

**REPORT ON
INVESTIGATION INTO ALLEGATIONS ABOUT
THE PUBLIC ENQUIRY OFFICE IN CROYDON**

PART 1: INTRODUCTION

1. On 3 January 2006, The Sun published allegations of corruption at the Public Enquiry Office (PEO) in Croydon. The newspaper's central claim was that officials were demanding "sex for visas". Other forms of misconduct and lax security were also alleged. The Sun said that its story was based on information provided by a former Home Office employee and member of staff at the PEO, Anthony Pamnani. On 9 January, the Minister for Immigration, Citizenship and Nationality, Tony McNulty, announced that the Home Office had set up a formal inquiry into the allegations.

Terms of reference

2. As a non-executive director of the Immigration and Nationality Directorate (IND), I was asked to lead the inquiry with the following terms of reference:

"To investigate the allegations about practices within the Public Enquiry Office at Lunar House in Croydon, which Mr Anthony Pamnani was reported to have made by The Sun newspaper on 3 January; to establish, as far as possible, their substance; and to make any recommendations for further action to the Director General of IND, in the light of any findings."

The allegations

3. I have interpreted the material published by The Sun as containing seven separable allegations, namely that:

- PEO staff demanded “sex for visas” in a corruption “racket” at Lunar House;
- staff gave more favourable treatment to female applicants (i.e. granted leave to remain more readily or for longer), and to Brazilians in particular;
- staff displayed unprofessional behaviour towards applicants (e.g. saw “pretty girls” out of turn and offered them their personal phone numbers);
- photographs of unattractive applicants were put on display and made fun of;
- staff did not always check applications against the Warnings Index;
- passports were not securely stored overnight; and
- complaints to management about corruption were ignored.

4. Having considered the published allegations as required by my terms of reference, I have also looked into two further issues that Anthony Pamnani raised in his evidence to the inquiry, namely that:

- staff were employed in the PEO with insufficient experience and/or training to do the job; and
- PEO caseworkers were put under pressure by management to compete with each other to boost the number of completed cases.

Wider issues

5. The investigation of all these allegations and issues has led me to undertake a broader examination of the operation, staffing and management of the PEO than the terms of reference might seem to indicate. I should record here that the Director General of IND encouraged me to adopt this approach to scoping the inquiry and to make such recommendations for improvement as I might judge appropriate.

Methodology

6. The investigation took place in January and February 2006. Much of it was taken up interviewing around 40 present and former members of the PEO staff, as well as others whose work brought them into close contact with the PEO, and in discussion with members of the Managed Migration management team. Anthony Pamnani co-operated with the inquiry, was interviewed three times and provided me a signed statement of his allegations. Early on I visited the PEO to observe its operation. I arranged for relevant data from the Casework Information Database (CID) and the Warnings Index and PEO appointments booking systems to be gathered and analysed. CCTV footage from cameras covering the PEO counter and back office areas has been examined, as has e-mail traffic. And, in order to put into context the allegations that were published by The Sun, I have reviewed summary information about previous allegations involving sexual misconduct in IND and complaints about PEO staff, in both cases so far as possible covering the period of time that Anthony Pamnani worked in the PEO. I have applied a balance of probabilities test in weighing this evidence.

7. I have been ably supported throughout by David Stephens, IND's Senior Director for Resource Management, and by a small team comprising Andrew Pearce and his colleagues from IND's Security and Anti-Corruption Unit, officers of the Metropolitan Police Service, Peter Newman from IND's internal Performance and Management Consultancy Services and Tamara Partridge, who acted as secretary to the inquiry. I am extremely grateful for the energy, diligence and professional competence they have each brought to the inquiry.

Content of report

8. This is my report. It comprises:

- an Executive Summary (Part 2);
- recommendations for further action (Part 3);

- background about the PEO and the IND Security and Anti-Corruption Unit (Part 4);
- examination in turn of each of the seven allegations published by The Sun and of the two additional issues raised by Anthony Pamnani (Part 5);
- consideration of the wider issues that have arisen in the course of the inquiry (Part 6);
- relevant supporting material (Annexes A to E).

