's original application for citizenship had been unsuccessful. This suggests, as my interviewees confirmed, that this note was written after Mr Laxton's email of 2 July 1998.
- 2.33. Ms Scott also reports that Mr O'Brien was interested in the case and that she had been told that he was keen to speed up the naturalisation process and make it more flexible on issues such as absences from the UK. There is an ambiguity about the way in which this note is written. It could be suggested that Mr O'Brien was interested in speeding up consideration of Mr S P Hinduja's case rather than the naturalisation process more generally. I do not accept this interpretation. I believe that Ms Scott's note was referring to the potential changes to naturalisation policy which Mr O'Brien had been discussing with officials in the Home Office in 1998 and which were set out in the White Paper "Fairer, Faster and Firmer: A Modern Approach to Immigration and Asylum (Cmnd 4018). The note is also consistent with the email of 2 July 1998 and therefore, I am satisfied that, at no point, did Mr O'Brien seek to influence and speed up Mr S P Hinduja's application for citizenship.
- 2.34 I was interested to know whether this reference to Mr O'Brien's personal involvement might throw any light on whether there had been a personal telephone conversation between Mr Mandelson and Mr O'Brien in 1998, which might have triggered Mr O'Brien's personal interest in the case. Ms Scott said that she thought that she had written down the reference to Mr O'Brien's interest as a direct quotation from what she had been told by Mr O'Brien's office.
- 2.35. In his analysis of the new documents, Mr O'Brien highlighted the shift, during the sequence of notes at Annexes B to D, from general references to the involvement of his office ("Mike O'Brien's office called") to more specific references to individuals – Mr Laxton and then Mr O'Brien himself. He thought that this might be significant and might give some insight into why he was



personally interested in this case. I consider this point further at paragraphs 2.57 to 2.59, when I analyse Mr Langdale's minute of 15 July 1998.

#### Mr Mandelson's note to Mr Mark Langdale

- 2.36. Having seen Ms Scott's second note, Mr Mandelson went on to write a note to Mr Langdale about the propriety of being, or becoming, involved in Mr Hinduja's interest in naturalisation (Annex D(ii)). The note is undated, but was probably written after 6 July (when Mr Langdale formally replaced Mr Rupert Huxter as Private Secretary to Mr Mandelson) but on or before 15 July, the date of Mr Langdale's note. Mr Langdale suspected that he would have responded to his Minister's comments quickly, a point I accept. This suggests, in my view, that Mr Mandelson's note was written towards the end of the period covered by these exchanges.
- 2.37. If this was the case, I was interested to know why such a note might have been written so long after Ms Scott's note at D(i) which, I can only assume, was probably written shortly after Mr Laxton's email of 2 July 1998. It is difficult to ascertain whether this is significant. As only Mr Langdale's note is dated it is impossible to know for certain when Mr Mandelson's note was written as I have not been able to determine how long after sending his email of 2 July 1998 Mr Laxton spoke to Ms Scott again; how long it took Ms Scott to compose her second note; and at what point Mr Mandelson saw Ms Scott's note. The issue of Mr Hinduja's interest in naturalisation was clearly not a pressing issue for a busy Minister and so, I assume, would not have been included in the more urgent work which was put in Mr Mandelson's in-tray or Ministerial Box.
- 2.38. There are two sections to this note. The first section contains Mr Mandelson's views on the merits of Mr S P Hinduja's claim for citizenship. He says:

"I believe it would be unjustified to refuse S P his nationality ....."



I thought it was important to establish, again whether this comment was inconsistent with Mr Mandelson's statement to The Observer that "at no time did" he "support or endorse this application for citizenship".

2.39. Again Mr Mandelson said it was not. At no point, Mr Mandelson said, had he endorsed any application for citizenship from Mr Hinduja. At no point had he sought to influence the Home Office in favour of granting naturalisation to Mr S P Hinduja. In any case, at the time he had written his note to Mr Langdale no such application had been made and, so, Mr Mandelson would not have been able to endorse it, even if he had wished to.

2.40. I also asked Mr Mandelson why he had offered his personal views on the merits of Mr Hinduja's interest in being naturalised as a British citizen. Mr Mandelson said that he tended to be well disposed to granting naturalisation to people who, on the face of it, might be good for the United Kingdom and its economy. This was particularly so if they were domiciled here and had their business links here. I should say that Mr Mandelson had not been aware at this point of any of the intelligence material held on the Hinduja's which was considered in my earlier Report (paragraphs 5.192 to 5.196).

2.41. As paragraph 8.4 of my original Report makes clear, this material was not brought to Mr Mandelson's attention until he received a submission dated 3 November 1998 from the Department of Culture, Media and Sport which had been sent to him as Secretary of State for Trade and Industry as he was still the Minister responsible for the Millennium Dome.

2.42. The second section of Mr Mandelson's note at Annex D(ii) appears to ask for advice on the propriety of seeking to influence any decision about naturalisation although, of course, Mr S P Hinduja had not reapplied when this note was written. Mr Mandelson says:

".....but I am concerned on propriety grounds that I am not intervening to influence the decision which (sic) encouraging Dome sponsorship."



I discussed this part of the note with Mr Mandelson. I was interested to know why these concerns about propriety had not occurred to him earlier. If Mr Mandelson had been concerned about the propriety of becoming involved at all (I had speculated) would it not have made more sense to seek advice from his Private Secretary at an earlier point in this series of contacts, perhaps, before he had asked his office to make initial enquires of Mr O'Brien's office? I also wanted to establish whether a specific event or conversation had prompted such a note at this stage in proceedings. In particular, I wished to establish whether something may have come to light about the Hinduja's contribution to the Dome which had led Mr Mandelson to become concerned about his involvement in Mr S P Hinduja's interest in naturalisation.

- 2.43. Mr Mandelson said that no particular event, or conversation, including anything relating to the Dome, had prompted him to write this note. It had just not occurred to him, he said, to have written it sooner. His involvement in Mr Hinduja's interest in naturalisation had been fleeting and relatively inconsequential and he would not have given it a great deal of thought. At the time he wrote this note, Mr Mandelson thought, he might have been cautious about where this might lead. Mr Mandelson said that when something was important to the Hinduja's, and he used their commitment to the Faith Zone in the Dome as an example, they could be persistent about pursuing it. Mr Mandelson thought that he had anticipated that this might become the case in relation to Mr S P Hinduja's interest in naturalisation. Mr Mandelson speculated about whether he was concerned that once he had confirmed with the Hinduja's that Mr O'Brien, and the Government, wished to speed up the naturalisation process, they might then ask him to intervene in some way. Mr Mandelson reiterated, though, that this had not happened and that, in fact, he had had no further contact with the Hinduja's on this issue, apart from forwarding Mr O'Brien's letter of 5 October 1998 to Mr S P Hinduja (see paragraph 5.215 of my original Report).



2.44. Mr O'Brien speculated that a possible scenario might be that such a note was written following an unplanned personal telephone conversation between the two Ministers, because Mr Mandelson had been expecting to speak to Mr Laxton, who may have been absent from the office, and was put through instead to Mr O'Brien. This is why Mr Mandelson's note was written, Mr O'Brien contended, so late in his exchanges between the two Private Offices.

2.45. Mr O'Brien's evidence to my original Inquiry had been that, when he had come into the office on the day he had spoken to Mr Mandelson, he had been told that Mr Mandelson had spoken to Mr Laxton. Mr O'Brien had requested that Mr Mandelson be put through to him should he telephone again. This escalation to speaking to the Immigration Minister, Mr O'Brien thought, might have led Mr Mandelson to become concerned about the nature and extent of his involvement in Mr S P Hinduja's interest in naturalisation. Mr Mandelson believes that this scenario is unlikely and rejects the suggestion that he had taken part in two telephone conversations with Mr O'Brien's office. As I say in paragraph 2.10, Mr O'Brien's recollection of the content of his telephone conversation with Mr Mandelson, (the "Asian businessman" comment in particular) had led me to conclude that any telephone conversation had taken place at the beginning of the process when Mr Mandelson and his office had first enquired about Mr S P Hinduja's eligibility for naturalisation.

2.46. I asked Mr Mandelson whether, perhaps, following a conversation with Mr Langdale, he had written this note for the record to demonstrate that he was aware of issues of propriety. Mr Mandelson said this was not the case. If that had been the purpose of this note then it would have been written in a more stylised and careful way, designed to protect the protagonists from any allegations of wrongdoing. Mr Mandelson also said that he had obviously written the note quickly, which is why he had written "which" rather than "while".



### Mr Langdale's response

2.47. The final note in this sequence is Mark Langdale's minute of 15 July 1998. Although this note was written on the Schedule of Absences (Annex C(ii)) it is clear from the discussions I have had, as well as the arrow which connects it to Mr Mandelson's note (Annex D(ii)), that it is a response to Mr Mandelson's note about propriety. In his evidence, Mr Langdale said that he did not recollect writing the note or the events surrounding it. Given the nature of a busy Private Office such as the one he was working in, the volume of papers and communications passing through it and the length of time which had since elapsed, I do not find this surprising.

2.48. Although Mr Mandelson thought that Mr Langdale would not have spent much time composing his response, because of the many other pressures facing him during the working day, it seemed to me to be a fairly considered piece of advice. Mr Langdale agreed. Given the nature of this advice, I was interested to establish whether Mr Langdale had sought advice from the offices of the Cabinet Secretary or the Second Permanent Secretary at the Cabinet Office. Mr Langdale could not recall whether he had or not. One of Mr Langdale's previous posts in the Cabinet Office had been in the office of Sir Robin Mountfield, then Second Permanent Secretary to the Cabinet Office, where he had had much to do with issues of Ministerial propriety. It was possible therefore, Mr Langdale thought, that he had written the note to Mr Mandelson without seeking advice, drawing on his own general experience, although he did not rule out the fact that he may have sought advice from some quarter.

2.49. Although I believe that Mr Langdale gave some thought to how he would compose this note, it was written in the context of a busy office, which explains its relatively informal style in terms of grammar and structure. The note begins with Mr Langdale's advice that it was:

"Perfectly legitimate for you to raise issue with Mike O'Brien."



I was interested in the rather neutral tense of this sentence. It could have been referring to a contact between Mr Mandelson and Mr O'Brien, or the two Private Offices, which had already taken place, or it could have been referring to any future contacts. Mr Mandelson said that he thought this note had referred to any future contacts with the Home Office on this issue. Mr Langdale's view was that it was referring to some contact which had already taken place. Mr O'Brien also suggested that it referred to a contact which had already been made.

2.50. In his note to Mr Mandelson, Mr Langdale proceeded to underline three words as if to emphasise their significance. The first of these is the word "raise" but Mr Langdale goes on also to underline "seen" and "anything". If one wished to suggest that this note was of a conspiratorial nature, one could draw certain inferences from this underlining. I asked Mr Langdale about this. He denied that the underlining was significant or suggested a conspiracy. He tended to make liberal use of underlining, as was the case here.

2.51. Mr Langdale explained to me why, he thought, he had underlined each of these words:

- The word "raise" was underlined because Mr Mandelson's note had set out his concerns about not "intervening". Mr Langdale said that he would have wanted to emphasise that, whilst raising the issue was legitimate, doing anything further (such as intervening in the case) might have caused difficulties, as his note went on to explain.
- Mr Langdale said that he thought he would have underlined the word "seen" because of the importance of perception. He was responding to Mr Mandelson's concern about propriety. Mr Langdale's view was that the point he was trying to put across to Mr Mandelson was that whilst anything Mr Mandelson or his office had done at that stage, had been legitimate, any further action, before the Home Office had replied, carried the risk of being misconstrued. In other words, Mr Langdale suggested,



doing anything further whilst the Home Office was considering the original question about whether it was worthwhile for Mr S P Hinduja to re-apply for naturalisation might be seen by some to be improper pressure.

- Mr Langdale said that he thought he would have underlined anything in order to emphasise the risk that any letter to the Home Office – even one which did no more than repeat the question raised orally with the Home Office – might be misinterpreted.

2.52. Mr Langdale thought it possible that he had underlined these words when he had re-read the note – when he had also added the sentence in brackets about Mr Mandelson's involvement becoming public (paragraph 2.55). He could not be sure about this though.

2.53. Mr Langdale's note then seems to comment on Mr Mandelson's own view that he is concerned on propriety grounds that he is not intervening to influence any decision on naturalisation whilst encouraging Dome sponsorship. Mr Langdale's note says:

"Agree that you cannot be seen to push this personally much further. No matter how justified S P's nationality claim is media and others will (if your involvement becomes public) accuse you of improper influence (motivated by Dome connection).

Some may wish to construe from this sentence that Mr Langdale's advice was that Mr Mandelson could pursue this matter further as long as he was not seen to be doing so. I do not accept this interpretation and, in paragraph 2.64 explain my view that Mr Langdale's note of 15 July 1998 does not suggest any form of conspiracy being developed between the Minister and his Private Secretary.

2.54. Mr Langdale's explanation was that he would have given his Minister cautious advice. Because of the political sensitivity surrounding the Dome and his own



Minister's high profile at that time, Mr Langdale's view was that, not only must Mr Mandelson do the right thing, but also be seen to do the right thing. He was certainly not seeking to imply that Mr Mandelson had done anything wrong up to that point.

2.55. I also asked Mr Langdale why the sentence:

"(If your involvement becomes public)"

is not aligned with the rest of the note. His response was that that sentence had been added once he had proof read his original note and before it had been shown to Mr Mandelson.

2.56. Mr Langdale's minute concludes:

"Advise that you await outcome of MO'B's own investigations – and avoid anything in writing for time being."

2.57. The first feature of this sentence is Mr Langdale's reference to Mr O'Brien's (MO'B's) own investigations. In conjunction with Ms Scott's earlier reference to "Mike O'Brien's" interest in this case, it was put to me by Mr O'Brien that this move away from references to his office (Ms Scott's note at B(ii)) to references to his own involvement increases the likelihood that Mr O'Brien had had some personal involvement in these exchanges.

2.58. Mr O'Brien thought that the reference to his own involvement was significant because something – such as a telephone conversation with Mr Mandelson – must have happened for him to have developed an interest in this particular case. Mr O'Brien said that he, and his office, dealt on a regular basis with immigration cases from senior Members of Parliament and so he would not have become interested personally in an individual case unless something had prompted him to do so.



2.59. Conversely, Mr Mandelson thought that these references made any personal contact more unlikely because he would have already known about Mr O'Brien's involvement, (having learnt of it from Ms Scott) and would not have needed to speak to him personally. I cannot draw any firm inferences from Mr Langdale's words. Mr Langdale's explanation, which I accept is perfectly plausible, is that it was not unusual to conflate the separate identities of the Minister and his office in this way. This echoes Mr Mandelson's comments about how his comment to The Observer, published on 21 January 2001, had not implied that he had had no involvement in these events as he knew that his involvement and that of his Private Secretaries were interchangeable.

2.60. I have paid particular attention to Mr Langdale's advice that Mr Mandelson should "avoid anything" in writing for time being" because I knew that some would cite this as further evidence of a conspiracy developing between Mr Mandelson and Mr Langdale, designed to influence the decision to grant naturalisation to Mr S P Hinduja without Mr Mandelson's involvement being apparent. I comment above (paragraph 2.51) on the significance or otherwise of Mr Langdale's tendency to underline words. I reject the idea that Mr Langdale and Mr Mandelson were conspiring in any way, but I wished to hear the views of those involved.

2.61. Mr Langdale rejected wholeheartedly any suggestion of conspiracy or wrongdoing. He thought that the comment needed to be seen in context. He had been Mr Mandelson's Private Secretary for only nine days at the time the note was written and thought it therefore all the more unimaginable that he would have been entering into conspiracies with his Minister. The note was advising Mr Mandelson (in confirmation of Mr Mandelson's own suggestion) not to write to Mr O'Brien in support of any application for naturalisation by Mr S P Hinduja although Mr Mandelson's note had suggested that his view was that refusal of any application would be unjustified. Mr Langdale's advice was that Mr Mandelson should not do anything further in relation to this issue until the Home Office responded to the original enquiry by Mr Mandelson's office and the forwarding of information about the Schedule of Absences. Mr Mandelson's



tick alongside this part of Mr Langdale's note had indicated that he agreed with this advice that he should not do anything until the Home Office had responded.

2.62. Mr Mandelson concurred with this account. Although he could see that a sinister interpretation could be put on this comment, he was sure that this was not what Mr Langdale had meant and had not read it as such, although it is unlikely that he would have given it much thought. Mr Mandelson said that his interpretation had been that the Home Office should be left to deal with the matter should Mr S P Hinduja reapply for naturalisation. Mr Mandelson returned to his contention that although Mr Langdale's note was a considered piece of advice it would have been written quickly, meaning that Mr Langdale may not have spent much time examining it, after he had written it, for any ambiguity in meaning.

2.63. Another point which was put forward by both Mr Langdale and Mr Mandelson was that if any such conspiracy was being hatched between the Minister and his Private Secretary then, surely, it would not have been by means of a written note which was signed and dated, and which included advice not to put things in writing.

2.64. I accept Mr Langdale's explanations concerning this minute and I reject the suggestion that it provides any evidence of impropriety by him or Mr Mandelson.

### Conclusion

2.65. In paragraphs 1.10 to 1.19 I set out the conclusions of this Review. Suffice it to say here that I do not think that the new documents materially affect the conclusions of my earlier Inquiry.

2.66. In terms of the alleged telephone conversation between Mr Mandelson and Mr O'Brien in June or July 1998, these new documents offer some interesting insights, but still do not allow me to adjudicate, with any certainty, on whether



or not such a conversation took place. I therefore have seen no reason to revise my earlier conclusion that, although I can only speculate on the existence of the conversation and on why, and exactly when, it took place, it is likely that such a telephone conversation did take place.

- 2.67. These documents also reinforce my earlier conclusion that both Mr Mandelson and Mr O'Brien acted throughout their involvement in Mr S P Hinduja's interest in, and application for, naturalisation perfectly properly. Indeed, as I said in Chapter One, they confirm Mr Mandelson's concerns that he should act with propriety.



## THE LETTER FROM FIONA JONES

### CHAPTER 3

- 3.1. A new issue arose during the conduct of this review of my conclusions. On Tuesday 5 February, the Secretary to my Inquiry received a telephone call from Mrs Fiona Jones, the former Member of Parliament for Newark. Mrs Jones said that she had been with Mr O'Brien, in her constituency, on the day of Mr Mandelson's resignation, 24 January 2001, and remembered being told by Mr O'Brien that he had no recollection of the disputed telephone call from Mr Mandelson in 1998. Mrs Jones offered to set out this new evidence in a letter, which I received later on the afternoon of 5 February.
- 3.2. In my view, this letter was relevant to the terms of reference of this review of my conclusions (paragraph 1.4) as it directly related to the conclusions in my earlier Report which were concerned with whether or not Mr O'Brien and Mr Mandelson had had a personal telephone conversation in 1998.
- 3.3. I decided therefore to interview Mr O'Brien and Mrs Jones about the substance of this letter and, also, to seek whatever corroboration I could from Mr Lee Bailey, Mr O'Brien's Private Secretary at that time, and Ms Helen Whiteside, then a Home Office Press Officer, both of whom had accompanied Mr O'Brien on the visit to Newark

#### Mrs Jones' Account

- 3.4. In her account of these events Mrs Jones explained that, on 24 January 2001, Mr O'Brien had been due to attend a service at the Beth Shalom Memorial Centre in Laxton, Nottinghamshire, as part of the Holocaust Memorial Commemorations. Mr O'Brien was Minister for Racial Equality at that point. Ms Jones said that, at the time, she did not really know Mr O'Brien, although they may have acknowledged each other in the House of Commons.



- 3.5. Mrs Jones told me that Mr O'Brien had been delayed by some road works and was late arriving at the Centre. She said that Mr O'Brien "seemed very agitated" when she met him in Laxton and that when they reached the Centre Mrs Jones had suggested that Mr O'Brien take some time to collect his thoughts over a cup of coffee before he spoke to the members of the press who had gathered inside the Centre. During this time, a number of other people came in and out of the room Mr O'Brien was in, but Mrs Jones recalls standing next to Mr O'Brien and having a number of conversations with him, including one about what Mr O'Brien might say to the press conference he was about to address.
- 3.6. Mrs Jones told me that, during one of these exchanges, Mr O'Brien had told her that he had no recollection of the alleged telephone call from Mr Mandelson in 1998. He had told her that it might have taken place but he really could not remember. Mrs Jones' recollection is that she responded by suggesting that it would be natural not to remember the call as it was some time ago, and Mr O'Brien would have received a lot of calls of this nature.
- 3.7. Mr O'Brien had then decided, Mrs Jones said, without giving her any reasons, that he would now postpone the press conference until after the Service had taken place. This had irritated Mrs Jones. She told me that, during a telephone conversation with Mr O'Brien, in his car en route to the Service, he had agreed to give a statement to the considerable number of journalists who had gathered at the Centre so that they could then depart before the Service began. Bearing in mind the solemnity of the Service, Mrs Jones had thought that this was likely to be the least disruptive way to proceed and she had told the press that Mr O'Brien would speak to them if they left immediately after the press conference. She was, therefore, concerned that, according to her recollection, Mr O'Brien had changed his mind about the timing of the press conference, without giving any reasons, and she now had to tell the press that they would have to wait until the Service was over before Mr O'Brien would give them a statement. Mrs Jones could not recall Mr O'Brien being given any advice on the timing of the press conference by either his Private Secretary or Press



Officer. I set out Mr O'Brien's, Mr Bailey's and Ms Whiteside's account of these events later on in this chapter.

- 3.8. After the Service, Mrs Jones said that she attended the press conference with Mr O'Brien, but thought that she had spent most of the time talking on a mobile telephone and, therefore, was not really aware of what he had said. It was only later, when she saw the media coverage of the press conference that she was surprised that Mr O'Brien had not mentioned his uncertainty about whether the telephone call with Mr Mandelson had taken place. What Mr O'Brien had said at the press conference was widely reported in the next day's newspapers. He told the press conference that:

"He did telephone me in 1998 and I had a conversation with him which at all times was perfectly proper. He did not, as some have suggested, seek to get me to give citizenship to Mr Hinduja."

#### Mr O'Brien's Account

- 3.9. I spoke to Mr O'Brien about Mrs Jones' recollection and also received some written evidence from him.
- 3.10. Mr O'Brien told me that he recalled being driven to Nottinghamshire to attend the Memorial Service in his Ministerial car. During the journey Mr O'Brien had been in close contact with the Home Office and had heard the news about Mr Mandelson's resignation about noon on that day. Amongst others, he had spoken to Mr Jack Straw, who was then Home Secretary, about the unfolding events.
- 3.11. Mr O'Brien concurred with Mrs Jones' recollection that they had had few dealings with each other during her time in Parliament and, he said, he had barely recognised her when they met in Laxton. He said that he would certainly not count her as a close colleague in whom he could confide.



3.12. Mr O'Brien told me that there had been some discussion between Mr O'Brien, his party and Mrs Jones over whether there should be a press conference before or after the Memorial Service. As I record in paragraph 3.7, Mrs Jones was of the view that the press conference should take place before the Service and said that, initially, Mr O'Brien had agreed. During the car journey, Mr O'Brien said that he had kept his options open about whether to hold the press conference before or after. He told me that he had not agreed to hold the press conference before the Service, as Mrs Jones implied. After arriving at the Centre and having been told about the extent of the press interest, and after discussing the matter with Mr Bailey who had previously been a Press Officer, Mr O'Brien decided that the press conference would take place afterwards, out of respect for the subject matter of the Memorial Service and because it would have allowed him to hear the outcome of Prime Minister's Questions in the House of Commons that afternoon, when Mr Mandelson's resignation would have been discussed. This difference of view about the timing of the press conference had created something of a frosty atmosphere between Mrs Jones and Mr O'Brien which, in Mr O'Brien's view, made it all the more unlikely that he would have confided in her, even if he had had anything to confide.

3.13. After his arrival at the Memorial Centre, Mr O'Brien recalled being taken to a reception room where he was given a cup of coffee and was introduced to around eight to a dozen people who were involved with the event, although, Mr O'Brien told me, this changed as people moved in and out of the room. Given all that had gone on that morning, and because he was about to address a large press conference, Mr O'Brien said that he was "not relaxed" during this time before the Service, but disputed Mrs Jones' account that he was "very agitated" and that, therefore, his recollection of the telephone call with Mr Mandelson was unsound.

