

5 October 2018

Chairs, Crown Research Institutes

Dear Chair

State Services Commission Inquiry Into the Use of External Security Consultants

You may be aware, the State Services Commissioner has appointed me, together with Simon Mount QC, to undertake an Inquiry under the State Sector Act 1988 into the use of external security consultants by Crown agencies.

Pursuant to section 11(4) of the State Sector Act, the Minister of Research, Science and Innovation has now requested that this Inquiry be extended to include Crown Research Institutes (CRIs) as set out in Appendix 1.

The Inquiry is now progressing with urgency and we will require your assistance to satisfy our information requests.

Given the breadth of the terms of reference, as a first step we are inviting Chief Executives of CRI's to satisfy themselves, through self-evaluation, whether there are any matters that should be brought to the attention of the Inquiry.

As a result, I invite you to take appropriate steps in your context to assure yourself that:

- any use of external security consultants in general, and TCIL in particular, by your organisation is appropriate, well managed and there are appropriate controls and oversight in place;
- any interactions or relationships with external security consultants, including TCIL, are consistent with the professional expectations of the public service as expressed in the Code of Conduct for the State Services.

By “external security consultants”, I mean any company or individual contracted to your organisation to provide specialist investigative or security services as further defined below. This includes services related to high-level security assessments and private investigation of individuals or groups. Within this context, it also includes engagement of third parties to gather intelligence from open source documents on security related issues; use of surveillance on individuals, groups or meetings; security or threat assessments of individuals or groups; and analysis of any information or intelligence gathered in the manner described above.

This definition **excludes** investigations related to information technology security (including forensic IT services); and investigations undertaken by auditors related to specific cases of fraud (but it includes private investigators engaged to detect fraud). It also excludes routine engagement of security guard services, alarm monitoring and general media and social monitoring undertaken by third party providers.



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The initial period of interest is from 2008 to the present, but you are of course not precluded from looking beyond this period. We ask that you take all reasonable steps to achieve this assurance including accessing all financial records available and a thorough review of contract registries. The steps you take to assure yourself should include, at a minimum:

- Checking to determine whether your agency has or has had any relationship with any external security consultants (including private investigators) delivering the services outlined above. As well as looking in your contract system using key word search terms, we would suggest it would be appropriate to search financial and email systems in case there is a relationship outside of a formal contract. Please ensure your search includes any interaction with TCIL or an associated entity as listed in Appendix 2.
- Checking whether your organisation has used, or is using, platforms such as Wordpress or Slack to exchange information with external security consultants. If these platforms have been used, it is important to clarify the nature of information that has been provided or supplied and assess how that information has been stored and managed.
- Where there is a contract, you may wish to consider whether the services are reviewed regularly, whether the contract has ownership/oversight, whether the work procured matches the work delivered and whether the work delivered seems appropriate. You may also want to ensure that any providers have appropriate qualifications; for example, that they hold relevant licenses or certificates of approval for private security and investigation work under the Private Security Personnel Licensing Authority.
- Where there is not a contract, there may be value in considering whether the interaction seems appropriate. For example is the lack of contract explicable, do emails seem professional, is information exchanged consistent with what you would expect of state servants. We expect this will require a search of your email system.

If your organisation has been affected by restructure or merger, we would expect you take reasonable steps to provide the assurance for those organisations that predated establishment where those records are available.

We expect you should be able to undertake this assurance informed by seven years' worth of financial records and, on a best endeavors basis, to seek assurance for at least the last ten years.

Please could you report on the outcome of your internal review to [REDACTED] at MartinJenkins: [REDACTED] In particular please advise whether:

- You identify any interactions with TCIL, its associated entities, or other providers, falling within the definition above; and whether
- In your view any of those interactions may give cause for concern.

If you have engaged security consultants in the general manner outlined in this letter it is likely that the Inquiry will request all relevant information. It is also likely that we will seek to interview employees with an involvement in that engagement. As such, we recommend you prepare the information in an organised manner with a view that it will likely be requested by the Inquiry team.

If you find no interactions and/or no cause for concern, please provide a short letter to that effect to [REDACTED] and also inform the State Services Commission, commission@ssc.govt.nz.



If you wish to discuss this letter or the process please feel free to telephone [REDACTED] on [REDACTED] at your earliest opportunity. She will work with your organisation to make this process as efficient as possible.

To support the Inquiry to conclude within a reasonable timeframe, your full written response is required at your earliest convenience and no later than 5pm Friday 26 October 2018.

Yours sincerely

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Doug Martin
Inquiry Head



APPENDIX 1:

Hon Dr Megan Woods

MP for Wigram

Minister of Energy and Resources

Minister Responsible for the Earthquake Commission

Minister for Greater Christchurch Regeneration

Minister of Research, Science and Innovation

Minister for Government Digital Services



1 October 2018

3 OCT 2018

Peter Hughes
State Services Commissioner
PO Box 329
WELLINGTON 6150

Dear *Pete*

State Services' Commission Inquiry – Thompson and Clark

I write to you regarding your inquiry into the engagement of Thompson and Clark by State sector agencies.

Pursuant to section 11(4) of the State Sector Act 1988, I request that you include Crown Research Institutes within the scope of the inquiry you are conducting into the circumstances, reasons and outcomes of State sector agencies engagement of external security consultants, with specific focus on the relationship between agencies and Thompson and Clark Investigations Ltd.

Yours sincerely,

Hon Dr Megan Woods
Minister of Research, Science and Innovation

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🌐 m.woods@ministers.govt.nz

📧 ozze@vs.govt.nz



APPENDIX 2: THOMPSON AND CLARK AND ASSOCIATED COMPANIES

THOMPSON & CLARK INVESTIGATIONS LIMITED (1287169)

EYELA LIMITED (5679387)

CYCLOPS MONITORING LIMITED (4458600)

BIKINI RED LIMITED (2354132)

[REDACTED]
CLARK CAPITAL LIMITED (6276850)

[REDACTED]
THOMPSON CAPITAL LIMITED

THOMPSON TRUSTEE (2011) LIMITED (3430191)

Associated URLs

<http://www.tcil.co.nz/>

<http://www.cyclopsmonitoring.com/>

[REDACTED]

Copies to: Simon Mount QC
Peter Hughes, State Services Commission
Carolyn Tremain, Ministry of Business, Innovation and Employment

