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Rt Hon Lord Goldsmith QC

Attorney General
Attorney General's Chambers
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Our ref: KL/TC

Date: August 18 2006

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Dear Lord Goldsmith

The London *Evening Standard* recently revealed (August 7) that Dame Shirley Porter, formerly the Leader of Westminster City Council, has purchased a London flat estimated to have cost £1.5 million.

If it is correct that Dame Porter has chosen to reside in Britain it seems to me that there is now a powerful case to be made that she should face charges for perjury - or any other relevant offence - and I ask that your office act urgently to establish whether this should be the case.

Until now Ms Porter has lived abroad and it has therefore not been possible to pursue this aspect of her case. There is no longer such a constraint.

I would ask that there be an urgent investigation into whether Dame Porter has committed perjury or any other offence at any stage in her court evidence and/or affidavits during the 'homes for votes' scandal.

In its judgement on the case of 19 December 1997, the Court of Appeal Criminal Division found that Ms Porter had lied in her evidence to them given under oath, just as she had lied to the Auditor.

Londoners will have been stunned by Dame Shirley Porter's attempts to evade paying her surcharge, including her claim to the courts that she was worth just £300,000, her claims that she had disclosed the full nature of her financial wealth and her settlement of just £12.3 million of a £48 million debt owed to the taxpayer.

It is essential that Londoners have confidence in democratic institutions and in the decision-making process and that all avenues are pursued to uphold the integrity of local government. Throughout the homes-for-votes scandal there was a suspicion that Shirley Porter hid her real fortune. Since the announcement of the partial settlement of her surcharge there have been strong grounds for believing that she misrepresented the scale of her wealth in order to escape the full cost of her debt.

Dame Porter admitted in 2001 that 'the intention of the majority party was to develop Council policies which would target marginal wards, including such housing policies as could affect the make-up of the electorate in those wards.' The case was without doubt the biggest scandal ever to affect London local government.

At the time of the publication of the original District Auditor's report, it was ruled that Dame Porter should be surcharged at a level of £21.25 million. This included millions that were lost to council

taxpayers as part of the sale of council homes at a huge discount as part of the ruling group's gerrymandering. By 1996 when the District Auditor's report was finalised this figure had risen to £31.6 million. When the Law Lords finally ruled on this matter in December 2001, Dame Porter was ordered to pay a surcharge that then stood at £43, 321, 644. With interest, it is estimated to have eventually risen to £48 million.

Following the Lords ruling the High Court granted Westminster City Council a disclosure order requiring Dame Porter to reveal all her assets whether in or outside England and Wales and whether in her own name or owned beneficially by her and whether solely or jointly owned, giving the value, location, and details of all such assets. She subsequently declared assets worth approximately £300,000.

Evidence of both the assets and her expenditure have been widely publicised. The Today programme journalist Andrew Hosken establishes in his book investigating Porter's gerrymandering that Dame Porter's financial adviser Peter Green sent her a report on her finances on 17 August 2001, only months before the House of Lords judgement, stating: 'All in all a good year with WCC [Westminster City Council] seemingly making little progress legally and apparently no closer to tracking down SP's [Shirley Porter's] assets.' On 30 September that month he estimated Dame Porter's assets as: 'Money in the bank, £2,303,128, realisable assets, £13,233,253, not immediately realisable, £3,925,487. Total: £19,461,868.'

In February 2003, Dame Porter sent a fax to Westminster City Council in which she stated 'there is no mystery about my finances – despite newspaper attempts to suggest otherwise,' adding: 'I have made a full declaration of my assets and accepted a worldwide freeze of those assets.' In response to this fax Westminster City Council told her that she was in contempt of court for her failure to comply with the court order on disclosure of her finances.

The BBC Today programme exposed the whereabouts of Dame Porter's hidden wealth on 30 June 2003. It was only at this point that Porter chose to make a settlement with Westminster in which she agreed to pay £12.3 million, leaving £36.5 million unpaid. There remains a very big question mark over whether this £12.3 million constitutes anything near the amount that Dame Porter was in fact able to pay at this point.

There must surely now be an investigation into whether, as a result of this strategy, Shirley Porter has perjured herself at any stage in the case or committed some other relevant offence. Given that Dame Porter has chosen to purchase a property in London and is therefore presumably likely to be available for investigation I would ask that you urgently look into taking steps to bring this matter to a conclusion.

Yours sincerely

A handwritten signature in black ink that reads "Ken Livingstone". The signature is written in a cursive, slightly slanted style.

Ken Livingstone
Mayor of London