3.14. Mr O'Brien thought that he had been in the reception room for some 10 to 15 minutes. During that time, he had had "snatches of conversation" with a number of people in the room, including Mrs Jones, as well as receiving messages from his Private Secretary and Press Officer about developments in London.



Mr O'Brien said that he did not have a single conversation with Mrs Jones, rather, a number of short exchanges during which Mrs Jones asked him a series of questions. Mr O'Brien did not remember the exact nature of these questions and could only speculate that Mrs Jones had misinterpreted something he had said, or he had misunderstood what she had asked him, so as to give her the wrong impression. He categorically denied that he had told Mrs Jones that he could not recall the telephone call with Mr Mandelson.

- 3.15. After the Service, Mr O'Brien attended the press conference where he confirmed that he had spoken to Mr Mandelson on the telephone in 1998.

#### The Accounts of Mr Bailey and Ms Whiteside

- 3.16. I also contacted Mr Bailey and Ms Whiteside to see if it was possible to corroborate Mrs Jones' or Mr O'Brien's accounts of these events.

- 3.17. Mr Bailey told me that he had a clear recollection of the visit to the Beth Shalom Centre on that day and confirmed that Mr O'Brien had been listening to events unfolding on the radio in the car. Mr Bailey said that when he, Mr O'Brien and Ms Whiteside arrived at the Memorial Centre, they were shown to a quiet room. Mr Bailey recalled that whilst he and Mr O'Brien were in this room there was some disagreement between Mr O'Brien and Mrs Jones about the timing of any press conference. Mr Bailey confirmed that he was present for most of the time Mr O'Brien and Mrs Jones were standing together in this room talking but may have been distracted for a few moments to take a telephone call or to speak to Ms Whiteside. Mr Bailey did not recall exactly what was said during any conversations between Mr O'Brien and Mrs Jones, but he thought it highly unlikely that Mr O'Brien would have given Mrs Jones any reason to believe that the telephone conversation with Mr Mandelson had not taken place.

- 3.18. Mr Bailey said that Mr O'Brien had made it absolutely clear, both privately to him and when discussing the issue with other people when Mr Bailey was present, that the telephone conversation had taken place.



3.19. I also received some evidence from Ms Whiteside. Ms Whiteside told me that she did not hear Mr O'Brien make any comment about not remembering the telephone conversation with Mr Mandelson, although she said that, during the day, her attention had been very much focused on advising her Minister on how best to handle a difficult press conference and, therefore, would not necessarily have been paying any attention to the conversations Mrs Jones was having with Mr O'Brien. Ms Whiteside also told me that she recalls Mr O'Brien referring to a telephone conversation in 1998, during the car journey to Newark, but being unclear about the details.

#### Letters from Mr Soley and Mr Mullin

3.20. After Mr O'Brien became aware of Mrs Jones' accounts of the events in Laxton on 24 January 2001, Mr O'Brien told me that he had spoken to both Mr Clive Soley MP and Mr Chris Mullin MP about the conversation with Mr Mandelson in 1998 shortly after Mr Mandelson's resignation. I then received a letter from each of these MPs confirming that Mr O'Brien told them of his recollection of the conversation, in the case of Mr Mullin, on the day after Mr Mandelson's resignation and in the case of Mr Soley "very soon" after the resignation.

#### Analysis

3.21. Mr O'Brien told me that he was perplexed by Mrs Jones' assertion that he had said to her that he did not recall the telephone conversation with Mr Mandelson. Mr O'Brien said that he had always said that he recalled the conversation. Mr O'Brien explained that it had been common ground on 24 January 2001 that the telephone call had taken place. As my first Report stated, Mr O'Brien maintained throughout that the telephone conversation had taken place. Mr Jon Payne, his Private Secretary in 1998, seemed to believe Mr O'Brien had told him about an enquiry from Mr Mandelson just after any conversation had



taken place and both Mr Straw and Mrs Barbara Roche had been told about it in December 2000, a month before Mr O'Brien met Mrs Jones (see paragraph 5.199 of my first Report). It had also been referred to in the conference call between Mr O'Brien, Mr Mandelson and Mr Campbell on Monday 22 January 2001 (paragraph 5.100 of my original Report), in the second Lobby briefing that day (paragraph 5.98 of my original Report) and in Sir Richard Wilson's minute of 23 January 2001 to Mr Jonathan Powell (Annex P of my original report). In this context, therefore, Mr O'Brien suggested, at the time he was alleged to have made this comment to Mrs Jones, there was no dispute about whether or not the telephone conversation had taken place and, so, he was not under pressure to justify himself. It was only later that it had emerged that there was no documentary evidence to support the existence of the conversation. Mr O'Brien thought it inconceivable that he would have confided in Mrs Jones in this way given the fact that they were clearly not close colleagues and, more importantly, because he had consistently maintained that the telephone conversation had taken place.

3.22. Mrs Jones was equally certain about her recollection that Mr O'Brien had made the comment she had passed on to me. In her view, Mr O'Brien was under pressure and away from his advisers in London and he was anticipating close questioning about the telephone conversation from the press. She thought it possible that Mr O'Brien might have been referring to something other than the existence of the telephone conversation with Mr Mandelson when he had made this comment to her, but Mrs Jones had clearly thought that he was referring to the disputed telephone conversation, and thought it improbable that they had been talking about anything else.

3.23. I was interested to know why, given the significance which, over two and a half years later, became attached to whether or not such a conversation had taken place, Mrs Jones had not at the time relayed to anyone her "surprise" that Mr O'Brien had apparently misled the press and told them on 24 January 2001 that he clearly recalled speaking to Mr Mandelson, when he had told Ms Jones that he was uncertain about this recollection. Mrs Jones said that she had not



assumed that Mr O'Brien's comment was all that important because, at the time of the press conference, and in the days following, there had been no doubt that the telephone conversation had taken place. At that point, both Mr O'Brien and Mr Mandelson had agreed that it must have taken place. It was only when Mrs Jones read an article in the Sunday Times on Sunday 3 February 2002 (Annex F) that she realised that, during my original Inquiry, no documents had been produced which supported absolutely the existence of the telephone conversation. Therefore, she had not realised how important her discussion with Mr O'Brien had been.

- 3.24. I was also interested to know why Mrs Jones had not come forward with this new evidence before 5 February 2002, some 11 months after my original Report had been published. I explained that the events leading up to Mr Mandelson's resignation on 24 January 2001, as well as the conclusions of my original Report, which were published on 9 March 2001, had been very widely reported in all the media and, rightly or wrongly, the amount of attention focused on the disputed telephone conversation would have been clear to even the most casual reader of the newspapers, let alone a Member of Parliament. Mrs Jones said that she had been heavily distracted by personal problems, which have themselves been widely reported, concerning allegations of election fraud and criminal libel. Mrs Jones said that this had meant that she had not focussed on the press reporting of Mr Mandelson's resignation, or my Report, in early 2001, had not picked up on the importance of the telephone conversation and had not realised, until recently, that her conversation with Mr O'Brien had been so significant. It was only the article in the Sunday Times on 3 February 2002 which had prompted her to disclose the contents of this conversation to me. Mrs Jones said that, after reading the Sunday Times article and realising how significant this conversation with Mr O'Brien might have been, she had spoken to Mr Mandelson. Mr Mandelson had advised her to speak to me.

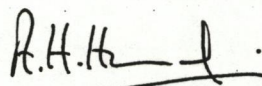


## Conclusion

- 3.25. As was the case with my original Inquiry, when, amongst other things, I investigated the circumstances surrounding the disputed telephone conversation between Mr O'Brien and Mr Mandelson in 1998 and any role it might have played in relation to Mr S P Hinduja being granted citizenship, I was once again presented with two strongly held and contradictory views on whether or not a conversation had taken place and no other corroboration or evidence.
- 3.26. Having discussed this issue with Mr O'Brien and those who accompanied him to Newark on that day, and giving due weight to Mrs Jones' evidence, I think it extremely unlikely that Mr O'Brien would have told Mrs Jones that he could not recall the telephone conversation with Mr Mandelson at that point when he had, in December 2000, mentioned it to Mr Straw and Mrs Roche and also, on 22 January 2001, told both Mr Campbell and Mr Mandelson that such a conversation had taken place. At that point, also, there had been no doubt that the conversation had taken place so Mr O'Brien was under no pressure to justify his recollection. Mr O'Brien had then gone on, a little over an hour later, to tell the press conference on 24 January 2001 that he clearly recalled the telephone call, something he had confirmed shortly afterwards to Mr Mullin and Mr Soley.
- 3.27. Set alongside this is Mrs Jones' clear recollection of Mr O'Brien's comment. I find it difficult to understand why Mrs Jones did not realise the significance of such a comment until she read an article in the Sunday Times on 3 February 2002, despite her explanation that her personal problems in the early months of 2001 meant that the extensive press coverage of this issue simply passed her by.
- 3.28. I am also grateful to Mr Bailey and Ms Whiteside for their clear accounts, which add some further context to what I had been able to discover about the events of that day. But neither of those accounts provide firm evidence either way which would allow me to reach a conclusion with certainty on this issue.



- 3.29. From the discussions I have had with those involved, in the events at the Beth Shalom Memorial Centre on 24 January 2001 I have established that there was a tense atmosphere developing in the reception room at the Centre and Mr O'Brien and Mrs Jones had had a number of short, increasingly ill-tempered, discussions in a room where a number of people were coming and going. There was a significant press gathering who were very anxious to hear Mr O'Brien's account of his apparent role in Mr Mandelson's resignation. Mrs Jones was anxious and irritated that Mr O'Brien had apparently changed his plans about the press conference and Mr O'Brien must have been uneasy, wondering about what he should say to the press, and what questions they might ask him. He was in the East Midlands and partially removed from the fast moving events in London. Perhaps this was not an ideal environment for crystal clear recollections about who had said what about events some two and a half years before.
- 3.30. Both Mr O'Brien and Mrs Jones were amenable to the suggestion that some comment which he had made in this environment had been misinterpreted. Mr O'Brien may not have been referring to the disputed telephone call. Mrs Jones certainly thought that he was. Some misunderstanding was surely possible in such circumstances.
- 3.31. As with the disputed telephone conversation between Mr O'Brien and Mr Mandelson in 1998, there is no evidence to confirm either the account of Mr O'Brien or that of Mrs Jones. But I find it very difficult to believe, for the reasons which I have given, that Mr O'Brien told Mrs Jones that he could not recall the telephone conversation with Mr Mandelson. But I have no reason to disbelieve the genuine belief of Mrs Jones that Mr O'Brien had made such a comment. In the light of this, the only conclusion I feel able to reach is that there was some misunderstanding during their brief exchanges at the Memorial Centre and that, for part of their discussion at least, Mr O'Brien and Mrs Jones were talking at cross purposes.



SIR ANTHONY HAMMOND, KCB QC

25 FEBRUARY 2002



Those I interviewed

- |                           |   |   |
|---------------------------|---|---|
| Fiona Jones               | - | Member of Parliament for Newark (1997-2001)         |
| Matthew Laxton            | - | Assistant Private Secretary to Mr O'Brien in 1998   |
| Mark Langdale             | - | Private Secretary to Mr Mandelson in 1998           |
| Rt Hon Peter Mandelson MP | - | Member of Parliament for Hartlepool                 |
| Mike O'Brien MP           | - | Member of Parliament for North Warwickshire         |
| Emma Scott                | - | Assistant Private Secretary to Mr Mandelson in 1998 |

Those I consulted in writing or who provided information

- |                 |   |  |
|-----------------|---|--|
| Lee Bailey      | - | Private Secretary to Mike O'Brien in 2000/2001           |
| David Barnes    | - | Assistant Private Secretary to Mike O'Brien in 1998      |
| Maria Daniels   | - | Diary Secretary to Mr Mandelson in 1998                  |
| Chris Mullin MP | - | Member of Parliament for Sunderland South                |
| Jon Payne       | - | Private Secretary to Mr O'Brien in 1998                  |
| Clive Soley MP  | - | Member of Parliament for Ealing, Acton & Shepherd's Bush |
| Helen Whiteside | - | Home Office Press Officer 2000/2001                      |



Reminders~~Mike~~

Emma

Annex B(i)

Mike O'Brien's office called  
 - it would be helpful for them  
 to know roughly how much time  
 GP spends out of the UK, as  
 this is what his application  
 was turned down on last time.  
 There is a rough rule, which  
 can be waived, that not more  
 than 450 days in the last 5  
 years should be spent out of  
 the country.

Emma

Annex B(ii)

SP, dot GP fl. send this  
 to Matthew

I'll phone him if you remind  
 me.

Maia,  
 could you set up a  
 call to SP Hildyja  
 some time.

273 3200 Matthew.

↑  
 Annex B(iv)

↑  
 Annex B(iii)



Annex C(i)



MR S.P. HINDUJA

DATES OF ABSENCE FROM UK FROM 1992 TO JUNE 1998

Year	Days of absence
1992 (From March)	127
1993	190
1994	200
1995	163
1996	155
1997	111
1998 until June	110
Total	<u><u>1056</u></u>

Annex C(ii)

MWR

Perfectly legitimate for  
you to raise issue  
with Mike O'Brien.

Agree that you cannot  
be seen to push this  
personally much further.  
No matter how justified  
SP's reasonability claim is,  
media + others will (if  
instrument becomes public) accuse you of improper  
influence (motivated by  
Dome connection).

Advise that we await  
outcome M.O.B.'s own  
investigations - and avoid  
anything in writing for time  
being.

Mark 151



Annex D(i)

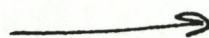
MWP

Matthew has written to the head of their Nationality Directorate asking why SP's application was unsuccessful & what are the chances of future success.

He's said that Mike O'Brien is interested in the case & has emphasised that he's keen to speed up the process & be more flexible on issues such as absences from the UK.

He'll let us know the answer soon.

Annex D(ii)

Mike

I believe it would be unjustified to refuse SP his nationality but I am concerned on propriety grounds that I am not intending to influence the decision which encourages some sponsorship.



EXTRACT FROM NATIONALITY DIRECTORATE'S FILE  
ON MR S P HINDUJA

S.P. HINDUJA - DAYS ABSENT FROM UK

1992 : 127 days

1993 : 190 days

1994 : 200 days

1995 : 163 days

1996 : 167 days

1997 : 110 days

1998 : 163 days



# Mandelson gets Blair to reopen Hinduja inquiry

**David Cracknell**  
Political Editor

TONY BLAIR has secretly reopened the inquiry into the Hinduja passport row 11 months after the official report into the affair was published.

It is understood that the prime minister acted after Peter Mandelson, who resigned over the affair, produced new documents that he believes will clarify his role.

Shortly before Christmas, Blair asked Sir Anthony Hammond QC, the former Treasury solicitor who conducted the original inquiry, to examine the papers and establish whether the evidence would have affected his conclusions, which were published last March.

Hammond began work last month and was helped by Home Office officials who had worked on the original inquiry.

Downing Street made no announcement about the new investigation, but insisted last night that it had always intended to publish Hammond's second report, whatever its conclusions.

The secrecy surrounding the prime minister's move will put his special relationship with Mandelson under the spotlight and arouse speculation about the former Northern Ireland secretary's ambitions to make a second comeback to frontline politics.

Mandelson is understood to have slipped undetected into the Home Office late last month for a meeting with Hammond and the secretary to the inquiry, Tyson Hepple, a senior Home Office official.

No 10 said last night that "some further papers have come to light and the prime minister asked Sir Anthony Hammond to review these documents and advise him whether the papers would have affected the conclusions reached in the initial inquiry".

Mandelson's friends believe that he was badly let down by Blair, who they say acted over-hastily in sacking him from the cabinet in January 2001.

Since his resignation, the second in his career, Mandelson

has faced political isolation. The Hartlepool MP was cleared of any impropriety by Hammond, but a question mark has always hung over whether, while he was the minister responsible for the Millennium Dome, he made a crucial phone call in the summer of 1998.

The call was said to have been made to Mike O'Brien, a Home Office minister, about the passport application of Srichand Hinduja — one of the billionaire Indian brothers who were offering to sponsor the dome.

Mandelson maintained he had "no recollection" of making the call and no documents were found by Hammond to confirm absolutely that it had taken place.

Nevertheless, Hammond concluded that it was "likely" Mandelson did make the call because of O'Brien's strong recollection of it. He accepted Mandelson's honestly held belief that he did not remember it.

The suspicion had been that if Mandelson, a cabinet minister, had phoned the then junior immigration minister about an individual passport application, this would have amounted to improper pressure.

The report found that the Hinduja had won their passports fairly and without any improper ministerial involvement. But it failed to clear up confusion surrounding the circumstances of Mandelson's resignation.

When Hammond's report was published and Mandelson was cleared, queries were raised over No 10's handling of the affair. The Tories complained that the Hammond report was a "whitewash".

The report, weeks before last year's election, gave little comfort to Mandelson because Blair signalled there could be no return to government. The MP said in June: "I am a fighter, not a quitter."

□ The former Foreign Office minister Keith Vaz faces a suspension from the Commons following a damning parliamentary report, revealed by The Sunday Times in December, into his financial links to the Hinduja.



# THE SUNDAY TIMES

1 Pennington Street, London E1 9XW Telephone: 0171-782 5000 Fax: 0171-782 5658

For the attention of Sir Nicholas Lloyd

February 21, 2002

Dear Lord Levy,

There are some questions I need to put to you in relation to an article I am writing for this Sunday's newspaper.

1. It mainly concerns your meeting with the Hinduja brothers on October 29th, 1998 in the House of Lords, which as I'm sure you are aware is mentioned in the Hammond report published last year. In the report, Sir Anthony says on page 71: "At that meeting Lord Levy said that a gift would be more satisfactory instead of the previous "underwriting" arrangement which was suggested and a gift of £1million was offered instead". Since neither the Hinduja brothers nor their aide Darin Jewell gave evidence, I presume this interpretation is based on your evidence.

Mr Jewell, who was at that meeting in 1998, has been seeking to give evidence to the new Hammond inquiry, as you may be aware. After a lengthy conversation with him, he has claimed to me that it was you who suggested the £1million figure, rather than the Hinduja brothers. More specifically, Mr Jewell says that you claimed to have had a prior discussion with Tony Blair about the issue and told the Hinduja brothers that the prime minister would prefer the brothers to give a donation to the Dome, rather than underwriting it.

Mr Jewell recalls vividly that you said that the prime minister would be happy that an agreement had been reached and asked SP Hinduja if you could hug him because that is what you do as a way of sealing business arrangements.

Mr Jewell also alleges that following the meeting in the Lords, he was instructed by the Hinduja brothers to write to you asking you to dinner at SP's house to discuss any guidance you could give him as to his application for naturalisation. Mr Jewell says that you turned down the invitation.

I have to ask you whether you agree with Mr Jewell's recollection, specifically to your references to Mr Blair, and if you would like to make any further comment. What was the problem with the underwriting arrangement in your view?

2. Is it true that the Hinduja brothers introduced you to Lakshmi Mittal or any of his associates or family members?

3. Can I ask you categorically whether you played any part in helping Mr Mittal to secure the letter from the prime minister in support of his purchase of the Sidex steel plant in Romania.

I thank you in advance for any cooperation you can provide.

Yours sincerely,

David Cracknell  
Political Editor



**Brown Lloyd James**

25 LOWER BELGRAVE STREET LONDON SW1W 0NR  
TEL: 020 7591 9610 FAX: 020 7591 9611 e-mail: pr@blj.co.uk

**FAX**

To: Mr. David Cracknell

From: Sir Nicholas Lloyd

Fax: 7782 5658 +5542

Pages: 1 in total

CC:

Date: 22<sup>nd</sup> February 2002*Dear Mr. Cracknell,*

I have been requested by Lord Levy to contact you about the questions that you sent him in your fax of 22<sup>nd</sup> February 2002. Here are the answers provided by him:

1. I gave evidence to the Hammond enquiry about the Hinduja brothers' donation to the Faith/Spirit Zone. At the time, as you will recall, because of the multi-faith nature of the Zone, there were sensitive issues surrounding the fund-raising for it. I was asked by the Secretary of State for Trade & Industry to help and the meeting with the Hinduja was arranged by Jennie Page and the officials dealing with the Dome.

It had been suggested that the Hinduja would underwrite the entire cost of the Faith/Spirit Zone then estimated at between four and six million pounds. Underwriting meant that they could either donate the entire sum personally or donate a proportion and raise the balance from friends and business associates.

Rather than underwriting I suggested at the meeting in October 1998 that it might be more appropriate if they made a specific contribution and the rest of the funds were raised from other donors.

I suggested to the Hinduja that they make a donation of £1million themselves to the funding. They agreed and offered to make the £1million donation.

Raising funds for the Dome generally and the Faith/Spirit Zone specifically was, of course, Government policy supported by the Prime Minister. The only reference that I can recall making with regard to the Prime Minister at the meeting was a matter of courtesy in that I said that he would be delighted with the Hinduja's commitment to the Faith/Spirit Zone.

Not a word was said at the meeting about naturalisation or passports and these were never referred to either verbally or in writing to me at any time.

All the above has been confirmed with Jennie Page, who was at the meeting.

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...../2

2. It is not true that the Hinduja's introduced me to Lakshmi Mittal or any of his associates or family members.
3. As Downing Street has repeatedly made clear, the Prime Minister's letter was written at the instigation of the British Ambassador in Romania and I played no role in relation to that.

*N. Chelaru*



**Jonathan Powell****From:** Peter Mandelson [peter@mandelson.demon.co.uk]**Sent:** 14 February 2002 08:22**To:** 'Jonathan Powell'

PM  
to see like  
gov army with PM  
✓

Jonathan,

Without prejudice, as they say, I thought I would tell you what I said to Hammond with whom I spent two and a half hours discussing his draft report. It was a friendly encounter. He does not intend to change it in substance but he will have a further draft for comment, he hopes, by Friday. He gathers the government does not want it published next week. He made it clear he will be pretty dismissive of Fiona Jones' evidence, "she obviously misheard or misunderstood what O'Brien was saying". He appreciates the need for me to receive some justice but has no wish to alter his original report which he regards as going a long way to helping me and doing me a favour, "more than No 10 were happy with at the time, indeed they were pretty upset by my original report".

I suggested to him that the present draft follows a number of highways and byways, gets stuck in a number of conspiratorial thickets, to an extent misses the big picture and in the process does me an injustice – in places lacks balance, others is inflammatory and leads people to unfair conclusions.

Overall, I suggested, the report ignores the big picture revealed by the documentation which, after all, is the first contemporaneous documentary evidence of its kind to appear. The big picture indicated by the evidence is that:

I was thoroughly aware of and committed to the need for propriety in my contact with this matter, vis a vis the Dome;

My private office officials were, indeed, the main drivers and handlers of this exchange with the Home Office, as I originally said to the Observer, in contrast to the mistaken impression given subsequently to the press;

At no stage was I remotely involved in endorsing or promoting any passport application by SP Hinduja;

That what brought about my departure from government was a muddled and conflicting account of these contacts with the Home Office, rather than the contacts themselves.

In contrast, I suggested, he highlights, begins and ends his report on his belief – despite his lack of certainty – in a personal call between O'Brien and myself, even though he says this is intrinsically unimportant. He is dismissive of what I, Emma Scott and the papers themselves suggest about the likelihood of such a call taking place, as well as overlooking the haziness, inconsistency and absence of detail, and complete absence of corroboration, of O'Brien's account. He did say, however, he would "have to take account of" the discrepancies in O'Brien's interviews with him.

He pinpoints a revised conclusion that I spoke to Matthew Laxton in O'Brien's office even though this was in his first report; he highlights the fact that a Home Office telephone number was written on a note I saw (although he accepts that this does not mean I dialed it and also now accepts the number was written after the point at which he thinks it is likely I spoke to O'Brien if, indeed, I did so); he refers to the exchanges between the private office staff as if they were almost incidental as opposed to central and substantial (he says he will amend this).

I drew his attention to a number of speculative kites flown, in the main, by O'Brien's rather defensive and vindictive evidence. We agreed that O'Brien was in a rather "nothing to lose" mood and holds the mistaken view that he left the govt because of this affair. He says that his reference to various conspiracy theories is in order to get his retaliation in first. He is sensitive to what he regards as the grossly unfair and self-serving criticism of his first report by the press. He thinks they are scalp-hunting and will not forgive him for failing to provide them with one. He feels the need to be tough and scrupulous and I encouraged him to be so.

I am not asking you to act on this information, obviously.

