

Timeline of events

This timeline draws largely on material released by the Ministry of Transport at <http://transport.govt.nz/about/publications/independent-reviews-and-fraud-related/>. It may have errors and may not be complete.

The timeline makes it clear exactly what people knew when, in particular the then Chief Executive Martin Matthews, and other senior managers, Andrew Jackson and Gareth Chaplin. Cross-referencing the released material with media reports shows that Matthews has made false statements to media (see Events and).

Summary

Appointment of Harrison

From the cover letter released by Peter Mersi, new Chief Executive at the Ministry of Transport, the job of General Manager was only advertised internally.

This may have been a breach of the State Sector Act 1988 which requires jobs to be notified widely enough to be sure of getting quality candidates, plural. As Harrison had been Acting General Manager for about two years, there would likely have been only one internal application (Harrison's) and potentially suitable external candidates would not have been able to apply.

Section 61 of the State Sector Act 1988 says:

Where a chief executive of a department intends to fill a position that is vacant or is to become vacant in the department, the chief executive shall, wherever practicable, notify the vacancy or prospective vacancy in a manner sufficient to enable suitably qualified persons to apply for the position.

From the released material, Matthews seems not only to have failed to advertise the role, but been the only person on the interview panel. This does not seem to be in keeping with good public sector recruitment policies.

Fraud

By December 2014, Matthews had been informed:

- ! at least twice about non-compliance (in Parliament, Sue Moroney talked of twelve instances raised over eight occasions by the time Harrison was stood down).
- ! that there are other instances that make them "numerous" and that it involves a significant amount of money
- ! that Harrison is "a person of interest" to the Victoria Police
- ! that the company Harrison is dealing with refuses to answer questions or, when it does, provides false information.

In the same month, Matthews directed the Legal team to cease their investigation.

Harrison was not stood down until April 2016.

According to the Ministry's Victim Impact Statement ([Investigation and dismissal](#), p 67), Harrison defrauded the Ministry of \$500,000 between August 2014 and March 2016, about the time Matthews' directed investigations to cease and the time Harrison is stood down.

Other General Managers were also aware of many of the concerns raised around Harrison. Despite this, Jackson agrees to vary some contracts at Harrison's requests acknowledging at the same time that it doesn't comply with procedures and Harrison is allowed to play an important role in the Finance restructure that saw three finance staff who raised concerns made redundant.

Finance review

Despite Matthews' claims to media, Harrison appears to have had a significant influence on Chaplin's and other managers' decisions to pursue and finalise a restructure. Harrison appears to have:

- ! been a primary proponent of the restructure that lead to three Finance staff being made redundant
- ! co-ordinated all General Managers (and Matthews) to make decisions regarding the restructure (of which she was one of the General Managers)
- ! prepared or helped prepare the proposal / consultation document
- ! prepared or helped prepare internal communications material including for the General Manager with responsibility for Finance, Gareth Chaplin
- ! informed affected staff of the restructure on behalf of Chaplin
- ! encouraged Chaplin to determine the final Finance structure in order to meet timelines.

Named staff

David Bowden – Chief Legal Adviser

Gareth Chaplin – General Manager

Clif Corbett – Legal adviser

Joanne Harrison – General Manager

Andrew Jackson – Deputy Chief Executive

Fiona Macmaster – Finance Manager

Martin Matthews – Chief Executive at the time

Peter Mersi – New Chief Executive

Lisa Nickson – Legal adviser, Acting Chief Legal Adviser

Documents released by the Ministry of Transport

[Employment by the Ministry](#)

[Compliance and contracts](#)

[Finance Review](#)

[TAIC](#)

[Cover letter](#)

[Investigation and dismissal](#)

[Correspondence with the State Services Commission](#)

[Travel expenses](#)

