

Pro-active release of documents relating to the Joanne Harrison fraud case

The Ministry of Transport takes its responsibilities as a guardian of public money seriously. While respecting the privacy of those inadvertently caught up the offending, we are pro-actively releasing documents relating to the fraud committed by Joanne Harrison, a former senior manager at the Ministry.

These documents show the lies and sophisticated explanations Ms Harrison used to cover up her fraudulent actions. We hope they will help others to identify the kinds of behaviour that fraudsters can use to take advantage of their victims.

Some material has not been pro-actively released, for reasons including that it breaches legal privilege, names innocent third parties, or breaches privacy. This includes a forensic accounting investigation by Deloitte and an employment investigation by Peter Churchman QC.

The material we are releasing does include the names “Elizabeth Williams” and “Mark Sharp”. During the course of enquiries, it became clear these are fictitious people, and no inference should be drawn against any actual people with these names.

The information being released includes a series of key documents that are the most helpful to understanding the case:

- Victim Impact Statement from the Ministry of Transport
- Email and letter to Joanne Harrison from the Ministry setting out concerns
- Audit New Zealand Interim Audit Report

We have also included an example invoice from each of the three fictitious entities relating to the payments made by the Ministry in the course of this fraud.

The Ministry has also released the reports of independent reviews into the Ministry’s financial controls and employment screening processes – which were commissioned following the allegations of fraud – along with the Ministry’s response to these reviews.

Peter Mersi
Chief Executive, Ministry of Transport



26 October 2016

The Sentencing Judge
District Court
MANUKAU

CR12016-404-206 Crown v Joanne HARRISON – Victim Impact Statement

I am the Chief Executive of the Ministry of Transport, which is the government's principal transport adviser.

The Ministry employs over 130 people and has a budget of approximately \$33 million per year. Vote Transport, the government's funding for the transport sector channelled through the Ministry, is over \$4 billion per year. We provide advice to deliver a high performing transport system for New Zealand. We monitor the performance of transport crown entities such as the NZ Transport Agency, the Civil Aviation Authority, Maritime NZ and the Transport Accident Investigation Commission. We strive to achieve value for money from the \$4 billion annual investment in the transport system.

Under the umbrella of these responsibilities, the Ministry works on challenging and significant pieces of public policy that have tangible impacts on the lives of New Zealanders; for example, Auckland's transport congestion, the regulatory environment for transport innovators, aviation security and the reduction of road fatalities.

The public are entitled to have confidence in a government Ministry to do its job well and to hold itself to the highest professional standards. They will not support a Ministry that they do not believe is organisationally sound and secure from fraud.

The offending has had a significant impact on the Ministry's staff and stakeholders and indirectly on all public servants who are accountable for the use of public funds.

In terms of section 17 of the Victims Rights Act 2002, I would respectfully draw the Court's attention to the following matters:

1. Nature of the offending

Harrison's offending was sophisticated, highly manipulative and planned over a five year period.

Between November 2012 and July 2014, Harrison authorised payment of invoices totalling \$227,126.76 to Sharp Design, an entity associated with Harrison. She lied about work that had been provided by this entity.

Between August 2014 and March 2016, Harrison authorised payment of invoices totalling \$499,223.31 to Mazarine Associates and EJW Consultants. These entities were also associated with Harrison and she received the majority of the money paid under these invoices.

¹ www.transport.govt.nz

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Harrison was appointed into a trusted senior management role at the Ministry in 2013 knowing she was abusing, and intending to further abuse, the Ministry. In this role she had oversight of significant funding and she budgeted for the money she stole and approved the invoices across numerous accounts to avoid any one of them standing out. The fraud was calculated and carefully planned.

Harrison was regarded by her peers as highly competent in her senior management role. She leveraged that status to abuse Ministry controls and systems and to manipulate staff to avoid discovery.

From June 2013 Harrison held the position of General Manager, Organisational Development. At the time she was defrauding her employer, she was also driving positive change in the Ministry. Her management approach and successful innovations were positively endorsed by staff and management. Harrison's outward passion and commitment to the Ministry made it appear inconceivable to her colleagues she could be defrauding them.

