

Investigation into the decision to employ Mr Neil Wallis of Chamy Media Ltd. as a specialist advisor to the Metropolitan Police Service

Table of contents

Introduction	3
Terms of Reference.....	3
Subjects to the investigation.....	4
Chronological summary of events	4
Interview with Mr Fedorcio.....	12
Policies and Procedures.....	16
Conclusions.....	19
Misconduct Considerations.....	22

Introduction

1. On 1 October 2009 the Metropolitan Police Service (MPS) entered into a contract with Chamy Media Ltd, a media consultancy owned by former News of the World Deputy Editor Neil Wallis. The contract was for senior level media advice to cover the protracted absence of the Deputy Director of Public Affairs.
2. The contract was arranged by Mr Richard (Dick) Fedorcio, Director of Public Affairs. The total value of the contract was based on two days work per month at £1000 per day. This was funded jointly by the MPS's Public Affairs Directorate and Specialist Operations, which was headed at this time by Assistant Commissioner (AC) John Yates.
3. Mr Wallis declined an extension to his contract with the MPS on 6 September 2010 following media coverage of the allegations concerning phone hacking.
4. Mr Neil Wallis was arrested in July 2011 in connection with Operation Weeting. Operation Weeting is the operation name used by the MPS for its investigation into phone hacking at the News of the World.
5. In view of this the Metropolitan Police Authority (MPA) referred the circumstances under which this contract was awarded to Chamy Media Ltd to the Independent Police Complaints Commission on 19 July 2011.

Terms of Reference

6. To investigate
 - a. The circumstances/process surrounding the awarding of the contract to Chamy Media, including:
 - to establish how and when Neil Wallis/Chamy Media first starting working for the MPS and in what role; and
 - to identify any individuals who were involved in the decision to award the contract.
 - b. To identify whether any subject of the investigation may have committed a criminal offence and if appropriate make early contact with the relevant prosecuting body.
 - c. To identify whether any subject of the investigation may have breached their standards of professional behaviour. If such a breach may have occurred, to determine whether that breach amounts to misconduct or gross misconduct and whether there is a case to answer.

- d. To consider and report on whether there is organisational learning for the appropriate authority, including:
 - Whether any change in policy or practice would help to prevent a recurrence of the conduct investigated.
 - Whether the incident highlights any good practice that should be disseminated.

Subject(s) to the investigation

7. During the course of the independent investigation, Mr Fedorcio was served with a notice of investigation in accordance with Part 2 and Schedule 3 of the Police Reform Act 2002. The notice stated that the engagement of Neil Wallis/Chamy Media to carry out work for the MPS did not conform to MPS procurement processes. In addition, there were no records documenting any of the work that had been carried out.
8. The notice stated that his actions were likely to bring the MPS into disrepute in that it would have the effect of diminishing public confidence and harm the reputation of the MPS and may amount to gross misconduct.

Chronological summary of events

9. During 2009 Mr Fedorcio was employed as Director of Public Affairs, in the MPS. Mr Chris Webb was employed as his Deputy Director at this time.
10. On 16 February 2009, Mr Webb went on a period of absence, which resulted in him being absent from work for two protracted periods:
16 February 2009 – 31 July 2009
25 August 2009 – 29 January 2010
11. This absence from work created an additional workload for Mr Fedorcio. During early September 2009 Mr Fedorcio decided to try to employ Mr Wallis as a strategic communication consultant for the MPS.
12. John Yates was Assistant Commissioner at the MPS at this time. He provided a statement to the IPCC in which he says he was approached by Mr Fedorcio during August 2009. Mr Fedorcio suggested that Mr Wallis should be employed to assist with the MPS media strategy. AC Yates thought this to be a sensible proposal as he had just commenced his role as Head of Counter Terrorism and needed support with his media strategy.
13. Mr Wallis was known to AC Yates, as they had met on a professional basis over a number of years commencing when AC Yates was Staff

Officer to former MPS Commissioner Lord Condon. A friendship developed around a mutual interest in football and from 2006 he would occasionally go to football matches or meet socially with Mr Wallis. They also continued to meet on a professional basis.