14/02/2002



**Fraser Amanda - Cab Sec Office -**

---

**From:** Ibbett Ashley - Cab Sec Office -  
**Sent:** 14 February 2002 11:34  
**To:** PS Sir Richard Wilson  
**Subject:** FW: Hammond

---

**From:** Gray Sue - Central Secretariat -  
**Sent:** Thursday, February 14, 2002 11:36:11 AM  
**To:** Sumner Clare; Ibbett Ashley - Cab Sec Office -  
**Cc:** Austin Leonie - CG -; Ghosh Helen - Central Secretariat -  
**Subject:** Hammond  
**Auto forwarded by a Rule**

Clare and Ashley

Wally has now met the main participants to discuss comments on the first draft of his report. In view of substantive number of comments (mainly from PM) he plans to circulate a second draft at the beginning of next week. Therefore, unlikely that report will be sent to the Prime Minister until end of next week.

It seems that the Sunday Times (David Cracknell) has made contact with Fiona Jones and is expected to run a story this weekend. The line to take for the Press Office must be that this is a matter for the Wally Hammond.

Sue

✓





one copy

for information.

1) AC SM  
AC (you are aware of  
our outgo?)  
2) H

✓



Mc 23/1

Ashley Isbert  
B-16.

rec'd  
23/1/02

Tyson Hepple

HOUSE OF COMMONS  
LONDON SW1A 0AA

c. Jonathan Powell

23/1/02

22 January 2002

✓  
A 23/1

Dear Sir Anthony

Thank you for your letter of today's date and the subsequent helpful telephone conversation.

Thank you also for agreeing to let me see the originals of the documents on Thursday or Friday (Thursday is to be preferred because I will go to the constituency on Friday, but I realise that you may not be entirely in control of events).

I look forward to seeing Peter Mandelson's statement on the documents. As I understand it you will see him tomorrow, Tyson Hepple will do a note, which will be cleared with Mr Mandelson, and I hope to see it on Friday. I then hope to be able to meet with you early next week to discuss matters.

On the issues in my letter to you in relation to secrecy, and the reference to the Law Officers, I was reassured to read your letter, but I reserve my position on these matters because I am concerned that this matter is being done without Parliamentary awareness and after Parliament had reason to believe the inquiry had finished.

Kind regards  
Mike O'Brien

Mike O'Brien MP





10 DOWNING STREET

PM

Sally has spoken to Mr. H.

He was rather friendly but she

thinks he will be Dr.

Wally has written back to her

✓

✓



**Inquiry by Sir Anthony Hammond KCB, QC**

Queen Anne's Gate, London, SW1H 9AT

Secretary to the Inquiry  
Tyson Hepple  
Telephone: 020 7273 3903

Sir Anthony Hammond KCB, QC  
Telephone: 020 7273 2180  
Fax: 020 7273 4395

Personal Assistant  
Miss Rosie Joseph  
Telephone: 020 7273 3903

Mike O'Brien Esq MP  
House of Commons  
London  
SW1A 0AA

21 January 2002

*Dear Mr. O'Brien,*

Thank you for your letter of 18 January 2002. I thought that it might be helpful if I set out my response in writing before we discussed your concerns. Before doing so I should like to welcome your commitment to assisting me as much as you can.

I would like to confirm that I am not conducting a fresh Inquiry nor am I "reopening my original Inquiry". As my letter of 15 January makes clear, I have been asked by the Prime Minister to review the conclusions of my original Inquiry as a result of some new documents coming to light which were not available to me before. In my view, these documents are clearly relevant to the events of June and July 1998 which were examined in Chapter 5 of my report, and would have been referred to in that report had they been available at the time. I consider it only fair, therefore, to all those concerned to spend a short time re-examining my conclusions in order to establish whether they would have been any different if I had originally had access to these documents. Indeed, I think that I would be open to criticism if I did not take this course, and this is the conclusion which the Prime Minister has reached. I am still forming a view on the materiality of the new documents and am trying to discover why they were not drawn to my attention earlier. At this stage I have a completely open mind on their materiality. It follows that I am perfectly satisfied about the legal propriety of this procedure and I see no need to consult the Law Officers. It is, of course, up to you if you wish to alert the Prime Minister to your concerns.

In terms of the confidentiality of my review, I think this approach is only sensible if we are to conduct these proceedings quickly and thoroughly without the extensive public and press speculation which was such a feature of my original Inquiry. ~~Although the question of publication is for the Prime Minister, I have little doubt that my findings will be published in, I suspect, the same way as my original report.~~

On your specific questions:

*The question*

*Approbation in a  
letter for the Prime  
Minister, but my understanding is that my findings will be published*

The documents were sent to me by the Cabinet Secretary after the Prime Minister had decided that I should review my conclusions. They appear to have emanated from papers held by Mr Mandelson.



- I will advise you of the authors of each of the notes once I have confirmed who they are.
- I am trying to get hold of the originals and would be happy to show them to you.
- 273 3200 was Matthew Laxton's telephone number, in your private office at the Home Office.
- I enclose the documents from my original Inquiry which you requested.

I do hope that this review of my conclusions can be conducted expeditiously, but this will only be the case if all those involved are willing to co-operate to that end. As I indicated in my earlier letter, I would be happy to meet you should you find that helpful as an alternative to, or in addition to, any written comments which you may have. Perhaps your office could contact mine to arrange a date.

Yours sincerely,

Wally the L

SIR ANTHONY HAMMOND KCB, QC



**nathan Powell**

---

**From:** Ibbett Ashley - Cab Sec Office - [Ashley.Ibbett@cabinet-office.x.gsi.gov.uk]  
**Sent:** 22 January 2002 10:25  
**To:** Powell Jonathan - No. 10 -  
**Subject:** Letter from Wally Hammond to Mike O'Brien



ham 2 obri.PDF

Wally Hammond proposes sending the attached letter to Mike O'Brien. He'd like to do so this morning - Mike O'Brien has rung and asked to talk to him. RW has proposed one change (marked on the text) which we'll feed in. Are you content with the letter?

<<ham 2 obri.PDF>>

\*\*\*\*\*

The Cabinet Office's computer systems may be monitored and communications carried on them recorded, to secure the effective operation of the system and for other lawful purposes.



MIKE O'BRIEN MP

House of Commons  
Westminster  
London  
SW1A 0AAPERSONALRichardcc Sue Gray  
Jonathan Powell  
Pen Office  
Mike SmartSir Anthony Hammond KCB, QC  
50 Queen Anne's Gate  
London  
SW1H 9ATTyson Hepple will be seeking advice from us on  
handling this. In the meantime, we agreed not to  
take stands (copy below).

18 January 2002

## INQUIRY BY SIR ANTHONY HAMMOND

Dear Sir Anthony

Thank you for your letter of 15<sup>th</sup> January 2002 the contents of which come as a surprise to me.

I remain committed to assisting you as much as I can. Having read the copies of the uncovered documents it seems apparent to me that they tend to support my recollection of events. In the circumstances, I would like to take up your offer and make comments on the documents. Before doing so I would like to clear up some concerns about the procedural regularity of the process upon which you seem to be embarked.

You completed your inquiry last year and your report was then published by order of the Commons. Your involvement was then complete and the matter closed.

Accordingly, could I ask you to clarify whether you are now conducting a fresh inquiry, or have agreed to re-open your previous inquiry upon some limited basis? There is a strong public interest in achieving finality in resolution of disputes such as this. As a matter of principle, re-opening your inquiry seems to be highly unusual and possibly irregular see Wade on Administrative Law 8<sup>th</sup> Ed pages 915-916.

House of Commons, Westminster, London, SW1A 0AA





However, it appears that you have already accepted such a task and embarked upon the work. The stimulus for that unusual course appears from your letter to be only the few documents which have now been uncovered and which you have supplied to me as copies. To reopen your inquiry, or to conduct a fresh inquiry would surely require:

- i. That you and / or the Prime Minister have formed the preliminary opinion that these documents are potentially of considerable materiality;
- ii. That some substantial and reasonable excuse has been given for the failure to produce the documents early last year;
- iii. That since the existence of these documents has been known to Mr Mandelson and / or members of his private office, steps were promptly taken to draw them to your attention.

Please tell me what preliminary views have been formed about materiality (and by whom), and what reason has been given (and by whom) for earlier non-production. In addition could you please tell me when and by whom the documents were first identified and what steps were then taken in respect of them?

In your letter you invite me "*to keep the existence of this review confidential until it has been completed*" and it appears that it has not been decided that your conclusions will be made public, although that is apparently "*likely*". I am very uncomfortable with this secret process. As far as the Commons was concerned a position of finality was reached last March and now to proceed in a reinvestigation and reporting process seems inconsistent with that finality. It is the more significant given that in response to a written Parliamentary Question the Prime Minister said on the 20<sup>th</sup> July last that he did not think that any further inquiry would be useful.





In addition, as a Member of Parliament with duties to the House I cannot engage in secret dealings unless satisfied that it is in the public interest. I seek your urgent reassurance that secrecy is necessary because I am not satisfied that it is at the moment.

In the light of the concerns I have described above, may I ask whether you have taken legal advice about the propriety of your present inquiries and if so what the advice was? In my view this is a matter upon which the Law Officers should be asked to advise. If you have already sought such advice then there is presumably no need for me to seek that advice, but if you have not then I must consider doing so.

However, and in the hope and expectation that you can satisfactorily address my concerns and in an effort not to waste time if they are, I request some preparatory steps to assist me in providing you with my comments on the copy documents supplied. I would be grateful if you could:

- a) Please identify the author of each part of the notes and indicate to me the date (and if relevant the time) upon which each author says that each part was made;
- b) Please arrange for me to have permission to look at the originals of the notes;
- c) Please tell me to whose/which telephone or fax the number "273 3200" was applied in the summer of 1998;
- d) Please provide me with copies of the statements from Mr Mandelson and others that were shown to me in the original inquiry (I no longer have copies of them), and also any fresh statements which you now have.





I hope that these procedural matters can be dealt with quite quickly. If your work is then to continue then I look forward to meeting you as soon as may be conveniently arranged. My initial reading of the copies of the document from Mr Mandelson's private office tends to confirm my clear recollection that he telephoned me as well as giving some insight into the workings of his private office and his actions in connection with (as well as his views upon the "merits" of) an application for naturalisation by Mr S P Hinduja.

With kind regards  
Mike O'Brien

House of Commons, Westminster, London, SW1A 0AA



**Jonathan Powell**

---

**From:** Ibbett Ashley - Cab Sec Office - [Ashley.Ibbett@cabinet-office.x.gsi.gov.uk]  
**Sent:** 15 January 2002 17:47  
**To:** Powell Jonathan - No. 10 -  
**Cc:** Ghosh Helen - Central Secretariat -; Gray Sue - Central Secretariat -; Granatt Mike - CCS -; Austin Leonie - CG -; Campbell Alastair - No. 10 -; Allberry Andrew - Cab Sec's -  
**Subject:** Hammond Inquiry



3380.PDF

Tyson Hepple, Sir Anthony Hammond's right hand man at the Home Office, rang to say that he had spoken to Mike O'Brien today about Sir Anthony's review. Mr O'Brien mentioned to Tyson that he had co-incidentally been speaking to an Observer journalist at lunchtime who had told him that the Observer would be running "a big article on the Hinduja's" this Sunday. No clue given as to its content.

We'll make sure Cabinet Office and Home Office press offices have the lines included in my minute to Alastair Campbell just before Christmas (attached) in case they are needed.

<<3380.PDF>>

\*\*\*\*\*

The Cabinet Office's computer systems may be monitored and communications carried on them recorded, to secure the effective operation of the system and for other lawful purposes.

pm

to be aware

✓

✓





bc: Helen Ghosh  
Jonathan Powell

**CABINET OFFICE**

70 Whitehall, London SW1A 2AS

Telephone 020 7270 0101 Facsimile 020 7270 0208

*From the Secretary of the Cabinet and Head of the Home Civil Service*  
Sir Richard Wilson GCB

21 December 2001

*Dear Mr Mandelson*

Thank you for your letter of 17 December.

As you will appreciate, the decision on whether or not to ask Sir Anthony Hammond to review his earlier conclusions is a matter for the Prime Minister. He has come to the conclusion that, in the interests of good government, Sir Anthony Hammond should be asked to formally review his earlier conclusions. He has agreed the following terms of reference:

To review the conclusions of his Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached.

Sir Anthony plans to start work on the review in the week commencing 7 January. His findings will be made public when the review is complete. This is to ensure that the review is conducted in a less frenzied way this time round. Sir Anthony will be in touch with you soon.

*Yours sincerely*

(approved by Sir Richard Wilson  
and signed in his absence)

Rt Hon Peter Mandelson MP  
House of Commons  
LONDON SW1A 0AA



CONFIDENTIAL & PERSONAL



cc: Helen Ghosh

Jonathan Powell

PS/John Gieve

**CABINET OFFICE**

70 Whitehall, London SW1A 2AS

Telephone 020 7270 0101 Facsimile 020 7270 0208

*From the Secretary of the Cabinet and Head of the Home Civil Service*  
Sir Richard Wilson GCB

21 December 2001

*Dear Sir Anthony*

**HINDUJA INQUIRY**

Thank you for your letter of 17 December.

In the light of the further papers which have now come to light and which were not previously available at the time of your original Inquiry, the Prime Minister would be grateful if you would formally review your earlier conclusions. He has agreed the following terms of reference:

To review the conclusions of his Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached.

In terms of publishing details of this further review, the Prime Minister agrees with you that the preferred approach would be to announce the further work after you have concluded your inquiries on the grounds that this should ensure that the review is conducted in a less frenzied way this time round. He is content with your proposed timing and that your findings should be published. The Home Office has agreed to meet the costs of the further work and to provide you with an office for the duration of the review. They will also release Tyson Hepple to support you and Phillip Colligan (PS/John Gieve) will be in touch to make the arrangements.

Once again, we are grateful to you for your willingness to undertake this further work.

*Yours sincerely*

(approved by Sir Richard Wilson  
and signed in his absence)

Sir Anthony Hammond KCB QC  
The White Cottage  
Blackheath  
Nr Guildford  
Surrey GU4 8RB

Ref: AO2001/3406

CONFIDENTIAL & PERSONAL



CONFIDENTIAL & PERSONAL



Pm /c GS  
to see  
Th  
✓

Secretary of the Cabinet and Head of the Home Civil Service

From the Private Secretary

**ALASTAIR CAMPBELL**

cc Jonathan Powell

**HAMMOND INQUIRY: LINES TO TAKE**

--- I would be grateful for confirmation that you are content with the attached holding lines for use in the unlikely event that Sir Anthony Hammond's review of his Inquiry conclusions becomes public over the holiday period.

2. We will not make these lines available to press offices in advance but have made arrangements for them to be given to press offices if they are needed. Sir Richard assumes that No10 would take the lead in handling media inquiries, although he would be happy for the Cabinet Office press office to do so if you wished.

✓ file

✓

**ASHLEY IBBETT**

20 December 2001

Ref: A02001/3380

CONFIDENTIAL & PERSONAL



HAMMOND REVIEW: LINE TO TAKE

**Some further papers have come to light and the Prime Minister has asked Sir Anthony Hammond to review these documents and advise him whether these papers would have affected the conclusions reached in the initial Inquiry.**

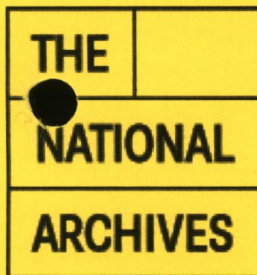
**The following terms of reference have been agreed:**

**To review the conclusions of his Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached.**

**Sir Anthony's findings will be published. His work will begin in the New Year and should be concluded by the end of the month.**

- Q** Where did these further papers originate and when were they produced?  
**A** From Peter Mandelson. It would not be appropriate to discuss the detail of the papers while this further work is on going. Sir Anthony expects to complete his work by the end of January.
- Q** Why was this development not announced?  
**A** The Prime Minister has asked Sir Anthony to review his earlier conclusions in the light of the further papers that have now come to light. There is no question of a cover up. Sir Anthony's findings will be published.
- Q** Will Sir Anthony be re-interviewing individuals?  
**A** It will be for him to decide what action he needs to take.





DEPARTMENT/SERIES .....PREM 49..... PIECE/ITEM .....4230/2..... (one piece/item number)	Date and sign
Extract details: LETTER DATED 19 DECEMBER 2001	
CLOSED UNDER FOI EXEMPTION .....44.....	28/10/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	



### **Instructions for completion of Dummy Card**

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.





Secretary of the Cabinet and Head of the Home Civil Service

**PRIME MINISTER**

**HAMMOND INQUIRY**

Sir Anthony Hammond has now confirmed that in view of the further papers, which have now come to light, he should review his earlier conclusions. He has agreed the following terms of reference:

To review the conclusions of his Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached.

2. He plans to start work on the review in the week commencing 7 January. He expects the process to take no more than a couple of weeks although the precise timing will depend on the availability of those that need to be interviewed.

3. Sir Anthony's preferred approach is for the review to remain confidential until his inquiries have been concluded. His report will be published on completion of the review. This should ensure that the review is conducted in a less frenzied way this time round without the media hype. There is of course a risk with this approach in that news of the further inquiry may leak out and also that the Parliamentary Commissioner for Administration may report in the middle of this review. If this happens, we will have lines ready for use making clear that in the light of the further papers you asked Sir Anthony Hammond to review his earlier conclusions. The Home Office has agreed to provide Sir Anthony with an office and resources.

4. If you are content with these arrangements, I will write to Sir Anthony as attached. I also plan to reply to Peter Mandelson in the terms drafted at Annex A.

*R.W.*

**RICHARD WILSON**

18 December 2001

*✓ Ray Carter 21/10*  
*to see also Ckr*  
*(in Pdr (attached)).*  
*Hammond will*  
*publish his review*  
*rept. Carter?*  
*✓*



DRAFT LETTER FOR SIR RICHARD WILSON TO SEND TO SIR ANTHONY HAMMOND

Thank you for your letter of 17 December.

In the light of the further papers which have now come to light and which were not previously available at the time of your original Inquiry, the Prime Minister would be grateful if you would formally review your earlier conclusions. He has agreed the following terms of reference:

To review the conclusions of his Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached.

In terms of publishing details of this further review, the Prime Minister agrees with you that the preferred approach would be to announce the further work after you have concluded your inquiries on the grounds that this should ensure that the review is conducted in a less frenzied way this time round. He is content with your proposed timing and that your findings should be published. The Home Office has agreed to meet the costs of the further work and to provide you with an office for the duration of the review. They will also release Tyson Hepple to support you and Phillip Colligan (PS/John Gieve) will be in touch to make the arrangements.

Once again, we are grateful to you for your willingness to undertake this further work.



DRAFT LETTER FOR SIR RICHARD WILSON TO SEND TO PETER  
MANDELSON

Thank you for your letter of 17 December.

As you will appreciate, the decision on whether or not to ask Sir Anthony Hammond to review his earlier conclusions is a matter for the Prime Minister. He has come to the conclusion that, in the interests of good government, Sir Anthony Hammond should be asked to formally review his earlier conclusions. He has agreed the following terms of reference:

To review the conclusions of his Inquiry into what approaches were made to the Home Office in connection with applications for naturalisation made by Messrs S P and G P Hinduja with a view to determining whether further papers which were not previously available to the Inquiry but which have now come to light would have materially affected the conclusions reached.

Sir Anthony plans to start work on the review in the week commencing 7 January. His findings will be made public when the review is complete. This is to ensure that the review is conducted in a less frenzied way this time round. Sir Anthony will be in touch with you soon.





SIR ANTHONY HAMMOND KCB. QC.

The White Cottage  
Blackheath  
Nr Guildford  
Surrey  
GU4 8RB

Tel. 01483 892607 or 890667  
Fax. 01483 890667

c. Helen Gosh  
Mike Granatt  
Jonathan Powell

pm  
to Mr. Brown 14.55  
done privately.  
✓

17<sup>th</sup> December 2001PERSONAL and CONFIDENTIAL

Sir Richard Wilson GCB  
Secretary of the Cabinet and Head of the  
Home Civil Service  
Cabinet Office  
70 Whitehall  
London, SW1A 2AS

Dear Richard,

HINDUJA INQUIRY

Thank you for your letter of 11 December.

I have, in accordance with the Prime Minister's request, considered whether it would be right to review the conclusions in my Report of my Inquiry in the light of the documentary material which was recently supplied by Mr Mandelson to the Prime Minister and which was not previously available to me. I discussed the matter in a telephone conversation with Mr Mandelson on Friday 14 December. I have concluded that, in all the circumstances, the better course would be for me to conduct a formal review of the new material, although I have not changed my view that it seems unlikely that there is anything in it which undermines any of the conclusions in my Report.

My reasons for reaching this view are as follows:-

1. The fact that the Parliamentary Commissioner is, at the request of a journalist, reviewing the absence of record keeping in relation to the events on which I reported, makes it likely that this material will eventually come into the public domain. It may also do so from other sources. If that were to happen, it would not be easy to give a satisfactory explanation of a decision not to review my conclusions, as the material is clearly relevant to the subject matter of my Inquiry.



2. Mr Mandelson believes that the new material supports his account of the events of June and July 1998 and his subsequent explanations of what happened and would, I think, like to have the opportunity of arguing his case before me. (I believe that he overstates that argument, but that is beside the point.)
3. In the light of the above, it seems to me that I should formally review my conclusions, so as to clear the air and pre-empt what seems to be the very likely result of allegations in the Press of a cover-up.

If the Prime Minister agrees that this is the right course to take, I suggest that I be formally invited to pursue it and to report to the Prime Minister on my conclusions.

If that is the Prime Minister's decision, consideration will have to be given to whether this further Review is announced at the beginning or only after I have finalised it. If we can be confident that we can keep the Review confidential whilst it is being conducted, I think that I would favour the second approach, which would ensure that it was conducted in a less feverish atmosphere.

In the event that the Prime Minister agrees, I propose to begin the Review in the New Year. It should not take more than a week or two, but the precise timing would depend on how quickly I could obtain comments from the various participants in the events of June and July 1998, including those of Mr Mandelson and Mr O'Brien.

Yours ever,  
Anthony Hammond

A. H. HAMMOND



THE RT. HON. PETER MANDELSON MP



HOUSE OF COMMONS

LONDON SW1A 0AA

020 7219 4607



Sir Richard Wilson  
Cabinet Secretary  
Cabinet Office  
70 Whitehall  
London SW1

*C Jonathan Powell*

December 17 2001

*Sir Richard,*

Sir Anthony Hammond telephoned me at the Prime Minister's request to discuss his handling of the 1998 private office notes regarding the Hindujas which I discovered on September 8 in an unmarked file in a crate of papers moved to my home. Sir Anthony told me of his preliminary view that they do not affect or add to the conclusions he reached in his report which were that neither I nor the Home Office had acted in any improper way. I challenged this and, on reflection, Sir Anthony agreed that as the only documentary evidence to have emerged throughout the entire enquiry, they were a material addition that lent significant weight to his findings and could influence the public's perceptions of what happened. Accordingly, Sir Anthony accepted my view that he should review his conclusions in light of the discovery and was going to communicate this view to you.

I have continued to mull over my conversation with Sir Anthony and I have concluded that, with the best of motives, he is, regrettably, unlikely to do anything that eases my position and that, in response to his further examination, the Prime Minister is unlikely to add anything either. There is a fundamental injustice which resulted in my ejection from office – a “muddle” as the Prime Minister puts it – and I have to recognize that the possibility of this being remedied by anything Sir Anthony says is remote. I am sorry about this but, equally, I do not think there is anything I can do about it. For Sir Anthony to return to his enquiry, re-interview relevant individuals, re-confirm my innocence but leave the portrayal of the immediate events leading to my dismissal unaffected, with all the attendant publicity involved, would be futile.

Reluctantly, I must ask you not to pursue the matter further if you agree with my analysis. I am sure you understand the deep feelings that led me to bring the discovery of these papers to the Prime Minister's attention. I am only sorry that they were not available to Sir Anthony during the course of his enquiry as I believe they would have considerably strengthened my case and the public's perceptions of the truth.

With best wishes

RT HON PETER MANDELSON MP



14/12/2001

18:02

NO10 DUTY CLERKS OFFICE → PMS-COMMS EU COU

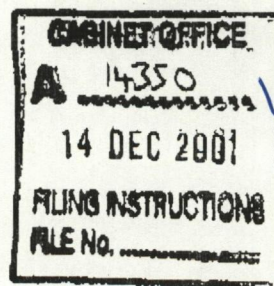
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011

14-DEC-2001 15:54 FROM: SIR ANTHONY HAMMOND 01483 890667

TO: 02072700208

P:1



face to

Pm (no copies)

Pls has it been  
replied with  
Hammond's call's.  
what should we  
do with this?