Harrison's senior status, coupled with her sophisticated and plausible explanations for her breaches of Ministry policies, made it easier to avoid detection of the fraud. There were incidences of some staff raising concerns about Harrison's breaches of procedure. However, judgements were made at the time that her explanations were reasonable for a seemingly fast-paced, hard working, high-performing senior manager.

2. Loss of Property

Harrison stole \$726,386.07 from the Ministry of Transport between 2012 and 2016.

Through the calculated abuse of procurement practices at the Ministry, Harrison awarded contracts to entities that were created for her benefit.

Restraining orders were granted by the High Court on 21 July 2016 pursuant to the Proceeds of Crime Act. These orders related to a house owned by Harrison and her husband (purchased in 2007 for \$537,500) and a bank account [REDACTED]

The Ministry remains committed to recovering all the money and assets associated with this offending.

3. Emotional harm

Like many crimes, corporate fraud leaves behind victims. The Ministry of Transport is an agency made up of professional colleagues who rely on an environment of trust to collaborate and organise their business. No one in the Ministry has been immune from Harrison's fraudulent actions.

Harrison's fraud has undermined the past three years of significant organisational change at the Ministry. As a Tier 2 leader, with responsibility for Organisational Development, Harrison drove much of that cultural change. Given what staff now know to be Harrison's true motivation, some are questioning the value of the development that has occurred. Some are left wondering whether the advances Harrison claimed for the organisation were, in fact, real.

Harrison created a web of deception by bestowing gifts to chosen staff members and work favours to some senior management peers. This behaviour was interpreted as the actions of a caring, supportive senior manager. In a highly calculating manner, Harrison created relationship capital she would later call on to deflect attention from her fraud.

Harrison deliberately undermined senior leadership relationships. She played some leaders off against each other, seeking to sever the bonds of trust amongst her peers, that contributed to conditions of advantage for her fraud.

Harrison has left behind a deep sense of betrayal amongst staff and management at the Ministry of Transport. Staff now recall lies and sophisticated explanations Harrison used to cover up her fraudulent actions. She has left some staff with feelings of shame and humiliation, and for others, self-doubt about their competencies and judgement. Since the discovery of the fraud at least one staff member has left the Ministry citing it as the main reason for departure. Some people who worked closely with her have been in tears on several occasions and feel extremely angry at Harrison.

Ministry staff, especially those who worked closely with Harrison, have faced questions from professional colleagues, both in and outside the Ministry, about what they knew of her fraudulent actions. Staff knew nothing of her fraud but still some have been left feeling "guilty by association", creating a sense of isolation and misplaced shame.

The discovery of Harrison's fraud left staff members in shock. The shock contributed to some relationship break-downs as staff withdrew from one another and reflected on how this could happen in an organisation of high performing people of integrity.

4. Damage to the Ministry's reputation

Harrison's offending has discredited the recent work done by the Ministry to build stronger stakeholder relationships and build the Ministry's reputation as a higher performing ministry.

The Ministry's moral authority, in its governance role with transport crown entities, has been undermined.

New Zealand generally has a "clean" image when it comes to fraud. New Zealand consistently ranks highly in surveys that measure trust in government and effectiveness of systems and processes that deal with fraud. Harrison's offending has dented this clean image and in the process has tarnished the reputation of an important Ministry. Harrison's offending is a violation of a strong code of ethics in New Zealand's public sector. By association, other public servants may have suffered reputational damage.

5. Financial cost

In addition to the actual amount stolen by Harrison, a considerable amount of time and cost has been incurred by the Ministry in relation to this offending. This relates to:

- a) lost staff time while staff investigated the case and assisted the Serious Fraud Office with the prosecution
- b) the ongoing work of recovering the stolen funds
- c) work to review existing systems and processes and make changes to help protect against this type of fraud happening again.

A redirection of effort was required by many Ministry staff, particularly the senior executive team, to manage the aftermath of Harrison's fraud. This was a costly distraction away from other organisational priorities and challenging transport issues.