14. In his statement, AC Yates did not recall any discussion with Mr Fedorcio as to whether Mr Wallis should have been employed specifically in light of the investigation into phone hacking. By September 2009, the investigation into phone hacking had concluded and the decision taken by AC Yates not to re-open the investigation had, he said, been endorsed by the Director of Public Prosecutions Keir Starmer and David Perry QC.
15. AC Yates stated that he was not involved in the vetting of Mr Wallis and presumed that he was security vetted in the usual way. He did not conduct due diligence on Mr Wallis. He told the Home Affairs Select Committee on 19 July 2011 that: *"it was not due diligence.... I sought assurances ...off Mr Wallis before the contract was let. I wrote a note..."* *Is there anything in the matters that Nick Davies is still chasing and reporting on, that could at any stage embarrass you, Mr Wallis, me, the Commissioner or the Metropolitan police?"* *I received categorical assurances that there were not."*
16. AC Yates said that he was absolutely clear to Mr Fedorcio that prior to being employed Mr Wallis would need to take part in a competitive tendering process and that ultimately any decision to grant him a contract would have to be made by the relevant procurement department.
17. AC Yates was not involved in the selection process, but following the award of the contract Mr Wallis' fees were split evenly between AC Yates' department and the Department for Public Affairs headed by Mr Fedorcio.
18. AC Yates said that, once employed, Mr Wallis assisted AC Yates with strategic media support, advice on speech writing for major set piece speeches, and was generally used as a sounding board for media issues. Much of that advice was face to face or on the phone and AC Yates did not keep any records of the work nor did he see a need to do so.
19. Sir Paul Stephenson was the Commissioner of the MPS at this time. He recalled that Mr Fedorcio had advised him he had contracted Mr Wallis to provide some limited advice on a part time basis. He does not recall enquiring into the detail of that process and would not have expected to do so. As a member of the Management Board he would not have dictated to Mr Fedorcio how he undertook his role.
20. He noted that *"In the circumstances relating to the employment of Mr Wallis, this was a relatively minor part time contract in the scale of things, seeking some limited assistance in matters of tone, presentation and likely media impact. It was not to be either a full-time or public facing role and did not relate to matters of substance or policy. Further, Mr Wallis had been known to some previous Commissioners over time, and...nothing*

was known to his detriment... the known circumstances at the time were significantly different to those presented much later."

21. He noted that he had first met Mr Wallis in September 2006 as part of his role, initially as Deputy Commissioner and subsequently as Commissioner, to engage with media representatives to promote the reputation of policing and the MPS. He describes his relationship as one of light acquaintance.
22. Edward Stearns was the Chief Press Officer for the MPS at the time. He had been employed in this role since May 2008. Prior to being employed in this role he had held positions for the Daily Mail including Assistant News Editor, North West News Editor and Night News Editor. This role involved co-ordinating reporters, deciding what news would be covered and dealing with other senior editorial staff.
23. His role for the MPS involved managing the News Branch consisting of around 38 press officers, a 24 hour press bureau, specialist press desks for each command, a corporate press office and three area press offices.
24. Mr Stearns was responsible for reactive and proactive news management during September 2009.
25. Mr Stearns said that he had no involvement or knowledge in the employment of Mr Wallis to provide strategic communication consultancy advice to his department or the department for Specialist Operations within the MPS. He was told of this contract by a colleague several months after it had commenced. He had no dealings with Mr Wallis during the duration of the contract.
26. Mr Wallis is a journalist who had held a number of prominent positions including Deputy Editor of The Sun and Editor of The People newspapers.
27. In 2003, he moved to become Deputy Editor of the News of the World and in 2007 he became Executive Editor of the paper.
28. Mr Wallis left this role in July 2009 and worked for Outside Organisation from September 2010, a company specialising in public relations. He also formed his own company 'Chamy Media'. It was Chamy Media which was employed on a part time basis by the MPS.
29. During his career Mr Wallis established working relationships with the police and this brought him into contact with MPS Commissioners, Mr Fedorcio as the head of the Department for Public Affairs and other police personnel.
30. Mr Wallis was given the opportunity to provide evidence for this investigation but to date no information has been received.
31. The details of the proposed terms under which Mr Wallis was employed

by the MPS were contained in emails and documents submitted at the time by a number of witnesses. The content of these documents are discussed within this chronology.

32. On 8 September 2009, on behalf of Mr Fedorcio, a senior information officer for the publicity branch of the Public Affairs Directorate in the MPS sent an email to a category consultant for the Procurement Services Department to progress the employment of Mr Wallis. A completed application form was also sent to Procurement Services at that time.
33. The email reflected the terms under which Mr Fedorcio wished to employ Mr Wallis and revealed the following information:
 - The consultancy he wished to appoint had an existing understanding of the MPS and the nature of the Department for Public Affairs work.
 - The intention was to secure these services via a 'retainer arrangement.
 - A 'single tender action' was required as the services were required immediately.
 - The consultancy was in a position to provide immediate assistance to the Department for Public Affairs.
 - The cost of the contract would be £2,000 per month.
 - The cost would be shared equally between the Department for Public Affairs and Strategic Operations Department.
 - The intention was for the contract to run for seven months, the remainder of the financial year which would incur a cost of £14,000.
 - It was requested that a further £6,000 be added to this figure to allow for additional services if needed.
 - There was a proposal to extend the contract beyond the end of the financial year.
34. Two of the above procurement terms may need additional explanation.
35. A 'retainer arrangement' is a fee provided to a person or company to ensure payment for future services or work to be rendered. It is a fee paid regardless of whether work is completed or commissioned.
36. A retainer arrangement fee can be paid on a fixed, pre-negotiated rate or on a variable hourly rate depending on the nature of the retainer and also the consultant being retained. The full circumstances of the particular retainer agreement required in this case were not explained in the email.
37. A single tender agreement provides an applicant with an exemption to go through a competitive tendering process. It allows one named person or

company to be awarded a contract without any other potential applicant being considered.

