

To Tim Revell

CONFIDENTIAL

Re: Code of Conduct violation allegation against Anita MacDonald

I am writing this letter to be taken into consideration when you read all the relevant documentation, to give some background to the case.

A few years ago Sid Garg was very popular in the group and a talented member of it. The then Chief Whip, Paul Harmsworth, did not appear to monitor Labour Group accounts, casework or other issues at all between 2006-2010. When the time came for him to send information to the LGC regarding re-selection he refused, and there was a series of emails about why it was 'not his job'. I don't know whether this had anything to do with adequacy of records kept.

Finally, after realising he needed to provide some written evidence on sitting councillors, he sent emails with an attached application form to some members of the group, including myself. I discovered that some of the sitting councillors did not receive the form, and immediately challenged him, together with another female member on the grounds of equality, as only some women had been asked to complete them. I asked why some had not been asked and he replied in writing that the people who don't have to fill them in are the 'backbone of the Labour Group'. This included Cllr Garg, even though Cllr Harmsworth was allegedly aware of his Caution at the time. (This is subject to a separate investigation by London Labour Party Compliance Unit, case to be heard on 23rd August)

Some of us, including the Domestic Violence advocate, myself as Education Lead and Cllr Lynne Allen (ex Chief Whip) were asked to complete forms for re-selection, even though we had the highest casework and members enquiries statistics of the Labour Group, as we were all extremely hard working. We were suitably incensed. The only reason appeared to be that either a. we had the nerve to disagree with Cllr Harmsworth and b. that we were women.

At this point I was disaffected with politics and told the LGC at a meeting that I was stepping down as a Councillor at the end of my term because of the equalities issues and because in addition to that, when I complained about it, Cllr Harmsworth wrote a couple of very long and disparaging emails about myself and Cllr Allen and sent them to the LGC secretary, requesting they be sent to the Regional office. These were so personal and subjective in nature that the LGC secretary was fearful about showing them to us in case we became upset.

I stood down, then at the last minute an unsafe seat was vacated by the person selected in West Drayton. I put my name forward as I was sure I was unlikely to get it, but the electorate thought otherwise and I was elected, then elected by some of the Group into the Deputy Leader's position while Cllr Harmsworth was in France on holiday during the election and immediately afterwards.

Soon after assuming the role of Deputy Leader, I wrote a strategy for the Group, and organised an away day for training and reflection for the whole group. The Leader and I arranged to have monthly meetings with the secretariat as part of this new plan, to bring up any issues. We agreed to have these on the 15th of the month. We had our first meeting, and the Leader told me afterwards that he

felt things were being leaked from these meetings and from the Labour Group Secretariat to Cllr Janet Gardner, who in turn was passing the information on. He asked me to speak to the long term officer, Dee Brooklyn. I took her across the hall to another office and advised her that the Leader had asked me to emphasise how important it was not to leak information, particularly to Cllr Gardner. Later that day, she was obviously upset with me and said she felt I was accusing her of leaking information. I said no, I was asked to bring it up to her as the senior officer in the office and I did. (The previous Labour Group Leader, Anthony Way had also complained for a long time about leaks from the office.)

In June 2010 I soon discovered as Deputy Leader that the Labour Group Secretariat had been paid cash in hand for years. The rest of the Executive seemed unsurprised that Council officers were receiving cash payments, and I soon began to realise that rather than do anything to stop this illegal practice; they wanted to take action against me in various ways in order to discredit any future statements I would make. Cllr Harmsworth actually brought me to tears in a Labour Group meeting (minuted) with his shouting at me. I took action myself; I went to the Secretariat line manager Jo Michalski and had a word with her in the Mayors Parlour, she advised me to 'keep it quiet'. I then went to Lloyd White, Head of Democratic Services and told him; he took immediate action and visited Dee and advised her not to take cash in hand as this put her in a difficult position when asked to leak information.

I went into the Group Office the next day, and Dee shouted at me, asking what I had against her, the reverse was actually true as I regarded Dee as a 'gem', someone very easily led, but with a heart of gold. I said it wasn't just her, it was every officer who had past or present, taken cash in hand from the Labour Group fund, that it was illegal and that it had to stop. She replied that 'everyone takes cash in hand' I said no, they don't, and with the expenses scandal we had to ensure that it didn't happen again.

Soon after, those members of the Executive who had known all about the payments, the same members who had failed to produce any accounts between 2006-2010, started to tell the group that I had bullied Dee. Nothing could have been further from the truth, in fact Dee came to me and we were both in tears about it, I said I had not bullied her, she agreed and said it had been 'blown out of all proportion' by Members.

As I have said repeatedly, we cannot have the Labour Party brought into disrepute, particularly after the expenses scandal being so fresh in the minds of the public. Yet again the only people who knew about this state of affairs were some of the 'backbone of the group', the same people who did not have to complete sitting Councillor forms at the time of the last election.

