

REPORT OF INVESTIGATION INTO JOANNE HARRISON

BARRISTER

**Background**

- [1] Pursuant to terms of reference dated 27 April 2016, I was appointed to investigate allegations set out in a letter from the Ministry of Transport (“the Ministry”) to Joanne Harrison in a letter dated 27 April 2016. I was instructed to form views and draw conclusions as to Joanne Harrison’s conduct, as to whether the allegations against her were established in whole or in part, and whether she had acted in breach of her obligations.
- [2] By a document of extended terms of reference dated 27 May 2016, I was provided with further correspondence and documentation and the terms of my investigation extended to cover them.
- [3] A further extension of terms of reference was contained in a document dated 10 June 2016 setting out a quantity of further documentation which I was to inquiry into which principally related to an allegation that Joanne Harrison had facilitated the employment of Patrick Sharp by TAIC and that she had a conflict of interest in doing so.
- [4] As the number and nature of allegations has grown during the course of my investigation, I will set out by way of summary the nature of the allegations and the dates of the correspondence from the Ministry to Joanne Harrison when the various allegations were conveyed to her.

**Summary of allegations**

**27 April 2016**

1. That Joanne Harrison deliberately and/or negligently failed to comply with her obligations in respect of procurement of services and/or management of contractual relationships.
2. That Joanne Harrison had failed to properly monitor work undertaken by independent contractors.
3. That Joanne Harrison misled the Ministry when questioned in respect of non-compliance with the Ministry’s policies by making claims such as:
  - a. she did not know what had to be done with respect to work sent out (email of 30 October 2013);
  - b. work from Sharp Design and [REDACTED] would no longer be required (email of 30 October 2013);
  - c. she would keep relevant persons informed and organise contracts with future providers (email of 30 October 2013);

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- d. she made a mistake based on genuine misunderstandings around contracting policy and any related party disclosures (email of 25 August 2014);
  - e. she would make sure that another Ministry employee would:
    - i. oversee the contracting process;
    - ii. countersign invoices;
    - iii. keep a running total of all costs (email of 25 August 2014);
  - f. she signed a contract with Elizabeth Williams of Mazarine Associates in July 2014 (memorandum to Andrew Jackson 12 November 2014);
  - g. in relation to contracts she was learning something new about this every day (email of 22 October 2014).
4. That Joanne Harrison disobeyed reasonable and lawful instructions in respect of:
- a. providing draft contracts to Legal for finalization (email of 22 October 2014);
  - b. providing final copies of contracts to Legal (email of 22 October 2014);
  - c. ensuring every effort was made in the future for contracts to be in place following competitive procedures (9 October 2014).
5. That Joanne Harrison misrepresented her New Zealand employment and/or contractor work history when applying in 2011 for a position of Manager Changed People and Development.
6. That Joanne Harrison deliberately or negligently removed parts of her personnel file.
7. In relation to Patrick Sharp that she:
- a. abused her position by appointing him; and/or
  - b. acted in a misleading manner; and/or
  - c. failed to disclose a conflict of interest; and/or
  - d. failed to properly manage the work he provided; and/or
  - e. entered into a relationship to pay him when he provided little, if any services, for the Ministry.
8. In relation to Sharp Design that she:
- a. abused her position by contracting with Sharp Design; and/or
  - b. failed to disclose a conflict of interest; and/or
  - c. misled her employer as to how she learned of Sharp Design.

#### 4 May 2016

1. That Joanne Harrison instructed Finance to add Patrick Sharp to the Ministry's payroll without the necessary approval/letter of offer being signed by the Chief Executive, in breach of her obligation to do so.

#### 6 May 2016

1. That Joanne Harrison breached her employer's instructions of 22 April 2016 and 27 April 2016 in respect of refraining from contacting others.
2. That Joanne Harrison improperly asked a contractor to enter the office of the Ministry on Anzac Day 2016 to remove material from the office.
3. That Joanne Harrison improperly asked a contractor to leave an envelope in the payroll office.

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#### 27 May 2016

1. That Joanne Harrison had engaged in inappropriate contact with [REDACTED]
2. That she had forged a signature.
3. That she had caused to be rendered invoices by a contractor and paid those invoices when they related to work that she had done in her capacity as an employee.

#### 10 June 2016

1. That Joanne Harrison had facilitated for Patrick Sharp to be employed by TAIC and that she failed to disclose:
  - a. that she was facilitating Mr Sharp's employment by TAIC; and/or
  - b. the conflict of interest she had with Mr Sharp and her relationship to him;
  - c. that she encouraged TAIC to use funding provided by the Ministry to fund Mr Sharp's employment and/or his placement in the Cranfields course in the United Kingdom; and/or
  - d. that she breached her obligation of good faith to the Ministry by failing to advise it of these matters.

#### Procedure

- [5] The terms of reference require me to undertake my investigation in accordance with the provisions of New Zealand employment law. One of the fundamental principles of New Zealand employment law is that an investigator should meet with the person being investigated so as to give them the opportunity of making submissions on the issues that are the subject of the investigation and providing a response to those allegations.

[6] I have attempted on a number of occasions to meet with Joanne Harrison. The initial request was emailed to her on 29 April 2016. I received no response from Joanne Harrison to that email.

[7] By email dated 4 May 2016 the barrister instructed by Joanne Harrison, Nathan Bourke, wrote to me. The relevant parts of that letter said that Joanne Harrison

... will not be in a position to be interviewed until she is [REDACTED]

[8] Mr Bourke indicated to me that he would write to me

... directly to advise that [he was] instructed and to arrange a suitable interview time once [Joanne Harrison] is [REDACTED]

[9] He did not do that. Joanne Harrison was instructed by the Ministry's solicitors to meet with me on 9 May. Nathan Bourke emailed the Ministry's solicitors at 1.22 pm on 9 May advising that Joanne Harrison would not be meeting with me.

[10] By email dated 11 May Mr Bourke transmitted to the Ministry's solicitors a letter of resignation by Joanne Harrison dated 11 May. The letter of resignation finished with the paragraph:

I am now [REDACTED] and will not be able to be contacted. I do not intend to return to New Zealand, I have no family, property, or potential work opportunities left in the country. Accordingly, I ask that all correspondence from this time on be directed to my lawyer, Nathan Bourke.

[11] The same day as receipt of the correspondence from Mr Bourke, the Ministry's solicitors wrote to him, advising that my investigation would continue and that Joanne Harrison was expected to cooperate with it. The letter warned him that a failure to cooperate could result in inferences being drawn against Joanne Harrison.

[12] In his letter to me of 4 May 2016, Nathan Bourke had said that Joanne Harrison was "... imminently to [REDACTED] ..." and that she would not be in a position to be interviewed until she was [REDACTED]. His letter concluded with the statement: "I will be in touch to update you as to Joanne Harrison's [REDACTED] and to arrange a suitable time for interview."

[13] [REDACTED] On 17 June, having heard nothing from Mr Bourke since his email of 4 May, I emailed him, indicating that I was anxious to make progress with the investigation and that I wished to meet with Joanne Harrison without further delay.

[14] By email of 22 June Mr Bourke replied, saying

I have spoken to Joanne Harrison and she has confirmed that she is unavailable and will remain unavailable to meet with you.

[15] The email did not claim that Joanne Harrison was [REDACTED] or give any explanation as to why she was "unavailable" to meet with me. I responded to that email by emailed letter of 23 June advising that it was not an option for Joanne Harrison to declare herself "unavailable" and confirming that should she continue to refuse to meet with me, I would be likely to draw inferences against her. I urged Mr Bourke to advise his client to reconsider her position and

to contact me urgently. Mr Bourke has ignored that correspondence. Having done my best to give Joanne Harrison the opportunity to respond to the allegations against her and to meet with me, I am obliged to conclude my investigations on the basis of the information before me without any input from her.

## Facts

- [16] The Ministry offered Joanne Harrison employment in the position of Manager Change People and Development pursuant to a letter of offer dated 25 March 2011 and attached employment agreement dated 25 March 2011.
- [17] Clause 27 of the agreement specifically required Joanne Harrison to comply with the Ministry's Code of Conduct and with State Sector Standards of Integrity and Conduct. The agreement included, at clause 42, an acknowledgement by Joanne Harrison that, in offering the employment, the Ministry had relied upon the representations she had made.
- [18] Pursuant to an employment agreement dated 11 July 2013 (effective from August 2013) Joanne Harrison was promoted to the position of General Manager Organisational Development. In relation to the Code of Conduct and representations, the contract contained provisions identical to the earlier employment agreement.
- [19] The appointment to this role was initially for a fixed term from 5 August 2013 to 30 January 2016, but pursuant to letter dated 30 June 2015 the appointment was made permanent, effective 1 July 2015.
- [20] In support of her application for employment in 2011 Joanne Harrison provided a CV. She was also required to provide a criminal conviction declaration and declared that she had no criminal convictions or charges pending.
- [21] The CV provided a detailed description of Joanne Harrison's prior work experience other than for the period 2006-2007. For that period the total information provided was
- 2006-2007 Travelled to US, Australia, New Zealand with extended stays/temporary work visas granted.
- [22] The Ministry has a detailed Procurement Policy and Procedures Manual. This was binding on Joanne Harrison. Amongst the obligations set out in this document is an obligation to ensure that:
- ... there must be a written contract in place that sets out matters such as
- the legal entity within whom the Ministry is contracting
  - precise specification of the services or goods that are to be supplied
  - who is supplying the services or goods (including subcontractors)
  - the duration of the contract
  - quality and performance standards
  - the price to be paid, whether the price is payable in instalments, and when payments are due

- expenses payable and by whom
- any documents relevant to the services or goods being supplied
- confidentiality of information.