Issues of concern



The appointment of Harrison, and others, to roles in the Ministry



Staff actions in detecting and responding to potential fraud



The Finance review and staff redundancies

Event	Date	Action	Reference	Comments
1.	25/3/2011	Matthews writes to Harrison offering employment at the Ministry as a Manager.	Employment by the Ministry , p 23	From media reports, a police check is not undertaken. Matthews was on the interview panel. The panel comprised three people (see Employment by the Ministry , p 15)
2.	8/7/2013	Matthews appoints Harrison in a fixed-term capacity as General Manager Organisational Development.	Employment by the Ministry , p 46	Apart from the cover letter by Mersi (Cover letter , p 3) noting that Harrison was appointed to the position after an internal process, the Ministry's release is silent about what, if any, recruitment process was followed. If proper process was not followed, this may be a breach of the State Sector Act 1988 (see Event which <u>does</u> appear to be a breach of the State Sector Act 1988). From media reports, the Ministry did not conduct a police check at this stage.
3.	23/10/2013	Corbett, Macmaster, Bowden emails concerned about Sharp Design.	Compliance and contracts , p 1-2	Sharp Design is a company that would later turn out to be fake.
4.	30/10/2013	Harrison email to Corbett about issues raised by someone whose name is redacted.	Compliance and contracts , p 4	From later documents it is probable that the person who has raised concerns is in the Finance team (see

				Event). It seems (see Event) that the person who raised the concerns did so formally under the Protected Disclosures Act.
5.	1/11/2013	Bowden forwards email from Harrison in Event to Matthews . In his own email, Bowden says Harrison not knowing about the need for contracts is "astounding".	Compliance and contracts , p 4	This is the first time in the released material that Matthews is made aware of non-compliance. Matthews is also informed by his Chief Legal Adviser that Harrison's supposed ignorance of contracting requirements is "astounding".
6.	1/11/2013	Matthews acknowledges email. Suggests a reminder about complying with procedures to the Ministry Leadership Team.	Compliance and contracts , p 4	If this reminder was sent, then all senior managers would have been aware (as they all should have already) of the need to comply with procedures.
7.	25/7/2014	Victoria Police's Fraud and Extortion Squad contact the Ministry via the Ministry's travel agent. Harrison is a "person of interest".	Compliance and contracts , p 30	The Ministry person contacted by the travel agent is likely to be someone from the Finance team as someone passes the enquiry onto Nickson on 29 August 2014 (see Event) at Macmaster's request.
8.	18/08/2014	Someone emails Harrison, CCing Corbett, about no contracts.	Compliance and contracts , p 22	Again, this appears to be someone from the Finance team (see Event). From the length of the name redacted in the document, it appears to be a different staff member from Finance than that referred to in Event .
9.	Between 18/8/2014 and 25/8/2014	Someone raises the lack of contracts with Matthews . From an email from Matthews to Harrison: "concerns have been raised with me about payments you have authorised to Sharp Design".	Compliance and contracts , p 36	This is the second time in the released material that Matthews is made aware of non-compliance. The someone in question is probably Nickson as, in Event and Event , Matthews forwards emails to her.
10.	25/8/2014	Email from Nickson to Matthews . The Ministry of Transport has withheld this email in full on legal privilege grounds.	Cover letter , p 10	It is hard to understand why the Ministry would withhold this email given everything else that has been released unless it raises significant additional legal concerns beyond that in other released material.
11.	Between 25/8/2014 and 1/9/2014	Emails between Harrison and Matthews in which Harrison seeks to assure Matthews . Matthews forwards these emails to Nickson for her information.	Compliance and contracts , p 33-36	Some questioning by Matthews around the nature and scale of work done by Sharp Design.
12.	27/08/2014	Matthews emails Harrison: "I am satisfied that, on the basis of the explanations given, no further enquiry or action is required in relation to this matter."	Compliance and contracts , p 33-36	Despite Harrison producing no evidence in support, Matthews accepts her explanations.
13.	28/08/2014	Corbett memo to the Management Leadership Team, through Nickson.	Compliance and contracts , p 23-27	This memo confirms that concerns were raised by Finance staff: "As a