PART 2: EXECUTIVE SUMMARY

9. I have found no evidence to support The Sun's central allegation that there was a corruption "racket" in the PEO involving "sex for visas". I have recommended that an investigation continues into one specific allegation against a single member of staff about whom, it was alleged to the inquiry, an applicant made claims involving sex two or three years ago. I shall submit a supplementary report when this is complete. I have not found any evidence that female applicants were receiving more favourable or unfair treatment for any reason. I have, however, concluded that a few PEO staff were engaged in unprofessional behaviour towards applicants, including bypassing the queue, making contact outside the office, and inappropriately displaying and making fun of passport photographs. It is also likely that at least a few staff were not carrying out all their Warnings Index checks. It is clear that the WI system log-on rules were frequently not followed, but I have no reason to believe this led to wider security risks. I have found no evidence that passports were carelessly put at risk of being stolen, although they were sometimes left unattended behind the counter during the day. Anthony Pamnani told me he did not complain to management about corruption, as alleged by The Sun, and I do not doubt that, had he done so, management would have taken such a complaint or allegation very seriously. I have found Anthony Pamnani himself to be a generally credible witness, especially regarding those allegations where he admitted involvement himself.

10. These findings, and my findings about the other matters raised by Anthony Pamnani and about the wider issues that arose in the course of the inquiry, need to be seen in context. In the period under examination the PEO decided around half a million cases. Customer service was transformed alongside the introduction of charging, and improvements continue to be made. But the lapses of behaviour and shortcomings in process and supervision that the inquiry has identified are serious. My recommendations are therefore cast widely. They are aimed not merely at fixing specific problems that I have found to have occurred in the treatment of applicants but also at strengthening IND's ability to identify and manage risks to the service and its customers in future. This must include the risk of false allegations against individuals and damage to the morale of hardworking staff who provide the service, alongside the risks to the privacy and dignity of customers who depend upon it.

PART 3: RECOMMENDATIONS

Recommendation 1: That SACU should continue to investigate the case described by Anthony Pamnani allegedly involving claims of sex between an applicant and a member of staff.

Recommendation 2: That senior management should consider what disciplinary action and/or further investigation should be undertaken on serving members of staff based on the evidence of excessive or unusual by-passing of the queuing process and contact with customers.

Recommendation 3: That the Appointments Booking System software should be modified to prevent counter officers by-passing the normal process for calling applicants to the counter. An override facility should be available to supervisors. Override audit trails should be maintained and checked regularly.

Recommendation 4: That clear instructions should be given, and enforced, as to what images can and cannot be displayed in the PEO.

Recommendation 5: That all staff should have the required security checks before starting to work at the counter.

Recommendation 6: That the instructions for using the Warnings Index be revised, reissued and reinforced in training for all staff.

Recommendation 7: That use of the Warnings Index by counter officers should be more closely supervised and checked as part of the QA process.

Recommendation 8: That consideration should be given to providing Warnings Index terminals on the counter so that staff are not tempted to skip checks because of queuing at a small number of machines behind the counter.

Recommendation 9: That consideration should be given in the longer term to enforcing Warnings Index checks by establishing an appropriate electronic link between the Warnings Index and CID systems.

Recommendation 10: That office procedure for securing documents should be clarified and, if necessary, lockable storage be provided under the counter. Instructions on waste disposal should be reinforced and monitored.

Recommendation 11: That PEO management consider how to enhance the role of the team meeting to provide a forum for constructive discussion of staff suggestions.

Recommendation 12: That PEO management should reconsider its policy on quality v quantity, how it communicates that policy to caseworking staff and how implementation of it is managed.

Recommendation 13: That IND should draw up a stronger, more specific code of conduct for PEO staff, with clear sanctions for breaches.

Recommendation 14: That training and guidance for PEO staff should be adjusted to reinforce the new code. SACU should be involved in delivering the training.

Recommendation 15: That IND should consider giving SACU sole responsibility for investigating allegations of corruption across the whole of IND, and tasking the unit with developing a more proactive strategy for combating fraud and corruption. This might include ways to raise the profile of corruption and misconduct issues and more effectively learn the lessons from actual cases.

Recommendation 16: That QA sampling of PEO decisions should be extended to cover more cases and should include analysis of patterns and trends.