38. There are a number of reasons why a single tender action would be considered. The reason provided in the application for Mr Wallis employment was that of 'Extreme urgency/Operational requirement.'
39. This is considered where there is insufficient time to carry out an appropriate competitive procurement exercise before the goods or services are required. However, a failure to plan or allow appropriate time for all regulatory actions on a known requirement would not constitute a justifiable exemption for urgency.
40. Also submitted to the procurement department on 8 September 2009 was a "Request for formal action" form further explaining the rationale for the request. This is the MPS form that needs to be completed and formally agreed in Procurement Services to allow a single tender action to succeed.
41. The category consultant recalls the information officer asking him for advice on applying for a Single Tender Action in this matter. He recalls that the circumstances were that the service they required was needed urgently and the person the Department for Public Affairs wanted to do the work was the only person who could provide this. He stated that these are the only reasons a single tender action would have been approved. He advised her that she would need to describe these points in the application form if it was to succeed.
42. He also recalls advising her that the use of the word 'retainer' should not be used. He took this to indicate that the person would be paid regardless of whether they were required to carry out work on every occasion or not. In his view this was not appropriate and that is why he recommended its removal.
43. He further advised her that timesheets could be produced for the type of work provided.
44. Following this advice on 9 September 2009 the information officer sent an email to Mr Fedorcio. This email was also copied to Stephanie Day, the Assistant Director of Public Affairs at this time.
45. Attached to the email was an updated "Request for formal action" form.
46. Within the email the information officer explained to Mr Fedorcio the advice she had received from the category consultant, and the action she had taken following this advice:
 - Consideration must be given as to how the service is monitored against the £2,000; performance measures suggested include time sheets of staff, number of press reports, costs per person per hour.

- Once approval was gained as part of the process the Directorate of Public Affairs would need to supply a brief outlining the services they require from the consultancy for which they should then provide a formal quote, with a breakdown of costs per person, per hour on the account.
 - There would need to be two levels of approval at Procurement Services.
 - The reference to a 'retainer agreement' had been removed from the proposal.
 - Because of the value of the contract it could be managed locally within the department with the necessary paperwork filed in a contract file.
47. A revised application form was then prepared and at 12.42pm on 18 September 2009 the form was emailed to corporate procurement by the information officer.
48. The category consultant replied to this email at 4.03pm the same day. He stated that he had presented the application to the [current and retiring] Heads of Category Procurement Services with the MPS who had declined the request. He advised her by email how she now needed to progress the matter:
- 'In this case if you obtain three competitive quotes say by phone this would only take two days at most.'*
49. At the time, in September 2009, the Head of Category Procurement Services was relatively new in post, and therefore for consistency had his decisions checked by a more experienced colleague, who has since left the MPS.
50. The Head of Category Procurement Services said that the reason the single tender action application was rejected was that the case would not have satisfied the criteria for operational urgency. A successful application would need to cover circumstances where an immediate operational need was identified and this was not present in the circumstances outlined. It was also recognized that there was an available marketplace for the consultation service to be competed in this case, and in view of this a competitive tender process should have been completed.
51. In view of the declined single tender action request and the cost of the contract totalling less than £50,000 the tender process needed to be managed within the Directorate of Public Affairs. The procurement rules now required that three written competitive quotations be obtained and a decision made on who to employ based on best value.
52. On 24 September 2009, with a view to complying with this process, Mr Fedorcio personally sent three emails to public relations consultancy organisations requesting them to tender for the provision of strategic

consultancy to the MPS. An extract from the email sent to the three companies read as follows:

“As my deputy is on long term sick leave and I am not sure as to his return date, I am trying to put in place arrangements in case I need to obtain external strategic communication support and advice.

If this proves necessary, I would be looking for short notice, senior level input at director level (or reporting to someone at that level) in the areas of public affairs, media relations and speeches. In the main this would take the form of verbal advice, mostly over the phone but would involve occasional meetings and might also involve some research or written material, for example in commenting on speeches and suggesting input.

It is difficult to be sure as to how much time this might involve but could possibly require up to 2 days a month.

To help me plan for this, would you be able to give me an estimate of what you think this would cost, on a daily rate basis?

I would need to meet our procurement processes so I am keen to have a plan in place so that I could move quickly to take on this external help at short notice. As I said earlier, this will be influenced by the recovery time of my deputy.”