[23] The document also says:

Staff must comply with this procurement policy in these procedures, and with applicable financial delegations, to ensure professional and objective practices for all procurement activity.

[24] The document also set out financial delegations and thresholds for procurement. In relation to business ethics, the document says:

The Ministry and its staff are expected to use public resources effectively and efficiently, be committed to dealing with suppliers and individuals in a fair, honest and equitable way and avoid any conflicts of interest (whether real or perceived).

[25] Under the heading “The Ministry’s Business Ethics” the document says:

All personal interests or relationships that may affect, or could be perceived to affect, the impartiality of staff, contractors or consultants when acting on behalf of the Ministry, must be declared, together with the mitigating action to be taken, and approved on a “one off” basis.

[26] The term “conflicts of interest” is defined. The definition is:

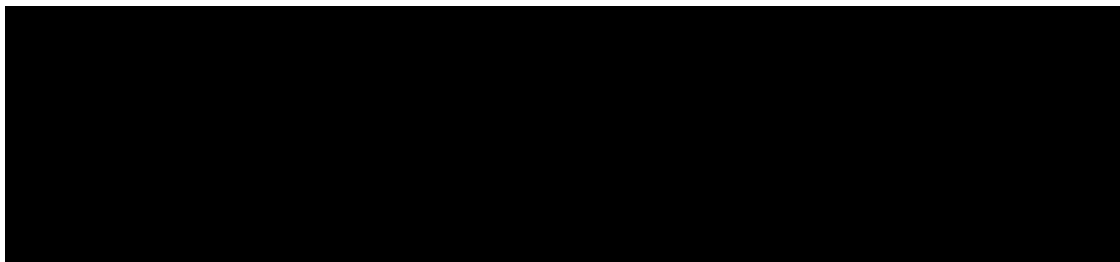
A conflict of interest is a conflict between the public duty and private interests of a public official where the public official has private interests which could improperly influence their official duties and responsibilities.

[27] The Ministry has separate financial delegation policies. Pursuant to letter dated 5 August 2013 a copy of the policies was provided to Joanne Harrison, and on 16 August 2013 she formally agreed to abide by the conditions set out in the letter of 5 August 2013 and attachments. I am satisfied that, from the time of her initial appointment, Joanne Harrison was aware of the Ministries polices and of her need to comply with them.

#### **Work history**

[28] In the CV that accompanied her job application in 2011, Joanne Harrison disclosed that she had worked for HSBC Bank Plc in the UK for the period November 1998 to January 2006, in different roles including “Grouping Manager – National and Retail Banking”. Her CV said that this included responsibility for “UK (plus USA)”.

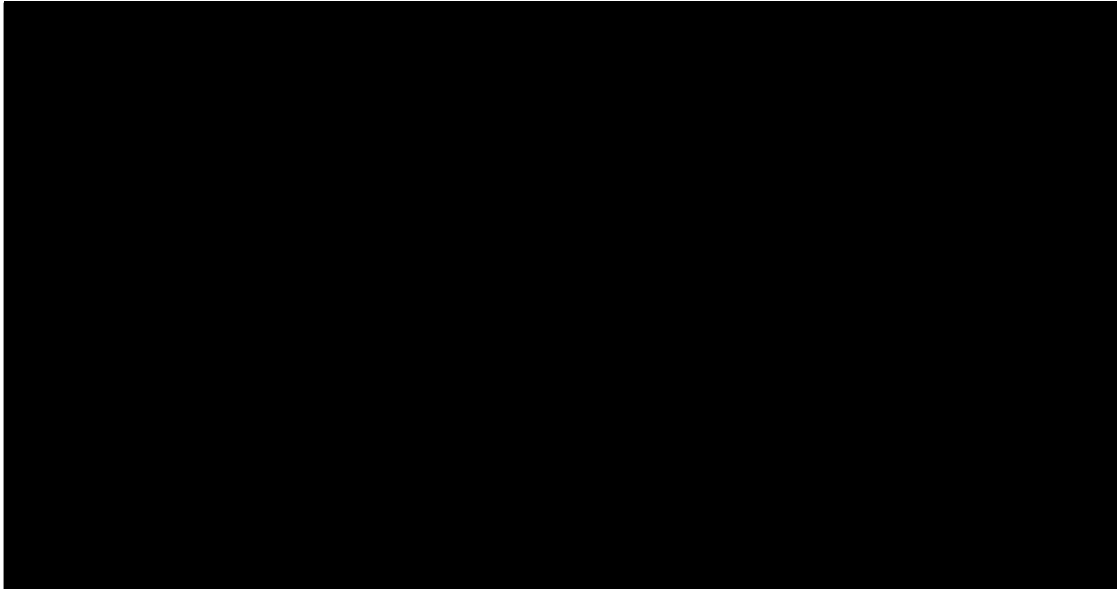
[29]



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section 18(c)(ii)

[30]

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[31]

[32]

[33] The annual report for the Far North District Council for the period 1 July 2008-30 June 2009 reports that, to the period November 2008, Joanne Harrison was “General Manager – Customer Focus and Culture”.

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[34] A search of the LINZ title details for the property situated at [redacted] Kerikeri in Northland, [redacted], shows that the property was transferred to a Joanne Harrison on 8 January 2008. The records show that the property was transferred by Joanne Harrison to Joanne Harrison and Patrick Frederick Sharp on 7 August 2015.

[35] Documents recovered from Joanne Harrison’s computer show that she has a [redacted]. An email recovered from Joanne Harrison’s computer dated Saturday 13/2/2015 showed that Joanne Harrison had developed a CV for Patrick Sharp and emailed it to him at the email address of [redacted].

[36] I have been provided with a statement from [redacted] who has worked in the Ministry’s human resource team since 2000. Attached to that statement were a number of screen shots from the Facebook page of a person called [redacted]. [redacted] confirms that the photographs shown in the screen shots are of a woman she knows as [redacted] who worked as a casual employee in the HR team at the Ministry from February 2012 to February 2013; of [redacted] and a person she knew as [redacted] who was [redacted] boyfriend; and of [redacted] together with Joanne Harrison.

**Finding**

[37] On the basis of the available evidence, and in the absence of any explanation from Joanne Harrison, I conclude that Joanne Harrison is the same person as the Joanne Sharp who was employed by [redacted]

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[redacted] I conclude that she is the same person who was employed by the Far North District Council [redacted]

[redacted]. I

further conclude that Patrick Frederick Sharp is and was at all material times Joanne

Withheld under section 9(2)(a) Harrison's domestic partner and has been so for many years and that she and Patrick Sharp are the [REDACTED]

[38] On the basis of these findings, I conclude that the representations made by Joanne Harrison in her CV, [REDACTED] were false and misleading, and that she willfully misrepresented her work history, [REDACTED]

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#### Contracts

[39] Deloitte have undertaken a forensic investigation in relation to a number of contracts entered into on behalf of the Ministry by Joanne Harrison. I have been provided with a copy of that report dated 9 June 2016. As well as an analysis of financial transactions, the report also contains, as an appendix, a transcript of an interview with [REDACTED] on Monday 16 May 2013 and documentation relating to Sharp Design, Mazarine Associates, EJW Consultants and Patrick Sharp. I accept as accurate the analysis and conclusions set out in that report and will not repeat them in full in this report.

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[40] By memo dated 9 October 2014 Joanne Harrison sent an email to Andrew Jackson in his capacity as Acting Chief Executive. The email said that she had engaged Mazarine Associates and [REDACTED] to assist the Ministry with collaboration-shared services work and projects around improving MLT/TMG leadership. She said that she anticipated the budget for this work to be \$80,000 for each contract (total \$160,000). The memo then said:

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Under the Procurement Policy for a contract of \$50-100k I should have obtained three quotes, and put a contract in place to define the services and price before work started. Neither of these took place in time and the work needed to be started, I have agreement from the providers to sign the necessary paperwork to move us forward.

[41] The relevant recommendation was that "you approve in arrears the lack of upfront quotes for these contracts and the contracting arrangements can be agreed and signed immediately".

[42] The request was approved with Andrew Jackson using the following words:

As discussed, in view of the urgency of the work and our previous experience of the quality delivered by the contractors I approve the recommendations below. We must however make every effort in future that the contracts are in place following due competitive procedures in future.

[43] I was unable to find any evidence of urgency or of Mazarine Associates having been used by the Ministry previously and conclude that Joanne Harrison misled Andrew Jackson in respect of these two claims.

[44] By memorandum dated 12 November 2014 to Andrew Jackson, Joanne Harrison sought approval to exceed an original estimate of \$90,000 for a contract with Mazarine Associates. The memorandum said:

We signed a contract with Elizabeth Williams (of Mazarine Associates) in July. This supplier was contracted initially to provide assessment benchmarking, the talent discovery workshop,



productivity and globalisation talent analysis as well as support for the work with the Transport Sector Shared Services across a range of disciplines including assisting with sector wide training and development following unplanned staff departures from NZTA.

- [45] The memorandum said that anticipated fees for 2014/15 had been \$90k with a further \$95k from June 2015 onwards. The memorandum claimed that as a result of unforeseen events, further expenditure was required, the relevant sentence reading:

It seems sensible for continuity of delivery to retain Elizabeth's services, and although for 2014/15 this will exceed \$100k it will balance out for the remainder of late 2015.