Recommendation 17: That more resources should be invested in SACU's data mining capability so that data mining can be used proactively to detect earlier signs of suspicious activity.

Recommendation 18: That consideration should be given to improving the CCTV coverage of the PEO counter.

Recommendation 19: That consideration should be given to enabling the monitoring and/or recording of all conversations between caseworkers and applicants at the counter.

Recommendation 20: That consideration should be given to having a time limit for postings to the PEO.

Recommendation 21: That IND should review the overall management structure of the PEO, the policy of promoting staff in situ and the training and support that managers are given as managers.

Recommendation 22: That IND should consider whether further action should be taken against any individuals in respect of abuse of the e-mail system and related misconduct.

Recommendation 23: That consideration should be given to withdrawing e-mail access from terminals at the PEO counter.

PART 4: BACKGROUND

The Public Enquiry Office in Croydon

11. The Public Enquiry Office in Lunar House, Croydon provides a premium, same-day service for customers who wish to apply in person for leave to remain (LTR) or settlement in the United Kingdom. It has nearly 140 staff, including 86 Admin Officer caseworkers and 44 Executive Officer supervisors, divided into six teams. In 2005 the caseworkers decided more than 120,000 cases. Smaller public enquiry offices in Birmingham, Liverpool and Glasgow dealt with another 30,000 or so cases between them. By comparison, Managed Migration processed approximately 230,000 postal applications for leave to remain and settlement. The PEO workload is seasonal, with a significant surge each autumn as overseas students arrive for the start of the new academic year. The PEOs are not to be confused (as might be read into The Sun article) with asylum screening units (ASUs), which have the entirely separate function of undertaking preliminary screening of applications for asylum. One ASU is also located in Lunar House but it is located, staffed and managed independently of the PEO there.

12. The Croydon PEO has undergone extensive change since moving back into Lunar House four and a half years ago following the building's

refurbishment, a period which happens to coincide with Anthony Pamnani's employment there. At the beginning, the office continued to struggle with long queues, packed waiting areas, lengthy delays for customers and generally poor standards of service. Despite long working hours, staff were often unable to deliver decisions on the same day, resulting in many complaints. During 2002, the office began to develop a strategy for transforming the service in readiness for the introduction of charging for most Managed Migration applications. In the course of the next couple of years, the public entrance and waiting areas were redesigned, counter capacity was increased, customer information improved, an appointments system introduced for the first time and all staff were given customer service training. From August 2003, when charging began, close to 100% same day service has been achieved for PEO customers. In 2004 and 2005 further improvements were made, including a strengthening of PEO management and the introduction of a new quality assessment regime. Coincidentally, a new manager of PEO was posted into the unit at the turn of the year, just as the allegations I have now investigated were being published. Annex A to this report describes how applications are processed in today's PEO.

Security and Anti-Corruption Unit

13. The value that attaches to leave to remain, and more especially to indefinite leave to remain and settlement, clearly creates a risk of corruption of one form or another. Particular risks arise in an area of the business, such as the PEO, where staff are deciding such matters face to face with the public. For this reason, there has traditionally been a close relationship between PEO management and IND's Security and Anti-Corruption Unit (SACU). It would not be appropriate to go into detail here about the arrangements in place for preventing and deterring the corrupt grant of immigration decisions. Suffice it to say that SACU have been closely involved in the design of PEO systems and processes, and the unit is consulted by PEO managers across a range of issues, including suspicions of improper behaviour by staff or applicants. SACU have investigated some 35 allegations of misconduct in the last 5 years. A guide to security in the PEO that was issued to staff towards the end

of 2005 describes the unit's role and the behaviours expected of staff. I reproduce an extract from that guide at Annex B.

PART 5: THE ALLEGATIONS

14. In this part of the report, I set out the allegations more fully and what I have found as to their substance. Recommendations for further action are introduced at the relevant point.

“Sex for visas”?

15. According to The Sun, “corrupt officials bed attractive girls ... in return for granting them visas”. The newspaper describes three apparently separate incidents, given to it by Anthony Pamnani, and conveys the sense of a widespread “racket”. This is an extremely serious allegation.