53. The recipients of the emails were:
- Charles Lewington, Managing Director of Hanover Communications Ltd.
 - Peter Bingle, Chairman of Bell Pottinger Public Affairs.
 - Neil Wallis, Chamy Media Ltd.
54. Charles Lewington has known Mr Fedorcio for approximately 10 years. He was introduced to Mr Fedorcio when he was working as a political journalist. He was introduced by a mutual friend Phillip Dewhurst.
55. In 2000, Mr Lewington was employed by the Police Federation to provide strategic communication advice. During this time he met with Mr Fedorcio to discuss MPS Federation issues.
56. Sometime in 2009 he recalls having lunch with Mr Fedorcio when it was mentioned that his deputy was on sick leave and that he may need some support. However, no request for assistance was made at this time.
57. At a later time he recalls Mr Fedorcio telephoning him requesting that he submit a proposal to carry out consultation work. This request was confirmed in the email sent on 24 September 2009.
58. Mr Lewington responded to this email at 3.51pm on 24 September 2009 and provided a quote which covered the requirement. He stated that the process was no different to any other public sector proposal of this nature he had completed. He commented that when he later saw that Neil Wallis

had been employed for half the price it did not surprise him because the proposal he submitted was an expensive day rate as it included 4 hours of his time. His company Hanover are also a larger enterprise with the additional overheads that this necessitates.

59. Peter Bingle has known Mr Fedorcio for approximately 18 years. They met when Mr Fedorcio held a previous position.
60. Since Mr Fedorcio has been employed by the MPS he has met with him four or five times to have lunch or dinner. In relation to this matter Mr Bingle received a telephone call from Mr Fedorcio which was followed by the email outlining the requirement on the 24 September 2009.
61. Mr Bingle spoke with a colleague who met the requirements for the role, and whom he felt would be suitable to provide the assistance required.
62. Mr Bingle emailed Dick Fedorcio on 25 September 2009 with the colleague's details. He quoted a daily rate of £1500 per day.
63. On 19 October 2009 Mr Bingle contacted Mr Fedorcio by email concerning a separate matter. Mr Fedorcio replied to this email on 21 October 2009. Within that response he mentioned that he had met with Mr Bingle's colleagues the week before.
64. This was the last communication that Mr Bingle had with Mr Fedorcio. He was unaware that any contract had been awarded until the publicity surrounding the matter appeared.
65. Mr Wallis responded to Mr Fedorcio's email at 1205pm on 28 September 2009. Within this email Mr Wallis proposed a charge of £2,000 per month for the equivalent of two days work. It is clear from the content of the email that Mr Wallis had already completed work for Mr Fedorcio at this rate. An extract from the email clearly illustrates this point:
'Dear Dick, thank you for your contact below, particularly bearing in mind I have already have been doing some work for you at an informal rate of £2,000 per month for the equivalent of two days of my time.'
66. Stephanie Day confirmed this in an email on 29 September 2009 to an employee within the Department of Public Affairs asking him to raise a purchase order to cover the consultancy advice provided by Chamy Media
'over the last Calendar month – 1-30 September. They have provided two days' worth senior level public affairs, media relations and speech writing input.'
67. The written contract of employment between the Metropolitan Police Service and Chamy Media Ltd was dated 28 September 2009. Its formal commencement date was 1 October 2009 and termination date 31 March 2010.

68. The contract included a clause that if there was a requirement consideration may be given to extending the contract for a further period of up to 12 months.
69. There had been an agreement at the outset that any contract cost for the employment of Chamy Media Ltd would be shared between Mr Fedorcio as Director of DPA and AC Yates as Head of Strategic Operations.
70. On 1 October 2009 there was an exchange of emails between Mr Fedorcio and AC Yates. During this exchange there is a confirmation of the earlier agreement to share the costs of the employment of Chamy Media Ltd.
71. The contract with Chamy Media continued until 31 March 2010 when it was extended for a further 6 months until September 2010.
72. On 1 September 2010 an email is sent by Mr Fedorcio to Mr Wallis. This email offers to extend the contract of Chamy Media for a further 6 months at the same cost.
73. Mr Fedorcio explains within the email that it was unlikely that the contract would be renewed after this extension for three main reasons:
 - His deputy was now recovering from illness and working three days a week
 - The contract was approaching the limit under which the MPS could award a contract without a full and open publicised and documented competition process.
 - The MPS were facing significant budget reductions over the following years.
74. Mr Wallis responded to this email on the same day and agreed the terms of the extension of the contract.
75. On 6 September 2010, some five days following this agreement, Mr Wallis emailed Mr Fedorcio. He informed him that he was declining the extension of the contract in light of the current media coverage of the allegations concerning phone hacking.