- [46] Andrew Jackson agreed to the request on 13 November. The "Elizabeth" being referred to in the memorandum from Joanne Harrison was, in fact, [REDACTED] someone who, as detailed below, had formerly worked at the Ministry under Joanne Harrison and with whom Joanne Harrison had gone into a business relationship with trading under the name Mazarine Associates.

- [47] The Deloitte report notes that over the 14 month period from August 2014 to October 2015, the Ministry paid \$370,250.81 to Mazarine Associates, and from November 2015 to March 2016 a further \$128,972.50 to EJW Consultants. The report notes that both entities had the same bank account number, GST number and postal address.

- [48] In the transcript of the interview with [REDACTED] of 16 May 2016 [REDACTED] [REDACTED] says that Joanne Harrison approached her, indicating that the Chief Executive of the Ministry had permitted her to work in a different fashion, effectively as a contractor to the Ministry. She says that Joanne Harrison was also intending to leave the Ministry and wanted to set up a contracting entity. [REDACTED] said that Joanne Harrison would prepare invoices for work that she [Joanne Harrison] had done at the Ministry and arrange for [REDACTED] to submit those invoices as if the work had been undertaken by Mazarine Associates and later, EJW Consultants ( sometimes referred to as Elizabeth Williams Consultancy). She said that once the invoices were being generated in the name of EJW Consultants as opposed to Mazarine Associates, Joanne Harrison would send emails to her and, on occasion, introduce her as "Liz" even though her real name was [REDACTED]. [REDACTED] said that although she created the invoices, and in fact undertook some work for the Ministry, she never included her time on the invoices but that the time invoiced was all Joanne Harrison's. She indicated that she received a "cut" of 30% of total receipts from the invoices, with the other 70% going to Joanne Harrison. She said that she believed the Chief Executive was approving the invoices but only recently realised that Joanne Harrison was approving them herself.

- [49] In the interview, [REDACTED] also noted that during the time that she had previously worked at the Ministry, Joanne Harrison had been her boss and that

... she used to bring me presents, she was just really nice and supportive and y'know she knew all about my family and my [REDACTED] and y'know what was going on in my life ...

- [50] [REDACTED] indicated that the only business transacted by Mazarine or Elizabeth Williams Consulting was the business with the Ministry of Transport.

[51] In her statement, [REDACTED] specifically referred to a very recent incident where she was responding to queries from the Ministry about work undertaken. She said that Joanne Harrison

... wanted me to front up as if I'd done the work, y'know, she gave me a whole lot of stuff, she gave me dates that I had to have said that I'd done stuff and I said no ...

[52] She indicated that on 24 April, which was the Sunday before Anzac Day, she had met with Joanne Harrison who had given her detail about what information she should supply to the Ministry.

[53] The Deloitte report refers to records of "WhatsApp Chat" (a free messaging app for smartphones). The relevant "chats" occurred between 7 May 2016 and 12 May 2016 at the time both Joanne Harrison and [REDACTED] were aware that Joanne Harrison was being investigated. Relevant chats record Joanne Harrison as stating:

Liz will be the least of the pile they want to throw at me next week so you stick fast.

[54] The response from [REDACTED] was:

Remind me! How did you think this would be a good idea!

[55] She further said:

Remember at the start it was going to be legit. Your business through Maz ... rather than [REDACTED] ... I found some of the original invoices with your writing ... amounts for the month etc yesterday ... shredded now.

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[56] Joanne Harrison's response to that was:

I know that. The Liz and Maz thing will pale with patr [sic] and the other folks with no contracts from 2013, so you stick fast there ... so I need you to stick tight, play it cool or even annoyed at being asked. I'm gonna be history in spectacular style so you can keep ya distance.

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#### Knowledge of obligations

[57] On 18 August 2014 [REDACTED] at the Ministry, emailed Joanne Harrison pointing out that it had been discovered that no contracts appeared to be recorded in the database for two suppliers, Sharp Design (total spend 2013/14 \$123,348) and [REDACTED] (total spend 2013/14 \$132,000). Joanne Harrison's response the same day said:

These suppliers were engaged with several different projects, most of which were well under \$100k individually so the blue forms were not completed. I did check this at the time. Those suppliers have been discontinued and we have brought the capability inhouse with two graduates.

[58] On 25 August 2014 Martin Matthews (Chief Executive) emailed Joanne Harrison about the authorisation of payments by Joanne Harrison to Sharp Design and [REDACTED] without contracts in place. His letter contains the following comments:

I understand concerns were raised with you in October last year about compliance with our contracting policy. At that time you indicated that no further work would be required of these organisations, and an assurance was given that Legal would be informed and contracts

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Withheld under section 9(2)(b)(ii) would be put in place in future. The total amounts paid since then are \$88,992 for Sharp Design and \$73,528 for [REDACTED]

[59] Mr Matthews sought Joanne Harrison's explanation for "why the requisite procedures have not been followed".

[60] Among the issues of concern noted by Mr Matthews were that Sharp Design did not have a web presence, was not listed in the Yellow Pages, that there was a name in the organisation which could suggest a personal connection which, if true, would have implications for the 'related party disclosures' required of GMs, that the work carried out by Sharp Design was 'unusually diverse, ranging from designing workshop materials through to 'risk management', 'confidential services' and security work. He also noted that some of the information for Sharp Design has been "twinked out" so that it was not possible to see what services had been provided and that no one in the Legal team was approached to see whether contracts were required.

[61] Joanne Harrison responded to that by an email of 7.20 pm on 25 August 2014. Among the comments in that email were the following:

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First of all I sincerely apologise, it is my mistake based on genuine misunderstandings around contracting policy and any related party disclosures. For both [REDACTED] and SD there have been a broad range of services ordered from basic design work to large collateral projects, as well as confidential documents/security services subcontracted out etc. I charged the invoices to different lines on my budget, not realising the sum of the parts added up to over \$100k in the time period allowed.

[62] As to the services provided by Sharp Design, the email contained the following comments:

The confidential services and security work has ranged from sensitive document formation around potential restructure proposals, staff departures and formal legal letters, cheques/vetting, investigation and analysis of access data, installation/removal of the recent surveillance operation due to ongoing thefts etc.

[63] The email also said:

The unforeseen "security" work was not part of the original work plan and meant that the amount paid increased as the frequency and seriousness of the thefts and telephone escalated. It is my error Martin; I should've taken stock and sought to get a contract signed at that point.

[64] She further said:

We are not commissioning any more work from SD or [REDACTED] both are said to be restructuring and I understand intending to operate overseas with little NZ presence. Withheld under section 9(2)(b)(ii)

[65] The email further said:

I fully understand the scrutiny and I accept that I failed to comply with the policy for contracting, for this I apologise and accept the consequences of any disciplinary action that may arise. This was not done intentionally.

[66] She concluded the email by saying:

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section 9(2)(a)

In future I will make sure that [REDACTED] oversees the contracting process on my behalf, countersigns the invoices, and keeps a running total of all costs.

- [67] By email of 26 August 2014 Martin Matthews asked Joanne Harrison for further details about the work provided “particularly in the case of SD which appears to have been commissioned to provide a wide range of things”.
- [68] Joanne Harrison responded by email the same day. She gave some information about what was said to have been “security and surveillance work” undertaken by Sharp Design. She said the confidential nature of the surveillance work was the reason that some parts of invoices were blacked out. She provided a reference to what was said to be websites related to Sharp Design. She concluded her email by saying:

My priorities were centred on delivery and pursuing the stretch targets for the Ministry, though this does not excuse my mistake. I ask that you accept my sincere apologies for the oversight, it will not happen in the future.

- [69] Martin Matthews responded by email on 27 August 2014. He said that, on the basis of the explanations given, he was satisfied and no further inquiry was required. However, he noted that it remained “... of concern to [him] that the Ministry’s policies and procedures for procurement were not adhered to. These requirements exist to ensure we can demonstrate wise and proper use of the public money entrusted to us”. He made it clear that his expectation was that at all times in the future Joanne Harrison would comply with the Ministry’s policies and procedures regarding procurement and contracting.

- [70] By email of 1 September 2014 Martin Matthews advised Joanne Harrison that the annual “Comply With” survey had revealed non-compliance with procedures. He assumed that this was for the reasons previously canvassed in the correspondence referred to above. He indicated that he had asked Lisa Nickson (Acting Chief Legal Advisor) to obtain some further information from Mark Sharp of Sharp Design.

- [71] By email dated 21 October 2014 Lisa Nickson advised Joanne Harrison that she needed further documentation, including a set of Sharp Design’s invoices with no redactions, examples of the work they did, and a file note explaining specifically when and how Joanne Harrison became aware of Sharp Design. She also wanted proper profile information about Sharp Design covering history, services provided, principals, client base etc.

- [72] Joanne Harrison responded to the email not by replying directly to Lisa Nickson but by emailing Martin Matthews on 21 October 2014. The letter said:

I have met with Lisa before I saw this email. I provided her with a copy of the first part of the email exchange between the two of us that stated you were satisfied with how these people were selected and that no further action was needed. I don’t intend to go over that again or respond to her email.

- [73] She concluded the email by saying:

I do not intend going back to her by email as I believe she now has enough physical information, I do think she will keep coming back if she is allowed to do so and I would appreciate your help in closing this down. I will certainly not provide her with information about the investigation as I have real concerns around confidentiality and her PSA status/history; the concerns extend to the whole legal team and not just Lisa.