		<p>Compliance report. Lack on contracts in Harrison's area is a big feature.</p> <p>"There have been numerous instances of invoices received and paid in circumstances where no written contracts existed for the services in question"</p> <p>"The Organisational Development instances are significant because of some individual amounts and the cumulative amount involved."</p>		<p>result of Finance scrutinising past payments of invoices."</p> <p>All senior managers, including Matthews, Jackson and Chaplin received this memo as members of the Management Leadership Team. Chaplin was the General Manager with responsibility for the Finance team who were soon restructured resulting in three staff leaving, at least some of whom raised the original concerns about Harrison.</p> <p>The memo says the frequency and magnitude are "significant". While the released material at this point shows Matthews being alerted to non-compliance twice, in Parliament, Sue Moroney talked of twelve instances raised over eight occasions by the time Harrison was stood down.</p>
14.	29/08/2014	<p>Nickson receives email from someone in Finance at Macmaster's request about the Victoria Police seeking info on Harrison, a "person of interest".</p>	Compliance and contracts , p 29	<p>By this stage, Nickson and some Finance staff are aware of the "significant" frequency and scale of non-compliance and that Victoria Police name Harrison as "a person of interest".</p> <p>A filenote by Matthews reveals that he was also informed that Harrison was "a person of interest" (see Investigation and dismissal, p 2)</p> <p>Precisely when Matthews was informed is not clear, but it is around this point in time.</p> <p>By now, Matthews has been told:</p> <ul style="list-style-type: none"> ! at least twice about non-compliance ! that there are other instances that make them "numerous" ! that it involves a significant amount of money, and ! that Harrison is "a person of interest" to the Victoria Police.
15.	1/09/2014	<p>Matthews to Harrison noting he's asked Nickson to enquire with Mark Sharp regarding what services were provided by Sharp Design.</p>	Compliance and contracts , p 33	
16.	9/10/2014 to 12/10/2014	<p>Three memos from Harrison to Jackson to approve contract variations including expenditure increases and waiving insurance requirements.</p> <p>In hand-written notes, Jackson comments positively on quality of products delivered by the fake</p>	Compliance and contracts , p 41-49, p 59.	<p>Despite the Management Leadership Team being warned about non-compliance in Harrison's group, just over a month later, Jackson approves contract variations while he is Acting Chief Executive.</p> <p>Jackson may have been confused with the real companies that actually</p>

		<p>contractors. Jackson handwrites further, regarding the expenditure increases: "We must however make every effort in future that the contracts are in place following due competitive procedures."</p>		<p>did the work. Jackson did not ensure he knew what the company was delivering before approving an increase in funding. Jackson's hand-written notes shows that he knows he's not following proper process regarding competitive processes. No indication whether he's aware or not of following other legal and finance processes. According to an April 2016 report by Audit NZ, Jackson appears to have exceeded his authority in increasing expenditure and varying contracts. From Investigation and dismissal: <ul style="list-style-type: none"> ! Page 7 – "Expenditure budgets for the Ministry are valid for one year (1 July – 30 June) and multi-year contracts commit the Ministry to out years' expenditure for which no budget authority usually exists." ! Page 8 – "Variations to procurement contracts are not covered by the Ministry's procurement policy. The Ministry's legal team has informed us that variations to the total cost of a contract are in practice, not permitted." ! Page 11 – "There are several instances where policies/procedures have not been adhered to: <ul style="list-style-type: none"> ! Staff other than the CE approving expenditure for multi-year contracts ! The Legal/finance team not being involved in the drafting and approving of contracts prior to signing ! Contracts not being set up with the 3rd parties where transactions are above the thresholds set in the procurement policy" </p>
17.	21/10/2014	Email from Nickson to Harrison asking questions about non-compliance, including that Sharp	Compliance and contracts , p 53-54	