The Ministry had to engage expert forensic accounting and legal assistance in investigating and uncovering the extent of the fraud. Other external suppliers have been engaged to help manage the aftermath of the fraud as well as to review systems and processes.

Conclusion

Joanne Harrison was a well-paid, trusted senior manager, with loyal staff, peers who respected her and significant public budgets to manage. She used her position of influence and knowledge of the Ministry's systems to deliberately, in a determined and sophisticated manner, defraud her employer over a five-year period.

Right from the beginning of her employment, Harrison knowingly misled the Ministry of Transport. Her numerous acts of deception have led to a situation where nothing that Harrison has done over the past five years can now be taken at face value. In its wake, Harrison's offending has left an organisation in shock and in doubt about its past achievements.

Staff at the Ministry of Transport are motivated to serve the needs of New Zealanders. Like all public servants accountable for public money, they cannot do this in an environment where there is no trust. Harrison's fraudulent actions strained the bonds of trust and collegiality for staff at the Ministry of Transport and they have threatened the integrity of the public service. Harrison didn't just steal from the Ministry of Transport, she stole from all New Zealanders. This was not a victimless crime, nor is it a crime that should be tolerated in the New Zealand public service.

I would be pleased to provide any further information about the impact of this offending on the Ministry and its staff as the Court sees fit.

Yours faithfully



Peter Mersi
Chief Executive

From: Martin Matthews
Sent: Friday, 22 April 2016 5:41 a.m.
To: [REDACTED]
Subject: Employment issues

Dear Jo,

I am writing to inform you of my intention to commence an investigation into serious concerns that have arisen in relation to your employment. These concerns relate to whether you have deliberately and/or negligently failed to comply with procurement and management of contractual relationships. I am also concerned about the extent to which you may have misled your employer about this and other matters.

[REDACTED]

I have decided to investigate these matters more fully. To protect the integrity of that investigation I am taking the precaution of revoking your access to the building and the computer system and securing the filing cabinet from your office. To avoid any doubt I instruct you not to take any action, whether directly or indirectly, to access the building or computer system or your filing cabinet until such time that I am able to meet with you.

Given the sensitive nature of these matters, I propose that a meeting occur somewhere other than the Ministry. I require you to meet with me on Tuesday 26 April at 10.30am, [REDACTED]. At that meeting I will provide you with a letter setting out my concerns in more detail. The purpose of that meeting is not to hear your responses to those concerns but to explain the process I intend to follow and to confirm whether you agree to paid special leave for the duration of the investigation. You would not do any work during such time for the Ministry of Transport or any third party.

If you do not agree to paid special leave I would propose hearing you on whether suspension should occur until the investigation has concluded and on what conditions that would apply. You may if you wish bring a representative to the meeting.

In the interim I instruct you not to contact any employee of the Ministry of Transport, whether directly or indirectly. This includes contact in respect of your work with other people and organisations you have been dealing with in your capacity as a Ministry employee. If you are of the view that you do need to contact someone in relation to your work, please advise me and I will endeavour to facilitate this if appropriate.

Should you have any other questions in the interim please contact me directly.

Yours sincerely,

Martin

Martin Matthews

Chief Executive and Secretary for Transport Ministry of Transport - Te Manatu Waka



Ensuring Our Transport System Helps New Zealand Thrive

Sent with Good (www.good.com)



27 April 2016

Joanne Harrison
General Manager Organisational Development
Ministry of Transport

By email: [REDACTED]

Dear Joanne

Employment investigation

I wrote to you on 22 April 2016 about concerns in relation to your employment. I now set out these concerns in more detail.

Background

On 8 July 2013 you were appointed General Manager Organisational Development ("GMOD") with work commencing 5 August 2013 (with your permanent appointment being confirmed on 30 June 2015). As part of your role you received level 2 financial delegation and you agreed to be conversant with, and abide by, the rules and guidelines for financial delegations. Since that time there have been a number of occasions where you were questioned in relation the exercise of that delegation as well as compliance with procurement and management of supplier contracts.