- [74] The Chief Executive Officer appears to have accepted Joanne Harrison's position as there is no indication of further correspondence between Lisa Nickson and Joanne Harrison on this point. I am satisfied that the reason that Joanne Harrison did not want to have to respond to Lisa Nickson had nothing to do with Lisa Nickson's alleged "PSA status/history" as claimed by Joanne Harrison, but was because she knew that she would not be able to provide the information that Lisa Nickson had sought and was at risk of having her connection with Sharp Design unmasked. I find that Joanne Harrison misled Martin Matthews on this point.
- [75] There is an email from Lisa Nickson to Joanne Harrison of 22 October 2014 where Lisa Nickson says:
- Just for future reference, once a manager is happy with the content of a contract, it is Legal who finalises the document and ensures everything is in order for signing.
- [76] Joanne Harrison responded by email of 22 October by saying:
- I am learning something new about this every day; I will be the first one to attend the training along with my team leaders!
- [77] The training referred to training on contracting and procurement.
- [78] The Organisational Development team did not fully complete the "Comply With" survey in 2015. This was noted in a report prepared for the MLT dated 4 December. By email of 11 December Joanne Harrison complained to David Bowden that the commentary about ODT's non-compliance was unfair, saying: "I see the processes we have followed as being fully compliant."
- [79] David Bowden replied on 14 December, amongst other things noting that the report said: "Based on the assurances given in relation to previous non-compliance it shouldn't have happened." Joanne Harrison responded to that by seeking the withdrawal of the memo to the MLT.

## Findings

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- [80] I preface these comments by noting that I treat the statements made by [REDACTED] with considerable caution. On one view of the matter, she would appear to have been a party to a fraud carried out by Joanne Harrison and to have received 30% of the funds paid by the Ministry to Mazarine Associates and Elizabeth Williams Consulting where those entities had no lawful basis to receive those funds. She may have been attempting to shift blame on to Joanne Harrison and portray herself as a completely innocent party.
- [81] In assessing what weight I can apply to her evidence, I have considered the extent to which it is corroborated by independent evidence, including all of the documentation referred to in the Deloitte report. I have also reviewed the extensive emails between Joanne Harrison and [REDACTED] that were recovered by the Ministry from Joanne Harrison's computer. Again, because I have not had the opportunity of receiving any explanation from Joanne Harrison, I am obliged to draw inferences. One inference is that Joanne Harrison's unwillingness to cooperate with me and her apparent departure from the country is consistent with her not having any positive explanation for these matters and [REDACTED] account of how and why Mazarine Associates and EJW Consulting became established and operated, was correct.

[82] I conclude that [REDACTED] was someone who Joanne Harrison had cultivated or “groomed” when she had been employed at the Ministry and that the emails between them in the years 2014-15 were of a very informal and personal nature. I find that, in accordance with the statement made by [REDACTED], Joanne Harrison approached her with a proposition to set up an entity, initially called Mazarine Associates, which was intended to render invoices to the Ministry. I find that the arrangement was that [REDACTED] was to receive 30% of the gross revenue in the same manner that it was said that an organization called [REDACTED] received a percentage of the consulting fees earned by consultants that they placed with a client. I find that Joanne Harrison misled [REDACTED] into thinking that her contractual arrangements within the Ministry had changed and that the Chief Executive had approved her, in effect, becoming a consultant to the Ministry and invoicing the Ministry for her time through Mazarine and EJW. I accept [REDACTED] statements that Joanne Harrison provided [REDACTED] with all of the information used to create the invoices that were rendered by both Mazarine Associates and Elizabeth Williams Consultants, and that none of the time invoiced for related to anything that [REDACTED] had done for the Ministry. Withheld under section 9(2)(b)(ii)

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[83] I find that Joanne Harrison was regularly reminded of the need to comply with the Ministry’s policies and deliberately failed to do so, concealing from the Ministry her involvement with both Mazarine Consultants and Elizabeth Williams Consulting. I find that, through those organisations, Joanne Harrison has effectively charged the Ministry for work that she carried out while an employee and which was covered by her salary.

[84] I find that these actions amount to serious misconduct.

#### **Sharp Design**

[85] The Deloitte report indicates that invoices from “Sharp Design” in a total sum of \$14,827 were paid in three transactions in November and December of 2012 and that the Ministry’s bank account records confirm that between February 2013 and July 2014 the Ministry paid a further \$212,335.76 to a business called “Sharp Design”. The Deloitte report records that there was no contract between the Ministry and Sharp Design, and that no one at the Ministry was familiar with the entity or were aware of what services were provided.

[86] At 2.25 of the Deloitte report it is stated that an analysis of the metadata of six of the Sharp Design invoices showed that the author was “Ministry of Transport” and that of these, “four invoices showed that the last author was ‘harrjo’ ”.

[87] Paragraph 2.24 of the report confirms that the post office box address given for Sharp Design was an address which Joanne Harrison had previously used as her own and that the contact cellphone number given for Sharp Design was the cellphone number for the [REDACTED] of Joanne Harrison’s [REDACTED]

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[88] In the absence of any explanation from Joanne Harrison, I conclude that Joanne Harrison has breached the Ministry’s conflict of interest policy by failing to disclose her personal association with the business Sharp Design; she has failed to comply with the Ministry’s requirements in relation to the documentation of contracts; and she appears to have fraudulently generated, on her Ministry computer, invoices which were then sent by Sharp Design to the Ministry and paid by the Ministry. It is impossible for me to tell what, if any,

work was actually undertaken by Sharp Design, but it appears likely that there may have been little, if any, actual work delivered. In these circumstances, Joanne Harrison's approval and payment of the invoices appears to have been a gross breach of trust.

[89] I find that her conduct in relation to Sharp Design, referred to in the last paragraph, amounts to serious misconduct.

#### **Transport Accident Investigation Commission (TAIC)**

[90] In late 2014 Joanne Harrison approached Lois Hutchinson, Chief Executive of TAIC. As is recorded in the Deloitte report, Joanne Harrison advised Ms Hutchinson that she was responsible for shared services in the transport sector. She indicated that she wished to second someone from the Ministry to TAIC and that the Ministry would provide funding for the position, the purpose of which was to "improve forensic processes and evidential records to bring standards close to the Police". The position was also referred to as possibly transforming into an apprentice investigator role. Ms Hutchinson understood that TAIC were obliged to participate in this initiative.

[91] By email dated 4 December 2014 to Lois Hutchinson, Joanne Harrison represented that the Ministry was undergoing a process of advertising for applicants and vetting them.

[92] At 11.28 am on 5 December 2014 Lois Hutchinson replied to that email. The email started by making the following comments:

Thank you for your email and update on where you are at progressing the "apprentice investigator" role.

Tim and I have had a discussion and are concerned that the role as envisaged and now proposed for progressing presents organisational risk for us. Having assessed the documents you have provided, I think the proposal is premature for us. As I said to you when we met, I support the proposal in principle but would need to be satisfied that the role is properly structured.

[93] The email then went on to note some concerns about the proposed "remoteness from the centre". Joanne Harrison had proposed that the role be carried out from Northland (where it happened that her domestic partner, Patrick Sharp resided). Lois Hutchinson mentioned a restructuring of the investigator's role and suggested that "... we put a hold on recruiting an apprentice investigator while we work through our review programme". She also noted that Joanne Harrison's suggestion that there not be a full medical test for the candidate was unacceptable.

[94] Joanne Harrison replied to that email the same day, strongly urging Lois Hutchinson to accept the proposal. She said:

I agree with your concerns around international reputation and the need for firm control from the centre. However, I urge you to reconsider this opportunity to trial a new and innovative approach with at least one role.

[95] Later in the email was the comment:

I understand you have been very clear that you need additional resources, and the status quo is not sustainable. I believe it is appropriate that TAIC demonstrate a real commitment towards shared services initiatives to help offset the pressure it is under. A commitment to

TAIC to these sorts of trials and arrangements will surely help the Ministry in assisting you to make the business case for an increased budget bid.

- [96] Joanne Harrison persisted with the proposal and met with Lois Hutchinson and Tim Burfoot of TAIC on 9 December. She followed up that meeting with an email to Lois Hutchinson and Tim Burfoot of 4.46 pm on 9 December. Included in that email were the comments:

I intend to help you progress the potential for a Forensic Process Improvement role (or whatever it may be called). As discussed could you please send some rough notes through regarding the possible responsibilities, and we'll look to work this up into a draft job description and potential work plan for next year.

- [97] The email gave the impression that Joanne Harrison was interviewing candidates (plural). It said:

As you know, I am travelling to Auckland on Thursday/Friday where I will still meet with your prospective candidates. It's important I keep them warm as we determine the nature of the role. I have advised the Governance team here we want the money ASAP and have developed an even better initiative.

- [98] Joanne Harrison met again with Tim Burfoot on 17 December. She followed that meeting up with an email to Lois Hutchinson on 18 December. That email included the passage:

Tim and I were able to make good progress yesterday discussing the Forensic Process Improvement role. The Ministry has agreed to recruit this position and then second to TAIC for a fixed term of 12 months which will improve the team with resource without any hassle.

- [99] Tim Burfoot must have told Joanne Harrison that Lois Hutchinson's [REDACTED] when he met with her on 17 December because that is specifically mentioned at the end of the email to Lois Hutchinson of 18 December. There is an email in reply from Lois Hutchinson of 18 December thanking Joanne Harrison for the [REDACTED]. That email was responded to on 18 December by Joanne Harrison, again making personal comments about [REDACTED].

- [100] It appears that the Ministry never advertised for candidates for the role; there were no interviews; and that it was always Joanne Harrison's intention that her domestic partner, Patrick Sharp would be the person who would be the subject of the "secondment" to TAIC. Joanne Harrison was insistent that the candidate for the position be sent to Cranfield University in England to undertake a residential course relating to exhibits.