TO:- Sir Richard Wilson GCB

From:- Sir Anthony Hammond KCB QC

Dear Richard,

As we agreed on the telephone today, I enclose a draft of a letter replying to yours of 11<sup>th</sup> December,  
for any comments which you may have.

Yours,

Wally Hammond

14/12/01

we shall do as  
WH suggests, please.

c. Jonathan Powell

Sir Richard will discuss with  
the PM on Monday.

AS 16/12  
14/12





fax to  
✓ PM (no copies)

He has it been  
relying with  
Hammond's call's.  
what should we  
do with this?

✓  
14/12

TO:- Sir Richard Wilson GCB

From:- Sir Anthony Hammond KCB QC

Dear Richard,

As we agreed on the telephone today, I enclose a draft of a letter replying to yours of 11<sup>th</sup> December, for any comments which you may have.

Yours,

Wally Hammond

14/12/01.

c. Jonathan Powell

Sir Richard will discuss with  
the PM on Monday.

AS 16/12  
14/12



SIR ANTHONY HAMMOND KCB. QC.  
The White Cottage  
Blackheath  
Nr Guildford  
Surrey  
GU4 8RB

Tel. 01483 892607 or 890667  
Fax. 01483 890667

PERSONAL and CONFIDENTIAL

DRAFT LETTER TO -  
Sir Richard Wilson GCB  
Secretary of the Cabinet and Head of the  
Home Civil Service  
Cabinet Office  
70 Whitehall  
London, SW1A 2AS

HINDUJA INQUIRY

Thank you for your letter of 11 December.

I have, in accordance with the Prime Minister's request, considered whether it would be right to review the conclusions in my Report of my Inquiry in the light of the documentary material which was recently supplied by Mr Mandelson to the Prime Minister and which was not previously available to me. I discussed the matter in a telephone conversation with Mr Mandelson on Friday 14 December. I have concluded that, in all the circumstances, the better course would be for me to conduct a formal review of the new material, although I have not changed my view that it seems unlikely that there is anything in it which undermines any of the conclusions in my Report.

My reasons for reaching this view are as follows:-

1. The fact that the Parliamentary Commissioner is, at the request of a journalist, reviewing the absence of record keeping in relation to the events on which I reported makes it likely that this material will eventually come into the public domain. If that were to happen, it would not be easy to give a satisfactory explanation of a decision not to review my conclusions, as the material is clearly relevant to the subject matter of my Inquiry.



2. Mr Mandelson believes that the new material supports his account of the events of June and July 1998 and his subsequent explanations of what happened and would, I think, like to have the opportunity of arguing his case before me. (I believe that he overstates that argument, but that is beside the point.)
3. In view of his attitude, one cannot rule out the possibility that, if I do not formally revisit the Inquiry, he may leak the papers himself, putting the most favourable spin on them from his point of view.
4. In the light of 1 to 3 above, it seems to me to be better to take the initiative formally to review my conclusions, so as to clear the air and pre-empt what seems to be the very likely result of allegations in the Press of a cover-up.

If the Prime Minister agrees that this is the right course to take, I suggest that I be formally invited to pursue it and to report to the Prime Minister on my conclusions.

If that is the Prime Minister's decision, consideration will have to be given to whether this further Review is announced at the beginning or only after I have finalised it. If we can be confident that we can keep the Review confidential whilst it is being conducted, I think that I would favour the second approach, which would ensure that it was conducted in a less feverish atmosphere. (I have suggested to Mr Mandelson (who said he agreed) that we should try and keep matters confidential at this stage.)

In the event that the Prime Minister agrees, I propose to begin the Review in the New Year. It should not take more than a week or two, but the precise timing would depend on how quickly I could obtain comments from the various participants in the events of June and July 1998, including those of Mr Mandelson and Mr O'Brien.





R4

cc: Jonathan Powell  
Helen GMSL  
Keith Roberts

**CABINET OFFICE**

70 Whitehall, London SW1A 2AS  
Telephone 020 7270 0101 Facsimile 020 7270 0208

*From the Secretary of the Cabinet and Head of the Home Civil Service*  
Sir Richard Wilson GCB

11 December 2001

*Dear Anthony,*

**HINDUJA INQUIRY**

Following our telephone conversation today, I am writing to confirm that the Prime Minister would be most grateful if you would consider formally whether you wish to review the conclusions which you reached in the Inquiry in the light of the further papers, not available to your Inquiry, which Peter Mandelson has recently forwarded to the Prime Minister.

We agreed that you might want to speak to Peter Mandelson who I believe may have views on what steps he would wish to see taken, and that we might then have a word. I have confirmed with John Gieve that the Home Office will pay the costs of any further work resulting from what this latest development, and that they will also be prepared to release Tyson Hepple to support you as necessary.

I am sorry to have to trouble you again.

*Yours ever,  
Ridged*

Sir Anthony Hammond KCB QC  
The White Cottage  
Blackheath  
Nr Guildford  
Surrey GU4 8RB



Richard Wilson  
- 18/12/01  
FAXED  
pm is contact

JONATHAN POWELL

✓ 2 kg  
11/12

Sir Richard asks whether you are  
contact for him to send this?

11 December 2001

ABH 16/12/01  
11/12

#### HINDUJA INQUIRY

Following our telephone conversation today, I am writing to confirm that the Prime Minister would be most grateful if you would consider formally whether you wish to review the conclusions which you reached in the Inquiry in the light of the further papers, not available to your Inquiry, which Peter Mandelson has recently forwarded to the Prime Minister.

We agreed that you might want to speak to Peter Mandelson who I believe may have views on what steps he would wish to see taken, and that we might then have a word. I have confirmed with John Gieve that the Home Office will pay the costs of any further work resulting from what this latest development, and that they will also be prepared to release Tyson Hepple to support you as necessary.

I am sorry to have to trouble you again.

Sir Anthony Hammond KCB QC  
The White Cottage  
Blackheath  
Nr Guildford  
Surrey GU4 8RB





**CABINET OFFICE**

70 Whitehall, London SW1A 2AS  
Telephone 020 7270 0101 Facsimile 020 7270 0208

*From the Secretary of the Cabinet and Head of the Home Civil Service*  
Sir Richard Wilson GCB

*bc: (both letters)*  
*Jonathan Powell*  
*Hele Ghosh*  
*Keith Roberts*

10 December 2001

*Dear Michael,*

**COMPLAINT FROM MR MARTIN BEDFORD**

I have seen your letter of 30 November to John Gieve.

Clearly the state of affairs which you describe is not satisfactory. I know that John Gieve is doing all he can urgently to remedy the gaps in the Home Office files. In the meantime, with the agreement of the Prime Minister, I am writing to say that the Cabinet Office is content for you to inspect the papers which were made available to Sir Anthony Hammond for his Inquiry. I do not know whether they will fill the gaps but he had full access to everything we held at the time. For the sake of completeness we will also show you some further papers from 1998 which Peter Mandelson has recently forwarded to us. Sir Anthony Hammond is also being given access to these further papers in case he wishes to consider possible action on them although my understanding is that they do not affect the main conclusions which he reached in his Inquiry.

I am copying this letter to John Gieve.

*Yours ever,*

*Richard*

Michael Buckley Esq  
Parliamentary Commissioner for Administration



S

From: Jonathan Powell  
Date: 10 December 2001

SIR RICHARD WILSON

HAMMOND INQUIRY

You discussed this issue this afternoon with the Prime Minister.

The Prime Minister said:

- (a) that the Home Office must co-operate fully with the PCA. He does not understand the explanation for all the delay when all the information that the PCA wanted was, as far as he was aware, available to Hammond. John Gieve should handle this personally and urgently;
- (b) we should make available to the PCA the papers held in the Cabinet Office, including the latest papers made available to us by Peter Mandelson in recent weeks, not least in light of the fact that the Home Office have not been able to make available a full set of papers to the PCA;
- (c) Hammond should be invited to consider writing to Peter Mandelson with his opinion on whether the new papers add anything to the picture known so far and making it clear that he would be prepared to review the new papers formally and add a postscript to his report, if Peter Mandelson felt that this was necessary. As you know, we think that these papers do not affect Hammond's conclusions, but of course if Peter Mandelson wanted the Inquiry re-opened we should be prepared to agree to this.

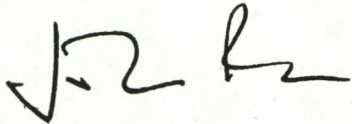




11-1-1



I would be grateful if you could take this forward with the Home Office, the PCA and Sir Wally Hammond.

A handwritten signature in black ink, appearing to read 'J. Powell', written in a cursive style.

**JONATHAN POWELL**



FL

**COMPLAINT FROM MR MARTIN BEDFORD**

I have seen your letter of 30 November to John Gieve.

Clearly the state of affairs which you describe is not satisfactory. I know that John Gieve is doing all he can urgently to remedy the gaps in the Home Office files. In the meantime, with the agreement of the Prime Minister, I am writing to say that the Cabinet Office is content for you to inspect the papers which were made available to Sir Anthony Hammond for his Inquiry. I do not know whether they will fill the gaps but he had full access to everything we held at the time. For the sake of completeness we will also show you some further papers from 1998 which Peter Mandelson has recently forwarded to us. Sir Anthony Hammond is also being given access to these further papers in case he wishes to consider possible action on them although my understanding is that they do not affect the main conclusions which he reached in his Inquiry.

I am copying this letter to John Gieve.

Michael Buckley Esq  
Parliamentary Commissioner for Administration



## **COMPLAINT FROM MR MARTIN BEDFORD**

Thank you for your letter of 5 December.

Clearly the state of affairs disclosed in your letter and Michael Buckley's report is not satisfactory. I have shown the papers to the Prime Minister and discussed them with him earlier today. He said that the Home Office must do everything they can to co-operate fully with the Parliamentary Commissioner for Administration (PCA). He does not understand the explanation for the delay when all the information which the PCA wanted was, as far as he was aware, available to Sir Anthony Hammond. He hopes that you will handle this personally and urgently.

In the meantime he has agreed that we should make available to the PCA the papers held by the Cabinet Office, including some further papers which Peter Mandelson made available to us recently, not least in the light of the fact that you have not been able to make available a full set of papers to the PCA. I should say that we are also making these further papers available to Sir Anthony Hammond so that he may consider possible further action on them, although my understanding is that they do not affect the main conclusions which he reached in his Inquiry.

John Gieve  
Permanent Under Secretary  
Home Office





10 DOWNING STREET

File ✓

PAID  
✓

Hannow

This is all becoming a loss.  
we should discuss with  
Roch on how to

✓





*Secretary of the Cabinet and Head of the Home Civil Service*

**JONATHAN POWELL**

cc Helen Ghosh  
Keith Roberts

**HAMMOND INQUIRY**

Since my minute yesterday covering Sir Anthony Hammond's letter, I have received from the Home Office the PCA's draft report on the Hammond Inquiry papers, a copy of which you have seen.

2. We need to discuss it, but it may be helpful to offer the following thoughts.

3. Whatever happens we are likely to be heading for another burst of interest and criticism over the Hammond Inquiry. I have not yet been able to get hold of John Gieve but the strange absence of key papers from Home Office files is going to make this much more difficult unless they put it right. It occurs to me that one possible way through all this might be to suggest that the PCA meets Sir Anthony Hammond to satisfy himself that no record of a telephone conversation between Messrs O'Brien and Mandelson exists; but of course the new Mandelson papers continue to complicate our dealings with the PCA, as they have done since October, and might make such a meeting more difficult for Hammond.

4. Second, one option would of course be to tough all this out; ride out the PCA's criticisms on the grounds that all this was covered in the Hammond report; and take the view that there was nothing in the new papers which affected Hammond's conclusions. But if the fact that Peter Mandelson had forwarded to the Prime Minister new evidence became public knowledge on top of the PCA's criticism that we were behaving as though we were hiding something, the Prime Minister would be in a hugely difficult position. It could look as though he had something to hide – which he has not – and he would be needlessly damaged by it, with calls for a public inquiry, application for judicial review and whatever.

5. The straightforward course, it seems to me, is to ask Sir Anthony Hammond formally to review the conclusions of his Inquiry in the light of this fresh evidence. He would need to interview Messrs Mandelson and O'Brien and officials, and write up his findings, which would take a month or two. There could of course be a lot of press interest. But:



**CONFIDENTIAL AND PERSONAL**

- i. the Prime Minister would be on the front foot, doing the right thing and acting openly, and would not be subject to the risk that the new papers would suddenly become public knowledge;
  - ii. we could legitimately ask the PCA to hold off finishing his investigation until Hammond has finished;
  - iii. once Hammond had reported, the PCA could be invited to talk to him and go through the papers with him to satisfy himself about the records.
6. It does seem to me that unless the Prime Minister takes the initiative soon, this is going to disintegrate into a needlessly tangled and damaging row.

No. I think two things

shd happen:

**RICHARD WILSON**

06 December 2001

(1) The H.O. must co-operate fully with the PCA. What is the explanation for all the delay when the info. he wants, as far as I am aware, was all available to Hammond. John Greve must handle this personally & expertly. We cannot have a PCA report in these terms.

(2) Hammond shd write back to PM (assuming he takes this view) & say he will re-ger if PM wants but in his opinion, the extra does not affect his view. If PM insists, he will have to re-ger.

Ref. AO2001/3243

**CONFIDENTIAL AND PERSONAL**



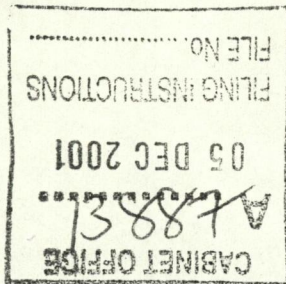
- i. the Prime Minister would be on the front foot, doing the right thing and acting openly, and would not be subject to the risk that the new papers would suddenly become public knowledge;
  - ii. we could legitimately ask the PCA to hold off finishing his investigation until Hammond has finished;
  - iii. once Hammond had reported, the PCA could be invited to talk to him and go through the papers with him to satisfy himself about the records.
6. It does seem to me that unless the Prime Minister takes the initiative soon, this is going to disintegrate into a needlessly tangled and damaging row.

RW.

**RICHARD WILSON**

06 December 2001





## Home Office

John Gieve

PERMANENT SECRETARY

50 Queen Anne's Gate, London SW1H 9AT

Tel 020 7273 4592 Fax 020 7273 2972 E-mail Permanent.Secretary@homeoffice.gsi.gov.uk

Keith Roberts c. Helen Ghosh  
Grateful for advice. Jonathan Powell

5/12

5 December 2001

*Dear Richard,*

### CODE OF PRACTICE ON ACCESS TO GOVERNMENT INFORMATION: COMPLAINT FROM MARTIN BEDFORD

... I should welcome your views on the enclosed draft report by Michael Buckley in which very serious issues are raised.

The status of the Hammond Inquiry and the consequent justification for the claiming of exemption 4(a) under the Code must remain a point of difference with Michael. I see no reason to change the views already expressed by us.

However, the far more serious matter is the perception in paragraphs 17 and 18 that papers have been withheld from the Ombudsman's investigating officers. This concerns me greatly. In my letter to Michael of 21 November, I confirmed that no papers had been retained in Mr O'Brien's former private office. It was also my understanding that the Ombudsman's staff had examined the case papers, which we expected would contain any relevant papers. However, it appears that these papers were incomplete, for whatever reason, but the Ombudsman's office at no time pointed this out to my staff. Had they done so, we should have made every effort to locate the missing papers and would certainly not have wished to leave the impression that we were deliberately not making them available. It may be that they were expecting to find other papers in former private offices but we have said that we hold none. I shall take this up in my reply to him.

Sir Richard Wilson GCB  
Head of the Home Civil Service  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS



INVESTOR IN PEOPLE

BUILDING A SAFE, JUST AND TOLERANT SOCIETY

1887JG



My letter of 21 November also relayed the Cabinet Office view set out in your letter of the same day. I should be very grateful to have your further comments in the light of the draft report.

Michael has asked for a reply by 12 December. Given the seriousness of the situation and the strong interest this report will generate in all quarters, especially after the Robathan case, I should like to have your views by close on Thursday 6 December.

*Regards*

*Philip Allingham*

**JOHN GIEVE**

*(agreed by the PCs  
and signed in his  
absence)*



 HE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES PREM HQ PIECE/ITEM 4230/2 (one piece/item number)	Date and sign
Extract details: LETTER AND ATTACHMENT DATED 30 NOVEMBER 2001	
CLOSED UNDER FOI EXEMPTION 44	29/10/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
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### **Instructions for completion of Dummy Card**

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Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
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Enter extract details if it is an extract rather than a whole piece.  
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Do not enter details of why the extract is sensitive.

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Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.





*Secretary of the Cabinet and Head of the Home Civil Service*

**JONATHAN POWELL**

**HAMMOND INQUIRY**

--- As mentioned briefly yesterday, I attach the reply which I have received from Sir Anthony Hammond.

2. The reply speaks for itself. In essence:

i. he does not think that the new papers produced by Peter Mandelson affect the conclusions which he reached in his inquiry although he would have written his account differently if he had seen them;

ii. he does not believe objectively that he need reopen his Inquiry;

iii. but that in this affair, where perceptions are everything, if these papers came into the public domain it could be difficult for the Government to avoid re-opening it. He thinks it could be difficult to justify in public a decision not to refer the papers formally to him and he would probably feel obliged to say something to that effect if asked to comment;

iv. if the Inquiry were reopened, he would need to re-interview Mr Mandelson, Mr O'Brien and the officials involved which together with writing his report would take a week or two;

v. he thinks Peter Mandelson probably should be told that he has seen the papers privately and considers that they do not affect his conclusions.

3. Before deciding what to do about this, there is one point which increasingly concerns me: namely, whether there are still further papers, not yet revealed, which have not yet come to light. My recollection is that when we heard that Peter Mandelson had taken a mixture of private and public papers away with him from the Cabinet Office every effort was made to get him to return all official papers during the Inquiry. We thought (wrongly) that we had got what papers there were.



4. Before the Prime Minister decides what to do about the issues in Anthony Hammond's letter, I think it would be wise to get an assurance from Peter Mandelson that he has made a very thorough search of all the papers which he took away and that he is absolutely certain that there is nothing else still to come. The Prime Minister does not want to take a decision and then find that there are still further twists to this saga. He needs to have everything before him, out in the open, before he decides.

5. That should be the next step. Beyond that I could explore with Anthony Hammond the Prime Minister's suggestion that he, Hammond, should talk to Peter Mandelson about the view he takes of these new papers. I do not know how Hammond would react, but he might feel that he would not want to do anything which might be thought to prejudice his position if the Inquiry were reopened or expose him to legal challenge.

6. At the end of the day I think we will come back to the basic point which Anthony Hammond's letter brings out about the papers coming into the public domain and likely public perceptions. In my view, I am afraid, the only safe course is to ask him formally to review his conclusions and be prepared to make the outcome public. Let us discuss.

RW.

**RICHARD WILSON**

05 December 2001



SIR ANTHONY HAMMOND KCB QC

The White Cottage

Blackheath

Nr Guildford

Surrey

GU4 8RB



To Sir Richard Wilson G.C.B.

Tel: 01483 892607 or 890667

Fax: 01483 890667

CONFIDENTIAL AND PERSONAL

1st December 2001

Dear Richard,

#### HINDUJA INQUIRY

With your letter to me of 26th November, you enclosed copies of papers which have, apparently, recently come to light amongst Mr Mandelson's papers and which relate to the contacts between his Private Office and/or him and Mr O'Brien's Private Office and/or him in June or July 1998 and asked me to consider whether they are of sufficient importance to justify formally re-opening my Inquiry.

My conclusion is that they are not, providing that they do not come into the public domain, in which event I think that it could be difficult for the Government (and for me) to avoid re-opening it. I explain the reasons for my conclusion below.

You will recall that the issue (not significant in itself) which eventually led to Mr Mandelson's resignation, was whether he had personally spoken to Mr O'Brien in June or July 1998 about S P Hinduja's nationalisation application or whether all the contact on this subject took place between the officials in the two Private Offices. I concluded, in the absence of corroborative or documentary evidence, that Mr O'Brien's recollection that there had been a direct conversation between him and Mr Mandelson was probably correct, although I also concluded that Mr Mandelson had not, in his subsequent accounts, deliberately lied about these contacts.

I do not think that these documents undermine the first conclusion, although they do not, either, support it (they have no implications for Mr Mandelson's subsequent conduct). They confirm that there were contacts between the Private Office officials, but they are not inconsistent with a direct conversation between the two Ministers either before (or, perhaps more likely, after) they were written.

They do not affect my conclusion that there was no impropriety in Mr Mandelson's or Mr O'Brien's conduct - indeed Mr Mandelson might argue that they show that he was keen to avoid any impropriety. (If the papers did find their way into the public domain, the Press could no doubt have fun with Mark Langdale's comment "avoid anything in writing for the time being"!).



Lastly they do not affect my conclusion that S P Hinduja's absences abroad were not so great that he should not have been granted naturalisation - Document B is consistent with the absences mentioned in the Home Office submission recommending the grant of ~~naturalisation~~. (Indeed I think this document was amongst the Home Office papers which I saw.) ~~naturalisation~~

Provided that we can be confident that these papers remain confidential, I am happy to agree that there is no need to re-open the Inquiry. But if they were to come into the public domain, we would have to admit that they were not seen by me, although they are highly relevant to the account which I gave of these crucial events. I would certainly have written my account differently if I had seen them. In those circumstances, I think that it could be difficult to justify in public a decision not to refer them formally to me and I would probably feel obliged to say something to that effect if I were asked (as I would be) to comment. The press could be highly suspicious of the Mark Langdale comment and would allege that this shows that there was something underhand about the role of Mr Mandelson in the Hinduja affair (although I do not share that view).

If the Inquiry were re-opened, to do a proper job I would, I think, need to re-interview Mr Mandelson and Mr O'Brien and the officials involved. It would obviously take a week or two to do that and write my report. It goes without saying that this operation would arouse considerable press interest.

In conclusion, I do not believe that, objectively, I need to re-open the Inquiry, but perceptions are everything with this affair. The crucial issue is whether Mr Mandelson can be trusted to let things lie and not leak the papers if he is told, as, perhaps, he should be, that I have looked at the papers privately and consider that they do not affect any of my conclusions. But Mr Mandelson's likely reaction is not a matter on which I can confidently reach a judgement, particularly in view of his somewhat assertive attitude during the Inquiry and of his relations with the Press, at that time.

Yours,

Wally Hamer



FL

From: Jonathan Powell  
Date: 30 November 2001

PRIME MINISTER

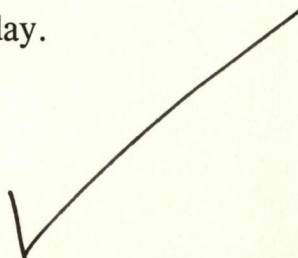
HAMMOND

Richard has spoken to Hammond and shown him the papers. He confirms that these papers would not alter his conclusions although it would have changed his text a bit. He does not think the papers vindicate Peter in the way he appears to think.

He is worried about what he should do now he has seen the documents. He does not want to be accused of suppressing the documents. He is prepared to re-open the enquiry and re-interview people privately and then in all probability confirm his earlier conclusions. If this ever became public Peter would be pressed to explain why he did not make these papers available to the enquiry originally and on what other papers he still has. And of course it would bring the whole episode back into the headlines.

You should discuss this with Richard on Monday.

This is the only copy of this note.



✓ R R

JONATHAN POWELL



CONFIDENTIAL - PERSONAL

J.

From: Jonathan Powell  
Date: 21 November 2001

SIR RICHARD WILSON

HAMMOND INQUIRY

I have shown your note of 8 November to the Prime Minister.

He is content for you to write to Wally Hammond in the terms you propose. We have responded separately about your reply to the Parliamentary Ombudsman.

✓ J. P.

JONATHAN POWELL

CONFIDENTIAL - PERSONAL



**FAVOR**  
Ashley 16/11

fine

JL for

21/11

21 November 2001

**PARLIAMENTARY OMBUDSMAN: COMPLAINT BY MR MARTIN BEDFORD**

I have seen Michael Buckley's letter to you of 7 November, covering his draft letter to Martin Bedford proposing discontinuation of his investigation into Mr Bedford's complaint. This ground was gone over extensively by the Hammond Inquiry, and Sir Anthony had full access to the papers which were held by the Government from that period. His report made clear that he found no evidence in Cabinet Office papers of the alleged conversation taking place, let alone a record of what was said. The feeling here is that nothing would be served by going over it all again, and that it would be wrong to commission a further review whose sole purpose would be to confirm the findings of a formal inquiry which was established specifically to look into these matters.