The interview with Mr Fedorcio

76. Berwyn Jones and Emma Yoxall are investigators employed by the Independent Police Complaints Commission.
77. At 1.55pm on Monday 12 September 2011 they interviewed Mr Fedorcio under misconduct caution at the IPCC offices at High Holborn, London concerning his involvement in the employment of Mr Neil Wallis. This interview was audio tape recorded.

78. Mr Fedorcio's initial account of the chronology of how Mr Wallis became employed can be précised as follows:
79. In February 2009, Mr Fedorcio's deputy Mr Webb took protracted leave. His absence placed an additional workload on Mr Fedorcio.
80. During Mr Fedorcio's annual appraisal with the MPS Commissioner Sir Paul Stephenson in June and then in July with the Chair of the Police Authority he raised the subject of consideration of support for his role.
81. Mr Fedorcio had considered a temporary consultant to provide support and had been considering four persons that were suitable to provide this support. These were Peter Bingle, Phillip Dewhurst, Colin Brown and Charles Lewington. These persons were all media consultants working with other companies at this time.
82. On reflection, Mr Fedorcio believed that Phillip Dewhurst may not have been suitable as he considered him to be a close friend.
83. Although he thought of employing support no positive steps were taken during the first part of the year.
84. During July 2009, Mr Wallis, who was then Deputy Editor of the News of the World, left this position and Mr Fedorcio attended his leaving function.
85. At this function Mr Fedorcio met Fraser Nelson, the editor of the Spectator publication and a columnist with the News of the World. Mr Nelson arranged at this function to meet separately with Mr Fedorcio at a later date in order they could be better acquainted professionally.
86. Mr Wallis was invited to the meeting between Mr Fedorcio and Mr Nelson and during the meeting they discussed the illness and absence of Mr Webb. Mr Wallis also offered his services as a media consultant and the cost of £1,000 per day was mentioned.
87. No progress was made with this matter at this time.
88. Chris Webb needed further leave on 25 August 2009 having returned to work on 31 July 2009. It is at this stage that Mr Fedorcio gave consideration to the employment of Mr Wallis. Mr Fedorcio was aware that help was needed with a speech being prepared to the Superintendents Association in September 2009. He was also aware that Mr Wallis was known to the Commissioner.
89. Mr Fedorcio verbally mentioned the matter to the Head of Procurement Services and asked advice on the options that were available.
90. Mr Fedorcio informed the Commissioner in one of their meetings that he was considering employing Mr Wallis. Mr Fedorcio also informed Assistant Commissioner Yates and asked him if he was prepared to pay

for half of the £2,000 per month for the consultancy and in return receive the media support.

91. Mr Fedorcio also checked with Assistant Commissioner Yates and received reassurance that Mr Wallis was not involved in any on-going investigation into phone hacking at the News of the World.
92. On 3 September 2009 in his professional capacity Mr Fedorcio invited Mr Wallis to a lunch to discuss the possibility of working for the MPS as a consultant. During this meeting Mr Wallis offered to help with a speech being prepared by the Commissioner to the Superintendents' Association conference in September 2009.
93. Mr Fedorcio then began to arrange for the preparation and submission of a single tender application to employ Mr Wallis.
94. The single tender application was submitted and turned down as it was not considered to be an operational urgency. Mr Fedorcio was then advised to put out three applications for consultants to tender for the consultancy position.
95. These applications were put out via telephone calls and emails. Mr Wallis provided the cheapest rate. A contract was then agreed with Mr Wallis to provide consultancy to the MPS until the end of the financial year.
96. The interview also concentrated on the detail of a number of specific areas that were relevant to the investigation. These areas are included below, together with a precise of the explanations provided by Mr Fedorcio. The subjects are:
 - The work completed by Mr Wallis for the MPS prior to being employed on a contract.
 - The monitoring of the work completed on the contract.
 - The vetting of Mr Wallis.

The work completed by Mr Wallis for the MPS prior to being employed on a contract

97. The following extract is Mr Fedorcio's explanation concerning the work completed prior to a contract being put in place:
98. When Mr Fedorcio met with Mr Wallis on the 3 September 2009,
"I said that I needed then to go away and try and put a contract in place, and he, he was aware of course of the pressure I was under and the speech coming and so on, and he said well if you want I'm happy to do some work on the speech for you now and before the contract is put in place just to demonstrate to you the sort of work that I can do for you. I took that to be saying, I can do this for you, and if you can't pay me, I'm not bothered (inaudible) ... that's how I took it that it was a genuine offer

of assistance.'

The monitoring of the work completed on the contract.

99. Mr Fedorcio's explanation was as follows:

"I'm not sure that there were any, I wasn't expecting records of his work because I was sort of feeling it I was experiencing it as it was going along. I had a base assumption that each day would require 15 -30 minutes to stay on top of the job. So when I add that up, I come to well over a day's time without him doing anything else in terms of all of that, so that for me was, you know my expectation was, it was going to take that time and that was it."