- [101] It appears that the commitment for the Cranfield course had been initiated by Joanne Harrison prior even to the contract between the Ministry and TAIC for the secondment being agreed. Clause 2.38 of the Deloitte report includes the comment:

Ms Hutchinson also advised that Joanne Harrison was "adamant" that Mr Sharp should attend the Cranfield University investigator's course in the UK that is referred to in the email above. Joanne Harrison's emails show that [REDACTED] (who worked for Joanne Harrison) was in contact with Cranfield University in November 2014. She was advised that a provisional place was booked on the "Fundamentals of Accident Investigation" course on 28 November 2014. The course was scheduled to take place on 11-29 May 2015.

- [102] By email of 24 March 2015, Lois Hutchinson attempted to clarify with Joanne Harrison whether the cost for the Cranfield University course was an MOT cost or TAIC's cost.



[103] By email of 23 March 2015, Joanne Harrison said:

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Patrick is paid [REDACTED] for 30 hours p/w (from memory) so the remaining [REDACTED] was to pay for Cranfield plus travel/accommodation for the 12 month role.

[104] Joanne Harrison arranged for the transfer of \$95,000 from the Ministry budget to TAIC. That was intended to cover a year's salary at [REDACTED] as well as Cranfield training costs of some [REDACTED] and what was said to be travel-related costs of approximately [REDACTED]

[105] Although Joanne Harrison had attempted to encourage TAIC to take Patrick Sharp on as a permanent employee, the eventual agreement was for a one year fixed term role, undertaking something called an Evidence Management Project.

[106] Patrick Sharp duly attended the Cranfield course in May. There were some issues re authorisation of credit card payments and Patrick Sharp obviously involved Joanne Harrison in resolving these matters as her emails of 11 and 30 May 2015 show where she was emailing staff at TAIC on Patrick Sharp's behalf.

[107] After returning from Cranfield at the start of June 2015 Patrick Sharp undertook some work for TAIC. Clause 2.37 of the Deloitte report states:

[108] Mr Sharp produced a document for TAIC that was titled "How to do – exhibit labels and evidence tracking". The report goes on to say that Deloitte identified this document in Joanne Harrison's emails and

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... it was dated 6 July 2015 with Patrick Sharp's name at the top of the document. However, when we reviewed the metadata we could see that the "Author" and the "Last Author" were both [REDACTED]

[109] [REDACTED] was a contractor employed by Joanne Harrison at the Ministry. He was not supposed to be doing any work for TAIC.

[110] Patrick Sharp abruptly left TAIC in early July 2014, four months into a 12 month fixed term contract. It seems he simply walked out without explanation. Upon Patrick Sharp's abrupt departure from TAIC, the Ministry's shared services initiative seems to have stopped.

[111] At no stage did Joanne Harrison disclose to either TAIC or the Ministry any personal relationship with Patrick Sharp.

#### Worksafe

[112] On 10 June 2015 ( which was only a few days after Patrick Sharp returned to New Zealand after his time at Cranfield) Joanne Harrison sent an unsolicited email to [REDACTED] General Manager Human Resources at Worksafe New Zealand. The email indicated that Joanne Harrison was

... looking to create a succession initiative with one of our staff relocating back home to the Far North/Whangarei.

[113] The email did not name the employee in question but it said that he wished to "transition from the current role he holds with us and seek opportunities with Worksafe".

- [114] ██████████, when interviewed by me on 4 May 2016, indicated that Worksafe NZ entered into talent sharing arrangements with other Government agencies and that she was happy to explore the initiative put to her by Joanne Harrison. She indicated accordingly in an email of 11 June to Joanne Harrison.
- [115] Joanne Harrison met with ██████████ on 17 June. ██████████ says that, at that interview, Joanne Harrison identified the employee who it was proposed would work for Worksafe as being someone called Patrick Sharp. ██████████ said that Joanne Harrison described him as currently an investigator with the Ministry of Transport and she described him as one of their top investigators who had “topped his class at Cranfield”. ██████████ recalled Joanne Harrison saying that the employee was based north of Whangarei and inquired whether Worksafe would have any opportunities for him.
- [116] ██████████ indicated that she told Joanne Harrison that Worksafe was newly established and did not have any vacancies in Whangarei. She said that Joanne Harrison was very keen for Patrick Sharp to be taken on by Worksafe directly as an employee, but ██████████ told Joanne Harrison that this did not fit the structured model that Worksafe had for taking on new inspectors.
- [117] ██████████ provided me with an email that Joanne Harrison had sent her after the meeting at 5.34 pm on 17 June which asked a number of questions about what might be available. She provided me with a copy of her response to that email of 24 June 2015, an email from Joanne Harrison to her of 12.28 pm of 24 June asking further questions on behalf of Patrick Sharp, and ██████████'s reply of 10.28 am on 26 June. ██████████ arranged for Worksafe's Northern Manager to meet with Patrick Sharp and following that meeting she sent an email to Joanne Harrison of 30 June 2015, indicating that Worksafe were keen to move ahead with the proposal and that the best way of doing this would be by way of a “secondment that would then transition to employment with [Worksafe] once [Patrick Sharp] is warranted”. ██████████ then prepared a draft secondment agreement and provided that agreement to Joanne Harrison by email sent at 4.45 pm on 30 June.
- [118] ██████████ indicated that Joanne Harrison was very keen that Worksafe employ Patrick Sharp directly. She provided me with a copy of an email of 30 June at 6.09 pm from Joanne Harrison to her which said:

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A secondment is not a good option from our perspective. I have to contend with a few legacy issues here that I will explain when we meet tomorrow. I would appreciate us finding a way for Worksafe to hire him and make a formal offer from 20/7, invoice me directly for the difference in salary to ██████████ to make the salary shortfall up; we are prepared to meet the difference for a full 12 months, we will pay you straight away so that there are no budget issues at your end.

- [119] ██████████ provided me with an email from herself to Joanne Harrison of 7.16 am on 1 July indicating that there were difficulties with direct hiring, and secondment was Worksafe's strong preference.
- [120] ██████████ indicated that at no stage through any of her dealings with Joanne Harrison did Joanne Harrison indicate there was any personal relationship between her and Patrick Sharp.

[121] ██████████ indicated that in discussions following her email of 1 July Joanne Harrison had persisted in wanting a direct employment relationship between Worksafe and Patrick Sharp but ██████████ had been adamant that it had to be by way of secondment until Patrick Sharp was warranted as an inspector. She said that Joanne Harrison had indicated that the Ministry of Transport would make up the difference between what Joanne Harrison said was Patrick Sharp's current salary and what Worksafe would pay Patrick Sharp as a trainee inspector.

[122] ██████████ provided me with a copy of an email from Joanne Harrison to her of 1 July at 2.58 pm which included a statement by Joanne Harrison which said:

The CE will sign the authorisation, so we can offer a fixed term starting from 20 July through to 20 December 2015.

[123] ██████████ said that she was uncomfortable seeing this comment. She could not understand why, if Patrick Sharp were already an existing Ministry employee, a fixed term agreement would be required. She said that she immediately queried this, and provided me with a copy of her email of Wednesday 1 July at 3.48 pm, the relevant passage of which said:

I am confused by ... we can offer a fixed term ... doesn't he just remain a permanent employee of yours until he is offered permanent employment with us at the end of the year?

[124] ██████████ said that Joanne Harrison brushed her off in relation to this. She said Joanne Harrison left a telephone message on her phone in response to her query but that ██████████ was none the wiser about the reason for the comment about "fixed term employment". She said that she did not follow this up.

[125] As at June 2015 Patrick Sharp was not one of the Ministry's "top investigators". He was not even an employee of theirs but was employed by TAIC on a fixed term agreement. He has not ever been an employee of the Ministry. He was three months into a 12 month fixed term role at TAIC that Joanne Harrison had arranged for him, and had only days before returned from a course at Cranfield (funded by the Ministry of Transport as arranged by Joanne Harrison) that had been paid for in order that TAIC would receive the benefit of the skills that were learned there.

[126] After having approached ██████████ in June of 2015 and made the representations detailed above, Joanne Harrison then raised this matter with the Chief Executive by way of memo of 1 July 2015. That memo presented the proposal somewhat differently to what Joanne Harrison had presented to ██████████. She made out it was Worksafe's initiative. A passage in the memo, after describing what Worksafe New Zealand did, said:

In order to promote and contribute to the prevention of harm [Worksafe New Zealand] are looking to foster cooperative relationships and secondments between businesses and workers, and their representatives. I became involved with the team after I attended with you at the CE presentation at Treasury. I made enquiries with the team (in the spirit of "we don't know what we don't know" and may think our requirements are minimal, they may not be). I advised them that we take safety and wellbeing seriously and would like a partnership arrangement that supports our future needs.

[127] The memo went on to say:

We need to train up three staff to Health and Safety Level 3, currently they are not at Level 1. This workplace inspector would assist with our requirements until staff are at the required level to perform. The benefit of this interim arrangement would provide us with taking proactive responsibility for all stages of assessments, audits and inspections in 2006.