JONATHAN POWELL

Sir Richard would be grateful  
if you could confirm you've contacted  
for him to send this letter.

ASL 16/11

John Gieve Esq CB  
Home Office

21/11



TH	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES PREM 49 PIECE/ITEM 4230/2 (one piece/item number)	Date and sign
Extract details: LETTER AND ATTACHMENT DATED 7 NOVEMBER 2001	
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or Number not used.



Par

Does this mean  
you have spoken to him?

✓

Will

him w/e.



10 DOWNING STREET

✓

Par (w/e local)

Letter dispatched. You will  
want to speak to him now  
the w/e.

✓

21/4





10 DOWNING STREET

**FAXED** - To Seagfield  
Pay (wife's) bond

Letter dispatched. You will  
want to speak to Peter or  
the wife.

✓

21/4



CONFIDENTIAL - PERSONAL

From: Jonathan Powell  
Date: 15 November 2001

PRIME MINISTER

HAMMOND: PETER MANDELSON

Peter has been agitating for a reply on these papers.

I have shown them to Clare and Richard Wilson for their views (attached). I agree with them that these papers are not as helpful to Peter's case as he thinks. At best they simply confirm the conclusions that Hammond came to. At worst they suggest that Peter's involvement was more than originally assumed by Hammond. In any case they do not prove or disprove the key question of whether or not Peter spoke to Mike O'Brien or his office about the Hinduja's.

Releasing them would simply have the effect of re-opening the whole issue and harming Peter who is at the moment undergoing a gentle rehabilitation. And Peter would need to explain why these papers have only now come to light, and what other papers he might still hold but not have shown to Hammond.

I therefore think, as Richard says, the best thing to do is to send the papers to Hammond and ask whether they change his conclusions. I doubt they will. But you will of course need to handle Peter carefully.

I agree also with Richard that we should reject the Obudsman's attempt to re-open the case by looking at the papers, although there will no doubt be some criticism in the press about this.

*✓ JRP*

JONATHAN POWELL

*I agree.*

*✓  
of me  
P.W.  
shd do.*





*Secretary of the Cabinet and Head of the Home Civil Service*

**JONATHAN POWELL**

**HAMMOND INQUIRY**

You asked for my views on the new papers which Peter Mandelson has unearthed, and his draft letter to the Prime Minister.

2. I do not think they are as helpful to his case as he suggests. I have not done a forensic analysis, but it seems to me that:

i. they clearly indicate that there had previously been communication between Peter Mandelson or his office and Mike O'Brien or his office, without showing who this communication had been between, how often or what passed. So they do not answer the basic questions;

ii. the tone of some of the notes is not helpful. Consider Mark Langdale's rather cynical comment (his underlining):

'Perfectly legitimate for you to raise issue with Mike O'Brien. Agree that you cannot be seen to push this personally much further ...avoid anything in writing for time being.'

This seems to me as a layman to be open to the interpretation that there may have been direct communication between Peter Mandelson and Mike O'Brien; that Peter Mandelson wanted to push the application but had been aware that he should not be seen to be doing so; and that he and his private secretary were conscious that some things are best not put in writing.

iii. the fact that these papers have come to light at this late date is in itself a matter for serious criticism (not helped by the way that most of them seem to lack dates and signatures). I think Peter Mandelson may be underestimating the damage which this late production of papers could do.

3. That said, the question is what should the Prime Minister do now that the papers have come to his attention. He cannot ignore them. It seems to me that the best course would be for me to send them to Sir Anthony Hammond and ask him whether there is anything in them which would have



materially affected the conclusions which he expressed in his report or would lead him to wish to reopen his inquiry or to interview again any of the key protagonists. I attach a letter for the purpose and would be grateful to know whether the Prime Minister is content for me to write in these terms

4. The Prime Minister may also want to impress on Peter Mandelson the importance of checking that there is nothing else in the papers which should have been produced to the inquiry. It would be indefensible if yet further papers were to emerge at a later date.

5. Finally, I still need to reply to the Parliamentary Ombudsman about his request to see what papers the Cabinet Office holds relating to the Hinduja Brothers' application for naturalisation (my minute of 2 October). Following my conversation with the Prime Minister, I propose to send the letter also attached, denying the Ombudsman access to our files, and would be grateful for this to be cleared too.

RW.

**RICHARD WILSON**

08 November 2001



DRAFT LETTER FROM SIR RICHARD WILSON TO SIR ANTHONY HAMMOND

REVIEW OF THE CIRCUMSTANCES SURROUNDING AN APPLICATION FOR NATURALISATION BY MR SP HINDUJA IN 1998

The Prime Minister has asked me to send you the enclosed papers which have very recently come to light and which appear to bear on your inquiry into the application for naturalisation by Mr SP Hinduja. The papers, which were not held on Cabinet Office files and which consequently you have not seen before, have only recently been located by Peter Mandelson amongst some unrelated personal papers.

I would be very grateful if you would look at the papers against your account of events with a view to determining whether they would have materially affected the conclusions you expressed in your report. In particular, I would be grateful to know whether you consider that these papers are of sufficient importance to justify formally re-opening your inquiry, and re-interviewing the key protagonists.



DRAFT LETTER FROM SIR RICHARD WILSON TO MICHAEL BUCKLEY

CODE OF PRACTICE ON ACCESS TO GOVERNMENT INFORMATION

Thank you for your letter of 26 September.

You have now received the Home Office's reply of 19 October in relation to Andrew Robathan's complaint.

As to Mr Martin Bedford's request for information relating to the time of any alleged telephone conversation about Mr Hinduja's naturalisation application, this is of course well tilled ground. Sir Anthony Hammond had full access to the papers which were held by the Government from that period as part of his inquiry into the events surrounding the Hinduja naturalisation applications. His report made it clear that he found no evidence in Cabinet Office papers of the alleged conversation taking place, let alone a record of what was said. The Government takes the view that a further review of the Cabinet Office papers which have already been considered by an inquiry set up for the purpose would set an undesirable precedent and is not justified.



STRICTLY CONFIDENTIAL  
DRAFT OF LETTER TO TB

When I came to see you on September 23, I told you that I had discovered fresh paperwork relating to my departure from the government that had remained in a crate of files from my time in the Cabinet Office.

This paperwork was in a file containing an assorted collection of notes, thank you letters and the like that had been gathered up in my private office when I was reshuffled to the DTI.

The paperwork consists of a series of notes exchanged between me and my private secretaries in the Cabinet Office in connection with the inquiry made by us of the Home Office about a possible change of government nationality policy that Mr SP Hinduja had raised with me.

The notes appear to follow in pretty close succession.

They provide significant contemporary and corroborative evidence of the explanation of events I offered at the time of my resignation and subsequently to the Inquiry undertaken by Sir Anthony Hammond QC.

In particular, the notes confirm that

- I dealt with the matters through my officials, as I originally indicated to the Observer newspaper
- The relevant exchanges took place between officials in my office and the Home Office
- I was fully aware of the propriety issues of assisting Mr Hinduja in his desire for British nationality at the same time as discussing sponsorship of the Dome
- I sought and followed the advice of my principal private secretary in how I should act

Naturally, I very much regret that this paperwork was not produced in evidence at the time. I was misled into thinking that the only paperwork was contained in a file marked 'Hinduja'. Assuming that there were no other relevant papers, I returned these to the Cabinet Office to give to Sir Anthony and looked no further.

I have shown you the newly discovered paperwork and I am enclosing copies with this letter.

In summary, the notes are:



**PERSONAL & CONFIDENTIAL**

Jonathan

I think these papers just add to the "muddle" and do not prove one way or the other whether the call took place or not. But they do not really clear Peter Mandelson in the way he suggests.

There was a problem getting access to Peter Mandelson's old files as they had been given to his constituency office as part of the move between CO and DTI. In the end it was up to Mark Langdale in Peter's old office to try to get access and share them with the inquiry. We cannot as SRW says be certain that there aren't other unseen papers.

I think the papers imply:

A matter described by Peter as "inconsequential" to Hammond was obviously something he was quite closely involved with. He talked to SP about getting the absence dates for example. He did express a view to his private office on the case although he said he did not want to intervene. He also sought and received advice from his private secretary on how to proceed. This is how the media would perceive it. And SRW's cynical interpretation would be the general one as opposed to Peter's.

That said, in my view they do not specifically contradict any of Hammond's findings:

No one thought Peter tried to influence the decision – "All those involved are at one in saying that at no time did he seek to influence the Home Office in favour of Mr S P Hinduja's case or make representations on his behalf". These papers support that.

That there was a muddle of papers and recollections. These papers support that as Mark Langdale, Rupert Huxter and Emma Scott did not recall these notes or advice, nor were they presented to the inquiry.

And that on whether there was a call or not "Mr Mandelson did not deliberately mislead anyone." Again the papers do not dispute the fact that Peter did not recollect a call but they also do not prove the case one way or the other. The main reason why Hammond found there was a call was because of the strength of Mike O'Brien's recollections. If anything you could read the papers as implying Peter had made some contact.

**PERSONAL & CONFIDENTIAL**



Next steps

I do not think these papers would change Hammond's findings. If anything they strengthen them but not necessarily in the way that Peter would like.

They also lead to further questions:

- Why weren't all Peter's papers searched
- Did the inquiry really see everything they needed – this could lead to calls for re-opening the whole thing
- Peter seemed to be more involved in this than he first implied

SRW view is that we can't just ignore them. SRW proposes to send them to Hammond to look at. The discomfort here could be if Hammond said we should publish them, for example.

The alternative is for the PM to tell Peter that in his view they do not substantially change anything. But this approach could then look as if we had hidden something or not sought Hammond's views. I think Hammond has been straight through out and that there is merit in consulting him but in relation to whether they would have affected his findings substantially. There is the possibility that the papers might be presented by Peter at a later date as the evidence that he presented which we then refused to consider properly.

Parliamentary Ombudsman

On this separate but related matter I think SRW is right to refuse access.

Clare  
12/11/01



#### Document A

A communication to me from my assistant private secretary, Emma Scott, which says that Mike O'Brien's office called asking for information about how much time Mr Hinduja spent out of the country. This followed the initial telephone call to the private secretary in Mike O'Brien's office which is described accurately in Sir Anthony's report. I have replied on the note that I will ask Mr Hinduja for the information "if you remind me", suggesting, incidentally, that the matter did not have a high priority for me.

#### Document B

A typewritten paper provided by Mr Hinduja setting out days of absence from the UK from 1992 to June 1998.

#### Document C

A communication from Emma Scott to me saying what action she had learned Mike O'Brien's office had taken with this information and explaining Mike O'Brien's revised approach to cases of this kind.

Significantly, I have written a note on this document to my principal private secretary, Mark Langdale, saying that while Mr Hinduja's desire for nationality might be justified I was concerned not to intervene to influence the matter.

Mark Langdale has replied on 15 July on Document B (indicating that these notes were kept together by staple throughout) that it was legitimate for me to raise the matter with Mike O'Brien but that I should not push it personally any further. I have ticked this advice, indicating my agreement and acceptance of it.

I was reshuffled about two weeks later and had no further exchange or dealing with the matter.

These notes, taken together, reveal what happened between my office and Mike O'Brien's in a way that was not remembered or reported to Sir Anthony Hammond at the time of his Inquiry. They demonstrate that the contacts were conducted by officials, as I said at the time; there is no reference to any personal contact between ministers as I submitted to the Hammond Inquiry; and they confirm that I acted with complete propriety throughout.

However, the immediate circumstances leading up to my resignation were based on a misunderstanding between Alastair Campbell and myself about whether my private office alone dealt with the matter or did so with my involvement.

As there was no distinction in my mind between a minister and his private office, it did not occur to me to clarify this with Alastair and the issue was not addressed in the telephone conversation I had with him on Sunday afternoon after the initial Observer



story appeared. The original parliamentary answer issued by the Home Office the previous week had in any case already made it clear that I had instigated an enquiry. However, the subsequent briefing and re-briefing of lobby journalists flowed from this misunderstanding about my involvement. It was a small and unimportant aspect of the matter. But in the circumstances it led wrongly and without justification to the impression that I had wittingly misled people. My resignation followed.

I realize that history cannot be reversed and I have thought carefully before re-opening the issue of my resignation by placing these papers before you. I am particularly conscious of not wishing to create any distraction from the more important events taking place currently. However, I am sure you understand the desire for me fully to clear my name beyond any doubt. I could not ignore the further evidence that has come to light.

I hope you will now consider the best and most appropriate action to take in the light of this development.



Document A

Remundo,

~~Mike~~

Emma

Mike O'Brien's office called

- it would be helpful for them

to know roughly how much time  
(GP) spends out of the UK, as

this is what his application  
was turned down on last time.

There is a rough rule, which  
can be waived, that not more  
than 450 days in the last 5  
years should be spent out of  
the country.

Emma

SP, dot GP fl. Send this  
to Matthew

I'll phone him if you remind  
me.



Maia,  
could you set up a  
call to SP Hindaia  
some time.

273 3200 Matthew.



## Document B

MR S.P. HINDUJA

### DATES OF ABSENCE FROM UK FROM 1992 TO JUNE 1998

Year	Days of absence
1992 (From March)	127
1993	190
1994	200
1995	163
1996	155
1997	111
1998 until June	110
Total	<u><u>1056</u></u>

instrument becomes public)

MWR

Properly legitimate for  
you to raise issue  
with Mike O'Brien.

Agree that you cannot  
be seen to push this  
personally much further.  
No matter how justified  
SP's nationality claim is,  
media + others will (if your  
account of improper  
influence (motivated by  
Dome connection).

Advise that we await  
outcome M.O.B.'s own  
investigations - and avoid  
anything in writing for time  
being.

M.A.



## Document C

MWP

Matthew has written to the head of their Nationality Directorate asking why SP's application was unsuccessful & what are the chances of future success.

He's said that Mike O'Brien is interested in the case & has emphasized that he's keen to speed up the process & be more flexible on issues such as absences from the UK.

He'll let us know the answer soon.

Mark →

I believe it would be unjustified to refuse SP his nationality but I am concerned on propriety grounds that I am not intervening to influence the decision which encourages some sponsorship.



MWP

## Document C

Matthew has written to the head of their Nationality Directorate asking why SP's application was unsuccessful & what are the chances of future success.

He's said that Mike O'Brien is interested in the case & has emphasised that he's keen to speed up the process & be more flexible on issues such as absences from the UK.

He'll let us know the answer soon.

92 TO JUNE 1998

cc

Mark

I believe it would be unjustified to refuse SP his nationality but I am concerned on propriety grounds that I am not intervening to influence the decision which encourages some sponsorship.

(instrument becomes public)

MWP

Properly legitimate for you to raise issue with Mike O'Brien.

Agree that you cannot be seen to push this personally much further.

No matter how justified SP's nationality claim is, media & others will (if you accuse you of improper influence (motivated by Dome connection).

Advise that we await outcome M.O.B.'s own investigations - and avoid anything in writing for time being.

Mark 15/7



TI	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES PREM 49 PIECE/ITEM 4230/2 (one piece/item number)	Date and sign
Extract details: LETTER ADD ATTACHMENT (ATE) 7 NOVEMBER 2001	
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or Number not used.



rec 3/10



Secretary of the Cabinet and Head of the Home Civil Service

JONATHAN POWELL

HAMMOND REVIEW

*CS* *JP*  
*There is potential for this could stir things up but equally so could refusal. PCA access is probably OK. However we should not do anything with regard to NB as we are covered on the basis of correspondence held*  
**The Parliamentary Ombudsman has requested access to papers relating to the Hinduja brothers' naturalisation applications. I recommend he should be allowed to see them. You should note that there is one letter which has come to light which has not been referred to publicly before.** *Clar*

2. The Parliamentary Ombudsman (PCA) has requested access to papers from Peter Mandelson's office in June and July 1998 in order to "corroborate the facts as stated in Sir Anthony Hammond's report" regarding the alleged conversation between Peter Mandelson and Mike O'Brien about the Hinduja brothers' naturalisation applications. This is as part of an investigation into a complaint lodged earlier this year by a journalist who had asked for details of this conversation.

--- 3. The Prime Minister should be aware that there is one letter, attached, which Hammond saw but did not mention in his report, presumably because he considered it irrelevant to the review. The letter was also not mentioned in a parliamentary answer which the Prime Minister gave Norman Baker in January 2001. Another letter, dated 6 October 1998, was also not included in this answer but its existence was noted in Sir Anthony's report.

4. I intend to allow the PCA's office access to the June letter, on the grounds that denial would prolong his investigation and seem likely to create further difficulties. It is possible that, in his final report, the PCA will list all the correspondence, prompting Norman Baker to query the Prime Minister's answer of 31 January. Looking at the question, it seems to me reasonable to argue that the answer gave only the first dates for the various strands of correspondence. The alternative approach would be to write to Norman Baker now. However, I think that the first step should be to allow the PCA access. Are you content with this proposed approach? *X*

RICHARD WILSON

02 October 2001



01719307102

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## HINDUJA FOUNDATION (U.K.)

---

New Zealand House  
80 Haymarket, London SW1Y 4TE

Tel: 0171 839 4661 Tlx: 23367 SANGAM G Fax: 0171 839 4337

17th June 1998

Mr Peter Mandelson MP  
Minister Without Portfolio  
70 Whitehall  
London SW1

*Dear Peter,*

As a follow-up to our most useful discussion this morning, I wanted to keep you posted on how our Foundation can be associated with the Dome. I enclose a copy of the letter that I have sent today to Michael Heseltine setting out our thinking.

I look forward to keeping in close touch with you and Jennie Page as our plans develop.

*With regards from G.P. and myself.*

Yours sincerely,

*S.P. Hinduja*

Srichand P Hinduja  
Chairman



01719307102

## HINDUJA FOUNDATION (U.K.)

New Zealand House  
80 Haymarket, London SW1Y 4TE

Tel: 0171 839 4661 Tlx: 23367 SANGAM G Fax: 0171 839 4337

17th June 1998

The Rt. Hon. Michael Heseltine, MP CH  
The House of Commons  
Westminster  
London SW1

Dear Mr. Heseltine,

GP and I wish to thank you most warmly for coming to see us yesterday morning and for the opportunity we had to discuss in depth a number of important issues.

My purpose in writing now is to brief you further on our Foundation's plans to be associated with the Millennium Dome. GP and I saw Peter Mandelson this morning ; he said he had seen you yesterday and would be seeing you again later today. He explained the difficulties the NMEC was facing raising money for the Dome's Spirit Zone, working against a tight deadline. Naturally, business sponsors are more interested in the other sectors. I gave him a short Memo (copy enclosed) with our ideas for high-lighting in the Spirit Zone the multi-cultural facets of the world's major faiths.

He/



Continuation Sheet

2/

He said he liked these ideas very much. I in turn said that our Foundation would be pleased to help in two ways:

- One, to underwrite the sum of £3 million to enable work on the spirit zone to proceed at once, in consultation with the Lambeth Group, along the lines we discussed;
- Two, to work with others, in the Asian community and the wider business community in Britain, to raise the £3 million needed for the spirit zone.

I am copying this letter to Peter Mandelson and will be following up these discussions with him and Jennie Page. I look forward to keeping in close touch with you as our Foundation's association with the Dome develops.

*With regards from G.P. and myself.*

Yours sincerely,

*S.P. Hinduja*

**Srichand P. Hinduja**  
Chairman



01719307102

Memo

We had a meeting with Jennifer Page recently at the offices of the New Millennium Experience Co. and she offered to send a proposal explaining how the Hinduja Foundation can contribute to the religious and ethnic diversity in the Dome and bring people of various minority communities in Britain together to support this project through the Spirit Zone.


There was an recent article in the Sunday Times referring to the role of Christianity in this Zone. It mentions that Prince Charles wrote a letter to the Lambeth Group explaining how "heartened and moved" he was to receive a letter from a member of the Sikh community "affirming the essential unity of religions and the commonality of core values."

This multicultural view is one we share. It provides ground for dialogue and improves relations between people of different cultures, reducing the social and economic barriers which divide us. When people visit the Spirit Zone, we would favour a celebration of diversity which at the same time reflects our common religious practices.

The aim of this multicultural vision is to increase tolerance, understanding and mutual respect among people. The task in designing this Zone is to identify the commonalities of all peoples, especially in their spiritual traditions, and to identify with the differences among peoples, showing where possible how differences can be assets and complementary forces for good in bringing humankind together.

It is essential for the government to get the right balance between diversity of culture and commonality of spirit in the Spirit Zone. This Zone will in many ways be the centrepiece to the Dome, and the Hinduja Foundation would like to assist in ensuring that it reflects the multi-cultural nature of Britain in the new millennium.



	
<b>NATIONAL</b>	
<b>ARCHIVES</b>	

DEPARTMENT/SERIES PREM 49 PIECE/ITEM 4230 (one piece/item number)	Date and sign
Extract details: LETTER DATED 12 SEPTEMBER 2001	
CLOSED UNDER FOI EXEMPTION .....	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	29/10/24
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
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### **Instructions for completion of Dummy Card**



Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.





F



# Home Office

John Gieve

PERMANENT SECRETARY

50 Queen Anne's Gate, London SW1H 9AT

Tel 020 7273 4592 Fax 020 7273 2972 E-mail Permanent.Secretary@homeoffice.gsi.gov.uk

5 September 2001

*Dear Ashley*

## PCA CASE: MR MARTIN BEDFORD

The Parliamentary Commissioner for Administration is investigating a complaint from Martin Bedford that the Home Office refused to supply him with information about a conversation between Mike O'Brien and Peter Mandelson that should have been made available to him under the Code of Practice on Access to Government Information about the nationality application of SP Hinduja.

The Commissioner asked for access to the immigration papers relating to the nationality applications of SP and GP Hinduja and I understand that his staff have now examined them. He has now asked to examine papers from Mr O'Brien's and Mr Mandelson's private offices from the period in question.

During the period in question, Mr Mandelson was a Minister at the Cabinet Office and I would be grateful for your advice on how to respond with regard to access to his papers. I enclose for your information <sup>(incomplete)</sup> our proposed reply to the Commissioner.

*Nicola*  
*Nicola*

Nicola Boyes  
Assistant Private Secretary

Ashley Ibbett  
APS to Sir Richard Wilson  
70 Whitehall  
London  
SW1A 2AS

*Sue Gray*

*cc Tessa Stirling*

*Mark Longdale*

*Sally Plippard o/r*  
*Clare Sumner*

*Grateful for quick co-ordinated*  
*advice*

*12/9*



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**MR MARTIN BEDFORD, 24 AINSLEY STREET, BETHNAL GREEN,  
LONDON, E2 0D2**

Thank you for your letter of 3 August.

I am afraid that no papers have been retained in Mr O'Brien's former private office for the period in question. Copies of any relevant papers are held with the immigration papers for Mr GP Hinduja and Mr SP Hinduja, which I understand you have already examined.





Srichand P. Hinduja

Rec 14/6

M7  
a / JRO  
CS

12 June, 2001

The Rt Hon Tony Blair, MP  
Prime Minister  
10 Downing Street  
LONDON SW1

Dear Prime Minister,

We cannot let the occasion of your great election victory go by without sending you our warmest congratulations, in which our whole family joins.

We observed with delight the strong support you had from your family, notably Cherie, during the campaign and like many other people in this country who believe in family values we were warmed by it.

It is the traditional wisdom of our ancient culture that rulers or heads of Government are advised to be, first and foremost, concerned about the welfare of the people and not about their own personal interests. You are a prime example of the truthfulness of this wisdom.

G P and the rest of our family join me in sending you and Cherie our best wishes for your continued good health and success in your second term, particularly in building a tolerant, multi-cultural society in Britain; the Asian community will continue to support you in this worthy cause.

With warmest personal regards.

Yours sincerely,

*S P Hinduja*

Srichand P Hinduja





Srichand P. Hinduja

Rec 14/6

M7

cc J/P  
VCS

✓JP

12 June, 2001

The Rt Hon Tony Blair, MP  
Prime Minister  
10 Downing Street  
LONDON SW1

I'm arranging a set of standard  
replies for TB to sign off i.d.c.  
Do we want to reply to this?