Sharp-Design and other suppliers

In 2013 it was discovered that there were no contracts for a number of suppliers. When this was brought to your attention you stated in an email of 30 October 2013 that [REDACTED] Sharp-Design and [REDACTED] would no longer be working as part of the OD restructure. You also said that for future contracts you knew what was expected.

In May 2014 preparatory work for the Estimates Select Committee revealed suppliers had been engaged without any apparent contracts specifically:

1. Sharp Design (total spend 2013/2014 \$123,348); and
[REDACTED]

You were asked to forward contracts for these suppliers but none were forthcoming. The money spent also appeared to be odds with you statement in October 2013 that these suppliers would no longer be required from December 2013.

I wrote to you about these matters on 25 August 2014 seeking an explanation as well as an indication of how you would ensure all future procurement would be managed in accordance with Ministry policy and procedure. You responded it was your mistake based on genuine misunderstandings around contracting policy and any related party disclosures. You also said you fully understood the scrutiny and accept you had failed to comply with the policy for contracting. In future you assured me [REDACTED] would oversee the contracting process on your behalf, countersign the invoices and keep a running total of all costs. You made these statements via email on 25 August 2014.

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Less than two months later you were asked to finalise deliverables with Legal in a contract prior to signing with the supplier. This is a requirement of the procurement policy. You signed with the supplier without doing so. Lisa Nickson reminded you it is for the legal team to finalise the contract to ensure everything is in order prior to signing and that the original contract is to be held by Legal. This was explained in an email on 22 October 2014.

In considering these matters at the time, you assured me arrangements were in place to manage future procurement consistent with expectations. I had no information to cause me to question whether services were actually provided, and I was not prepared to bring my trust and confidence in you into question without reasonable evidence.

Mazarine Associates and Elizabeth Williams

I was unaware that on 9 October 2014 you sought approval, in my absence, from Andrew Jackson (Deputy Chief Executive) to continue arrangements with two suppliers (one being Mazarine Associates) that you had engaged without contracts. You also sought to put in place written contracts with them in spite of the procurement policy not being followed and despite your assurances in October 2013 that contracts would be in place in future. At the time Mr Jackson instructed you that in the future every effort was to be made so that contracts were in place following due competitive procedures. A contract with Ms Williams of Mazarine Associates was only located in your filing cabinet last week.

In mid 2015 concerns were raised in relation to Mazarine Associates. Invoices were being received but there did not appear to be any contract on file. There were also concerns that this engagement had occurred without having been registered on the Government Electronic Tenders Service website ("GETS"), a requirement of the procurement policy and the government's mandatory rules of sourcing.

In September 2015 David Bowden (Chief Legal Advisor) raised non-compliance with you and the need for competitive tendering. I understand your response at the time was you thought you were doing the right thing. You noted that future expenditure for this work would likely be above \$100,000 and that now would be an appropriate time to tender for the next stage, as the work with Mazarine was at an appropriate point to finish. It appears that during the earlier engagement with Ms Williams in 2014 you knew expenditure over \$100,000 must be registered through GETS. You demonstrated this knowledge in a document addressed to Ms Williams (although there is no evidence of this document ever being sent).

As above, a copy of a contract with Ms Williams of Mazarine Associates was located in your filing cabinet. This contract is dated 15 October 2014 and states a limit of \$90,000 for work in 2014 and a further \$95,000 work for 2015. This is a multi-year arrangement, which is in conflict with the financial delegation policy which requires the Chief Executive to sign such agreements.

Subsequent to Mr Bowden's discussion with you there was a call for registration of interest arranged through GETS. This was uploaded on 11 September 2015.

As a result of that process you engaged two suppliers, one being Elizabeth Williams and the other being [REDACTED]. While the registration of interest from [REDACTED] is what might be expected of a successful applicant, it is of concern to me that Ms Williams' registration of interest was far from the same standard, and yet she obtained the most favourable assessment. I also note Ms Williams was the same person involved in the Mazarine Associates engagement.