		Design was not answering Nickson's questions (see Event).		
18.	21/10/2014	Email from Harrison to Matthews . "I am concerned that this is not being closed down" "I do think [Nickson] will keep coming back if she is allowed to do so and I would appreciate your help in closing this down" "I have real concerns around confidentiality and her PSA status/history; the concerns extend to the whole legal team and not just Lisa"	Compliance and contracts , p 53	Harrison's email includes Nickson's summarising some of the information that has not been provided by Sharp Design. This means Matthews is aware that Nickson's concerns have still not been resolved to Nickson's satisfaction. Harrison's personalisation of Nickson's questioning (reference to Nickson being or having been a member of the Public Service Association) and, indeed, of "the whole legal team" appears to have been met with no concern by Matthews .
19.	November 2014	Email from Nickson to Bowden. The Ministry of Transport has withheld this email in full on legal privilege grounds.	Cover letter , p 10	It is hard to understand why the Ministry would withhold this email given everything else that has been released unless it raises significant additional legal concerns beyond that in other released material.
20.	11/12/2014	Nickson email to Matthews . The email includes a list of information requests to Harrison and Harrison's responses. Most responses provide no information. The one that does contains material produced by <u>other</u> suppliers. The email notes \$123,000 is unaccounted for. Nickson says: "I understand from [Bowden] that you are satisfied the action taken in relation to this breach of Ministry policy has been sufficient and do not wish to pursue the matter further. If that is the case, then the next step is for me to inform the person who made the disclosure of the outcome, as required by Ministry policy."	Compliance and contracts , p 64-65	The memo doesn't use the word "fraud" but Nickson appears to have identified around \$123,000 in possible fraud as at December 2014. Harrison is not stood down until April 2016. Nickson's saying that she will need to "inform the person who made the disclosure of the outcome, as required by Ministry policy" suggests the person made a Protected Disclosure. At this point in time, Matthews has been informed: <ul style="list-style-type: none"> ! at least twice* about non-compliance ! that there are other instances that make them "numerous" ! that it involves a significant amount of money ! that Harrison is "a person of interest" to the Victoria Police, and ! that the company Harrison is dealing with refuses to answer questions or, when it does, provides false information. <p>* In Parliament, Sue Moroney talked of twelve instances raised over eight occasions by the time Harrison was stood down.</p>

21.	16/12/2014	<p>Matthews email to Nickson, asking her to close the investigation.</p> <p>"I have decided to not pursue this matter further"</p> <p>"I have no information to cause me to question whether the services were provided."</p> <p>"I would be reluctant to accuse anyone of impropriety without reasonable evidence."</p> <p>"I am obviously happy that you take the necessary steps to close this out."</p>	Compliance and contracts , p 63	<p>Despite the email in Event , Matthews tells Nickson to close her investigation.</p> <p>The email directly contradicts statements Matthews made to Radio NZ in a story from 20 March 2017:</p> <p>Collins: "Did you close down that investigation?"</p> <p>Matthews: "No I didn't. I instructed Joanne Harrison to continue to comply with my requirement to provide information to my chief legal adviser."</p>
22.	First half of 2015 (date estimated based on the time of the 2015/16 Audit)	<p>Audit NZ complete an audit for 2014/15. It finds that:</p> <ul style="list-style-type: none"> ! a contract did not exist for Sharp Design ! the Legal team raised concerns about this with Audit NZ. 	Investigation and dismissal , p 8	<p>The finding from the 2014/15 audit is summarised in the 2015/16 audit. The findings were probably shared with Matthews and, possibly, other senior managers.</p> <p>By this point in time, Matthews has been informed:</p> <ul style="list-style-type: none"> ! at least twice* about non-compliance ! that there are other instances that make them "numerous" ! that it involves a significant amount of money ! that Harrison is "a person of interest" to the Victoria Police ! that the company Harrison is dealing with refuses to answer questions or, when it does, provides false information, and ! Audit NZ has found non-compliance. <p>* In Parliament, Sue Moroney talked of twelve instances raised over eight occasions by the time Harrison was stood down.</p>
23.	26/05/2015	<p>Harrison applies for the permanent GM position.</p> <p>Harrison's application letter notes that she multiple performance reviews have rated her as "exceeding expectations".</p>	Employment by the Ministry , p 71	<p>Until now, Harrison was acting as General Manager in a fixed-term capacity. From media reports, the Ministry did not conduct a police check at this stage.</p> <p>From the cover letter released by Mersi, the position was only advertised internally.</p> <p>This appears to be a breach of the State Sector Act 1988, requiring jobs to be notified widely enough to be sure of getting quality candidates, plural. As Harrison had been in the</p>