100. *"My view was that there were notes of things on-going from my side. I don't tend to take detailed minutes or notes on things, but I would be what I do is I use the daily press cuttings as my daily journal. So I'd be making notes on them from my own point of view from things from the Management Board or even conversations maybe with Wallis or anyone else that you know (inaudible) this is what we do, it would be a hieroglyphic, and to me it told me what was happening on the day that's how I operate in terms of doing that, and that's the day's cuttings at the end of the day my PA would take them, she'd stack them up, and they'd be there for several months, so there was something there if someone asks can we have a, what's happened on this I could have gone back in there and found it, I was never asked for that."*

101. *"I would struggle beyond trying to go back in and point to press cuttings which you could say nothing to do with him, I could say I believe this and this and this happened as a result of that, but whether you would accept that I don't know, that's the nature of hard work. PR is one of the hardest things to prove that things are done or happen, but what I do know is that on the sort of issues I've mentioned that the Met's position today has been achieved, I'm quite pleased about that, and part of that would be down to Wallis and the work he did, but if you asked me to quantify his bit and everyone else's bit I'd struggle, but there's no doubt in my mind that we are where we are, the outputs matter in some ways more than the input because just can I say quickly that a short telephone conversation can translate into several hours work."*

The vetting of Mr Wallis

102. During interview Mr Fedorcio stated that Mr Wallis was not vetted by the Metropolitan Police. In mitigation he stated that

103. *"It doesn't mean I didn't consider it, but I didn't know he had to, and the policy that you sent me the other day it's a bit ambiguous when you read it and I've read it several times, because let me explain that my judgement around what was Wallis doing, well he was, what the work included and what the work excluded I suppose is the real things I'm looking to come*

to, yes, he was not going to be given unescorted access to our building, basically he was working from his office not from mine, he was not being given any access to any Metropolitan Police systems, processes, he was not being given any information that wasn't in the public domain i.e. in the days newspapers he was working on, so in terms of all of that I held the view that there was nothing that required him to be vetted to give us this piece of advice and the policy, when I read it those three things are the reason they don't need to be in play"

Policies and Procedures

104. This investigation considered whether the employment of Mr Wallis was conducted in compliance with the MPS policy requirements. There were two main policies that Mr Fedorcio needed to comply with in this matter:
- Metropolitan Police Service Contract Regulations
 - Metropolitan Police Service Standard Operating Procedures vetting policy

Metropolitan Police Service Contract Regulations

105. The MPS contract regulations provide guidance on the different types of contracts that can be awarded to contractors and service providers to the MPS. These contracts will range from under £5,000 to contracts in excess of £1,000,000. The regulations provide guidance on how to negotiate a public contract with integrity and fairness.
106. The relevant extracts of the policy sections below summarise how the selection, tendering, appointment and monitoring processes should take place. A comparison will then be made of the procedures completed in this case.
107. The following extracts are from the regulations in place during October 2009, and they are relevant sections in the investigation of this matter. They are reproduced in the order they appear in the policy.

'All officers are expected to:-

Complete a written contract or purchase order before the supply or works begin, which should be approved by a suitably authorised person in line with the scheme of delegation.'

'All purchasing and disposal procedures must...' 'be consistent with the highest standards of integrity'....'ensure fairness in allocating public contracts.'

Approval of the Authority must also be sought for any proposed expenditure below the delegated authority, which in the opinion of the Director of Resources...

(a) raises questions of principle or financial policy;

(b) possesses unusual features or involves particular risks;

(c) might arouse particular public interest or publicity.

(d) concerns a matter of particular importance or sensitivity.'

All professional and management consultants shall be selected and commissions awarded in accordance with the procedures detailed within these contract regulations and as outlined below.

<i>Total value</i>	<i>Tender requirement</i>	<i>Shortlisting</i>
<i>£5,000 to £50,000</i>	<i>Three written quotations</i>	<i>Officer and line manager</i>

The officer must define award criteria that are appropriate to the purchase and designed to secure an outcome giving value for money for the authority. The basic criteria shall be that which:

- (a) is the most economically advantageous from the point of view of the contracting authority; or*
- (b) offers the lowest price*

All tender documentation shall include as a minimum the following:

- A specification that describes the Authority's requirements in sufficient detail to enable the submission of competitive offers.*

All Tender documentation must:

- Specify the goods, services or works that are required, together with the terms and conditions of contract that will apply.*
- State that the Authority is not bound to accept any quotation or tender.*

All candidates invited to tender or quote must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.

All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the Chief Executive. An award letter is insufficient.'

Officers must give immediate written notice to the Commissioner or Chief Executive as appropriate of any interest, financial or otherwise, that they may have in any procurement activity. An 'interest' is broadly defined as an issue that might reasonably be regarded as affecting the Officer their relatives or friends, to a greater extent than other inhabitants in the Metropolitan District.'