You then entered into two contracts with the suppliers. You are the only Ministry signatory on these contracts, despite the likely value of them being above your financial delegation to sign. The legal team did not see these contracts, nor were the deliverables confirmed with them. The Finance team also should have been aware of the financial components of the contract. These were issues you ought to have been aware of.

In particular the contracts did not state a limit on the fees to be completed by the suppliers as required by the procurement policy and the financial delegation policy.

Compliance memorandum

Every year the Ministry undertakes a compliance survey, a key tool to monitor whether the Ministry is complying with its legal obligations and its procurement procedures. On 4 December 2015 Clif Corbett wrote a memorandum in respect of a compliance survey undertaken in July/September 2015. The memorandum noted there had been a recurrence of contracting non-compliance in your area of Organisational Development. Mr Corbett stated that the actual breach of the GETS requirement was irretrievable and that the issue was not lack of awareness of the procurement policy as this had been discussed previously.

I referred the memorandum to the 14 December 2015 meeting of MLT. The papers were circulated on 11 December. You expressed concern to me about the report. I asked that you work through any parts you thought were inaccurate with Legal. You wrote to Mr Bowden on 11 December 2015 that you were struggling to understand parts of the paper that specifically attack OD over contract documentation. You said this despite your initial assurance to be conversant with relevant policy when you first became GMOD, and the instances identified above where you acknowledged what you had done wrong and that you would rectify matters.

Audit New Zealand and review of invoices

In following up the Ministry's compliance report as part of an interim audit, Audit New Zealand requested copies of invoices in relation to expenditure with suppliers you had engaged. This request was made on 14 April 2016.

It was then brought to my attention that the ongoing invoices from Ms Williams have been paid, signed by you, but not countersigned.

This appears to be in direct conflict with your assurance to me on 25 August 2014 that in future [REDACTED] would oversee the contracting process on your behalf, countersign the invoices and keep a running total of all costs.

The invoices lacked detail and I have real concerns as to what, if any, services have actually been provided.

I asked Audit New Zealand to look more closely at these matters as part of its interim audit and it has since reported to me its interim findings. These include (among others):

1. further expenditure with Sharp Design (\$23,000) and [REDACTED] in the current financial year;
2. a company named Sharp Design cannot be located;
3. inability to identify what Sharp Design expenditure related to;
4. the contract with Mazarine limited to \$90,000 has total spending to date of \$260,000;
5. no formal variation to the contract with Mazarine was made;

6. invoices with Mazarine do not explain what each invoice relates to;
7. a memorandum from you states a contract was signed with Ms Williams of Mazarine in July 2014 but the contract was not signed until October 2014;
8. multi year contracts with Ms Williams of Mazarine were not signed by the Chief Executive as required;
9. the legal team were neither consulted nor received copies of contract; and
10. lack of information or confirmation of the services provided by Ms Williams.

Summary of compliance issues

In summary, the issues arising from your procurement and management of contracts are as follows:

1. no contract existing for Sharp-Design;
2. work with [REDACTED] and Sharp-Design continued when you said it would cease;
3. failure to follow procurement process;
4. no contract existing for Mazarine Associates as at July 2014;
5. why copies of draft contracts were not provided to Legal and Finance for approval;
6. failure to provide Legal with a copy of any completed contract;
7. failure to set limits on expenditure within contracts;
8. entering into multi year contracts;
9. failure to set clear deliverables;
10. whether services were genuinely provided;
11. failure to obtain signatures from parties to contracts; and
12. invoices were not countersigned and records not kept appropriately.

Concerns relating to non compliance

In October 2014 I considered certain matters that had been brought to my attention in relation to your compliance with our policies. As stated above, you assured me arrangements were in place to manage future procurement consistent with expectations. I had no information to cause me to question whether services were actually provided, and was not prepared to bring my trust and confidence in you into question without reasonable evidence. That is no longer the case.

The countersigning of invoices is a fundamental internal control, and one you assured me would be carried out. When balancing the apparent failure to do so with your repeated assurances that you would comply with all relevant policies, I am left in a position where I have to consider whether your non compliance, both in the past and more recently, is deliberate or negligent.