				<p>role in a fixed-term capacity for about two years, it is highly likely that there would have been only one application.</p> <p>From section 61 of the State Sector Act 1988:</p> <p><i>Where a chief executive of a department intends to fill a position that is vacant or is to become vacant in the department, the chief executive shall, wherever practicable, notify the vacancy or prospective vacancy in a manner sufficient to enable suitably qualified persons to apply for the position.</i></p> <p>Matthews has now, possibly, ignored probable fraud and breached the State Sector Act 1988.</p> <p>Harrison's performance rating was redacted in a letter from Matthews to Harrison (see Employment by the Ministry, p 69), but is released in this document.</p>
24.	30/06/2015	Matthews interviews Harrison and decides to appoint Harrison that same day.	Employment by the Ministry , p 73	Matthews' email suggests he was the only person on the interview panel: "I have interviewed Jo..." If this isn't also a breach of law, this appears to be a breach of good process.
25.	28/10/2015	Matthews approves a memo from Harrison employing what turns out to be an acquaintance of Harrison.	Compliance and contracts , p 91	Matthews notes he needs to see a completed employee form. Beyond that he appears to follow no other recruitment process. This is the acquaintance who, from media reports, does no work for the Ministry and leaves the Ministry around the same time Harrison does.
26.	17/9/2015	Harrison emails Chaplin about the Finance review: "Here is the revised draft consultation document..." Harrison also advises Chaplin on how McMaster should consult with her team. The consultation document is just over six pages long and is to be signed by Matthews . Other communications material is included including to PSA delegates, the Finance team, and the Ministry's	Finance Review , p 1-25	Harrison's email suggests she might have helped write or redraft the consultation document and other communications material. In an interview with Radio NZ , Matthews claimed that Harrison "had no role in directly advising on [the restructure]". This appears to be contradicted by the released material. Consultation option 2 appears to limit the consultation period for one member of Finance (name redacted).

		intranet all to be signed by Gareth. A Q&A is included.		See Finance Review , p 8. The communications timeline shows the consultation document will go to Matthews and the Management Leadership Team after 23 September 2015. See Finance Review , p 19.
27.	October 2015	According to Sue Moroney, three Finance staff raised further concerns in October 2015.	Radio NZ	
28.	6/10/2015	Harrison emails all members of the Management Leadership Team including Matthews, Jackson and Chaplin : "The proposal recommends the Ministry adopts AIP (automated invoice processing), which is a transport sector collaboration and capability initiative... The adoption of AIP will potentially impact on three positions within the Finance Team."	Finance Review , p 1-27	This email shows Harrison being one to make the suggestion to Matthews, Jackson, Chaplin and others to implement the automated invoice processing system that will lead to three Finance staff being made redundant. The Ministry did not release any material showing that this new system was being driven by other staff. At this point in time all General Managers are aware of numerous and significant non-compliance by Harrison, brought to their attention by Finance and Legal staff. If Event - is accurate, Managers were receiving complaints about Harrison by the same staff who they would soon make redundant. Sometime during the first half of 2015, Transport Accident Investigation Commission staff raised with Chaplin concerns that Harrison had got a close personal acquaintance a job at the Commission. In 2016, that person turned out to be Harrison's husband, Patrick Sharp. It is unclear what Chaplin did with that information, but Chaplin at least was aware of this concern when considering the Finance review and Harrison's involvement.
29.	7/10/2015	Harrison emails Finance staff, on behalf of Chaplin , that consultation is underway.	Finance Review , p 45	The email is consistent with Harrison driving the restructure.
30.	29/10/2015	Harrison emails Chaplin requesting that Chaplin give the Finance team's submission his attention and, in the same email, asks him to choose among three options on the restructure in order to meet the timelines. Harrison appears to have also drafted the response to the Public	Finance Review , p 54	The email is consistent with Harrison driving the restructure.

		Service Association's submission. The response is to be signed by Chaplin .		
31.	29/10/2015	Chaplin emails Harrison: "First impression is that option 3 makes the most sense".	Finance Review , p 59	Option 3 sees Finance staff made redundant sooner than Options 1 or 2.
32.	3/11/2015	Harrison emails Macmaster asking for her preferred option, CCing Chaplin .	Finance Review , p 63	The email is consistent with Harrison driving the restructure.
33.	17/11/2015	Emails between Harrison, Chaplin and Macmaster discussing transition and communications following the final restructure decision.	Finance Review , p 71-72	
34.	4/12/2015	Corbett's memo about compliance form 2014/15 to the Management Leadership Team through Matthews and Bowden. The memo notes non-compliance regarding contracts: ! "numerous instances of invoices received and paid in circumstances where no written contracts existed" ! "a recurrence of contracting non-compliance in the Organisation Development area. This is of concern, especially in the wake of the actions and understandings that resulted from the breaches in 2014"	Compliance and contracts , p 99	This is the second compliance report to raise these issues. By this point in time, Matthews has now: ! been notified at least twice* about non-compliance ! been notified that there are other instances that make them "numerous" ! been notified that it involves a significant amount of money ! been notified that Harrison is "a person of interest" to the Victoria Police ! been notified that the company Harrison is dealing with refuses to answer questions or, when it does, provides false information ! been notified that Audit NZ has found non-compliance ! employed Harrison to the permanent General Manager position in possible breach of the State Sector Act 1988 ! employed another person, possibly without following proper recruitment processes, and ! been notified of further and numerous non-compliance in a second compliance report. * In Parliament, Sue Moroney talked of twelve instances raised over eight occasions by the time Harrison was stood down.
35.	11/12/2015	Email from Harrison to Bowden attempting to explain non-compliance highlighted in the second compliance report.	Compliance and contracts , p 104	

