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Director General: Lynne Owens CBE QPM MA
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London SE11 5EF

Dear Lynne,

I am writing to ask about a specific piece of work currently being undertaken by the Met that I believe needs to be conducted in public. I hope you can assure me that as much of this work as possible will be done with full public scrutiny.

As I am sure you are aware the first report by the Electoral Commission into Leave.EU's referendum campaign was published last month¹. Conclusions included: *The Commission is satisfied that it has reasonable grounds to suspect that the responsible person [Liz Bilney] for Leave.EU either knowingly or recklessly signed a false declaration accompanying the Leave.EU referendum spending return. The Commission has referred this matter to the Metropolitan Police Service.*"

It is now over a month since this report was published, and, in the public realm, there has been no further update as to what action has or is being taken to follow this up. Any update you could provide me would be greatly appreciated.

Equally however, there are several other questions here and a growing body of evidence to suggest criminal behaviour may have occurred. As such I would like you to lodge this letter as a formal complaint that illustrates that there is a prima facie case to be answered regarding illegal behaviour during the EU referendum campaign.

In the past few months, many investigative journalists have raised disturbing questions about the sources of funding, in cash and in kind, for the Brexit referendum campaigning undertaken by Leave.EU, Vote Leave, the Democratic Unionist Party (DUP) and other pro-Brexit campaigning groups.

Some of this relates to allegations of foreign influence and a fundamental threat to the foundations of our democracy and the security of our nation.

The journalists working on this case have uncovered evidence strongly suggesting that the ways in which such funding was spent, not least on social media targeting and profiling, may have been illegally coordinated across supposedly separate campaigning groups.

These questions have focused on:

- 1) The sources of funds donated by Leave.EU's co-founder and main financial backer, Arron Banks, and the ways in which funds he donated were spent;

¹https://www.electoralcommission.org.uk/_data/assets/pdf_file/0018/243009/Report-on-Investigation-Leave.EU.pdf

- 2) What appears to be coordination of more conventional campaign marketing by the supposedly separate campaigns, via an obscure branding agency that was paid large sums by several of them;

What follows focuses on these areas.

1. Sources of funding supplied by Arron Banks

Following questions raised by the Financial Times in June of last year², on 19 October 2017 the website OpenDemocracy published an in-depth investigation into the finances of Leave.EU's main financial backer, Arron Banks, looking in particular at the period during which he was making large financial donations to Leave.EU and associated pro-Brexit organisations, supposedly from his own pocket.³ It revealed, among other things, that:

- In 2013, scrutiny by financial regulators in Gibraltar found Banks' underwriting business Southern Rock to be in financial difficulties and that it had reserves below the legally required minimum. The UK's Financial Conduct Authority agreed. As a result, Banks was effectively barred by both regulators from holding a position of control within an insurance business, though he has continued to claim to be "running" such a business.
- Despite these financial difficulties, in 2015 Banks claimed to the Financial Times that he was worth £100 million (on another occasion he has put this figure at £250 million). He has given various explanations for this apparent sudden reversal in his fortunes; chief among these are the sale of Brightside plc in 2014 and the "success" of Southern Rock.
- However, detailed scrutiny of the figures by OpenDemocracy shows that these explanations are far from convincing. In particular, it showed that the supposed "profit" made by Southern Rock was based almost entirely on dubious paper transactions, namely the sale of rights for "finance arrangement fees" to another company owned by Banks, Isle of Man-based ICS Risk Solutions. These supposed assets had not featured on Southern Rock's balance sheet prior to the sale.
- Another explanation Banks has offered for his apparent sudden accession to great wealth has been his acquisition of diamond mines in South Africa. However, these mines do not appear to be making any significant profits, being in some cases defunct and in others worth a small fraction of what Banks claimed to have paid for them.
- Despite these significant question marks over his financial status, Banks was able to donate a total of £9.6 million in funding for pro-Brexit organisations: Leave.EU, UKIP and Better for the Country Ltd.
- Banks' complicated financial arrangements are to a large extent carried out through various offshore companies (e.g. in Gibraltar and the Isle of Man), making it very difficult to ascertain the actual origins of the money that he was able to pass on to the Brexit campaign.