During the life of the contract, the officer must monitor in respect of:

- Performance*
- Compliance with specification and contract*
- Cost*
- Any Value for Money requirements*
- User satisfaction and risk management*

108. To summarise, a number of breaches of this policy were identified.
- Mr Wallis was effectively employed by the MPS prior to a written contract being prepared or agreed.
 - The integrity and fairness of the competitive process that followed was compromised as Mr Wallis had already completed work for the MPS prior to this process taking place.
 - No monitoring was conducted in respect of the contract awarded.
 - Mr Fedorcio identified that the employment of Mr Wallis may have raised issues of sensitivity or potential risk. He states that he spoke to Assistant Commissioner Yates concerning this very matter. He did not, however, seek the approval of the Authority as outlined in the policy.

Metropolitan Police Service Standard Operating Procedures; Vetting Policy

109. The above policy was introduced on 1 June 2004. An extract from the introduction to the policy explains the reason for its implementation.
- ‘Vetting exists to protect the service from persons and organisations, both internal and external, who may seek to harm the MPS or make it vulnerable to harm through their own vulnerabilities.’*
110. The Metropolitan Police Service performs two types of vetting; National Security vetting and Metropolitan Police Service vetting. Vetting levels are categorised as follows:
- Basic check (BC)
 - Initial Vetting Clearance (IVC)
 - Management Vetting (MV)
 - Counter Terrorist Check (CTC)
 - Security Check (SC)
 - Developed Vetting (DV)
111. Page two of the policy outlines the reasons for the policy and the personnel that are required to comply with it:
- The Metropolitan Police Service (MPS) is committed to the maintenance of the highest levels of honesty and integrity, and to the prevention and disruption of dishonest, unethical and unprofessional behaviour.*
- Vetting exists to protect the service from persons and organisations, both internal and external, who may seek to harm the MPS or make it vulnerable to harm through their own vulnerabilities.*
- Vetting assists in providing a safe working environment for our people, protect the people of London, to protect our information, safeguard national security and play a fundamental part in the achievement of an ethical, honest and corrupt free service.*

Application

All police officers and police staff, including the extended police family, and those working voluntarily or under contract to the MPA must be aware of and are required to comply with all relevant MPS policy. However, this policy applies in particular to officers and/or police staff in the following roles: Vetting Officers, Senior Vetting Officers, Personnel Security Managers, and Head of Personnel Security. Local Personnel Managers and Recruiting Managers.

This policy will apply to all members of the Metropolitan Police Service (police officers, police staff and members of the special constabulary) Non police personnel including contractors, contractors' representatives, consultants, volunteers, and any person who requires unescorted access to MPS premises or uncontrolled access to police information.

112. To summarise, a breach of this policy was identified.
113. The Head of Vetting Services for the Metropolitan Police Service conducted an examination of the relevant records. This check revealed that there were no records of Mr Wallis having received vetting clearance by the Metropolitan Police vetting or National Security vetting. There were no records of Mr Wallis having received a SOP17 vetting exemption certificate in accordance with MPS policy.
114. The Head of Vetting Services stated that he believed that in the circumstances of Mr Wallis' contract as a strategic advisor he should have received clearance to Counter Terrorist Check level incorporating the basic check and initial vetting clearance.
115. It can therefore be concluded that there was a breach of the aforementioned policy as no vetting check was completed on Mr Wallis prior to, or during, his employment.

Conclusions

116. There are a number of factors that need to be considered in conclusion of this investigation.
117. The Deputy Director of the Department for Public Affairs had required a protracted absence from work. It is accepted that this placed additional work pressure on Mr Fedorcio.
118. Mr Webb did briefly return to work on 31 July 2009, however, he went absent from work once again on 25 August 2009. Mr Fedorcio stated that he had been considering employing support prior to this time, but this provided the catalyst for Mr Fedorcio to move forward the issue.
119. The urgent need identified by Mr Fedorcio that necessitated a single tender action has to be considered within its wider context. It involved providing communication advice on a speech being prepared for the MPS Commissioner to the Superintendents' conference on 14 – 17 September

2009.