- [128] From the proposal put to the Chief Executive he could have concluded that one of the three staff who were claimed to be at level 1 and who it was claimed by Joanne Harrison needed to get to level 3 was to be the secondee and that the secondee assist the Ministry to train staff in health and safety matters in 2016. Given that the proposal put by Joanne Harrison to [REDACTED] was for a person to be trained as an inspector and then to immediately become a permanent employee of Worksafe NZ, it is difficult to see how any of the claimed benefits referred to by Joanne Harrison in her email to the Chief Executive could have been achieved. The memorandum concluded by saying:

The training begins 8 July 2015, I recommend we take up the opportunity and agree to a six month fixed term offer, recoverable from WSNZ. The role could sit under GMOD and I would maintain oversight of the role and the deliverables.

- [129] The proposal was approved by Andrew Jackson on behalf of Martin Matthews on 1 July 2015.
- [130] The secondment agreement provided that the Ministry would pay the secondee's salary but invoice Worksafe for this. A formal offer of fixed term employment by the Ministry for the period 8 July to 20 December 2015 was made on 1 July 2015 and accepted by him on 5 July 2015.
- [131] [REDACTED] told me that on 31 July 2015, about two weeks after Patrick Sharp had started in the Whangarei office of Worksafe NZ, she got an email from him. She provided me with a copy of an email dated 2.57 pm on Friday 31 July 2015. In the email Patrick Sharp was asking questions as to why he had not been allocated a car. [REDACTED] said that she replied to Patrick Sharp the same day and provided me with a copy of an email dated Friday 31 July at 4.10 pm to Patrick Sharp which was copied to [REDACTED] (who she said was Patrick Sharp's line manager) and [REDACTED] (General Manager Corporate). She said that the following day she got an email from Patrick Sharp and provided me with a copy of an email dated 7.16 am on 3 August. Essentially, in the email, Patrick Sharp took umbrage with the fact that [REDACTED] had copied in his manager with her reply. He said that his position was untenable and that he was going to return all equipment, phone etc to the Whangarei office that day.
- [132] [REDACTED] indicated that she was most surprised at what appeared to be an irrational and over-the-top response from Patrick Sharp. She provided me with a copy of an email she sent at 7.48 am on 3 August to Patrick Sharp, explaining that the reason she copied his manager in on the response was because his manager was the appropriate person for Patrick Sharp to be raising queries with. She said that she got no response to that email.
- [133] [REDACTED] also provided me with a copy of an email of 8.52 am on 3 August which she sent to Joanne Harrison which forwarded a copy of the correspondence she had exchanged with Patrick Sharp and recorded that she felt that Patrick Sharp's reaction was incredibly disappointing and demonstrated a level of immaturity. She indicated that she wished to discuss this matter with Joanne Harrison. She said that she also left a voicemail message for Joanne Harrison to call her.

- [134] [REDACTED] provided me with a copy of an email from Joanne Harrison to her of 10.11 am on 3 August which she said was Joanne Harrison's response. The response said that Joanne Harrison did not see this as a "demonstration of immaturity" and claimed that Patrick Sharp was a "person of high integrity". The email said that Joanne Harrison would "end the secondment agreement today".
- [135] [REDACTED] indicated she replied to that email and provided me with a copy of her email to Joanne Harrison of 4.34 pm on 3 August. She indicated that she had asked for a debrief with Joanne Harrison to discuss the matter. She said that she never got a response to that request and did not hear from Joanne Harrison again.

### Findings

- [136] I find that Joanne Harrison developed a scheme to provide, at the Ministry's expense, her domestic partner, Patrick Sharp, with an employment opportunity at TAIC and with an opportunity to undertake a course at Cranfield University. Given that the initial arrangements to reserve a place on the course were made, at Joanne Harrison's direction, in 2014 well before the arrangements between TAIC and the Ministry were settled, indicated a calculated and deliberate plan with the objective of getting someone else to pay for Patrick Sharp to obtain a qualification that might assist him getting employment.
- [137] I find that Joanne Harrison misled Lois Hutchinson into believing that she (Joanne Harrison) was responsible for shared services in the transport sector and creating a false impression that TAIC were obliged to comply with the proposal she put to TAIC.
- [138] I find that Joanne Harrison misled TAIC into thinking that there were a number of candidates for the proposed role when all along the arrangement was created specifically for Patrick Sharp.
- [139] I find that in relation to the exchange of emails on 18 December 2014 and [REDACTED] by Joanne Harrison to Lois Hutchinson in relation to [REDACTED] is an example of Joanne Harrison attempting to ingratiate herself with Lois Hutchinson in order to increase the likelihood of TAIC agreeing to the proposal.
- [140] I can find no evidence of any benefit to the Ministry of having \$95,000 of its budget transferred to TAIC to fund Patrick Sharp's salary and costs of attending Cranfield.
- [141] I find that not only did Joanne Harrison fail to comply with the Ministry's conflict of interest policy by not disclosing her relationship to Patrick Sharp, she deliberately kept his identity secret at the commencement of her negotiations with TAIC.
- [142] I am unable to make a finding as to what, if any, benefit TAIC derived from having Patrick Sharp on their staff. An element of detriment to the Ministry from this arrangement appears to be that work undertaken by [REDACTED] (a contractor to the Ministry) was passed off to TAIC by Patrick Sharp as being his work product.
- [143] I find that, in June of 2015, knowing that she had transferred \$95,000 of the Ministry's funds to TAIC, including significant costs related to Patrick Sharp attending Cranfield University,

with the purpose of improving TAIC's capabilities in the long term, Joanne Harrison was already scheming to attempt to create a work opportunity for Patrick Sharp at Worksafe.

- [144] I find that Joanne Harrison's initial objective was to convince Worksafe to employ Patrick Sharp directly and it was only when Worksafe were resistant to this that Joanne Harrison came up with the proposal set out in her memo of 1 July 2015 to Martin Matthews. Given that Joanne Harrison anticipated that as soon as Patrick Sharp had completed training as an inspector, he would be offered permanent employment by Worksafe, it is difficult to see how any of the claimed benefits to the Ministry of this arrangement as outlined in the memo of 1 July 2015 could be achieved.
- [145] I find that Joanne Harrison misled Martin Matthews about the need for and benefits that would flow from having the Ministry pay for Patrick Sharp to commence a role at Worksafe.
- [146] I find that Joanne Harrison deliberately concealed Patrick Sharp's identity as the person who would be undertaking this secondment from Martin Matthews in the memo of 1 July.
- [147] I find that the reason that Patrick Sharp abruptly walked out of TAIC was because, knowing that he had a 12 month fixed term employment agreement and knowing that he had just attended a very expensive course at Cranfield University in the UK for the purpose of benefitting TAIC, Joanne Harrison had arranged for him to start with Worksafe on 9 July.
- [148] I conclude that Joanne Harrison misused her authority as General Manager Organisational Development at the Ministry to obtain a personal benefit for her domestic partner, Patrick Sharp, at the Ministry's cost. I find her actions in relation to Patrick Sharp's employment at both TAIC and Worksafe amount to serious misconduct.

#### **Subsequent payments to Patrick Sharp**

- [149] Following Patrick Sharp's abrupt departure from Worksafe on 3 August 2015, Joanne Harrison emailed Fiona McMaster, Manager Finance at the Ministry of Transport, stating:
- Further to below, please cancel the diarised invoices you had planned to send to me. I have stopped the secondment as I am pleased to have learned, from the secondee himself, that in fact we are well placed. Until we are notified of any future potential changes that could affect us, it seems that we are actually OK H&S wise.
- [150] I find this statement to be false. The ending of the secondment of Patrick Sharp to Worksafe had nothing to do with any question related to the capability of the Ministry in the area of health and safety. It resulted from a tantrum thrown by Patrick Sharp over the fact that he had not been allocated a car.
- [151] Joanne Harrison also emailed ██████████ of MOT Payroll and asked for the final date for the "fixed term agreement for P Sharp, seconded to Worksafe, to now be 4 September 2015". Given that the arrangement had ended with Patrick Sharp walking out on 3 August, there does not appear to be any basis for saying that the end date of the arrangement should be 4 September. Neither Worksafe nor the Ministry could possibly have received any benefit from the arrangement after 3 August.
- [152] On 17 August 2015 Joanne Harrison emailed ██████████ again. The email said:

I promise this will be the last change to this arrangement! Today I have received an offer to extend his work to 30 November to allow and include completion of training OHS in employment act [sic] and a finalised 15/16 plan. We need to deliver this work by the end of the year, a full [REDACTED] has already been factored into our salary budget, and we will not use that full amount. It will be swifter to extend this low cost contract than to seek a new temporary employee to backfill and complete this work.

[153] I find that all of this is a work of fiction by Joanne Harrison. There is no evidence that any OHS training was required or delivered. Joanne Harrison has seized the opportunity to continue to pay Patrick Sharp from monies previously approved for the secondment to Worksafe.

[154] Clause 2.52 of the Deloitte report states:

MOT began making payments to the bank account of Patrick Sharp [REDACTED] on 13 July 2015. A total amount of [REDACTED] was paid between this date and 2 November 2015 as set out in appendix C. There is no evidence that any services were provided by Mr Sharp.

[155] I conclude that Joanne Harrison's actions in this regard were fraudulent. She has deceived [REDACTED] into making payments to Patrick Sharp when the Ministry received no benefit from those payments.

[156] In addition to the payments made to Patrick Sharp between 13 July 2015 and 2 November 2015 allegedly in relation to health and safety work, Joanne Harrison also formulated an arrangement for him to be engaged as a "report writer".

[157] On 21 October 2015 [REDACTED] of MOT sent an email to Joanne Harrison saying:

[REDACTED] and Fiona have touched base with me regarding an extension for Patrick Sharp as they don't seem to have a signed approval or completed documentation on the file ... We will need Martin's approval for the new position and appointment on file, and I think some further details are needed in the contract documentation to have what [REDACTED] needs for payroll input.