Michael

Dear Prime Minister,

We cannot let the occasion of your great election victory go by without sending you our warmest congratulations, in which our whole family joins.

We observed with delight the strong support you had from your family, notably Cherie, during the campaign and like many other people in this country who believe in family values we were warmed by it.

It is the traditional wisdom of our ancient culture that rulers or heads of Government are advised to be, first and foremost, concerned about the welfare of the people and not about their own personal interests. You are a prime example of the truthfulness of this wisdom.

G P and the rest of our family join me in sending you and Cherie our best wishes for your continued good health and success in your second term, particularly in building a tolerant, multi-cultural society in Britain; the Asian community will continue to support you in this worthy cause.

With warmest personal regards.

Yours sincerely,

*S P Hinduja*

Srichand P Hinduja



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Hinders P+Z



1) Annual Review
2) Pals Binding Book
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No.181088 Red  
No.181126 Blue  
No.181164 Green  
No.181203 Yellow  
No.181242 Pink  
No.181089 Buff  
No.181127 Orange  
No.181165 Assorted



# for a snap election, but one man maintains his silence



**SUSPICION** over Government links with the billionaire Hinduja brothers has already cost New Labour a senior Minister. But the unanswered allegations against a second, Keith Vaz, continue to cast a cloud over Westminster. Here, EDWARD HEATHCOAT AMORY lists the charges against Mr Vaz, reviews his less than forthright answers, and offers a few interim verdicts.

**Allegation:** That Vaz helped the Hinduja brothers with their passport application, despite not being their constituency MP; signed letters to Peter Mandelson and the Prime Minister that the Hinduja brothers had dictated; used his position as an MP to help them because of his close financial and personal relationship with them; and that, so grateful were they for his help, they threw a party for him.

**Rebuttal:** The Home Office has confirmed it was contacted by Vaz on behalf of the Hinduja brothers. Vaz admits to sending letters on their behalf, but refuses to say what was in them. He has promised to make all his correspondence available to the Hammond inquiry. Vaz admits to seeing a lot of the Hinduja brothers, but denies any financial relationship with them.

**Judgment:** Vaz's refusal to make public the contents of the letters suggests he may have something to conceal. His close and apparently sycophantic relationship to the family and willingness to intervene to back their passport application, casts doubt on his judgment.

**Allegation:** That Vaz met the Hinduja brothers to discuss their involvement in an Indian criminal inquiry into the Bofors arms dealing and bribes scandal and handed them confidential information available to the Foreign Office on the progress of the case.

**Rebuttal:** Vaz first denied this. When Srichand Hinduja confirmed the meeting, he admitted it took place but denied passing on confidential information.

**Judgment:** There is no evidence he passed confidential information, but it would have looked better had he admitted to the meeting.

**Allegation:** That Vaz needs to explain why Mapesbury Communications, a PR firm run by his mother and wife, made a profit of £48,000 in 1998 – the year before the Hinduja brothers received their passport – after making no money at all in 1997. That Mapesbury received £1,196.10 in 1995 from the Hinduja brothers for organising an event in the House of Commons, where Vaz had booked a committee room.

**Rebuttal:** Vaz denies having any connection with Mapesbury, which he says is run solely by his wife, and should therefore not have to answer questions about it.

**Judgment:** Since Number 10 is making much of the 'fact' that Vaz has rebutted the charges against him, it is surprising that, to clear the air, he hasn't made public such details.

**Allegation:** That he accepted payments from solicitor Sarosh Zaiwalla in exchange for promises to obtain an honour for him. That clothing manufacturer Bakshish Singh Attwal, asked for money for the Labour Party, made out a £1,000 cheque to Vaz personally. That accountant Jaffer Kapasi says he paid Vaz £500 to lobby for a planning application for a mosque in Leicester. That Vaz accepted payments from other Asian businessmen in exchange for lobbying or promises.

**Rebuttal:** All of these allegations have been investigated by the Parliamentary Standards Commissioner Elizabeth Filkin, and Vaz claims that he will be exonerated when her report is published.

**Judgment:** Sources close to the inquiry have insisted that Vaz has not been completely exonerated by Filkin. The fact that many of these allegations were made by Asian businessmen would appear to undermine Vaz's contention that his troubles are partly the result of a racist plot.



Keith Vaz: Passports, meetings at the Foreign Office and claims of payments

## Mr Vaz and the questions that won't go away

**Allegation:** That Vaz used his position as Foreign Office minister to bully an insurance company into paying up on a £175,000 insurance claim by his friend, Labour donor and restaurateur Amin Ali.

**Rebuttal:** Vaz admits that he did arrange and attend a meeting at the Foreign Office between Mr Ali and Norwich Union, at which the firm changed its mind about paying up. But Norwich says Vaz's presence made no difference.

**Judgment:** The Foreign Office admits it was 'exceptional' for a meeting of this kind to take place in a ministerial office.

**Allegation:** Vaz recently pulled out of negotiations to buy a £900,000 Pimlico townhouse. He already has a £400,000 Home Counties suburban house, and two other houses in his constituency. Critics wonder how he can afford all this on his £80,000 ministerial salary.

**Rebuttal:** Vaz refuses to discuss this in any detail, but a spokesman insists that he 'withdrew on the grounds of the survey and cost'.

**Judgment:** There may well be an innocent explanation.

**Allegation:** That three donations of £5,000 each, intended for the use of Vaz's constituency, did not go through normal constituency financial channels, and that the constituency treasurer was unaware of their existence. One of the contributions came from Charles Riachy, Lebanese businessman and fixer for the arms dealer Adnan Khashoggi.

**Rebuttal:** Vaz's agent says the money went into a special election account and insists the money was properly accounted for.

**Judgment:** Vaz refuses to provide details, a surprising omission given his publicly expressed determination to clear himself. His involvement with Mr Riachy reinforces the impression that he does not choose friends well.

**Allegation:** That Vaz tried to prevent Sunrise Radio, Britain's leading Asian radio station, from reporting on allegations of intimidation made against him in his Leicester constituency. That he made veiled threats that he would use his influence to make life difficult for Sunrise. Avatar Lit, Sunrise's chief executive, wrote to the Radio Authority making this allegation in 1995.

**Rebuttal:** Vaz denies the claims.

**Judgment:** There is no evidence either way.

**Allegation:** That Vaz tried to bully a Leicester housing chief who had evicted a gay sex offender for non-payment of rent. A confidential report by the district auditor found that the eviction had then been reversed by the housing chief.

**Rebuttal:** Vaz believes that he has been cleared by the district auditor's report.

**Judgment:** In fact, the district auditor made clear that it was not part of his job to comment on the behaviour of the local MP.

**Allegation:** That a witness, Mustafa Kamal, who had written confidentially to the Parliamentary Standards Commissioner about Vaz, was threatened with legal action and expulsion from Labour by the local party chairman.

**Rebuttal:** This allegation has also been investigated by the Standards Commissioner and Vaz believes she will exonerate him.

**Judgment:** We will have to wait for her report.

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# Delay Vaz report until after election

GUARDIAN - 6th Feb 2001

## Accusations against the minister

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### The main allegations against the Europe minister, Keith Vaz, and his response:

#### Donations to his local party

**Allegation:** Mr Vaz received £15,000 in three separate tranches from businessmen for his 1997 election campaign. The payments were declared in the register of MPs' interests, but the money was not passed on to his local constituency party.

**Defence:** The current local party treasurer, Piara Singh Clair, who made the allegation in the Sunday Telegraph, did not have access to the local election fund books, administered by party agent Keith Bennett. Mr Bennett has insisted all the money has been properly accounted.

**Analysis:** The election expenses officially returned by the Leicester East local party show that Mr Vaz's party was entitled to spend £7,678.54 and in fact submitted an expenses return of £6,521.

The party now claims the surplus cash is set aside for use in the coming election, which is why it never appeared in the normal local party accounts. Alternative explanations are that Mr Clair is mistaken

about the records, or Mr Vaz overspent, or the surplus money went elsewhere, or it was spent before the election expenses limit came into force.

#### The proposed £900,000 house purchase

**Allegation:** Mr Vaz made an offer on a £900,000 London house when he himself could claim very limited funds from his role as an MP. Mr Vaz, who started employment as a humble council solicitor, is unlikely to be able to draw on extensive personal funds.

**Defence:** The money for this property came not just from Mr Vaz, but also from his successful wife who is a solicitor and from his mother and sister. His mother and his wife run Mapesbury Communication Ltd, which made a £48,000 profit in 1998 and a £12,000 profit in 1999. Mr Vaz's own property is worth around £400,000.

**Analysis:** Three to four people with regular incomes who are purchasing a house together can raise substantial sums.

#### The Hinduja

**Allegation:** Mr Vaz offered to top and tail letters on behalf of the billionaire Hinduja brothers, including lobbying on their behalf for a passport. He met the brothers, who are not his constituents, very soon after they were named as suspects in an illegal arms deal, over which they faced extradition to India.

**Defence:** He has accepted that he did

seek information from the Home Office about the Hinduja's passport applications and knew the brothers well. He says he had a duty to support and represent all Asians, not just his constituents.

He says no money was exchanged in return for favours.

**Analysis:** Some former ministers have claimed that it was normal practice for MPs to lobby for passports on behalf of individuals who were not their constituents. No clear rule exists in the MPs' code of conduct, but senior Labour MPs claim it is legitimate for MPs to seek information on behalf of someone if they are not their constituent, so long as they are not lobbying or financially indebted. Mr Vaz's wife at the very least has received money from the Hinduja and Mr Vaz may not have made this point clear at the relevant times. SP Hinduja said he

consulted Mr Vaz as to what protection from extradition British citizenship would provide.

#### Use of Foreign Office premises

**Allegation:** Mr Vaz used his premises in the Foreign Office to host a meeting between a Labour supporting Asian restaurateur and an insurance firm over a fire claim.

**Defence:** Ministerial code of conduct only states that ministers should not "generally" use ministerial offices for party or constituency business

**Analysis:** The code clearly does allow exemptions in times of necessity. Changes to Mr Vaz's diary required the meeting to be held in his office.

#### Intimidation of party members

**Allegation:** Mr Vaz had a hand in seeking to suppress allegations made by local party members against him to the parliamentary commissioner for standards, Elizabeth Filkin. This is part of a pattern of intimidation in his local party. In May 2000

local party chairman Colin Hall wrote to Mustafa Kamal, a local member, warning him that unless he substantiated or withdrew his

allegations, he would be subject to disciplinary action.

**Defence:** No clear evidence that Mr Vaz referred allegations to the local party. Mr Kamal's complaints concerned the local party, not Mr Vaz's role as an MP.

**Analysis:** No one making allegations to Ms Filkin should be subjected to threats since they are covered by parliamentary privilege. Allegations that the local party was improperly run by Mr Vaz were not substantiated in a 1996 party report, but some claim that inquiry ended prematurely.

#### Undeclared cash payments

**Allegation:** Lawyer Sarosh Zaiwalla has told the Commons standards and privileges committee that he gave Mr Vaz over £2,000 in cash which was never declared. He insists details of the cash paid to Mr Vaz are in his accounts.

**Defence:** Mr Vaz has not denied the cash was passed to his associates. He insists it never went to him personally, but instead to charities.

**Analysis:** Probably the single biggest issue to be investigated by Ms Filkin and may not be decided for many months.

Patrick Wintour



Britain's child credit



0171 270 2988

**STATEMENT BY KEITH VAZ MP**

"Reading the Sunday papers, I have been castigated for the heinous crimes of: looking to buy a house, briefly being a non-executive director of a company, helping a friend settle an outstanding insurance claim, having a wife who has her own company, and being Minister responsible for Entry Clearance. Forgive me, but I don't recall any of these being listed crimes. Certain newspapers should now forget the innuendo and smear and start dealing with the facts:

- I was, for a period of about a month, a non-executive director of GM Holdings, along with Lord Steele and Lord Lamont. I wrote to the Registrar of Members' Interests on 13 April 1999 on appointment. I received no benefits or salary. I resigned on my appointment to the LCD on 17 May 1999.
- In a personal capacity, and at the request of both parties, I agreed to act as honest broker for a friend in a problem he was having with his insurers. The problem has now been resolved. The meeting took place in the FCO because of diary constraints. No officials were present, and the Ministerial Code was not transgressed.
- Because of my mother's illness we had decided as a family (including my two sisters) to buy a house near Westminster. We decided not to proceed. The survey and cost were factors in our decision.
- In my time as Minister for Entry Clearance, 76,000 visa applications made in Islamabad have been refused. I have reviewed nineteen. I overturned eleven and upheld eight. All the overturns were at the request of MPs and followed recognised guidelines.
- In 1995, Mapesbury Communications, a company of which I was neither a shareholder or director, carried out some public relations work at cost for the visit of a Swami paid for by the Hinduja Foundation, a UK-registered charity.
- I gave a reference to a young man in Birmingham who had done work for me. I had known him and his father for a number of years. This Monday I received a four-page statement from him refuting the allegations made in last Sunday's press.
- The Leicester East Labour Party election agent has confirmed that the donors to the 1997 election campaign were properly listed in the Register of Members' Interests.

As a prominent member of the British Asian Community, and for many years the only Member of Asian origin in the House of Commons, I have, of course, taken up countless cases on behalf of members of the Community. They have always expressed their gratitude for my involvement."

Post & Notes 7609	<b>Telefax</b>	
	To: <b>TIM LIVESEY</b>	
	Fax: <b>020 7930 2831</b>	
	From: <b>JAMES MORRISON</b>	
Date: <b>6. 11. 01</b>	Pages: <b>1</b>	



## **Keith Vaz**

NOTE AS AT 5/2/01

Keith Vaz is continuing with his busy schedule as Minister for Europe, with the full support of the Prime Minister. He is the subject of a concerted media campaign to smear his reputation and to try to claim a ministerial scalp on the basis of innuendo and inaccurate reporting.

The media have had dozens of journalists crawling over every aspect of Keith's life for nearly two weeks now and not one of them has come up with anything that remotely resembles a resigning matter.

The appropriate way to deal with any legitimate concern is to bring it to the attention of the relevant body: Sir Anthony Hammond in the case of the Hinduja passport application. Elizabeth Filkin for any allegation of breach of the rules governing the Register of MPs' interests. Sir Richard Wilson for allegations regarding the Ministerial Code. Mr. Vaz is more than happy to have both matters investigated in full and looks forward to being exonerated. Neither he nor the government is prepared to tolerate trial by media.

## **ALLEGATIONS**

### **1. Keith Vaz made representations to Tony Blair and Peter Mandelson on behalf of the Hinduja's.**

He has been perfectly open about having made representations on behalf of the Hinduja's when he was a backbench MP (note last correspondence with HO dated 15 Oct 98 – not in public domain). But, he has never made any representations on their behalf to either the Mr. Blair or Mr. Mandelson. All his contacts were with the



Home Office in the normal way. All correspondence has been passed to Sir Anthony Hammond.

Keith Vaz is confident that the Hammond inquiry will find that he had done nothing improper in relation to the Hinduja's passport application.

Did he "top and tail" letters on the Hinduja's behalf to TB and PM?

No.

Did he get involved in efforts to secure money from the Hinduja for the Faith Zone in the Dome?

No.

Did he have talks with the Hinduja brothers about supporting other Millennium projects?

He knows the brothers well and has supported a number of Asian-led millennium projects in several parts of the country, some of which they have helped fund, including the 'Concordia Project' in Leicestershire. Nothing wrong with that.

What about the claims from some former Hinduja staff that he was "treated like an employee"?

These are silly allegations that have been made anonymously.

Why didn't he declare a lavish party the Hinduja held in his honour after his promotion to the FCO?

He was a guest at a party. He didn't profit from it. There was nothing to declare, and Mr. Vaz has consulted the Registrar of



Members Interests on this. Many other MPs have attended similar parties, including William Hague and his Shadow Cabinet colleagues.

Did he profit through his wife's company, Mapesbury Communications, on an account with the Hinduja's?

No. Keith is neither a shareholder nor a director of Mapesbury Communications. The company did carry out some PR work at cost for the visit of a Swami paid for by the Hinduja Foundation, a UK registered charity. The Registrar of Members' Interests and the Parliamentary Commissioner have both looked at the matter and no allegations of wrong-doing have been made. Two accountants have certified that neither he nor his office derived any benefit from this company.

*2. Keith Vaz passed on secret government information on the Hinduja "extradition request".*

As Minister for Europe in the Foreign Office Keith has never had any contact whatever with extradition requests. Extradition is a matter for the Home Office.

Last week Keith Vaz issued the following statement:  
"I know of no secrets held on the Hinduja's by the Foreign Office. The Mail on Sunday legal advisers will be aware that extradition requests are made to the Home Office. Details concerning extradition proceedings are not privileged or secret but are displayed on the Home Office web-site. As I have said before, all my dealings with the Hinduja brothers will be chronicled and given to Sir Anthony Hammond."

But did he intervene in any way in a possible extradition request?

No.



Did Keith Vaz meet the Hinduja's shortly after they were named as suspects in India?

He was not made aware of when the Hinduja's became suspects and, therefore, no meetings were held as a consequence. He, like many MPs from all parties, met the Hinduja's on various occasions at community functions. There were no meetings called or held to discuss the brothers' extradition or any charges they might face.

So if he's so keen to help the Asian community, why didn't he help the Leicester shopkeeper, Mr. Varambhia, who approached him?

Because his case was already being well handled by Patricia Hewitt, his MP. Mr. Varambhia has also written to many other MPs.

**3. Keith Vaz provided a character reference for the son of a prominent Asian businessman in return for funding for his constituency office**

Keith did provide a reference in 1996 for Varun Shingari, the son of the administrator of an Asian business forum of which Keith was President. He was quite confident that he knew the boy well enough to write a general character reference. [He made this clear through his solicitor to the News of the World – who ran the story anyway.] Mr. Shingari snr did not donate to the Leicester East constituency party.

He was not a minister at the time.

But were there any donations from others linked to Mr. Shingari in the Leicester Asian community?



Many Asian people in Leicester from all walks of life have donated to the Labour Party in one way or another. There was no link with the reference for Varun Singari. Mr.Vaz did not ask for anything in return and nothing was offered.

**4. Keith Vaz accepted undisclosed sums of money from Sarosh Zaiwalla and in return recommended him for an honour.**

Keith has denied all these allegations as has Mr.Zaiwalla. They are the subject of an enquiry by the Parliamentary Commissioner, Elizabeth Filkin. Her report will be made public on completion. Mr.Vaz is confident he will be exonerated.

**5. Donations made to the election campaign in Leicester East were never seen by the Constituency Treasurer.**

The Leicester East Labour Party Election Agent has confirmed that all donations to the campaign were properly recorded in the election accounts. They tally with what appears in the Register of Members' Interests under Keith's name. The man approached by the Sunday Telegraph (Piara Singh Clair) became Treasurer only in 1998. In his quotes he was referring to constituency accounts dealing with membership and subscriptions. He had no knowledge of any other accounts.

**Why didn't the donations appear on the returning officer's declaration after the election?**

Under the RPA, parties have to account for money spent, not money donated.

**Why didn't the money ever appear in the local party's accounts?**



It was paid into a separate election account. This is common practice in local parties. Any surplus would have been available for future campaigning.

**6. Keith Vaz intervened to prevent a sex offender from being evicted in Leicester in 1991?**

A full enquiry was carried into this case by the District Auditor. His report concluded that everything had been handled properly.

It is an MP's duty to become involved in an eviction case if requested by a constituent. Mr. Vaz did so in conjunction with the local councillor for the area.

**7. Keith Vaz was director of General Mediterranean Holdings' UK subsidiary, a firm owned by an Iraqi born tycoon, Nadhmi Auchi, wanted in relation to a corruption scandal?**

Can't comment on any corruption allegations, but can confirm he was briefly a director. He resigned five weeks after his appointment on becoming a minister and received no remuneration. David Steel and Norman Lamont were also Directors.

**8. Keith Vaz hosted a private meeting in the Foreign Office to settle an insurance claim by the owner of the Red Fort, Mr. Amin Ali.**

There was a meeting. For scheduling reasons it had to be held on a day when he was in the Foreign Office. Ministers have busy schedules and very occasionally have to hold meetings at work. The Ministerial Code does not preclude this.



[There was a meeting between Mr Amin Ali, owner of the Red Fort restaurant in Soho and his insurer the Norwich, in Keith's office on 13 September. The meeting was called because Norwich were refusing to settle Mr. Ali's claim for costs following a fire which destroyed the restaurant. Keith was asked and agreed to act as honest broker.

The original meeting had been postponed and was rescheduled for 13<sup>th</sup> in Keith's office. It was a busy period (fuel crisis). There is no official record of the meeting. No officials were present.]

But why was he involved at all?

It was a private matter. He was asked to act as honest broker and the matter was satisfactorily resolved as a consequence of the meeting. Both parties were grateful.

But Mr Ali is not a constituent?

Keith was acting as an MP. It is well known and he has openly acknowledged that he maintains contacts with members of the Asian community.

But the FCO has acknowledged this was exceptional.

Exceptional but not in contravention of the Ministerial Code.

Did he use FCO paper to convene the meeting?

No, it was House of Commons paper.

Mr Ali is a donor to the Labour Party

He gave to the Frank Dobson campaign in London. He hasn't given to the party nationally.



Did the Red Fort do the catering for Keith Vaz's New Year reception in 2000 at the FCO?

Yes. It was put out to tender by officials in the usual way and the Red Fort presented the most competitive quote.

**9. There are several other outstanding allegations that he accepted contributions in dubious circumstances.**

All of these are being looked at by Elizabeth Filkin. We must await her report.

[These include:

- Bakhshigh Singh Attwal, who says he made out a cheque for £1000 to KV personally after being asked for a donation (Mr.Attwal has confirmed his donation was to the Labour Party);
- Jaffer Kapasi, who says he paid £500 to KV in cash at his constituency office while lobbying for planning consent for a mosque (Mr.Kapasi denies making any payments to Mr.Vaz);
- A donation from a company whose Chief Executive was jailed for his part in the BCCI scandal (the donation was properly declared. It was from the company for a newsletter and it has appeared in the Register of Members' Interests).]

**10. There has been intimidation of witnesses to the Filkin inquiry by an associate of Mr.Vaz in Leicester (Kamal Mustafa).**

Keith Vaz strenuously denies all allegations of intimidation, but this is a matter for Elizabeth Filkin. [The chair of the Leicester East Labour party apologised to the committee for having written one letter to one individual which didn't mention Mr.Vaz's name. He said he did not realise the individual was a witness.]



**11. Keith Vaz intimidated the boss of Sunshine Radio to get him to drop a damaging report on him.**

Mr.Vaz has denied this and no evidence for it has been produced.

**12. He was planning to purchase a £900,000 house despite being only on a Minister of State's salary.**

Keith Vaz decided not to purchase the house. The survey was a factor in this. He was looking for a property to share with his mother, sister and wife. The funding is a personal matter, but a number of properties were due to be sold to help pay for it and there would have been a mortgage. [His mother has cancer and the family wanted a property where they could see more of each other.] The house had four, not two bedrooms, as alleged in the Sun.

**13. He has been intervening on behalf of refused visa applicants who applied in Islamabad.**

It is his job to oversee visa applications. Of 76,029 applications at the British High Commission in Islamabad since Mr.Vaz's appointment as an FCO minister, he has been asked to intervene in 19 cases. He intervened in 11 and these were overturned. He declined to intervene in 8. Applications for his intervention were handled by officials in the usual way.

**14. He has been interfering in local politics in Leicester and got his mother elected to the Council.**

As Mr.Vaz has said on many occasions, "My first duty is to Leicester East". As a good MP, he has of course maintained an interest in local politics. He comes from a political family, so it is hardly surprising that Mrs.Vaz is active in the constituency. She was elected on her own merits.





let 6/2

**ZAIWALLAS**

SOLICITORS

33 CHANCERY LANE LONDON WC2A 1ZZ

cc **CS**  
Mr Jonathan Powell  
The Prime Minister's Chief of Staff  
10 Downing Street  
London SW1A 2AA

TEL: 020 7312 1000  
FAX: 020 7312 1100  
email@zaiwalla.co.uk

OUR REF:SZ/vlc

YOUR REF:

5 February 2001

Dear Mr. Powell,

**MR KEITH VAZ MP – ALLEGATIONS IN THE SUNDAY TIMES**

I am enclosing a copy of my letter of 5 February 2001 to the Editor – Insight at the Sunday Times the contents of which is self-explanatory.

