

TRANSCRIPT of an article which was published in the *Times* on Thursday, August 23, 2012

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The woman who led the original investigation into Asil Nadir refused to be a witness at his trial after being condemned by a judge for lying at a preliminary hearing *The Times* can reveal.

Lorna Harris, whose career at the Serious Fraud Office was destroyed by internal criticism of her conduct of the Polly Peck case, reacted furiously when asked in June to testify and said she had “no idea” what she might say if called to the witness box.

Some of the reasons for her refusal to give evidence can be revealed for the first time today at the end of the trial.

The Times can disclose that:

- Mrs Harris was condemned by the trial judge for giving “untruthful evidence” at a pre-trial hearing last year.
- She was investigated by police for alleged perjury but it was decided in March this year not to charge her.
- In 1994 she was criticised in an internal SFO report for writing letters of such “disingenuity” that her bosses were “shocked” and felt she was “obsessed” with the case.
- She asked an expert witness to leave a column of figures blank so the SFO could “play around” with them.

When Mrs Harris took control of the Polly Peck investigation in 1990 she was a rising star in the SFO. She led a team of financial investigators and Metropolitan Police officers dedicated to investigating and prosecuting Nadir and his alleged accomplices.

She retired in 2008 but attended the Old Bailey last year, spending three days in the witness box as Nadir's lawyers tried to have the case thrown out, alleging that “prosecutorial misconduct” by Mrs Harris amounted to an abuse of the legal process.

Nadir's team alleged that Mrs Harris had behaved “dishonestly” in the 1990s in removing legally privileged documents from sealed evidence bags, despite giving legal undertakings that she would not do so, then copying, keeping and distributing them.

She did not fully inform her superiors of the breach of privilege and caused the Attorney-General, Lord Lyell of Markyate, to give an incomplete and misleading account of the episode in Parliament.

Mr Justice Holroyde condemned Mrs Harris's evidence on the issue, saying that one answer she had given him was “plainly a lie”. The judge added: “It seems to me she consistently put forward an account which I find she knew as not the whole truth.”

In ruling last year, the judge said, however, that her conduct was not sufficiently grave to cause him to stop the trial of Nadir, which had to go ahead “in the public interest”.

SFO files from the time of Mrs Harris's investigation reveal serious concerns. An internal report, written in 1994 by Robert Wardle, who later became head of the SFO, described Mrs Harris as “a forceful personality, competitive, extremely hardworking and industrious but obsessed with the case and revelling in the publicity and apparent importance of it”.

Mr Wardle's report said the investigation suffered from a lack of supervision, partly because of a poor relationship between Mrs Harris and her immediate boss. She claimed in the abuse-of-process hearing that he was often drunk after lunch.

There were "poor working relationships" within the investigation team and the workload undertaken by Mrs Harris was "too great for one person".

Mr Wardle added: "An examination of the file would have shown a lack of file notes, instructions to the police and, most notably, correspondence which ... shocked us by its tone and disingenuity." He added: "A case of the size, sensitivity and importance of this one should never be dealt with by one lawyer alone."

Another document disclosed in court proceedings suggested, Nadir's lawyers claimed, an attempt to manipulate evidence.

In a letter sent in January 1993 to KPMG, the accountants retained by the SFO for the inquiry, Mrs Harris set out what she wanted to see in a statement from one of its staff.

After saying how columns of figures should be structured, she wrote: "In addition, the right-hand column should be deleted from the schedule, but a blank column left for us to play around with it in due course!"

Of another column of figures, she said: "The totals and the percentages will have to be reworked (producing even more attractive results!)"

Other files included a series of accountancy analyses - which became known as the Mantle reports - prepared by Touche Ross for the SFO.

They appeared to support an earlier auditor's report, commissioned by Nadir, which said that withdrawals from Polly Peck funds in London were matched by deposits in Cyprus.

While recognising that the reports could be "a complete defence", the SFO pressed more charges.

At the pre-trial hearing last year, Mrs Harris robustly defended her actions and her conduct of the Nadir case. She said: "This was a genuine investigation undertaken in absolute good faith with no question of malice or victimisation."

She was disciplined after an internal SFO tribunal when Nadir left Britain in 1993. She later left to become a senior lawyer in the Crown Office in Edinburgh and was appointed CBE in 2007.