The Leader began to work against me behind the scenes, operating a 'divide and rule' policy, telling me he supported me completely but having meetings behind the scenes in order to remove me. I am in no doubt that Cllr Garg and myself were taken to Standards in order to discredit both of us, as moves were only made against Cllr Garg once he started asking for the accounts to be 'signed off' before he took them over as Whip. The Leader was accused of much worse in the past and the Party operated an 'innocent until proven guilty' policy, which should also have happened here. I am the only female member of the group who has actually spoken to Cllr Garg's wife about it, so anyone who thinks they are on the side of domestic violence victims without speaking to them, has a strange perspective on life. It seems to me that he is being set up to discredit him after asking to see the

accounts. The other previous member who was also 'got rid of' as Deputy Leader as he seemed to ask too many questions, was Cllr Eginton, an accountant.

Other unfounded allegations have been made to group members about a member of the Regional office being related to Councillor Garg, and other unsavoury allegations about Regional officers that we can only assume are fictitious. An email was sent to the Regional office in January by the Leader, typed by Cllr Janet Duncan, that the rest of us as an Executive and Shadow Cabinet have not been party to, and have no idea as to the contents. This will be sorted out by the Compliance Unit.

After this long battle, I was physically and mentally exhausted, tearful and depressed at times. I don't feel able to visit the Labour Group Office at all now, due to the long term whispering campaigns against me, but have all my mail sent home, and continue to do surgeries and casework.

I do regret sending the email to Cllr Duncan, even though I still believe it to be the truth. I did not make a libellous statement about Rod Marshall, she did, to Cllr Peter Curling and I would ask that he be called as a witness about this. I was quoting what she allegedly had said to Cllr Curling. She knows she said it, and to more than one person, as she asked Cllr Allen why she had told me. Cllr Allen told Cllr Duncan she did not tell me. I would ask that Cllr Allen be called as a witness about this too.

This is 'tittle tattle' anyway, as it was a conversation, but the reason I emailed all members is that most of them had no idea about the misuse of the group fund. A group fund constitution change was discussed at Labour Group last Monday (see enclosed documents), proving that I was speaking the truth in my email about not having to pay anything except my ALC compulsory payments, pending full investigation, otherwise why would they rush to change it? It would also be very interesting to ask how many members pay into the group fund, what the criteria is for deciding which members do not have to pay in (it transpired at Group the other night that a substantial number of members do not pay in to the group fund, there does not appear to be a criteria for this).

I was never given a key to the Secretariat's office, where petty cash was held, only the Leader and Group Secretary (now Whip) had a key. The Secretariat reported that cash went missing, and suggested it might have been the cleaner. The Leader and Chief Whip are the signatories on the bank account too. They have now begun to change the Group Fund constitution,(see enclosed) without consultation with the NEC, so illegal, to include Cllr Harmsworth (Cllr Duncan's long term partner) and Cllr Beulah East. We will now have four signatories to our Group Fund, three of whom were complicit in a cash in hand crime going back years.

Lastly, while I deeply regret sending the email, I was very angry that my reputation should be under question after such a long whispering campaign. The Leader even told me the next day, that Cllr Duncan had worked very hard to get Cllr Harmsworth into the Deputy Leaders position, and had been round the members telling them that I had bullied Dee. I did not bully her in any way, as I am quite sensitive to the way people speak to me, so wouldn't dream of doing it to others. But it is a word that 'sticks' and I find myself in the position of having to defend myself when only trying to clean up a historical and financial mess. I obviously stumbled upon something much greater by accident.

I would ask that the following witnesses be called:

1. Cllr Lynne Allen – re Rod Marshall quote
2. Cllr Peter Curling- re Rod Marshall quote
3. Cllr David Allam- re cash in hand- was he asked to provide the name of a payroll company to the Leader after the scandal was revealed, he was as shocked as I was that we were paying cash in hand. The Leader claimed that it was now going through a payroll company, since the Secretariat stopped being paid. The Leader has employed a friend of his, ex councillor John Oswell, who appears to be paid £40 cash per night. (This is coming out of the Group fund, while the Secretary could quite easily take minutes, money that should be in my opinion be for campaigning.)
4. Tony Eginton, former councillor and Deputy Leader, re accounts and audit procedures.
5. The accountant, with detailed copies of the accounts from 2006-10, as the Labour Group has not seen these.

I would also ask that you use the recent accounts (post-2010) as evidence of cash still being used as a way of paying people for services, rather than a cheque from the Labour Group Fund. The accountant (NEMS) has made a statement on the front of the paper, saying that the minute taking falls below the tax threshold for the year now audited (the person taking minutes now is a pensioner), but it still has to be declared, and for previous years, by the persons receiving the cash. The accountant also is allegedly a friend of Cllrs Duncan and Harmsworth. The accountant was also paid in cash, but at least signed the document to say he had. The accountant is also allegedly a Labour Party Member, and as per one of my emails, I suggested that the Group be audited by an independent person.

I am surprised we are in this situation because this was an Internal Labour Party matter. The Leader said to members at a recent meeting that the Regional Compliance Unit suggested that Cllr Duncan take my case to Standards, this is not true, the Head of Compliance has stated to me that on no account has anyone from the Labour Party advised that it be taken out of the Party. It holds their internal disciplinary procedures up and it is not in our political interest to air our internal grievances in public. Obviously I'm concerned to refute any untrue allegations about myself and will defend them vigorously and openly.

Anita MacDonald