OpenDemocracy's detailed report concluded:

² 'How the businesses of Brexit campaigner 'King' Arron Banks overlap', Financial Times, 29 June 2017
<https://www.ft.com/content/8cddf0ea-5c02-11e7-b553-e2df1b0c3220>

³ 'How did Arron Banks afford Brexit?', openDemocracy, 19 October 2017

<https://www.opendemocracy.net/uk/brexitinc/adam-ramsay/how-did-arron-banks-afford-brexit>

“Our review of the publicly available records for Banks’ business empire, and his own public statements, has revealed a patchwork of legal disputes, regulator interventions, and poor corporate governance. Two of Banks’ claimed previous employers have denied he ever worked for them. The value of his businesses are materially lower than Banks’ own inflated boasts and, while still a wealthy man, was he wealthy enough to give so much to the Brexit campaign, without some other undisclosed source of income?”

With this in mind, it is deeply worrying to read the latest revelations in The Guardian newspaper⁴ suggesting the many meetings that Leave.EU officials – including Arron Banks – had with Russian officials. One such meeting, at which Aaron Banks was present, included an introduction to a Russian businessman, by the Russian ambassador, the day after Leave.EU launched its campaign. This reportedly resulted in Banks being offered a multibillion dollar opportunity to buy Russian goldmines and was followed by a trip to Moscow in February 2016 to meet key partners and financiers behind a gold project, including a Russian bank.

The plan to buy these six Russian gold firms and merge them into a single entity, held the potential of netting a profit of several billion dollars. The deal to buy the goldmines with funding from the bank was announced on 5 July 2016, 12 days after the referendum. This evidence combined with the fact that Arron Banks tweeted on 17 July 2016: “I am buying gold at the moment & big mining stocks” suggests strong evidence and grounds for investigation by a body with legal authority and significant resources.

2. Coordination of funding spent by Leave.EU, Vote Leave, the DUP and others?

Additional investigation, again by openDemocracy⁵, has revealed that:

- Banks’ company, Better for the Country Ltd, gave £2.4m to five different pro-Leave campaign groups. Of this, £2m was in the form of ‘non-cash’ donations, including £1.9m to the anti-EU group Grassroots Out. The nature of this ‘non-cash’ donation was not disclosed or detailed in information given to the Electoral Commission.
- Much of this ‘non-cash’ support was supplied in the form of the services of Ely-based ‘branding agency’ Soopa Doopa, which has little real-world presence beyond a registered address and a house that appears to be a residential dwelling, rather than an office location of the sort one might expect of a branding agency.

Something even more extraordinary was also uncovered by openDemocracy. During the final few weeks of the referendum campaign:

- Vote Leave – supposedly a separate and uncoordinated Brexit campaign – spent £637,108.80 on the services of Supa Doopa.
- The DUP spent almost £100,000 on Soopa Doopa services, while Grassroots Out paid £42,000, and UKIP £18,000.
- When questioned about this spending and what it was for, the agency’s owner, Jake Scott-Paul said that the agency does not manufacture or print materials but rather “organises” their

⁴ <https://www.theguardian.com/politics/2018/jun/09/arron-banks-russia-brexit-meeting>

⁵ ‘Following Arron Banks’ money: who delivered the payment in paraphernalia?’, openDemocracy, 3 November 2017
<https://www.opendemocracy.net/uk/brexitinc/adam-ramsay/following-banks-money-who-provided-payment-in-paraphernalia>

manufacturing and printing. While confirming that it had worked for the various different Brexit campaigns, Scott-Paul observed that “they were all one campaign”.⁶

When taken together, the evidence presented above gives substantial reason to believe that serious breaches of electoral law were committed by Leave.EU, and that there was also significant undeclared – and hence illegal – coordination of electoral spending and procurement/ management of campaign resources between Leave.EU, Vote Leave, the DUP and other supposedly separate and unconnected pro-Brexit campaigns.

Now more than ever these allegations need investigation by a body with the legal authority and resources to launch a full investigation. Is the Met the body to do that – and if not, and acknowledging that the Electoral Commission doesn’t have the resources or the legal authority – then who does?

I started this letter by saying that some aspects of this work have to be played out under public scrutiny. At the very least I hope you agree that providing clarity about who is investigating these accusations and what the consequences are should they be proven to be true should be the absolute minimum.

If you would like to meet to discuss this issue, then please do not hesitate in getting in contact with my office either by email – office@mollymep.org.uk or by phone 0117 9240700.

Yours sincerely,



Molly Scott Cato MEP

⁶ ‘Meet the Soopa Doopa branding agency that delivered Brexit’, openDemocracy, 26 June 2017
<https://www.opendemocracy.net/uk/brexitinc/peter-geoghegan-adam-ramsay/meet-soopa-doopa-branding-agency-who-delivered-brexit>