36.	14/12/2015	<p>After Bowden replies, Harrison emails Bowden again</p> <p>"Martin took time to explain the background of the survey at [the Management Leadership Team meeting] today; it was useful to understand the context and reason why we do this.</p> <p>I asked for the memo to be withdrawn from [the Management Leadership Team meeting] agenda and re-submitted at a later date when a few things were reconsidered, including the tone of the language."</p>	Compliance and contracts , p 103	Matthews is continuing to explain to General Managers why compliance is important, rather than investigate. It is unclear whether Corbett's memo was withdrawn.
37.	10/04/2016	Matthews received a linkedin message. This is the tip-off Matthews has referred to in media reports.	Investigation and dismissal , p 1	
38.	11/04/2016	Matthews calls the messenger back	Investigation and dismissal , p 1	
39.	12/04/2016	<p>File note of Matthews call with the State Services Commission.</p> <p>"I explained that in 2014 my acting Chief Legal Advisor had come to me with concerns..."</p> <p>Mentions "Australian federal Police" contact with the Ministry.</p>	Investigation and dismissal , p 1-2	Matthews appears to have provided the State Services Commission (likely Iain Rennie) with only a limited information as to the concerns raised with Matthews about Harrison.
40.	13/04/2016	<p>File note of Matthews meeting the State Services Commission.</p> <p>Matthews says Bowden is someone he trusts.</p>	Investigation and dismissal , p 3-4	
41.	18/04/2016	<p>Meeting of Matthews, Macmaster, Bowden.</p> <p>Bowden and Macmaster "remind" Matthews of other breaches.</p>	Investigation and dismissal , p 4	"Remind" is Matthews ' words.
42.	18/04/2016	<p>Meeting of Matthews, Macmaster, Bowden.</p> <p>Matthews notes the "basic nature of the invoices and the very limited information contained on them"</p>	Investigation and dismissal , p 5	Matthews ' filenote makes it seem as though this is the first time he has noted these non-compliances.
43.	18/04/2016	<p>File note of a phone call from Matthews and Macmaster and Bowden to Audit NZ.</p> <p>Matthews says he became aware of information last week about Jo, referring to Event .</p> <p>"I noted that Audit NZ was already making enquiries"</p> <p>"I asked [redacted] if Audit NZ could look at these matters as part of their interim audit"</p>	Investigation and dismissal , p 5	Audit NZ complete their report by the end of the week. Given the scale of the report and their investigation within, Audit NZ would likely have been investigating issues before Matthews asked them to look into these matters. In fact, Matthews ' letter to Harrison outlining the employment investigation notes that "Audit New Zealand requested copies of invoices...on 14 April 2016". (See Investigation and dismissal , p 27).
44.	22/04/2016	Audit NZ have completed their interim report.	Investigation and dismissal , p 7-12	The Audit NZ interim report contains no reference to Matthews having

		The report notes many concerns.		asked them to look into matters. It seems likely that these matters were known to the auditors before Matthews contacted them. In other places the interim report notes others raising concerns internally (legal), but not by Matthews to Audit NZ. The report notes that "We have obtained copies of all invoices relating to Mazarine from the Finance team" – this is likely to have been well before Matthews raised his concerns.
45.	22/04/2016	Matthews first emails Harrison notifying her of the investigation.	Investigation and dismissal , p 13	