120. It has to be questioned whether Mr Wallis was the appropriate and only person able to provide this input at such short notice in light of the fact that he was not employed by the MPS at this time. If the task was so time crucial this seems to indicate a lack of contingency planning.
121. In addition to this, the Chief Press Officer for the Department for Public Affairs has said that he was not approached at any time concerning this matter. He was not even aware that Mr Wallis was employed by the Department for Public Affairs to provide strategic communication advice until a couple of months into this contract.
122. During interview Mr Fedorcio stated that he did not approach Mr Stearns at that time because he was relatively new in post. He commented during interview that this was the person he would approach if the situation occurred again. In September 2009 Mr Stearns had been in post for some 17 months. No developmental issues had been identified concerning his performance, and there was no other reason provided by Mr Fedorcio for not consulting with him and his department at the time.
123. Mr Fedorcio met with Mr Wallis on 3 September 2009 and following this meeting he has taken a decision to employ Mr Wallis without a competitive tendering process and without considering the other consultants that he had mentioned when he first identified the need.
124. Mr Wallis agreed in this meeting to provide strategic communication advice on a speech being delivered by the MPS Commissioner in less than two weeks' time.
125. Mr Fedorcio stated that this was a genuine and generous offer of help by Mr Wallis even if it was to be unpaid. This explanation, even if accepted, would be poor practice for the MPS. However, this explanation has to be questioned in light of the email sent by Mr Wallis to Mr Fedorcio on 28 September 2009 which is explicit in its content:
"Dear Dick, thank you for the contract below, particularly bearing in mind I already have been doing some work for you at an informal rate of £2,000 per month..."
126. The 'informal rate' invoiced for September 2009 became the continuing terms of the contract until its termination by Mr Wallis in September 2010.
127. Following the meeting on 3 September 2009 Mr Fedorcio then tried to quickly agree a single tender agreement with procurement services to employ Mr Wallis. This is contrary to the evidence of AC Yates who states he made it clear to Mr Fedorcio that Mr Wallis would have to take part in a competitive process.
128. This single tender application failed because it did not satisfy the strict

criteria of 'operational urgency' that was proposed in the application.

129. Mr Fedorcio then had to put the contract out to competitive tender which was arranged by him personally contacting two media consultation companies in addition to Mr Wallis' company. Both persons contacted were known to Mr Fedorcio. There is no evidence to suggest that this process was not conducted fairly, however, given the fact at this stage Mr Wallis had already completed work for the MPS the integrity and fairness of the selection process was clearly compromised.
130. Mr Fedorcio was critical during interview of advice provided by Procurement Services in the process, however, the MPS policy is clear and the written emails and documentation from Procurement Services at this time were examined by this investigation and found to be correct and cautious.
131. It is likely that the failure of Procurement Services (correctly) to retrospectively agree a decision already taken by Mr Fedorcio was at the heart of the problem.
132. After awarding the contract the next stage of the process was the monitoring of the work completed on the contract. During interview Mr Fedorcio admitted that he did not keep any records of the work completed on the contract. He explained that given the limited time of two days a month and the expectation of media research that would have to be completed by Mr Wallis this would have been impractical.
133. AC Yates agreed with Mr Fedorcio on this point within his evidence and he did not keep any records of the work.
134. While both Mr Fedorcio and AC Yates have stated that Mr Wallis did provide assistance to the MPS in the terms of his contract, in the absence of any records by either party it is impossible to establish with any certainty what Mr Wallis did for his £2,000 a month. Procurement services had advised Mr Fedorcio in a written email that this needed to be completed. A record of the work completed, meetings attended, etc would have gone some distance to protecting the integrity of the contract.
135. The remaining matter within the employment of Mr Wallis that needs to be considered was the failure to conduct a vetting process in relation to his employment. Mr Fedorcio's explanation of this was that he did not believe that a vetting process was required in the circumstances of this contract. This was not correct, the then Head of Vetting confirmed that in the circumstances Mr Wallis should have been vetted.
136. Mr Fedorcio further indicated that there may be a general misapprehension within the Department for Public Affairs in relation to the vetting of contractors and this may be an organisational issue for the MPS to consider.

137. In conclusion, it can be shown that Mr Wallis commenced working for the MPS during September 2009, some weeks before his contract was agreed. He was paid for the work completed in September. His contract commenced on 1 October 2009.
138. It can be concluded that Mr Fedorcio was personally responsible for the decision to employ Mr Wallis. He failed to ensure that the requirements of the MPS contract regulations and MPS standard operating procedure in respect of vetting were complied with and this has compromised the integrity of the MPS in the awarding of the contract.

Misconduct Findings

139. The following section formally records the investigation findings in relation to the individual under investigation.
140. In relation to Mr Fedorcio the investigation found that on the balance of probabilities there is a case to answer in relation to his performance of duties in respect of the appointment of Mr Wallis in the following aspects:
- He effectively employed Mr Wallis prior to a written contract being prepared or agreed.
 - The integrity and fairness of the competitive process that followed was compromised as Mr Wallis had already completed work for the MPS prior to this process taking place.
 - He failed to monitor the contract as advised by Procurement services.
 - Although the employment of Mr Wallis raised issues of sensitivity Mr Fedorcio did not seek the approval of the Police Authority as outlined in the MPS policy.
 - He failed to ensure that a vetting check was completed on Mr Wallis in accordance with the MPS vetting policy.

A. Evans, Senior Investigating Officer

B Jones, Investigator,

January 2012