

CONFIDENTIAL

23 July 2018

State Sector Agency Chief Executives

State Services Commission Inquiry into the Use of External Security Consultants

Dear Chief Executive

As you are 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 state sector agencies. The relevant part of the Inquiry's terms of reference are attached as Appendix 1. They focus on the use of external security consultants including (but not limited to) Thompson and Clark Investigations Limited (TCIL) and its associated entities, as listed in Appendix 2.

Given the breadth of the terms of reference, as a first step we are inviting Chief Executives of state sector agencies 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 agency 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 or external contractors related to specific cases of



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fraud. It also excludes routine engagement of security guard services, alarm monitoring and general media and social monitoring undertaken by third party providers.

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 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.

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 OIA s9(2)(a)

[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 find no interactions and/or no cause for concern, please provide a short letter to that effect to OIA s9(2)(a) and also inform your relevant SSC Assistant Commissioner or, for Crown



entities, commission@ssc.govt.nz. If you wish to discuss this letter or the process, please feel free to telephone [redacted]

To support the Inquiry to conclude within a reasonable timeframe, your response is required at your earliest convenience and no later than 20 August 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: EXTRACT FROM INQUIRY TERMS OF REFERENCE

All agencies

- The circumstances, reasons and outcomes of the engagement with or of external security consultants by state sector agencies with a specific focus on the relationship between organisations and Thompson and Clark Investigations Limited, and its associated companies and entities.



APPENDIX 2: THOMPSON AND CLARK AND ASSOCIATED COMPANIES

THOMPSON & CLARK INVESTIGATIONS LIMITED (1287169)

EYELA LIMITED (5679387)

CYCLOPS MONITORING LIMITED (4458600)

BIKINI RED LIMITED (2354132)

s9(2)(b)(ii)

CLARK CAPITAL LIMITED (6276850)

s9(2)(b)(ii)

THOMPSON CAPITAL LIMITED

THOMPSON TRUSTEE (2011) LIMITED (3430191)

Associated URLs

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

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

s9(2)(b)(ii)

s9(2)(b)(ii)