Yours sincerely,

**SAROSH ZAIWALLA**

c.c. The Rt. Hon. Tony Blair MP – Prime Minister and First Lord of the Treasury  
Sir Richard Wilson – The Cabinet Secretary

S.R. ZAIWALLA\* †

R.Y. BARTLETT

C.F. GLANVILLE

G.J. FITZSIMONS

\* MEMBER OF THE INTERNATIONAL COURT OF ARBITRATION PARIS † MEMBER OF THE INDIAN BAR

THIS FIRM IS REGULATED BY THE LAW SOCIETY IN THE CONDUCT OF INVESTMENT BUSINESS ASSOCIATED OFFICE: MUMBAI





# ZAIWALLAS

SOLICITORS

33 CHANCERY LANE LONDON WC2A 1ZZ

TEL: 020 7312 1000

FAX: 020 7312 1100

email@zaiwalla.co.uk

**VIA FAX AND POST: 0207 782 5042**

The Editor  
Insight  
The Sunday Times  
1 Pennington Street  
London E1 9XW

OUR REF: SZ/vlc

YOUR REF:

5 February 2001

Dear Sir

**LIBEL – KEITH VAZ MP**

I refer to your article on Keith Vaz and my alleged relationship with him which was published in the Sunday Times of 4 February 2001. I am writing to strongly protest at your statement in the article "*that Zaiwalla also disclosed that Mr Vaz had suggested that he could recommend him for an honour*". This is, at best, a grossly inaccurate statement and I unreservedly confirm that at no time has Mr Vaz made such suggestion.

For the avoidance of doubt, I must inform you that at any time I have made no payment personally to Mr Vaz or for his benefit.

Your suggestion that Mr Vaz asked me to donate £1,000 to an unspecified charitable event is also grossly inaccurate.

The allegations against Mr Vaz MP to which your report refers are made by a now bankrupt ex-employee of mine Andrew Milne whom I had dismissed for misappropriation of office funds. You should know that:-

- (a) Mr Milne is currently being investigated by the City of London Police and the Office of Supervision of Solicitors.
- (b) The Sole Arbitrator Sir Brian Neill in an arbitration between Mr Milne and myself found that Mr Milne had obtained and retained office funds without authority and was properly dismissed by me.

S.R. ZAIWALLA\* †

R.Y. BARTLETT

C.F. GLANVILLE

G.J. FITZSIMONS

\* MEMBER OF THE INTERNATIONAL COURT OF ARBITRATION PARIS † MEMBER OF THE INDIAN BAR

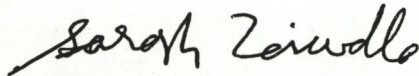
THIS FIRM IS REGULATED BY THE LAW SOCIETY IN THE CONDUCT OF INVESTMENT BUSINESS ASSOCIATED OFFICE: MUMBAI



- (c) His Honour Judge Cowell in a case brought by Mr Milne in the Central London County Court had disbelieved Mr Milne's evidence given in Court on Oath and the Court in its judgment had described Mr Milne's conduct as unbefitting of a solicitor.
- (d) Mr Milne is an undischarged bankrupt.
- (e) The Bankruptcy Registrar whilst making the Bankruptcy Order against Mr Milne had described him as a "menace".

All payments which were made concerned my firm's sponsorship of a community or charitable event. I would be grateful if this would be noted so that any future erroneous link of improper payment by me to Mr Vaz is avoided.

Yours faithfully,



SAROSH ZAIWALLA



Claire Sumner's questions:

Has Vaz or any of his family ever received any money, gifts or favours from the Hs?

Answer: Apart from the model of a horse, which KV immediately gave to the foreign office, and gifts of fruit, neither Vaz nor his family have received money gifts or favours from Hs. KV's wife, who is solicitor specialising in immigration law, was instructed in a case by the Hs, on behalf of one of their employees, for which she was paid for her services.

Have the Hs financially supported any organisation in V's constituency?

Answer: no.

When V met the Hs three months ago, did he pass on any FCO information relevant to their case against the corruption allegation.

Answer: No

Has V. made any reps to the Indian govt about the Hs since becoming a FCO minister:

Answer: No.

What does the Parl. Comm.'s report say about V's alleged improper relationships with various business-men. Does it mention the Hs. When will it be published?

Answer: ~~Matter for Priv. And Standards committee of house~~ when its contents are made public, and when it is published.

Why did V. write letters on behalf of the Hs to Pmandelson, and TB in Oct 97, when they were not his constituents?



Answer: V is only aware of having written a letter to Pmand. in October 1997. The letter was about the funding of asian projects by the Millennium Commission. Vaz wrote it, when Hs were not his constituents because of V's role in asian community.

What was in letters which Hs invited the Hs to draft for him, and sign?

Answer: only letter he is aware of is the one about asian projects to Pmand.

Did Vaz make any reps to the HO as to the progress of the passport applications?

Answer: Yes. These have been dealt with in B Roche's PQ *letter dated 15 ~~Mar~~ Oct 98*

Has V made similar reps on behalf of other people?

Answer: yes, on very many occasions, because of his role in asian community.

Why did he not declare Hs' party for him, when he was made a minister?

Answer: V did not believe the party was required to be registered. [hague took the same view in relation to party given for him by Hs]

Does he have other links to Hs?

Answer: he was on the advisory board of the hinduja foundation [along with Lord Slynn, Sir Richard Luce, and Toby Jessel]. He was on the board, ex officio as secretary of the Indo-british Parl group. He received no payment, or other benefit.

How many times did he meet Varum?

Answer: [Varum has made a statement repudiating the article, which Vaz will send].



What grounds did he have to say that Varum had the qualities which V praised in the reference?

Answer: [see above].



26/01 '01 17:53 FAX 01712733965

HOME SECRETARY'S OFFICE → PRIME MINISTER

002

17:55 FAX 0171273

01712733965 SECRETARY'S OFFICE → S OF S ROOM 6

006

00 16:01 FAX 02087608528

DG & DDGS OFFICE IND

002  
003

12 '00 16:49 FAX 01612278001

ICD

From: KEITH VAZ MP



HOUSE OF COMMONS  
LONDON SW1A 0AA

Mr Andrew Walmsley  
Secretary to IND  
Nationality Division  
3<sup>rd</sup> Floor, India Building  
Water Street  
Liverpool LE2 0QN

15 October 1998  
MY REF: SF/05

Dear Andrew

It was good to talk to you on the telephone about the case of Mr S P Hinduja and his family which are you dealing with under reference H310363.

I understand that this matter is going to be resolved shortly and that Richard Hall will be arranging for the form to be re-endorsed.

Thank you for your help in this matter.

With best wishes

Yours sincerely

KEITH VAZ

Leicester Office: 144 Uppington Road, Leicester LE5, 0QF  
Telephone: (0116) 212 2020 Fax: (0116) 212 2121  
Email: kvazmp@housecom.demon.co.uk  
Web: www.housecom.demon.co.uk/keithvazmp



FACSIMILIE MESSAGE FROM  
SECRETARY OF STATE'S PRIVATE OFFICE  
NORTHERN IRELAND OFFICE

Room B5.17  
Castle Buildings  
Upper Newtownards Road  
BELFAST  
BT4 3SG

Telephone: (028) 905 28104 Fax: (028) 905 28201

Classification: Restricted/Confidential/Secret/Unclassified

From:

Saville

To:

Clare Sumner, No 10.

7. 835 9044.

Date:

Time:

Number of pages including cover-sheet:

Message:

Clare, P.M. Saw a faxed version of  
my note on which he wrote 'No'. I'm sending  
you a fax of that fax, but as it has  
a line down the centre, I'm also faxing  
you my original note, together with the  
attachments I refer to.

6.



*Sarah dealing*

*PA*

*Sops*

PRIVATE OFFICE  
11 JAN 2001  
74156101  
RECEIVED BY  
AD 06/01/01

Secretary of State

*Content with attached  
draft answer? No*

**NORMAN BAKER PQ: HINDUJA BROTHERS**

*K 11*

You will recall the Norman Baker Question about the Hinduja brothers.

I have spoken with the Home Secretary's Private Office and with Mike O'Brien's office.

I'm told you raised the issue with Mike O'Brien, either in a telephone call or a personal note. Mike O'Brien does not remember how precisely you raised it but he does remember you asked how an application for citizenship by the Hinduja brothers might be viewed given the positive contribution their work makes to the country.

As your exchange with Mike O'Brien was during the time you were Minister without Portfolio, the only record that exists is the attached copy of an e-mail from Matthew Laxton (Mike O'Brien's Private Secretary) an official in the Home Office. The e-mail was in response to your query though it makes no reference to you by name.

The Question is overdue for answer and the Home Office are keen to reply to it as soon as possible - see the attached slightly amended Answer.

As a matter of interest, several Opposition MPs also made representations/ supported the Hinduja brothers' citizenship, so if there is a partisan reaction to the Answer, the plan would be to bring this

Are you content for the Answer to be put down as drafted?

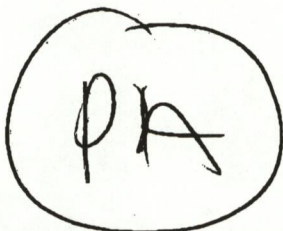
*Sarah Todd*

**SARAH**

11 January 2001



Secretary of State

**NORMAN BAKER PQ: HINDUJA BROTHERS**

25/4/01  
 Now: I have told  
 Jane Fowler the  
 govt is not content.  
 She will let Home  
 Sec. know.  
 He may want  
 to discuss  
 with SSNI

You will recall the Norman Baker Question about the Hinduja brothers. Sec. know.

I have spoken with the Home Secretary's Private Office and with Mike O'Brien's office.

I'm told you raised the issue with Mike O'Brien, either in a telephone call or a personal note. Mike O'Brien does not remember how precisely you raised it but he does remember you asked how an application for citizenship by the Hinduja brothers might be viewed given the positive contribution their work makes to the country.

As your exchange with Mike O'Brien was during the time you were Minister without Portfolio, the only record that exists is the attached copy of an e-mail from Matthew Laxton (Mike O'Brien's Private Secretary) to an official in the Home Office. The e-mail was in response to your query though it makes no reference to you by name.

The Question is overdue for answer and the Home Office are keen to reply to it as soon as possible - see the attached slightly amended Answer.

As a matter of interest, several Opposition MPs also made representations/ supported the Hinduja brothers' citizenship, so if there is a partisan reaction to the Answer, the plan would be to bring this out.

Are you content for the Answer to be put down as drafted?

*Sarah Todd*

**SARAH**

11 January 2001

Now: A faxed version of  
 this note to the govt was  
 put in his box on 11 Jan.  
 He replied 'No' in response  
 to my question, but the  
 office has thus far been  
 unable to trace the fax copy.

now traced  
 in Home  
 office



/LMcC

25 Jan.





SLIGHTLY AMENDED ANSWER

Norman Baker: To ask the Secretary of State for the Home Department what representations he has received on the applications by GP Hindiya and SP Hindiya for British citizenship from (a) the Right honourable member for Hartlepool and (b) the honourable Member for Leicester East.

DRAFT REPLY (BARBARA ROCHE)

I presume the Hon Member is referring to the applications for naturalisation made by Mr G P Hinduja and Mr S P Hinduja.

Both Members made enquiries about the cases. The Honourable Member for Leicester East about when a decision could be expected in the cases, and the Rt Honourable Member for Hartlepool about how an application might be viewed given the Government's wider policy of encouraging citizenship from long-standing residents who fulfilled the criteria.

FAX  Sarah Todd  
02890 528201  
 Julie Rowe  
2 10/1/01

Post-It  
Notes



06/02 2001.13:06 FAX  
10/01 '01 18:44 FAX 01712733965

HOME SECRETARY'S OFFICE

0005  
0002  
0005  
0003  
0002

18/12 '00 17:55 FAX 01712733965

HOME SECRETARY'S OFFICE - S OF S ROOM 6  
Hq & DDGS OFFICE IND

ICD

15/00 '00 14:49 FAX 01512378001

E-MAIL

From: Matthew LAXTON  
To: INDINDIA.B4(AWALMSLEY)  
Date: Thursday, 2 July 1998 11:20 am  
Subject: J P HINDUJA (H300363)

You will be aware that Mr O'Brien is keen to adopt a more positive approach to citizenship. In your submission of 27 February on the same subject, one of the areas that you mentioned was where people had their applications refused on the grounds of excessive absences. Mr O'Brien has recently had brought to his attention the case of Mr Hinduja whose application was refused in 1991 for that reason.

On the sketchy details that have been provided, it would appear that Mr H is a businessman/entrepreneur who runs a group of companies. He still spends a lot of time out of the country (190 days in 1993, 200 in 1994, 163 in 1995, 155 in 1996 and 111 in 1997) but believes that it is justified because his work benefits the country. The Minister would like to know:

- i) Is it correct that Mr H was refused for the reason given?
- ii) Has the policy changed in this area since 1991?
- iii) Would Mr H be likely to benefit from a positive approach to citizenship? (as far as I know, Mr H does not have an outstanding application)

Thank you for your assistance.

190  
200  
163  
155  
111  
819



T. S. OF S

ORIGINAL PQ/A.

Norman Baker: To ask the Secretary of State for the Home Department what representations he has received on the applications by GP Hindiya and SP Hindiya for British citizenship from (a) the Right honourable member for Hartlepool and (b) the honourable Member for Leicester East.

## DRAFT REPLY (BARBARA ROCHE)

I presume the Hon Member is referring to the applications for naturalisation made by Mr G P Hinduja and Mr S P Hinduja.

Two Members made enquiries about the cases. The Honourable Member for Leicester East about when a decision could be expected in the cases, and the Rt Honourable Member for Hartlepool about how an application might be viewed given the Government's wider policy of encouraging citizenship from long-standing residents who fulfilled the criteria.

*Sarah find out what (how) when I raised this with Jack. I can't remember.*

Sarah

*I've e-mailed this already..... but just in case it doesn't get through in time for your box - I thought I'd fax it as well!!*

*Regards*

*Jane Rowe*

*APS/HOME SECRETARY*

*011 7777 2001*



**CLEARANCE OF PQ (143393) from NORMAN BAKER**

You asked for a chronology of events surrounding the clearance of the Norman Baker PQ.

20 Dec        Mike O'Brien wrote a note to Barbara Roche (copied to you) about his recollection of events.

At your request I circulated the PQ answer you had agreed with Barbara Roche (BR) and Mike O'Brien (MOB) to private secretaries to Keith Vaz (KV) and Peter Mandelson (PM). I explained the background to the PQ and went on to say that we were hoping to answer it on 21 December. I said we were aware that the two ministers had been in touch with the Home Office about the Hinduja brothers' applications. I told both private secretaries that you would be happy to speak to either of the ministers during the vote that evening in the House. PM's PS (Sarah Todd) asked for details of his involvement because she knew that her office would not have any papers given that he was not at the NIO at the time. I explained that PM had spoken to MOB about the case (a conversation I thought had taken place in the lobby). Sarah explained that PM was in Belfast that evening so the PQ would go in his overnight box.

21 Dec        You told me not to answer the PQ because KV had told you that other MPs had made reps about the applications. You asked for advice about the possibility of including the involvement of other MPs in the reply.

I told KV's and PM's offices that the PQ would not now be answered until ministers received further advice and that I would be back in touch in the new year. Sarah Todd told me that PM was not happy with the PQ answer as it stood.

8 Jan        Submission received from Alan Underwood

9 Jan        BR and MOB were content to agree the recommendation so it went into your box.

10 Jan       The submission came out of your box - you had agreed the recommendation and asked me to circulate it to KV's and PM's offices. I rang and followed up by fax to both offices. I talked through again with Sarah Todd my understanding of PM's contact with MOB.

KV's PS (James Morrison) called me back to say that KV wanted to see what we had in writing from KV. I faxed over a copy of a letter from KV to Andrew Walmsley (dated 1998) and



said I could obtain other documents in the morning from Liverpool if required.

Both private secretaries told me the PQ would go in overnight boxes.

11 Jan KV's PS confirmed that he was content with the proposed answer.

Sarah Todd rang to say that PM was not happy and wanted the PQ answer to make no reference to him. She said he regarded his chat with MOB as a private matter. I suggested that the only way we could get this resolved was for you to speak directly to PM; Sarah agreed. I put the details in your overnight box and said that either you could ring PM directly on Friday (from Blackburn) or I could set up a call for you.

12 Jan You rang me late in the afternoon to say that you hadn't had time to ring PM so you would speak to him the next week.

16 Jan You spoke to PM on the phone. He said he couldn't remember speaking to MOB and asked if there was anything in writing from him in our records. You told him the file was noted to say that he had spoken to MOB, to make enquiries about the case. You said you couldn't possibly deny his involvement. Although another PQ had been tabled (by John Cryer) which asked about the involvement of Sir Edward Heath and Dame Angela Rumbold you said you couldn't justify holding onto the Norman Baker reply in order to answer both together, particularly given that it had been named-day for 18 December. PM accepted this and also agreed to an amendment to the PQ which added a line confirming that he had not made representations that an application should be granted.

The PQ was sent to MOB's and BR's offices again for confirmation that they were both content.

18 Jan MOB and BR both content. I circulated a final version to the department and also to KV's and PM's offices for information.

PQ answered.

You told me today that at some stage between 20 December and 16 January you had had a separate, unrecorded conversation with Peter Mandelson in which you had reminded him that MOB had a clear recollection of a conversation direct with Peter Mandelson.

Jane Fowler  
24 January 2001





PARLIAMENTARY UNDER  
SECRETARY OF STATE

HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

Peter Mandelson Esq MP  
House of Commons  
LONDON  
SW1A 0AA

ref: IMP H300363

5 OCT 1998

*Dear Peter*

You may recall that you were in contact with my office last month concerning Mr S P Hinduja who is considering submitting an application to naturalise as a British citizen. I am sorry that I have not responded sooner.

I am sure that you will appreciate that without a formal application, I cannot give you a definitive answer as to whether any application that Mr Hinduja may choose to make would be successful. However, my officials advise me that his current level of absences from the United Kingdom are not considered excessive and that they are likely to look favourably upon any application. The Director of the Nationality Directorate in Liverpool, Andrew Walmsley, has told me that he is always happy to advise future applicants on their chances of success and Mr Hinduja's representatives may wish to consider contacting him. His address is: - Nationality Directorate, 3<sup>rd</sup> Floor, India Buildings, Water Street, Liverpool L2 0QN.

I hope that this information is useful.

*Yours  
Mike*

MIKE O'BRIEN





" : J.P  
JH

*Secretary of the Cabinet and Head of the Home Civil Service*

PA/PS  
COPY

**PRIME MINISTER**

**HINDUJAS etc**

May I offer some headline thoughts?

2. I am afraid there will be no shortage of stories for the press to develop:

i. **Keith Vaz** you know about to the extent that any of us know about his involvement with the Hinduja;

--- ii. **Reinaldo da Silva.** I attach a note by the Home Office about Reinaldo's application for leave to remain in this country

CLOSED UNDER THE  
FREEDOM OF INFORMATION

iii. **Dome.** David James has told Robin Young that the Hinduja insisted on their contribution being a donation rather than sponsorship. This had tax advantages but according to James was wrong in accounting terms. Jennie Page filled in the forms which declared it to be a donation but has told David James that she did so on Peter Mandelson's instructions. James has found no papers to



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PREM 49/4230/1

MINUTE DATED 26/01/2001



**CONFIDENTIAL & PERSONAL**

confirm this. The VAT will now have to be declared to Customs and Excise.

3. All governments have patches like this. What matters now is how the Government reacts. There seem to me to be three main points.

i. The damage to Peter Mandelson has been done and cannot be reversed. He can however do real damage to the Government depending on how he decides to behave. Anything that can be done to keep him on side is worth doing. Antagonising him further (eg. by Jack Straw on the Today programme) would be a mistake.

ii. People will attack you through the people around you. Jack Straw and Alastair Campbell seem to me more exposed than most after the events of the last week. As you know, I think Alastair in particular is likely to be a focus of attack in the coming weeks. See for instance the letter which I have received from Andrew Tyrie today, also attached.

iii. Things go really wrong when people get tired. It is very important that periods for rest and recuperation are built into the diaries of all key people in Number 10 over the next couple of months. This is probably the most important point in this minute.

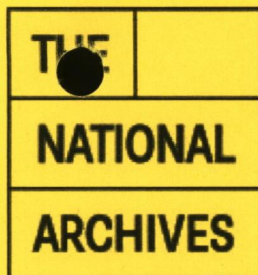
4. You may want to have a word on Monday.

*RW:*

**RICHARD WILSON**

26 January 2001





DEPARTMENT/SERIES PREM 49 PIECE/ITEM 4230/1 (one piece/item number)	Date and sign
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Use black or blue pen to complete form.

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Enter the department and series,  
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eg. 28, 1079, 84/1, 107/3

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ANDREW TYRIE MP



HOUSE OF COMMONS  
LONDON SW1A 0AA



Sir Richard Wilson KCB  
Secretary of the Cabinet  
Cabinet Office  
70 Whitehall  
London SW1A 2AS

25<sup>th</sup> January 2001

*Dear Richard,*

In several of Wednesday's newspapers Alistair Campbell is quoted as attacking Conservative spending plans. He variously described them as 'a joke' and 'an insult to Mickey Mouse.'

This is in clear breach of the guidelines which you gave to the Public Administration Committee when I asked you questions about the limits to Alistair Campbell's partisan activities on 16<sup>th</sup> June 1998. In your evidence you made clear that the Prime Minister's press secretary, who is a special adviser acting under an Order in Council, may not go 'over the top' and attack the opposition and you drew a distinction between responding to an opposition attack on government policy, which is acceptable, and attacking the opposition 'with bricks and bottles', which is not. The transcript of the relevant passage is attached.

In the same evidence you sought to justify the Prime Minister's assertion that Alistair Campbell "does an effective job of attacking the Conservative party" (i.4.1998) by implying that he may have been pressured into making his remark in the heat of Prime Minister's Questions. It now appears that the Prime Minister's description of Campbell's activities was accurate.

It is unacceptable that taxpayers' money should be used to pay Mr Campbell's wages to conduct such blatantly party political activities at any time, but in a period that may turn out to be the run up to an election it is disgraceful. I am writing to ask that you investigate this matter urgently by examining the transcripts and tapes of Tuesday's lobby briefing from where these remarks



apparently emanated. If he did indeed attack the Conservative party in this way I see no alternative but that you ask Alistair Campbell to resign from his post as a special adviser. These activities are legitimate from a party headquarters but not if paid for by the taxpayer.

Tom King and I both raised this issue in Business Questions today. I am copying this letter to Tony Wright, Chairman of the Public Administration Committee and will be making it, and your reply, public.

Yours ever,

Andrew.

ANDREW TYRIE



16 June 1998]

SIR RICHARD WILSON, KCB

[Continued]

**[Mr Tyrie Cont]**

some other area like that. So where the idea comes from within the centre is perhaps not the point. What matters is that there is the wish to have a strong coherent view; coming back to the point about the GICS, the strong coherent communication of that view in a positive light to the public and Parliament.

193. The Policy Unit was always very small. Its central problem was getting hold of information. Information is power and, sitting in Number 10, my colleagues who sat there told me that it was often very difficult to get hold of the information to formulate these policies.

(Sir Richard Wilson) For the record, I should say I am nodding.

194. Do you agree?

(Sir Richard Wilson) Absolutely.

195. In which case, if there are attempts to centralise or to bring over a greater strategic role from the centre, would it not be the case that the Cabinet Office—you will not publish your report but what we want to know, and you said you would draw in thoughts which may be evident in your report if they were relevant—is whether one of the proposals or possibilities is that some better form of information system can be provided through the Cabinet Office directly to the Prime Minister.

(Sir Richard Wilson) I am not disagreeing with you. It has been my experience—and this is my third time in the Cabinet Office—that obtaining information, both from within departments but also the right information at the right moment, is always a key preoccupation. Unless you know what is going on and have the analysis that throws an interesting light on to the issue in hand, you are handicapped in your ability to provide the analysis and come up with the policy you wish to provide. That is certainly one of the things which I think one has to have in mind.

196. That was a very straight-bat, Sir Richard. Let us have another go from a slightly different angle. Another crucial source of information on what goes on in Whitehall, perhaps the best single source, is the Treasury. This is because they are big enough to have a collective wisdom about a large number of these policies; and they have a locus because nobody can spend any money without permission, even though the rules have changed to bring slightly more flexibility on that. At the moment, would you say that the gathering of information by the Policy Unit is carrying on much as it did under the previous Administration? Are they going more to the Treasury in order to obtain information? Are we seeing a Treasury-led Administration, as we had in the early days of the Thatcher Administration? Is there a symbiosis between Number 10 and Number 11 on policy making at the moment?