[158] The same day Joanne Harrison responded saying that:

This is for the one day a week report writer one if I recall no I haven't got the paperwork sent back to me and I haven't had an "accept" in any case ... they are temp roles only so wasn't sure we needed to run it by Martin, am happy to do so if we go ahead.

[159] Among the documentation I was provided with is what purports to be an email from Patrick Sharp to Joanne Harrison dated Wednesday 21 October 2015. It refers to an offer to him to provide "some temporary assistance in the form of proofing, research and report writing going forward". It refers to a "provisional offer". The email says:

I can agree to one day per week, from 30/10/15 to 30/10/16 subject to the agreement of Human Resources.

[160] The letter conveys the representation that Patrick Sharp is an author. It says:

I will post you a signed book, as promised. I am nearing the end of another gripping crime drama, hence one day commitment only at this stage.

The email is signed "Rick". That is unusual as all the other documentation from Patrick Sharp found on Joanne Harrison's computer shows him as referring to himself as Patrick or Pat.

[161] There are a number of aspects of this email that seem improbable. The reference to Mr Sharp's availability one day per week for a year being "subject to the agreement of Human Resources" seems an unlikely thing for a prospective employee to have written, particularly when that person is the domestic partner of the General Manager in charge of the area in which he has been working and the person who has:

1. arranged a secondment to TAIC including expensive training at an overseas university;
2. arranged a secondment to Worksafe for the purposes of having him trained as an inspector and then being offered permanent employment by them; and
3. just arranged for him to receive some [REDACTED] of payments for work that he has not delivered.

[162] The representation that he is an author also seems improbable given his known recent background is as a (very short term) trainee TAIC accident investigator and trainee Worksafe inspector. The CV information about Patrick Sharp located on Joanne Harrison's computer would indicate that he had no prior experience as a writer and no qualifications in that area. The only prior work experience disclosed in this documentation is in police work. The email has all the hallmarks of having been written by Joanne Harrison herself in an attempt to portray to Ministry staff who might read it that Patrick Sharp was someone capable of carrying out proofing, research and report writing in order to hide the fact that the payments were going to her domestic partners who had no skills in this area at all.

[163] On 28 October 2015 Joanne Harrison sent Martin Matthews an email via [REDACTED]. The email represents that "with the upcoming delivery of the Futures work, the Ministry has an ambitious programme of publications, stories, and content for a new website, all being written in a condensed period of time". It notes that someone called [REDACTED] "... has moved on to SSC and the external quality review pool was disbanded some months ago". It then says that "The Engagement and Communications team, whilst heavily involved in the logistics of the Futures work, will not have capacity or capability to rewrite, structure and review the upcoming content with the condensed timeframe." It concludes by saying:

We have successfully used two writers in the past to supplement our capability, I intend to hire two writers rather than use them as contractors, on a 12 month fixed term, one day per week, total salary of [REDACTED]. I will utilise some of the salary from [REDACTED]'s departure. This will not affect the current budget and no further funds will be requested.

[164] The memorandum is misleading in that it implies that the writers who it is proposed to offer contracts to are the same writers who have been "successfully used ... in the past to supplement our capability". Nowhere is it disclosed that Joanne Harrison had already made an offer to her domestic partner, Patrick Sharp, which has been accepted by him. On the basis of the memorandum of 28 October, the Chief Executive approved the proposal. I was provided with a copy of a letter of offer dated 29 October 2015 from Joanne Harrison to Patrick Sharp, offering him fixed term part time employment from 9 November 2015 to 11 November 2016, one day per week on a gross salary of [REDACTED] pro rata-ed. The document contains what is purported to be Patrick Sharp's signature and a date of 29 October 2015.



[165] Between November 2015 and April 2016 wages of [REDACTED] were paid to Patrick Sharp for writing/editing services. There is no indication that Patrick Sharp has actually undertaken any writing. Employees at the Ministry who would be expected to know of him and his work indicate that they have no knowledge at all. For example, [REDACTED] in her statement of 28 June says:

If someone was asked to do some writing in the Organisational Development group, he or she would almost certainly be working with the Engagement and Communications team or with me.

I have been asked whether Patrick Sharp has done any writing for the Ministry. I am not aware of him having done any writing work for the Ministry.

[166] I conclude that the purported contract for report writing was fraudulent. I conclude that Joanne Harrison has used the fact that [REDACTED] left to utilise some of what had been budgeted to cover her salary as an opportunity to divert money to Patrick Sharp and has initially tried to achieve that without obtaining approval from Martin Matthews and, when challenged over that by [REDACTED], has concocted a spurious justification for the engagement of two part time report writers.

[167] In reaching this conclusion I also rely on the fact that on Wednesday 27 April, after Joanne Harrison had been confronted with the initial allegations and had been suspended, a letter mysteriously appeared on a chair in the office of the payroll clerk at the Ministry. The letter was dated 28 March 2016 and purported to be a letter from Patrick Sharp to Joanne Harrison. It started by saying:

As discussed, just a quick note to say I am finishing up the retainer arrangement as of today. ... I have completed the outstanding paper, attached for you.

[168] It finishes "Regards Pat". There is a handwritten notation beneath that in Joanne Harrison's handwriting saying:

[REDACTED] give to:-

[REDACTED] to process for termination pay – thanks.

P Sharp.

[169] This letter appears to have been created to convey the impression that Patrick Sharp is terminating the one year fixed term contract which was not scheduled to expire until 11 November 2016. The handwritten notes purport to be an instruction from Joanne Harrison. The appearance created by the leaving of this letter on the chair is that it had been received on or about 28 March and processed by Joanne Harrison on or about that date, which would have been prior to the Chief Executive having raised with her his concerns about various matters including the money being paid to Mr Sharp.

[170] However, all was not as it seems. On 3 May I interviewed [REDACTED]

[REDACTED]

- [171] A surveillance camera had captured images of ██████████ in the Ministry's offices on the morning of Monday 25 April. That was Anzac Day, a public holiday, and a day when ██████████ had no business to be in the offices. When I showed ██████████ the surveillance images, she initially stated that she had just happened to be in town that day and "banged into" Joanne Harrison on The Terrace.
- [172] ██████████ told me an elaborate story about how she had come into town from ██████████ where she lives to meet "one of her family" who was staying at a motel somewhere on The Terrace, that she was walking from the motel to Burger King to get some breakfast ██████████ and just happened to come across Joanne Harrison. Her story was that Joanne Harrison had told her that she needed to get a present for her mother and her mother's birth certificate from her office and that she couldn't find her access card to come into the building.
- [173] ██████████ said that she told Joanne Harrison that ██████████ and that she had not brought her access card. She further said to me that she actually had her access card in her bag but was worried and that was why she told Joanne Harrison she did not have the card. She said that because she "didn't want to tell lies to people" she then told Joanne Harrison that she had her card and invited her to come with her to the office to get whatever she wanted from her office. She said that Joanne Harrison told her that because she was on leave, she was not able to enter the building. She said that Joanne Harrison gave her the key for her office door.
- [174] ██████████ kept telling me that she was telling the truth and didn't want to lie to anyone. She acknowledged what the surveillance images showed which was that she had entered the building, gone to the floor Joanne Harrison worked on, and attempted several times to use some keys to open the door.
- [175] After a short break in the interview initiated by ██████████'s support person, her story changed. She admitted that on Tuesday or Wednesday of the prior week she had received a telephone call from Joanne Harrison. She said that Joanne Harrison knew her cellphone number because at the time she had provided the gift ██████████ she had said to ██████████ to give her a call if the ██████████ and arranged for ██████████ to text her phone number. She said that Joanne Harrison gave her a letter with instructions to leave it in the office of the pay clerk. She confirmed that she had done this on Wednesday night. She described the letter as being "... inside the envelope, like a courier, yellow, an envelope".
- [176] ██████████ also admitted that the story that she had told me about "banging into" Joanne Harrison on The Terrace was untrue and that the reason she was on The Terrace was because Joanne Harrison had telephoned her and had asked to meet her there.
- [177] Further surveillance camera images came to light which showed ██████████ had been on level 5 and attempting to gain access to Joanne Harrison's locked office on 30 April, a date other than the date she had admitted leaving the letter in the pay clerk's office and Anzac Day when she had admitted trying to gain access to the office with keys provided by Joanne Harrison. I wished to show ██████████ the original of the letter which she had left in the pay clerk's office. The letter has a distinctive large red and yellow courier label on the back of it.

██████████ was unable to recognise the original letter as being the document she was asked by Joanne Harrison to leave in the pay clerk's office. She said she thought the document was in an envelope although she agreed that the large red and yellow courier sticker on the back of the letter was similar in colour to what she recalled the envelope being.

