

- CONFIDENTIAL -

MEMO

To: Tim Godwin, Deputy Commissioner

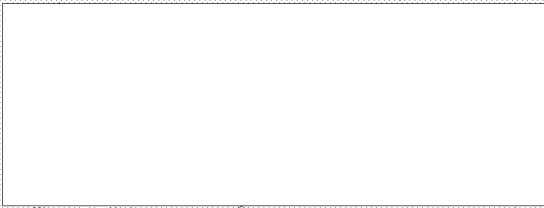
Title: Phone-hacking related matter

Whilst recently on extended sick leave recovering from operations on my leg I became aware that Neil Wallis' name appeared in a newspaper publication in relation to phone-hacking.

Consequently, upon my return, I considered it appropriate to undertake a due diligence process in relation to the contract let to Chamy Media during 2010. For the sake of completeness I am aware that the company is owned by Neil Wallis, someone who has been known to me for a number of years on a professional and 'light' personal basis. Though I played no part in any negotiations or selection process for the media support DPA were seeking, I was informed that Wallis' company had been selected on the basis of cheapest tender and did subsequently benefit from his advice and assistance.

My purpose in undertaking this process is to ensure transparency, particularly in the event of Wallis becoming subject of the Weeting enquiry - at this time I am not aware that this is the case, and this remains entirely a matter for determination by the Weeting team led by DAC Sue Akers, under the business group command of AC Dick.

Having reviewed the attached file, it does appear that the contract was appropriately let. However, due to the ongoing Weeting investigation, and high-profile interest in this case, I would ask you to 1) ensure AC Dick has sight of this memo and the attached file to inform the Weeting investigation as and when she considers it appropriate 2) with your DPS responsibilities in mind, consider any vulnerabilities presented by the attached file and action as you consider fit. In particular, you will wish to ensure appropriate transparency should there be occasion at any time for referral to the IPCC for any other related Weeting matter.


Paul Stephenson
Commissioner

1st June 2011

External Strategic Communication Support Contract

During 2009 my deputy, Chris Webb, was on extended sick leave [redacted] [redacted]. As Head of News his absence left a significant gap in the provision of support and advice to me, the DPA and the MPS more generally in our management and handling media matters and pro-active opportunities.

I therefore sought to appoint an external adviser initially for six months but possibly for up to a year until Chris was able to resume normal duties. I had been taking informal personal advice from several professional colleagues at no cost to the MPS but felt the arrangement should be formalised and put on a proper contractual footing.

[redacted] DPA Publicity, completed a Request for Formal Contract Action (A) to Procurement Services on behalf of [redacted] Assistant Director DPA, on 18 September 2006 requesting a single tender action due to the timescales involved and immediate needs of the DPA.

[redacted] on behalf of Procurement Services, advised on 18 September that changes to MPA regulations required the obtaining of 3 competitive quotes which could be obtained by phone. (B)

Based on personal knowledge, recent contacts and additional research as to potential suppliers of this service, I identified three companies who could provide the support and invited them to submit an estimate of their costs.

Following conversations or messages left, emails were sent on 24 September 2009 to [redacted] (C), [redacted] (D) and Neil Wallis of Chamy Media (E).

Their responses with estimates of daily rate were:

| | |
|-------------|------------------------|
| [redacted] | £1950 per day plus VAT |
| [redacted] | £1500 per day plus VAT |
| Chamy Media | £1000 per day plus VAT |

A decision was made on these estimates to appoint Neil Wallis of Chamy Media and a contract was subsequently signed on 1 October 2009 (F) with a purchase order issued on 6 October 2009 for seven months at £2,000 per month i.e. two days work per month, via email to Neil Wallis on 7 October 2009 (G).

As some of the media support I was looking for would relate to SO matters I spoke to ACSO John Yates and asked him via email on 1 October 2009 to meet half of the £12,000 anticipated annual costs of this support service. He agreed and the SO accountant subsequently arranged the transfer of £6,000 to the DPA. Email exchanges (H).

As Chris Webb had still not returned to full time working in March 2010 and was still some way short of doing so it was decided to extend the arrangement with Chamy Media for a further 6 months. This was within the financial limits for the contract and a further purchase order was issued by Procurement Services on 14 April 2010. (I).

We were advised informally by Procurement Services at that time that there was a limit of £50,000 on this contract value and if we wanted to exceed this 6 month extension we should aim to get a reduction in costs, if possible, but we could not go beyond another 12 month period. This was noted on a post-it by [redacted] (J).

Copies of monthly invoices from Chamy Media from September 2009 to July 2010. (K).

On 1 September 2010 an email was sent from Dick Fedorcio to Neil Wallis offering a final 6 month extension of the contract and this was agreed by reply the same day. (L)
This email makes also reference to a 'meet with Paul (Stephenson) and Andy Hayman on 21 September (2010)'. This meeting was cancelled as a result of the subsequent exchange of emails set out below.

On 6 September 2010, following recent media coverage of the phone hacking enquiry, Neil Wallis sent an email to me suspending our contract and deciding not to take up the option of extending it. I acknowledged his email on 7 September 2010 and accepted the termination of the contract with immediate effect (L).



Dick Fedorcio
Director of Public Affairs

24 May 2011