If deliberate, I also need to consider why this is the case, and whether you were misleading your employer as to why you did not comply and/or in making assurances that you would comply in the future.

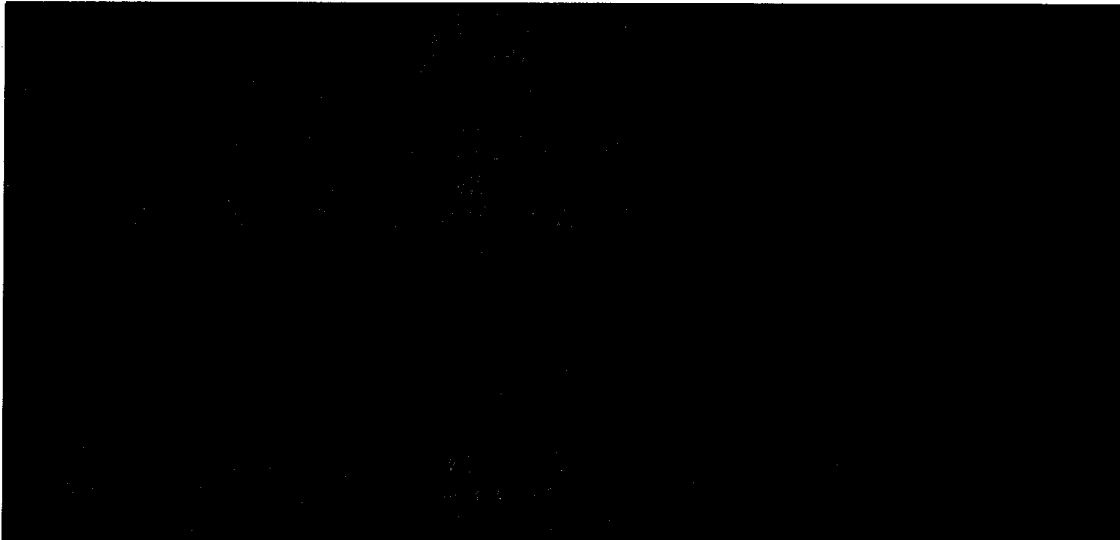
[REDACTED]

[REDACTED]

[REDACTED]

Concerns relating to [REDACTED] and Sharp-Design

[REDACTED]



I am also concerned that you had family members associated with Sharp-Design but failed to declare this. If this is the case, it would appear to be in conflict with your comments to me on 26 August 2016 that you learned of Sharp-Design through personal referrals from other users/staff members.

Relevant employment obligations

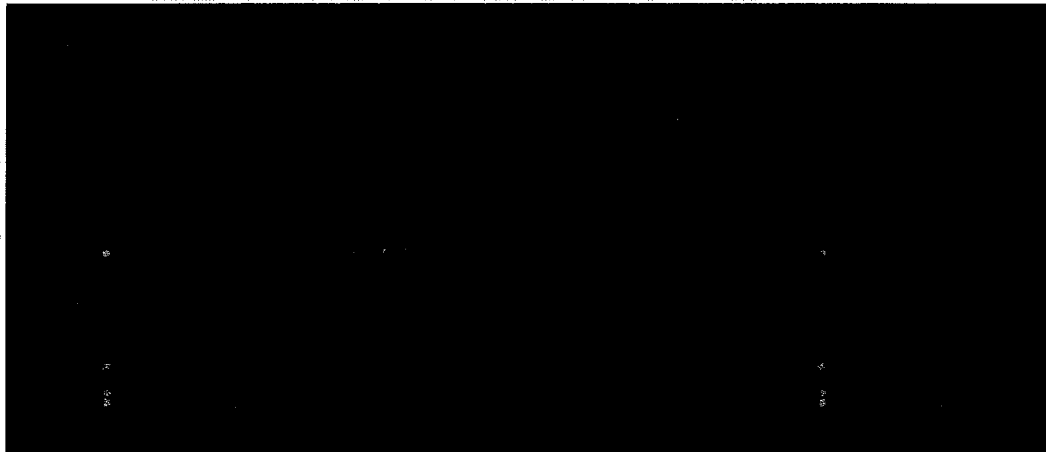
There are a number of employment obligations contained in your employment agreement and policy that I believe are relevant to the above concerns. I have summarised these in the appendix.