16. In his evidence to the inquiry, Anthony Pamnani told us that he had made an allegation to The Sun about one case rather than three. He told us that an applicant had come to the PEO two or three years previously and asked him (Anthony) if she could see another named PEO caseworker, with whom she claimed to have had sex. He has not been able to remember or to identify positively the applicant's name, or her nationality, or to recognise her file photograph. He said that he had referred the applicant in question to one of the PEO managers, but he could not remember which manager. Anthony Pamnani told us he could not recall whether she had said anything about being asked for sex in return for being granted leave to remain.

17. We have not so far been able to match the sketchy information that Anthony Pamnani gave us to any applicant in IND's files, nor to any recorded complaint or security investigation related to the PEO.

18. The staff who were interviewed in the course of the inquiry were not able to corroborate this story. A small number of staff thought they could

recall vague rumours of such a case in the PEO “a couple of years ago”. Most said that they found the idea that caseworkers had been demanding sex in return for favourable decisions very implausible, even inconceivable.

19. From what I have learned in the course of the inquiry, I do not believe that a “racket” as alleged by The Sun could have subsisted in the PEO. No one, including Anthony Pamnani, has been able to support such an allegation, or even wished to associate themselves with it, to the inquiry.

20. I also consider it unlikely that if a case had occurred in the way described by Anthony Pamnani and had been referred to a manager as he described, no further action would have been taken and no trace of it remain in the files and corporate memory of the PEO, beyond the vague rumours referred to in paragraph 18 above. As I have already noted, there has been a close relationship between PEO management and SACU, which I would expect to have led to action in such a case. No evidence has been found of any motive for a cover up.

21. However, I do not find it inconceivable that an isolated case might have occurred in the PEO at some point in the past several years. Four cases have been investigated since 1997, none involving PEO staff, in which applicants are thought to have been asked for sexual favours.

Recommendation 1:

That SACU should continue to investigate the case described by Anthony Pamnani allegedly involving claims of sex between an applicant and a member of staff.

22. I return later in the report to how the risk of such cases occurring might be mitigated and how staff might simultaneously be better protected from false allegations.

“Favourable treatment for female applicants”?

23. According to The Sun, pretty female applicants were more likely to be granted leave to remain than others. Moreover female applicants, especially Brazilian, were likely to be granted longer leave than male applicants with the same personal circumstances.

24. In his evidence to the inquiry, Anthony Pamnani confirmed that he believed some male caseworker colleagues had been more generous or lenient towards female applicants. He said this could mean longer grants, or granting on the basis of flimsier evidence (e.g. fewer bank statements or less evidence of attendance at college).

25. Because it is not the practice to keep on file copies of all the supporting documents that applicants are asked to produce, the evidence on file is likely to be inconclusive as to whether any individual case has been “leniently” granted in this sense.

26. Therefore the inquiry tested this allegation mainly through statistical analysis of CID data on decisions made in the PEO in 2004 and 2005. This showed no overall bias in favour of female applicants being granted (in fact the distribution is slightly skewed towards male applicants). On duration, the analysis showed that female applicants were granted on average 582 days leave, whilst men received 541 days. This represents a small bias towards females. Some of the caseworking staff and PEO managers we interviewed did not find this surprising: they suggested that the different educational courses favoured by male and female applicants, and other differences in the reasons traditionally given for travel, would be likely to result in slightly longer grants on average for female applicants. Data on grants to Brazilians shows no clear consistent pattern of male or female bias. Annex C provides supporting detail.

27. Staff and management interviewed in the course of the inquiry generally thought this allegation unlikely to be true.

28. I share this conclusion. Given the statistical analysis, and in the absence of other evidence, there is no reason to think female applicants were receiving unfair treatment. That said, it is worth noting here that if there had been systematic bias in favour of women of the kind alleged, the quality assessment (QA) regime currently in place in the PEO would not have picked it up. Only a very few cases are sampled, and those that are are looked at individually, not with a view to detecting unusual patterns. These are weaknesses that I return to later.

“Unprofessional behaviour”?

29. The Sun refers to PEO staff “dishing out” personal phone numbers to “sexy immigrants” and describes how “pretty girls” would regularly be advanced to the front of the queue.