- [178] In relation to the surveillance images which were taken on Saturday 30 April at 12.50 pm in the early afternoon, ██████████ acknowledged that the images showed her attempting to gain access to Joanne Harrison's office. She claimed that she was doing this in order to ██████████. She was unable to give any satisfactory explanation as to why she did not appear to ██████████ while in view of the surveillance camera.
- [179] Her explanation was that she wanted to get into the office to ██████████. She acknowledged that she knew that Joanne Harrison had not been at work for some two weeks and that the office had been locked in that time.
- [180] From my interview of ██████████ I conclude she is another person whom Joanne Harrison has attempted to "groom" or ingratiate herself with. By providing her with the gift ██████████ she has created a debt of gratitude. This is similar to her behavior with Lois Hutchinson and ██████████ referred to above. She has attempted to exploit her "friendship" with ██████████ to firstly gain access to her office and secondly, to plant the letter of 28 March 2016 discussed above in the pay clerk's office. I find that she did this to deliberately create the false impression that this letter had actually been received on or about its date and was evidence of Mr Sharp wanting to terminate the report writing contract.
- [181] In the absence of any explanation from Joanne Harrison, and relying on the contents of the "WhatsApp chat" referred to in clause 2.16 and 2.17 of the Deloitte report, I draw the inference that, once Joanne Harrison became aware that the Ministry was investigating the payments made to Patrick Sharp under the so-called report writing contract, she realised it would soon be discovered that no report writing was being done by Patrick Sharp to justify these payments and she decided that she would try and create some evidence to support the claim that Patrick Sharp had been doing something.
- [182] Joanne Harrison would also have known that because the Ministry was not receiving anything from Patrick Sharp, she would have to invent an excuse for saying that the arrangement had come to an end. Hence the backdating of the letter and its planting in the payroll office.
- [183] I conclude that Joanne Harrison had, and continues to have, significant control over ██████████. However, she knew what she was doing was wrong but nonetheless acted in accordance with Joanne Harrison's instructions to both plant the letter and attempt to gain access to Joanne Harrison's office. I find that she attempted this on both 25 and 30 April, and was only unsuccessful because the Ministry had changed the locks. I got the distinct impression from ██████████'s demeanour at the second interview that, since our first interview she had been "got at". Just as the first part of the explanation she had given me on 3 May did not make sense, much of what she said at our second interview did not make sense either.
- [184] I find ██████████ has some sort of misguided loyalty to Joanne Harrison who appears to have deliberately cultivated a relationship with ██████████. I find that Joanne Harrison has used

Withheld under  
section 9(2)(a)

her influence over [REDACTED] to get her to plant the letter in the payroll office and to access her office at a time when she knew she was not authorized to access that office. I find that this conduct amounts to serious misconduct.

## Conclusion

[185] In accordance with the terms of reference I now formally set out my findings of fact in relation to the various separate allegations against Joanne Harrison. I will address the allegations in the sequence that they appear from the letters sent to Joanne Harrison as detailed in the "Summary of Allegations" section of this report and then make some general observations.

### [186] *Letter of 27 April 2016*

1. I find that Joanne Harrison deliberately failed to comply with her obligations in respect of procurement of services and management of contractual relationships. In relation to Sharp Design, Mazarine Associates and Elizabeth Williams Consultants, I find that she had a personal interest in each of these entities and failed to disclose her conflict of interest. I find that Mazarine Associates and Elizabeth Williams Associates were entities deliberately set up by Joanne Harrison to defraud the Ministry of Transport by submitting invoices for work that had been undertaken by Joanne Harrison in her capacity as an employee.

In relation to Sharp Design I find that Joanne Harrison deliberately failed to comply with policies around the procurement of services, the documentation of contracts for services and the approval of payments. I find that, when questioned about the payments to Sharp Design, Joanne Harrison invented the explanation that the Ministry would no longer be contracting with them due to the fact they were restructuring and relocating offshore. I find that Joanne Harrison repeatedly misled the Chief Executive in relation to his queries about Sharp Design.

2. In relation to the allegation that Joanne Harrison failed to properly monitor work undertaken by independent contractors, I find that rather than failing to monitor the work, Joanne Harrison was well aware that the work for which Mazarine Associates, Elizabeth Williams Consulting and Sharp Design were being paid related to services that were not being provided by them and in respect of which the claims were fraudulent.
3. (a) In relation to the allegation that Joanne Harrison falsely claimed that she did not know what had to be done with respect to work sent out (email of 30 October 2013) I find that her claims of lack of knowledge are false and were designed to cover her fraudulent activities.  
(b) In relation to her representation that work from Sharp Design and [REDACTED] would no longer be required, I find that this was an invention by her (in relation to Sharp Design) in response to the questions asked of her which she feared would expose her fraudulent activities in relation to Sharp Design. In relation to [REDACTED] I conclude that the reason this contractor was included was so as to attempt to give credibility to the assertion that two contractors in respect of which concerns had initially been raised would no longer be contracting to the Ministry.

Withheld under  
section 9(2)(b)(ii)

- (c) In relation to the allegation that Joanne Harrison deliberately or negligently misinformed the Ministry that she would keep relevant persons informed and organise contracts with future providers, I find that this representation was made to try and convince the Ministry that she had made some genuine mistakes. I find that Joanne Harrison's subsequent conduct was inconsistent with this claim with her having subsequently repeatedly ignored the requirements to have formal contracts and have them vetted by Legal. I find that the reason that she did this was to avoid Legal discovering her fraudulent activity.
- (d) I find that the claim that Joanne Harrison made a mistake based on genuine misunderstandings around contracting policy and related party disclosures was false. At no stage did Joanne Harrison make any declarations of conflict of interest or related party disclosures, and I further find that the reason she did not do this was that she would have been aware that such declarations would have been likely to expose her fraudulent activities.
- (e) In relation to Joanne Harrison's representations that she would make sure that another Ministry employee would oversee contracting processes, countersign invoices and keep a running total of all costs, I find that these assurances were not genuine and were not implemented. I find that they were made with the intent to deceive the Ministry as to Joanne Harrison's actions.
- (f) As detailed above, I have found that the arrangements with Mazarine Associates and Elizabeth Williams Consultants were fraudulent from the outset.
- (g) I find that the claim that Joanne Harrison was "learning something new" about contracting each day and that therefore explained her failure to comply with policies to have been false. The reason she failed to comply with policies was to conceal her fraudulent conduct.

4. In relation to the allegations in paragraphs 4(a), (b) and (c), I conclude that Joanne Harrison did fail to comply with the instructions set out in that paragraph and the reason she did that was to try and avoid detection in relation to a series of fraudulent transactions and, in relation to Patrick Sharp, to avoid detection of the fact that he was her domestic partner and the Ministry was paying substantial sums of money in respect of his training and work for firstly TAIC and secondly Worksafe NZ, unsupported by any corresponding benefit to the Ministry.

5. I find that Joanne Harrison deliberately represented her work history in her 2011 application.

Withheld under  
section 18(c)(ii)

6. I have been unable to come to any conclusion on the allegation that Joanne Harrison deliberately or negligently removed parts of her personnel file.

7. In relation to Patrick Sharp I find that all of the allegations in paragraph 7 are established for the reasons detailed above.

8. In relation to Sharp Design I find the allegations established for the reasons detailed above.
- [187] **4 May 2016:** In relation to the allegation that Joanne Harrison instructed Finance to add Patrick Sharp to the Ministry's payroll without the necessary approval/offer of letter being signed by the Chief Executive, as detailed above I find that Joanne Harrison deliberately concealed the identity of Patrick Sharp, and her relationship with him from the Ministry and deliberately abused her position by persuading TAIC to engage him on a fixed term basis and send him to Cranfield University.
- [188] **6 May 2016:** As detailed above, I find that Joanne Harrison deliberately exploited the relationship she had cultivated with [REDACTED] and persuaded [REDACTED] to plant the letter dated 28 March 2016 in the payroll office and to attempt to improperly access her office and remove material from it at a time when she knew that she was prohibited from entering the office.
- [189] **27 May 2016:** I find the three allegations in the letter of 27 May 2016 to have been established and that Joanne Harrison had exploited the relationship that she had had with [REDACTED] a former employee of the Ministry, to use her as a means of extracting fraudulent payments from the Ministry via the Mazarine Associates and Elizabeth Williams Consulting entities. I specifically accept [REDACTED] statement that Joanne Harrison had forged her signature as part of this enterprise.
- [190] **10 June 2016:** For the reasons detailed above, I find all of the allegations in relation to the employment of Patrick Sharp by TAIC to be established.
- [191] I find that each of the allegations that I have found to be established amount to serious misconduct.

#### **Additional comment**

- [192] These findings are made specifically in relation to the issues falling within the Terms of Reference. The findings relate to Joanne Harrison only. Although it appears that others such as Patrick Sharp and [REDACTED] may have benefitted from conduct I have found to be fraudulent on the part of Joanne Harrison, and [REDACTED] has been involved in activity that she knew to be wrong and told me untruths about her activities, I do not purport to make any findings in respect of them.
- [193] Neither do I make any findings as to the quantum of the losses suffered by the Ministry as a result of Joanne Harrison's actions. However, from the evidence in the Deloitte report the losses appear to be substantial.
- [194] The standard of proof in relation to an investigation like this is on the balance of probability. That is a lower standard than the standard in the criminal courts which would require proof of an allegation of fraud beyond reasonable doubt. Unlike in the criminal process, I can and have drawn adverse inferences in relation to Joanne Harrison's silence in the face of requests to provide an explanation and to meet with me. I am satisfied, to the level of the balance of probabilities, that Joanne Harrison's actions as detailed about are fraudulent.
- [195] My findings establish that right from the point of her original application for a position, Joanne Harrison's conduct has been based on deception and deviousness. Not only has she

failed to comply with the Ministry's policies such as the Procurement Policy and Procedures Manual, she has engaged in sophisticated fraud for her benefit and that of her domestic partner, Patrick Sharp.

- [196] Her actions clearly amount to serious misconduct and are completely destructive of the necessary relationship of trust and confidence that must exist for employment relationships to continue. Were the Ministry to conclude that dismissal was the appropriate penalty for these many instances of serious misconduct, such a conclusion would be entirely justified.



Peter Churchman QC  
7 July 2016