Allegations

Accordingly, it is alleged that you may have seriously damaged or destroyed trust and confidence because of one or more of the following allegations:

1. that you deliberately and/or negligently failed to comply with your obligations in respect of procurement of services and/or management of contractual relationships;
2. in relation to whether genuine work has been provided, that in recent times and indeed generally, you failed to properly monitor work provided in that there appears to be little, if any, work particularised or indeed provided, for invoices of not insignificant amounts of money;
3. that you misled your employer (and representatives of your employer) when questioned in respect of non-compliance by making claims such as:
 - a. you did not know what had to be done with respect to work sent out (email of 30 October 2013);
 - b. work from Sharp-Design and [REDACTED] would no longer be required (email of 30 October 2013);
 - c. you would keep relevant persons informed and organise contracts with future providers (email of 30 October 2013);
 - d. you made a mistake based on genuine misunderstandings around contracting policy and any related party disclosures (email of 25 August 2014);

- e. you would make sure [REDACTED] would (email of 25 August 2014):
 - i. oversee the contracting process;
 - ii. countersign invoices; and
 - iii. keep a running total of all costs;
 - f. you signed a contract with Elizabeth Williams of Mazarine Associates in July [2014] (memorandum to Andrew Jackson 12 November 2014);
 - g. in relation to contracts that you were learning something new about this every day (email of 22 October 2014);
4. that you disobeyed reasonable and lawful instructions in respect of:
- a. providing draft contracts to Legal for finalisation (email of 22 October 2014);
 - b. providing final copies of contracts to Legal (22 October 2014);
 - c. ensuring every effort is made in the future for contracts to be in place following competitive procedures (9 October 2014);



8. in relation to Sharp-Design, that you:
- a. abused your position by contracting with Sharp-Design; and/or
 - b. failed to disclose a conflict of interest; and/or
 - c. misled me as to how you learned of Sharp-Design.

It is alleged further that as a result of one or more of the above allegations trust and confidence between myself as your employer and you has been seriously damaged and/or destroyed.

If any of these allegations are substantiated, it may lead to findings against you of misconduct and/or serious misconduct.

The position of GMOD is a crucial one in the organisation. You are a direct report to me and I look to you to provide me with insight and advice on staff within the Ministry, their trustworthiness, ability and suitability for promotion. As such I repose a high level of trust of confidence in you.

Independent investigator

I have arranged Peter Churchman QC to investigate to determine whether the allegations are substantiated. Mr Churchman will meet with you and others, establish

the facts and provide me with a report on this. You are instructed to make yourself available to meet with him and to answer his questions when he meets with you.

You will be provided with terms of reference for the investigation and copies of the relevant information.

I instruct you to assist Mr Churchman by meeting with him and answering his questions.

Possible outcome following independent investigation

Once I have considered Mr Churchman's report I will make a tentative decision as to whether or not any action is needed in the context of your employment. Because of the nature of the concerns, this may include disciplinary action from a warning up to summary dismissal (provided for under clause 28.4 of your employment agreement). However, I will not form a view on any tentative decision until such time that I have been able to consider Mr Churchman's report.

You will also have the opportunity to meet with me and provide feedback as well as anything else you think should be taken into account before I arrive at a final decision.

Proposed suspension/special leave

On 22 April 2016 I offered special leave. [REDACTED]

[REDACTED] However, since the time of writing on 22 April 2016 further information has come to light which has deepened the gravity of the concerns that I have and heightened the need to protect the integrity of the investigation.