30. Anthony Pamnani described to us how he and others had manipulated the appointments booking system to bring applicants to the counter out of turn. He also told us that he had witnessed male staff flirting with female applicants in an unprofessional way and had heard colleagues talk about obtaining and giving personal phone numbers. He admitted that he himself had done this and that he had met up to a dozen or so female applicants for a date after processing their cases, but said that he was not aware of anyone else doing so.

31. The initial briefing we received on the PEO left us with the impression that the appointments booking system ensured random allocation of applicants to caseworkers. This has always been considered an important safeguard against improper collusion between applicants and counter staff. On closer examination, however, it became apparent that there were ways to by-pass the system and take particular cases out of turn. Most of the staff we interviewed claimed not to know this, or at least not to know how to do it themselves.

32. The system holds an audit trail of applicants which can be used to identify those seen out of turn. This provided evidence that out of the 150,000 or so appointments recorded since the current version of the system was introduced in May 2004, the normal process for calling applicants to the counter had been by-passed over 5,000 times, by 138 different staff. Most of these staff had by-passed the normal process only a few times. But a dozen staff had done so on between 150 and 400 occasions each, accounting for around half of all the instances. Of these, five, including Anthony Pamnani, had selected applicants who were predominantly (more than 70%) of a single sex, four choosing mainly women, one choosing mainly men.

33. Staff have given plausible explanations that could account for many of the 5,000 instances of the process being by-passed for reasons other than those alleged by The Sun. For example, I believe that:

- first thing in the morning, applicants would come through the cash office into the (at that time of the day) empty PEO waiting area out of turn and would be seen in whatever order they arrived;
- applicants with no pre-booked appointment would have to be slotted in;
- applicants in distress would be brought to the front of the queue;
- some staff were by-passing the process to select easier cases to boost their own output of decisions.

But these explanations could not account for the gender bias shown by the five staff mentioned in paragraph 32 above. In several of these cases the unprofessional behaviour alleged by The Sun is the most likely explanation.

34. Most of the staff and managers interviewed in the course of the inquiry denied having participated in or witnessed such behaviours. A few staff told us that they had been aware of a small number of colleagues “chatting up” female applicants. A member of staff was given a warning in 2004 for texting two female applicants. Evidence was also found of e-mail contact between a member of staff and up to a dozen applicants after their cases had been

correctly decided in the PEO. We were told about two complaints last year about security guards making sexually suggestive remarks to female applicants waiting in the queue outside Lunar House. These were investigated at the time and warnings given.

35. I conclude that the allegation concerning “unprofessional behaviour” was true of a few staff, including Anthony Pamnani himself. I am unable to reach conclusions about which managers and supervisors were aware of what was going on. Some supervisors did know about the possibility of by-passing the appointments system, but this had not led to identification of the vulnerability to abuse or the extent to which it was occurring.

Recommendation 2:

That senior management should consider what disciplinary action and/or further investigation should be undertaken on serving members of staff based on the evidence of excessive or unusual by-passing of the queuing process and contact with applicants.

Recommendation 3:

That the Appointments Booking System software should be modified to prevent counter officers by-passing the normal process for calling applicants to the counter. An override facility should be available to supervisors. Override audit trails should be maintained and checked regularly.

“Photo gallery”?

36. The Sun claims that the passport photographs of “ugly” applicants were laughed at and put on display on screens behind the PEO counter.

37. Anthony Pamnani told us that he had witnessed this himself, though not in the months before he resigned. He said that photographs might be pinned up because the applicants were unattractive, or because they

resembled PEO staff. EO supervisors had generally tolerated this practice. He said HEO team leaders might ask for the photographs to be taken down.

38. Most of the staff we interviewed broadly confirmed the display of photographs, although no one else suggested to us that photographs would be displayed because the applicants were unattractive. The photographs they had seen were of staff look-alikes or of famous personalities who had passed through the PEO. Accounts varied as to how frequently such photographs would be displayed. One interviewee recalled seeing a photograph defaced with a cartoon drawing. We were also told that amongst a certain group of male caseworkers that included Anthony Pamnani, passport photographs might be passed around and made fun of; and that female applicants would be compared with each other and their appearances scored out of 10. Some staff working at the counter were said to have had unsuitable screensavers on their desktop PCs.

