

## Grayling: Questions Hain should answer to end speculation

Today Shadow Secretary of State for Work and Pensions, Chris Grayling, has written to Peter Hain calling on him to answer key questions arising from the funding of his campaign for Deputy Leader of the Labour party.

Chris Grayling said: “My big anxiety is that there are now so many unanswered questions that this is going to prove an ongoing distraction for Mr Hain at a time when his department has so many significant issues to address.

“I’m not sure if all these questions will be answered by the Parliamentary inquiry, but in any case it is clearly in the interests of all those involved that Mr Hain should give immediate, clear and public answers to all of these questions and put an end to the speculation.”

ENDS

For further information, please contact the Press Office on 020 7984 8121.

Notes to Editors

Letter from Chris Grayling to Peter Hain

14 January 2008

Dear Peter

I read carefully your comments over the weekend, and think that you are right to have offered full co-operation to an investigation by the Parliamentary Commissioner for Standards. However, I remain concerned that so many of the obvious questions to you remain unanswered at this stage, and as a result the interest in this matter and the disruption to your Departmental work will not abate. It would certainly be helpful if you could provide some additional information to help clarify matters.

I am therefore writing to urge you to provide more details about a

series of questions which are prompting much speculation at present:

- When were you first made aware of the fact that your campaign had debts of over £100,000, for which you were personally liable?
- Did any of the payments to trade creditors to meet those debts exceed significantly their normal trading terms, and if so, have you sought advice from the Electoral Commission about whether these also constituted declarable loans?
- When did you first become aware that donations to your deputy leadership campaign had not been declared? And when did you first inform the Electoral Commission that your original declaration to it was incomplete?
- What checks did you personally make during the deputy leadership campaign to ensure that donations were being properly registered?
- What involvement, if any, did you have in raising the money to pay off the debts of your campaign?
- If you had no involvement in this, who did take responsibility for organising the fund raising effort to clear your debts?
- Will you commit to publishing any correspondence, by email, letter or internal memoranda, between members of your campaign team about fund raising?
- When were you first informed that sufficient funds had been raised to clear your debts?
- Given the fact that you knew that your campaign had substantial debts, and that fund raising was taking place to meet those debts, why were you unaware that additional donations were being sought for your campaign which would be declarable?
- Please could you publish a list of the actual dates on which the undeclared donations were received by your campaign?

What further information can you provide about the Progressive Policies Forum? You will be aware that it seems to be no more than a shell company, and has apparently carried out no research or political activities. Since you seem to be the only person with any knowledge of the PPF, it is imperative that you now answer questions about it and your relationship to it. If you are unable to answer any of the questions about the PPF please direct me to somebody who can answer them on your behalf.

- Under the terms of electoral law, to be permissible, any company has to be actually trading in the UK. Can you please clarify what its status actually is, what due diligence your campaign carried out into it, and what involvement you have had with it?
- How many staff does the ‘think tank’ employ?
- What documents has it published?
- When were you first made aware that donations to your deputy leadership campaign were being made by this ‘think tank’?
- What donations have been made to PPF since the conclusion of the deputy leadership campaign?
- Why were donors to PPF not fully informed that their donations were being passed to your deputy leadership campaign in advance of this being done?

In your statement on Saturday afternoon you said that you had ‘checked with my Permanent Secretary whether there is any conflict of interest’. This statement raises more questions than it answers – questions it is essential you answer fully and urgently:

- I assume that ‘Permanent Secretary’ here refers to the Department for Work and Pensions; who have you contacted in the Wales Office to make the same checks regarding conflicts of interest?
- When did you first make these checks with the Permanent Secretary at the DWP and appropriate officials in the Wales Office?
- Have you discussed with the Permanent Secretary at the DWP and appropriate officials in the Wales Office comments you

have made supporting Picture Financial Services, Tesco, the Cuddy Group, and indeed any other companies you have endorsed as a minister?

- When did you first make the Permanent Secretary at the DWP and appropriate senior officials in the Wales Office aware that donations to your deputy leadership campaign had been made by Neville Allport (CEO of Picture Financial), Steve Morgan (whose lobbying firm represents Tesco) and Mike Cuddy (Managing Director of Cuddy Group)?

I very much hope that you will be able to clarify these issues, and so set matters to rest, as soon as possible.

With best wishes

Chris