In particular I am concerned that Ms Williams has not contacted the Ministry about non-receipt of funds she would have otherwise been paid for the last month and that she has not responded to our efforts to contact her. [REDACTED]

[REDACTED]

More generally the allegations against you relate to compliance with financial delegation and procurement policy, the location of critical documents and information and whether you have misled your employer. I am also concerned about the genuineness of the services invoiced, and the level to which you were aware of this.

I have decided that a separate forensic investigation is necessary and I have arranged Deloitte to carry this out. I require you to meet with the forensic investigator if requested and assist that investigation.

Given the nature and seriousness of the concerns that I have outlined in this letter, I am concerned that the employment relationship between us cannot function effectively while the above allegations are being investigated and that special leave would be inadequate in addressing this. For that reason I am proposing to suspend you.

The right to suspend, with or without pay, where serious misconduct or negligence is being investigated is confirmed under clause 33 of your employment agreement.

While I have not yet formed a view about these matters, I consider the allegations to be serious and am proposing to suspend you on pay, subject to review, for the duration of the investigation.

As part of the conditions of suspension I would propose maintaining the withdrawal of your access to the building, and the computer system and that your filing cabinet would continue to be restricted. This would include continuing to require you not to contact any employee of the Ministry of Transport, whether directly or indirectly. This includes contact in respect of your work with other people and organisations you have been dealing with in your capacity as a Ministry employee. This would also restrict you from making contact with any supplier.



I would like to hear from you on my proposal to suspend you and on the proposed conditions of that suspension. Please provide any comments on these issues by 4pm Thursday 28 April 2016. You may do so by responding in writing to me.

Confidentiality

The issues raised in this letter are serious and must be treated as strictly confidential.

I instruct you not to contact any employee of the Ministry of Transport or contractor, whether directly or indirectly, in respect of these matters. If you are of the view that you do need to contact someone in relation to the investigation, please advise me and I will endeavour to facilitate this if appropriate.

Failure to follow these instructions may result in disciplinary action.

Support and representation

You have the option of access the support of the Employee Assistance Programme (EAP). I also remind you of your right to representation throughout the investigation.



Yours sincerely

A handwritten signature in black ink that reads "Martin Matthews".

Martin Matthews
Chief Executive and Secretary for Transport Ministry of Transport - Te Manatu Waka

APPENDIX – RELEVANT EMPLOYMENT OBLIGATIONS

Individual employment agreement:

- Clause 2.3:
 - Comply with all reasonable directions and policies of the Employer in place from time to time.
 - Comply with the Ministry's Code of Conduct and the State Sector Standards of Integrity and Conduct.
- Clause 27.1 requiring you to comply with the Ministry's Code of Conduct and the State Sector Standards of Integrity and Conduct.
- Clause 27.3:
 - A breach of either the Ministry's Code of Conduct or the State Sector Standards of Integrity and Conduct may result in disciplinary action up to, and including, summary dismissal.
- Clause 37.4 relating to notification of an conflict of interest.
- Clause 42.1 relating to your employer's reliance upon representations made by you during the recruitment process.

State Services Commission Standards of Integrity and Conduct:

- Requiring you to be trustworthy and honest.
- Requiring you to be responsible and act lawfully and objectively; and use resources carefully and only for intended purposes..

Procurement Policy and Procedures Manual

- Full and fair opportunity (page 10).
- Establishing contracts (page 10 and 11) and the need to set out:
 - precise specification of the services or goods that are to be supplied;
 - the duration of the contract; and
 - the price to be paid.
- The requirement for staff to comply with procurement policies and procedures (page 11) including:
 - where the procurement value is \$100,000 or more the Chief Executive must approve the departure prior to the departure taking place (this cannot be due to lack of planning);
 - obtaining at least three written quotations for procurements with total potential values between \$50,000 and \$99,999; and
 - posting all procurements with total potential value of \$100,000 or more on GETS.
- Determining value of contracts (page 12).
- Business ethics (page 13), the Ministry's business ethics and personal interests and relationships (page 14), conflicts of interest (page 15)
- Accountability and keeping records (page 16).
- Obtaining advice on procurement (page 31) – requiring legal checks on proposed procurements.