39. Both staff and managers agreed that these practices had not only occurred but had not been stopped by supervisors or managers. Most of the managers we interviewed agreed, with hindsight, that they had been inappropriate and should have been stopped.

Recommendation 4:

That clear instructions should be given, and enforced, as to what images can and cannot be displayed in the PEO.

“WI checks not carried out”?

40. According to The Sun, “lazy” caseworkers often failed to do security checks on applicants’ passports, i.e. check them against the Warnings Index (a computerised index of people with adverse immigration histories, or about whom there might be security concerns).

41. Anthony Pamnani told us that checks were often not carried out either because of laziness (staff have to walk across to shared terminals at the back of the PEO) or because of pressure to do more cases more quickly, especially in the PEO's busy autumn season. Checks were more likely not to be done in respect of countries that were perceived to be generally "safe". He said that managers must have known this was happening and have turned a blind eye.

42. The evidence we gathered on this from other interviews was inconsistent. All staff knew that checks were required; most staff and managers claimed that they were carried out; a couple of interviewees suggested that staff (including in one case the interviewee himself) did not always do checks, either because it was considered reasonable to omit this step on straightforward cases when the office was very busy, or in order to cut corners and boost output.

43. Analysis of data from the Warnings Index system has been inconclusive. Somewhat surprisingly, there is no proper audit trail on the system and no electronic link between it and CID. (Caseworkers manually update CID to say that they have checked the Warnings Index.) It has therefore not been possible to verify that the number of checks carried out corresponded to the number of cases dealt with. Review of limited CCTV footage was also inconclusive as to how often caseworkers use the Warnings Index terminals. Review of cases completed by those caseworkers whom I believe to have behaved unprofessionally in other ways did not suggest that these staff had failed to do Warnings Index checks.

44. What is clear from many of the interviews is that staff without the requisite security clearance were using the system. Staff need a higher level of clearance than normal to be given "log on" rights to the Warnings Index, and there is sometimes a delay in obtaining this clearance for new staff. In these circumstances staff are supposed to ask a colleague or supervisor to do the checks. In fact, such staff have often been allowed to do the checks themselves, sometimes supervised, sometimes not. Also the Warnings Index

terminals have frequently been left “logged on” in breach of the system security rules. This issue was generally acknowledged by management.

45. On balance, I find it likely that at least a few staff were not carrying out all the required checks. It is of concern that this does not seem to have been picked up by supervisors, and that the existing QA regime did not detect it. In addition, operating the terminals in breach of the security rules is clearly undesirable and unlikely to encourage compliance with other rules and procedure. Because the PEO counter is a physically secure area and the terminals behind the counter have limited data access, I do not have reason to believe this has led to wider security risks.

Recommendation 5:

That all staff should have the required security checks before starting to work at the counter.

Recommendation 6:

That the instructions for using the Warnings Index be revised, reissued and reinforced in training for all staff.

Recommendation 7:

That use of the Warnings Index by counter officers should be more closely supervised and checked as part of the QA process.

Recommendation 8:

That consideration should be given to providing Warnings Index terminals on the counter so that staff are not tempted to skip checks because of queuing at a small number of machines behind the counter.

Recommendation 9:

That consideration should be given in the longer term to enforcing Warnings Index checks by establishing an appropriate electronic link between the Warnings Index and CID systems.

“Passports not secured”?

46. According to The Sun, passports were left where they could easily be stolen, including “dozens” left overnight in caseworkers’ pigeon holes.

47. In his evidence to the inquiry, Anthony Pamnani told us that he did not allege passports had been left out overnight in the last 18 months. He said that his concern had been that passports and other documents could be left unattended during the day, for example when caseworkers took their meal breaks, creating a risk of identity theft.

48. Other evidence bears out what Anthony Pamnani told us. The PEO is checked after hours by IND security guards. Only one security breach report in the last four years (in 2003) mentions passports being found (several passports were discovered put away in an unlocked cupboard). Given the predominantly same-day service now provided by the PEO, passports do not often have to be retained overnight and when they are they are locked in a safe.