(Sir Richard Wilson) There is a very close relationship. All governments revolve around a strong relationship between the Treasury and Number 10. This is true for this Government as it is for any government. You are absolutely right that the Treasury is a very important source, although it is not the only source. It has a very different role from the Cabinet

Office and Number 10, and it is very important that everyone understands their role and how they can contribute to the successful conduct of the Government. The relationship is an important one and it is one that is close.

197. One of the key features we have been seeing since the election, from the way Number 10 and the Cabinet Office appear to be running things, is a desire for centralisation. Another one, much more controversially and much more publicly, has been some party politicisation. I would like you to tell us what your reaction was when you heard the Prime Minister say that one of Alastair Campbell's jobs was to do an effective job of attacking the Conservative Party.

(Sir Richard Wilson) May I just say that on your use of the term centralisation: just to record that I do not agree that centralisation, in the sense of taking power away from departments, is what we are describing. We are talking about a stronger centre in terms of the ability to produce policies and communicate them across government. That is a point for the record. On your other question—and I have, as it happens, the words in front of me, although I cannot find them for the moment, but we all know the words—I think it is important to be clear that the Prime Minister, answering that question on the floor of the House, was not attempting a job description of Alastair Campbell. I think of all the places to attempt a job description, I would not choose Prime Minister's Question Time as the right place for doing that. What he was doing was making a point in the kind of atmosphere you have there.

198. Do you agree with me though?

(Sir Richard Wilson) The point he was making—and you can disagree with what I am about to say—was that Alastair Campbell, in opposition, was very effective in attacking the Opposition; was no doubt effective in the election campaign; and when there is another election and he decides to take part in it, will no doubt be effective then. That is why the Opposition are intent on attacking him. But the job of Alastair Campbell, if you want a job description, is the one we supplied to you. You have his contract.

Chairman

199. Indeed.

(Sir Richard Wilson) It is the one defined in his contract, read together with the Guidance for Information Officers. No doubt we can come to that.

Mr Tyrie

200. In your answer, you said he had done a good job for the Government after the election.

(Sir Richard Wilson) That is the point the Prime Minister is making. It is not for me to judge.

201. But he is not doing his job in the interim, is that the point you are making?

(Sir Richard Wilson) Let us come on to what is his job. He is freer than permanent civil servants to present the policies of the Government in the political



16 June 1998]

SIR RICHARD WILSON, KCB

[Continued

[Mr Tyrie Cont]

context. He is overtly political. He is able to point out how the Government and the policy may differ from that of his predecessors in a way that a civil servant would feel inhibited from doing. But I do not think his job is to go over the top and attack the Opposition with bricks and bottles. I cannot think today why that metaphor is in my mind!

Chairman: I think I can!

Mr Tyrie

202. But if one deleted the bricks and bottles, and just said that his job is not to attack the Opposition, is there a distinction with or without the bricks and bottles? I am sorry to sound pernicky. His job is not to attack?

(Sir Richard Wilson) His job is not to focus on an out-and-out attack on the Opposition.

203. A moment ago you said his job is not to attack the Opposition.

(Sir Richard Wilson) All right. A moment ago I said his job is not to attack the Opposition with bricks and bottles. To be honest, as everyone will tell you and has already told you, there is a grey area here which is a matter of judgment. Now, if I had not read all the minutes of this Committee (which I have, as it happens, I read the evidence last week), and if it had not been a matter of comment in the press and so on, I asked myself the other day, "What would my impression be of what Alastair Campbell actually does?" I think what he does is a job that I have seen done by other people, including Bernard Ingham, which is extremely hard work and quite often has a lot of grind in it. I see every day the note of his briefings in the Lobby. A lot of that is extremely dull. I think that point has already been made. It requires him to master a lot of difficult concepts; to be on the ball all the time; and to answer the press in a way that presents Government's policies in a useful way but also helps them. None of that comes anywhere near the attack on the Opposition that you are describing. I have not seen him, in any Lobby note, do anything which comes anywhere near this boundary which you are describing, or goes across it.

204. Of course, what we are discussing is that the Prime Minister did think that this is what his role was, and made it clear that it was, and said so very unambiguously.

(Sir Richard Wilson) I think you and I differ in our interpretation as to what the Prime Minister's intention was.

205. You use almost the same words. You have sent his contract here and attached to the back of his contract are the Guidelines for defining what a special adviser can and cannot do of a political nature.

(Sir Richard Wilson) I have it.

206. Section 2 reads: "Special advisers must not take part in national political activities." Do you feel that attacking the Opposition constitutes national political activity?

(Sir Richard Wilson) I think it could well, yes. In all these things you have to step back and ask yourself some fairly basic questions. Now, Alastair Campbell

is paid for by the taxpayer and the taxpayer is entitled to expect that he or she will get value for money. I think it is very important always to say to yourself, "Is what he is doing something which if I were faced with the man in the street (or this Select Committee, for the purpose of the discussion) I could defend to you as something which is within the broad band of what is acceptable?" I think something which is simply carrying on partisan party politics would be something on which I could not look you in the eye and say, "I think this is good value for the taxpayer." I think that is what you are asking me.

207. So if he does do what the Prime Minister thought he was doing, then he is in breach of his contract?

(Sir Richard Wilson) As I explained to the Committee, what I interpreted the Prime Minister as doing, was referring to the fact that Alastair Campbell on those occasions, when it was proper for him to attack the Opposition, was very effective at it. That was why the Opposition went for him. On the occasions, happily in my experience, when Alastair Campbell is acting as the (whatever it is called) the Prime Minister's official spokesman, my experience is that he does that job. The fact that he is overtly political so everyone knows where he is coming from is, in many ways, quite helpful.

208. You still are not answering my question which is: does attacking the Opposition constitute a breach of his contract?

(Sir Richard Wilson) A breach of contract gets you into legal litigation and I do not want to get into that. I would not be happy if he were to attack the Opposition in a wholly partisan party political way of the kind I was describing earlier.

209. What is the difference in attacking the Opposition in a wholly partisan way and just attacking the Opposition, before I move on?

(Sir Richard Wilson) I can conceive circumstances where the Opposition had said something about government policy and he was saying, "Now, that is absurd." That word, I notice, is used quite a lot by Bernard Ingham.

210. And "balderdash and bunkum".

(Sir Richard Wilson) Balderdash and bunkum he also uses, yes. I can imagine a situation where it would be proper for him to say—or certainly within the bounds of what I would regard as acceptable—that there was something with which he disagreed strongly; that something the Opposition had said was absurd; the Government was not doing what the Opposition had said, it was doing X, Y or Z; and that it was very different from what the Opposition had done when it was in power. The reason I am being careful in answering these is that I can imagine that kind of thing could be described as attacking the Opposition but not attacking with bricks and bottles, which is a term I used earlier.

211. Now, let us suppose that he has been attacking the Opposition with bricks and bottles. If this were brought to your notice, what would you do about it?



16 June 1998]

SIR RICHARD WILSON, KCB

[Continued]

[Mr Tyrie Cont]

(Sir Richard Wilson) Go and tell him that he should not be doing it.

212. Do you think that would constitute a breach of his contract and whose responsibility is it to enforce his contract?

(Sir Richard Wilson) You have been over this ground with my predecessor.

213. I did not get very far.

(Sir Richard Wilson) You got a marvellous reply from him, which I am sure you do not want me to read out to you.

214. It did not get me very far.

(Sir Richard Wilson) I think he gave you a good straightforward reply, which is that the political advisers have a contract with the Crown, which is signed by someone on behalf of the Minister. Now, I think responsibility for monitoring and patrolling that boundary, whoever is in power, rests with the Permanent Secretary if it is a department, or me in the case of the Cabinet Office and Number 10, and the Minister in charge, which in the case of Number 10 is the Prime Minister. Every day I see the Lobby reports. If there was something I did not like I would go to Alastair Campbell and say, "I think you ought to watch that. You are going over the line on that." Or if someone reported in the press something that he had said and I did not think it proper, I would go and say it. If needs be, I would go to the Prime Minister.

215. Have you ever had cause to do any of those things?

(Sir Richard Wilson) I am not going to go into internal discussions but I will tell you that there are occasions when I think, "We had better watch it. There is a period coming up when he needs to be very careful." For instance, before the local government elections I thought to myself, "This is a tricky period. We have not had local government elections like this before with the present Government in power. It would be wise for me to go and talk to a number of people (as it happened, not just Alastair Campbell) and to make sure that both he and the special adviser network are very clearly aware of the rules set out in the contracts and the guidance we always send round." I went and talked to him about it. I went through it very carefully to make sure he understood the rules and to make sure that others understood the rules. I believe the result of that, so far as I know, is that it went well and that everybody played by the rules. Let me be clear to you. I think there are two things. One is that it is absolutely understandable that when a government is new and people have not been in power, that there should be a learning curve. Occasional things may go wrong but the important thing is that you should keep the balance right and that you should keep an eye on it. Being watchful and wary, as this Committee is rightly being, is something I share. Secondly, this Government is very keen to learn. If you say to them, "You should watch this," they do listen. I do not think there is any wish to politicise the government machine or to behave improperly. There is every wish to behave properly.

Chairman

216. If the government machine were starting to teeter a little bit off the tightrope, between what is proper to be done with the taxpayers' money and so on, it would be your job, as one of the enforcing authorities, to push them back onto the tightrope?

(Sir Richard Wilson) Absolutely, yes. If it was related to the Government Information Service I would talk to the excellent Michael Granatt, to whom you are going to talk in a week or two's time, and he too is very alert to this. We would regard it as our job to go and patrol the boundary. It is a grey area but you know when someone goes across the line. You would go and say, "Watch it! If this is going wrong I will have to take it up," and I would take it up if I thought it was necessary. I attach real importance to the impartiality of the Service, the integrity of the Service, and all the other things which you know are important, including recruitment on merit and promotion on merit. Although you do get into difficult areas from time to time and sometimes problems get brought to me, and I scratch my head and think, "I need to think about this", the fact is that you know if it is going wrong and there is a real responsibility on the Head of the Service to take action.

Mr Tyrie

217. Sir Richard, when I asked you, would you tell us whether you had been to see Alastair Campbell to tell him he had over-stepped the mark, you began by saying that you were not going to reveal internal discussions. I have to say that I expect a number of people in this room would take that as confirmation that you did.

(Sir Richard Wilson) Look, if that is right I had better correct the impression. It is not the case that there have been many cases where I felt that Alastair Campbell was getting things wrong. That is not the case. Indeed, offhand I cannot think of any. All I am saying to you is that I said that, because I know very well that if I start now giving you insights into one particular thing you will say, "You were prepared to answer it then, why can't you answer it now?" So I am just generally prepared not to get into internal discussions. I am grateful to you for helping me correct the inference.

218. I am trying to be helpful, Sir Richard. Where cases have taken place, you are putting down those failings to inexperience.

(Sir Richard Wilson) I just said I could not think of any failings. I am refusing to be drawn down that path.

219. Why then was there this reference to learning curves, to inexperience? Is it right that the Prime Minister is on the learning curve and should not have been saying—?

(Sir Richard Wilson) No, no. You are trying to trap me. Mr Chairman, I must protest at this thinly concealed attempt to trap me into saying things which will embarrass the Government of the day. What I would wish to rest on—I am sorry, if that accusation came over strongly like that, I hope I will





*Secretary of the Cabinet and Head of the Home Civil Service*

**JONATHAN POWELL**

✓

cc Robin Young  
Joe Pilling  
John Warne  
Clare Sumner

**HINDUJAS AND PETER MANDELSON**

You asked me for advice about Peter Mandelson and the Hindujas.

**Principles**

2. The following seem to be the main points of principle:
- i. it must be primarily for Peter Mandelson to explain and defend what happened between him and the Hindujas on the passport application. The only issue for the Prime Minister is whether anything that has happened causes him to lose confidence in Peter Mandelson;
  - ii. there is nothing wrong in a Minister who has been lobbied about a passport application passing it on to the Home Office, adding a comment on the merits of the application if he wishes. This happens under all Governments;
  - iii. it would be on the wrong side of the line if a Minister were to press the Home Office to grant a passport application in return for the individual concerned doing a favour, either for the Government (eg investing in the Dome) or personally. There are obvious gradations of behaviour here. Support for an application at a time when the Minister is coincidentally having dealings on another matter with the individual making the application is a slippery area and would need to be handled with care to avoid misinterpretation;
  - iv. it would be seriously wrong, and open to judicial review, if the Home Office Minister making the decision on the proposed application were to do so on the strength of some irrelevant and extraneous factor (eg whether the individual had contributed to the Dome).



### Applying the Principles to this Case

3. Getting at the facts on the Hinduja's application has not been easy but this is the story as I understand it.

4. Both S P and G P Hinduja applied for naturalisation in 1990 and had their applications refused in 1991. In February 1998 Mr S Hinduja wrote to Mr Mandelson offering to underwrite the Spirit Zone at the Dome to the tune of £3m and Mr Mandelson got to know him as a result of this offer of sponsorship. I understand that Mr S Hinduja believed that as a result of a change in the law it might be worth making a fresh application but he did not want to apply if he would be refused automatically as a result of the earlier decision. He mentioned this to Peter Mandelson. In June 1998 Peter Mandelson had a short telephone conversation with Mike O'Brien and established that a fresh application by Mr Hinduja would be considered on its merits according to the criteria then applying and without reference to the earlier decision. A trawl of the Home Office files has revealed no correspondence between Mr Mandelson and the Home Office about S P or G P Hinduja.

5. We have said publicly that Peter Mandelson is still clear that he did not sponsor or endorse the application or make representations on Mr S Hinduja's behalf. The Home Office have confirmed this. Barbara Roche answered a Written PQ on 18 January about the applications for naturalisation made by G P Hinduja and S P Hinduja. The answer said that Peter Mandelson 'made inquiries about how an application might be viewed given the Government's wider policy of encouraging citizenship from long-standing residents who fulfilled the criteria, but did not make representations that an application be granted.'

6. There was an unfortunate minor mix-up about who spoke to the Home Office. The line taken at the lobby on 22 January was that Mr Mandelson had had asked his private secretary to refer the issue to the Home Office. Chris Smith said in the House that Mr Mandelson's Parliamentary Private Secretary had been involved. On further reflection, Mr Mandelson recalled that he had spoken to Mike O'Brien personally rather than his private secretary speaking to Mike O'Brien's office. Alastair Campbell ironed this wrinkle out at this morning's lobby. Chris Smith will also issue a correction.

7. One final part of the story. While Secretary of State for Northern Ireland, Mr Mandelson received a letter in May 2000 from G P Hinduja about a possible citizenship application from a third brother, Prakash, whom Mr Mandelson has never met. Mr Mandelson gave the letter to the Home Secretary without support or endorsement. The Home Secretary wrote to Mr Mandelson in June 2000 explaining the procedures for naturalisation



applications. The Hinduja's sent Peter Mandelson some mangoes around the same time. There has been no application from Prakash. This part of the story (less the mangoes) was announced at this morning's lobby.

### Conclusion

8. My best guess is that this case falls into the slippery area where a Minister, having official dealings with someone, coincidentally and separately passes on a question about an application for a passport from that person to the Home Office. This is what Mr Mandelson would appear to have done both with the letter about Prakash and in the case of S P Hinduja. The best course in such cases is to stand back from the application and make it clear that the Minister is simply forwarding orally or in writing the question about whether it would be worth applying (S P Hinduja) or a letter about a possible application (Prakash). The more strongly the Minister supports the application, the more awkward the perception. But at the end of the day the decision about an application is for the Home Office and as a matter of integrity they would not be influenced by irrelevant considerations, whatever their source. Home Office Ministers and Mr Mandelson have made clear their view that he did nothing improper in either case.

9. I suggest that the Prime Minister and Number 10 should not get too involved in this. The line should simply be:

- i. where a Minister is approached about a passport application there is nothing wrong in his passing on the information to the Home Office, adding a comment if he wishes;
- ii. all that happened here was that Peter Mandelson made a phone call to a Home Office Minister and established that a fresh application from Mr S Hinduja would be considered on its merits according to the criteria then applying and without reference to the decision in 1991 to refuse his earlier application; and pass on to the Home Office a letter about Prakash. He did not support either application or make representations;
- iii. no one has produced a shred of evidence that anything improper took place.

*Richard Wilson*  
PP **RICHARD WILSON**

23 January 2001



## LINES TO TAKE

### GP & SP HINDUJA

- All applications for Nationality are considered under the terms of the British Nationality Act 1981.
- The application of Mr S P Hinduja of October 1998 was granted by officials in March 1999.
- A March 1997 application from G P Hinduja was referred to a Home Office Minister in July 1997 and granted in November 1997.
- Confusion over the weekend as to when enquiries were made by certain parties in respect of the Hinduja's arose because of a genuine error on the part of officials.
- The attached chronology has been arrived at through closer reference to the case and other related papers.
- Officials have discretion in certain circumstances to grant priority, including when earlier, unsuccessful applications have been lodged, and extensive enquiries already made.

[ - If pressed : The attached background note sets out criteria for granting priority.]



## APPLICATIONS FOR BRITISH CITIZENSHIP

### BACKGROUND NOTE/Q&A

#### Question

How long do citizenship applications normally take?

#### Answer

- As at 01 January 2001 the average waiting time for all types of application for British citizenship was 13.1 months.
- Registrations take an average of 8.9 months, naturalisations 15.5 months, reflecting the greater degree of investigation required.

The Home Office has a publicly stated target of reducing waiting times to 3 months by April 2003. Waiting times have steadily decreased over the past 12 months; at the end of December 1999 the average was 18.8 months.

#### Question

Can the process be speeded up?

#### Answer

- Yes. The Integrated Casework Directorate will consider requests for priority consideration of applications and will start applications ahead of their turn in the queue.

Applications for British citizenship are currently started in the order in which they are received. Most of the waiting time is spent in the queue for starting cases. Under new processes shortly to be introduced, some of the ICD's resources will be devoted to starting new applications as they arrive, but this will not be to the detriment of applications currently in the queue.

#### Question

Under what circumstances will an application be expedited?



### Answer

- There are a number of criteria, any one of which might merit starting an application ahead of turn. For example, where an applicant needs to travel urgently and cannot do so easily – or at all – on their existing travel documentation, priority would be given. Where a second or subsequent application from the same person is being considered, priority might also be granted.

There is a list of criteria under which applications may be started ahead of turn: these are attached at Annex A.

### Question

Were the applications from the Hinduja brothers given priority?

### Answer

- The second application was started ahead of turn, since much of the necessary information was already available from their first application. In addition, they argued that their current documentation hindered their ability to travel in pursuit of their business.

Applications from business people often fail because they cannot meet the residence requirements of the British Nationality Act 1981. When they re-apply, their cases are usually given priority because most of the work has already been done and they also meet the criteria that travelling is difficult with their existing passport.



## ANNEX A

Requests to speed up an application at all stages are agreed only in exceptional circumstances and with the approval of a Senior Caseworker.

We would always agree priority where refusal would lead to more work than granting – for example because of the protracted correspondence involved – or where the application was received over twelve months ago.

Priority may be given if the applicant falls into any of the following categories: -

- unable to travel on their existing documentation and need to do so urgently, or
- nearly 18 and would fail to meet the “full capacity” requirement, to understand and take the oath of allegiance, if the decision were delayed until after his/her eighteenth birthday, or
- statelessness, or
- a refugee recognised under the UN conventions, or
- chosen to represent one of the Home Nations in international sporting competitions (and obviously needs to be British to do so), or
- the spouse of a British diplomat posted or about to be posted abroad, or
- he/she has already been significantly inconvenienced as a result of Home Office inefficiency (in which case we should give priority whether or not it has been requested), or
- a minister or senior official has already agreed to the application's being given priority, or
- he/she has been invited to make a fresh application where an earlier one has been refused tardily due to IND oversight, or
- it would be in the national interest



## HINDUJA BROTHERS CHRONOLOGY

21.2.1990	First applications submitted (GP & SP Hinduja)
21.8.1990	Enquiry re progress from Edward Heath in respect of both applications.
18.4.1991	Both applications refused.
16.6.1992	Enquiry re exercise of discretion in both cases from Angela Rumbold.
8.12.1993	Enquiry re further applications from Keith Vaz.
17.12.1993	Letter of support from Jack Cunningham in respect of both cases.
22.4.1994	Further enquiry from Keith Vaz in respect of SP Hinduja.
June 1996	Verbal enquiry from Lord Feldman as to appropriateness of any further application.
14.10.1996	Further written enquiry from Lord Feldman, providing further detail in both cases.
24.2.1997	Further enquiry from Keith Vaz in respect of both cases.
5.3.1997	Further application from G P Hinduja.
July 1997	Reference to Home Office Minister in the case of G P Hinduja.
November 97	Naturalisation granted to G P Hinduja.
20.10.1998	Further applications from S P Hinduja.
March 1999	Naturalisation granted to S P Hinduja by officials.





20/6  
QUEEN ANNE'S GATE LONDON SW1H 9AT

The Rt Hon Peter Mandelson MP  
House of Commons  
LONDON  
SW1A 0AA

20 JUN 2000

cf: Mrs. Roche  
Sir D. Omand  
Mr. Boys Smith  
Mr. Wrench  
Mr. Walmsley  
Ms. Teare  
Mr. Owen  
Mr. Russell

Dear Peter,

**PRAKASH HINDUJA**

I said I would write to you again about Prakash Hinduja's interest in British citizenship.

As Gopichand Hinduja acknowledges in his letter to you of 18 May, as his brother is resident in Switzerland he would first need to settle in the United Kingdom and be granted indefinite leave to remain here before he could apply for naturalisation. This is an unwaivable requirement of the British Nationality Act. There is discretion though to waive any excess absences for an applicant, and I think the next step should be for one of my officials to speak to Richard Hoare, Mr Gopichand Hinduja's legal adviser, about Mr Prakash Hinduja. We would then be able to offer advice on how he might obtain settlement under the immigration rules and on the timing of any application for citizenship. I have therefore asked Mr Andrew Walmsley, Deputy Director of the Integrated Casework Directorate in Liverpool, Tel. 0151 237 8017 to contact Mr Hoare to discuss Mr Prakash Hinduja's situation with him.

I hope this is helpful. I am happy  
to have a further word with you.

Yours,

Jack

JACK STRAW



05:00 12:42 FAX



*Gopichand P. Hinduja*

GPH/ME

18 May, 2000

The Rt Hon Peter Mandelson, MP  
Secretary of State for Northern Ireland  
The Northern Ireland Office  
LONDON SW1

PRIVATE AND CONFIDENTIAL

*Dear Peter,*

It has been a long time since we last met, but I am following the progress in Northern Ireland with great interest. I hope you are keeping well.

I know you are very busy and I am sorry to be troubling you. But I need your help and advice.

You will recall that last year my brother S P was also granted British Citizenship in view of his lengthy residence in Britain and now our entire family have become British Citizens and we have made London our home.

Now our brother Prakash who is a resident of Switzerland, but also spends part of his time in UK as he is the Director and majority shareholder of our UK based company, Sangam Ltd would also like to take up British Citizenship.

As we see it, there are two major hurdles regarding his application

- 1 - He needs to become a permanent resident of UK
- 2 - Meet the residents' requirement of spending only 450 days in 5 years outside UK

However, on the plus side, the benefits he would bring as a UK Citizen would far out weigh any hurdles that there may be. By becoming a British Citizen and making his home in London, Prakash would orientate himself towards Britain and would bring much investment and trade particularly in the field of information technology with him.

Cont.../2

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The Rt Hon Peter Mandelson, MP

18 May, 2000

Would it be possible for you to find out if the Home Office would consider such an application from Prakash.

S.P joins me in sending you our best wishes for your continued good health and success.

With warmest personal regards.

Yours sincerely,

Gopichand P Hinduja



## **Published Document**

The published document that was enclosed on this file has been removed.

Published items are not preserved by the Cabinet Office.

Copies of this document are readily available: on ISBN website.

**<https://isbnsearch.org/isbn/0102861013>**

**Title:** Review of the Circumstances Surrounding an Application for Naturalisation by Mr.S.P.Hinduja in 1998

ISBN: 0 – 10 – 286101 - 3

Printed: TSO (The Stationery Office)

Date: March 2001

HC: 287

Signed: Ade' Oladeji

Dated: 29/10/2024

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