49. It is, however, reasonably clear from interviews that passports and other key documents can indeed be left unsupervised during breaks. Moreover, there seems to be confusion amongst staff and their supervisors as to the office procedure that should be followed when, for whatever reason, consideration of an application at the counter has to be interrupted. The counters have drawers and cupboards, but apparently many of these do not have keys that would allow them to be secured. There is also evidence from our interviews that insufficient care is sometimes taken over photocopies; during the inquiry two photocopied documents containing personal information about applicants were found in PEO waste bins instead of secure disposal sacks.

50. I conclude that there is no evidence that passports were carelessly or negligently put at risk of being stolen, as alleged in The Sun, but there is scope for tighter handling of passports and other personal documents during

the day time to minimize the risk of identity details being accessible to someone who has no need to access or record them.

Recommendation 10:

That office procedure for securing documents should be clarified and, if necessary, lockable storage be provided under the counter. Instructions on waste disposal should be reinforced and monitored.

“Complaints to management ignored”?

51. According to The Sun, Anthony Pamnani’s “complaints about corruption were ignored”.

52. In his evidence to the inquiry, Anthony Pamnani denied having said this to The Sun. He told us that he had complained to management, not about corruption, but about the poor standard of English of some colleagues and about lax procedures for document handling and use of the WI. He said management had not taken these complaints seriously and he had seen no point in pursuing them. Team meetings were not conducive to open discussion of such issues. He professed to have a generally poor view of PEO management, describing it as patchy in quality and unable to give consistent guidance to caseworkers.

53. There was no evidence from other interviews, or the e-mail records we examined, that Anthony Pamnani had raised these issues with his managers.

54. The caseworkers we interviewed offered a range of opinions about the responsiveness and effectiveness of management in dealing with complaints or problems. There appeared to be resentment amongst some of the longer-serving staff of managers brought in from outside the PEO and colleagues promoted in situ to EO. However, the staff that we asked were generally confident that PEO management would act on evidence of serious misconduct.

55. The view from management was of an office that was often a stressful place to work and could be difficult to manage. Interviewees told us that the management team was actively seeking to tackle morale problems and had been working on strengthening team ethos amongst the caseworkers.

56. For reasons already rehearsed above, I do not doubt that complaints of corruption would have been actioned. It is less clear to me that management would have acted upon the matters Anthony Pamnani says he that he raised.

Recommendation 11:

That PEO management consider how to enhance the role of the team meeting to provide a forum for constructive discussion of staff suggestions.

“Inexperienced, insufficiently trained staff”?

57. In his evidence to the inquiry, Anthony Pamnani expressed concern about a lack of training and experience in the PEO. Specifically he told us that senior caseworkers had been appointed with no experience of casework, that staff conducting training sometimes had very limited PEO experience and that the amount of training provided was not commensurate with the role of caseworker.

58. We found no general lack of experience. Although there was a perception amongst staff of continuous very high turnover amongst caseworkers, in fact the average time in post of the staff currently in the PEO is around 33 months. But experience is not distributed evenly: in the last few years new staff seem to have passed through the office relatively quickly, whereas earlier intakes have tended to stay, so that today more than 40% of staff have been in post for at least three years, and 15% for at least six years. See Annex D.

59. The current team of senior caseworkers is also not short of experience, with a combined 30 staff-years in post, averaging over 4 years each. We were, however, told by management that it was difficult to attract new people into the senior caseworker role in the PEO and that, partly because of this, but also to refresh perspectives, a senior caseworker had been appointed last year from outside the caseworking area.

60. So far as training is concerned, we were told that all new staff attended a three-week immigration course run by the IND College, followed by six to eight weeks' training and mentoring in the PEO, longer if required. Caseworkers continued to be closely supported through a six month learning curve. We were told that this represented no reduction in the amount of training caseworkers had long received, but that the six-to-eight week period of PEO training was significantly less classroom based than formerly, the emphasis now being on supervised learning on live cases at the counter. There are six staff currently assigned to training duties, with an average time in post in the PEO of about three and a half years.

61. I conclude that there is no overall shortage of experience or training in the PEO. I note that none of the staff or managers we interviewed raised experience or training as an issue.

“Competing for best decision stats”?

62. In his evidence, Anthony Pamnani told us that he had been put under pressure by managers to compete – “race” – with other caseworkers to boost output, especially in busy periods.

63. A significant number of the staff and managers we interviewed knew about this “racing”, which seems to have been limited to Anthony Pamnani and one other individual. Analysis of CID data shows the phenomenon very clearly. It seems to have occurred mainly in 2004/05, to have lasted some months and to have resulted at various times in output by these two caseworkers reaching four or five times the average for other PEO staff.

64. There was no evidence, apart from Anthony Pamnani's statement, that "racing" was encouraged by management. It does, however, seem to have been at least tolerated by most of the supervisors and managers we spoke to. In the case of the other individual involved, concerns about the quality of the decisions being taken resulted in management action to reduce the number of cases being considered.

65. We found no other evidence of unreasonable pressure by management to boost the output of decisions. From what they told us, a few individuals may have felt under such pressure; and this may have been a factor in the manipulation of the queue described in paragraphs 31 to 33 above.

66. I conclude that "racing" did occur in a very limited way. The ambivalent attitude towards it adopted by PEO managers seems to me to indicate a lack of clarity about where the balance is to be struck between quantity and quality.

Recommendation 12:

That PEO management should reconsider its policy on quality v quantity, how it communicates that policy to caseworking staff and how implementation of it is managed.

PART 6: WIDER ISSUES

67. I consider next some wider issues and questions that have arisen out of the investigation of the specific allegations. For convenience, I have grouped these together around four key themes:

- knowledge and awareness, of the problem of corruption and misconduct and how it should be dealt with;
- spotting the signs, especially of suspicious behaviour that might point to corruption;
- safeguarding staff as well as applicants – is IND doing enough?
- organisation and culture – creating an effective team in the PEO.

Knowledge and awareness

68. I have referred above to the dismay and incomprehension expressed by staff about the “sex for visas” allegation. And yet, as I have also already noted, there have been previous cases of this nature – albeit only a handful spread over the last nine years – cases which have been thoroughly investigated, including by the police, and at the end of which disciplinary action has been taken.

69. I find the lack of awareness of these cases, especially amongst the current PEO management, quite striking. It prompts questions about how IND learns lessons, and retains knowledge from such episodes. For example, are they sufficiently well publicised, even at the time? It also causes me to ask whether the understandable preoccupation over the last couple of years with guarding against financial forms of corruption and misconduct – understandable because of the introduction of charging – has caused management to overlook or underestimate the risk of cases of the kind alleged here.

70. Another factor may be the lack of clarity and specificity in Departmental policy on behaviour. The training and written guidance provided to new PEO staff, including the material reproduced at Annex B, covers amongst other things professionalism and customer care, the impropriety of doing favours for family or friends and what to do about gifts, hospitality or other possible bribes. But it does not specifically deal with inappropriate or risky behaviours of a sexual kind. Nowhere, for example, have I seen a written prohibition of meeting applicants outside the office. This may help to explain why effective disciplinary action has not always been easy in past cases and why it may have sent ambiguous messages.

71. From a few of the interviews we conducted, it appeared that some staff might have difficulty identifying the boundary between acceptable pleasantness to customers on the one hand and, on the other, familiarity of a

kind that could either offend or risk compromising the caseworker. For example, one member of staff told us about striking up a conversation with an applicant who turned out to be a physiotherapist. When the caseworker mentioned a problem he had been having with his knee, the applicant gave his own contact details and suggested he might be able to help fix the problem. In the event the caseworker did not follow this up, but nor did he appear to see the risk he would have been taking had he done so. This can of course be a very grey area: all the more reason therefore to tackle it overtly and explicitly with new staff and not rely on them drawing appropriate inferences from general guidance on professionalism and propriety.

72. Another aspect of knowledge and awareness is sharing experience across the business. In this context, I was somewhat surprised that there appeared to be no mechanism, formal or informal, for sharing experiences and understanding of risk between, say, the PEO and ASU in Croydon, let alone other public facing parts of IND. In this context the separation of responsibility for investigating allegations of corruption between SACU (for non-Immigration Service parts of IND) and the IND Intelligence Staff (for the Immigration Service) is not helpful. Also SACU do not currently have direct input into the training given to PEO staff, although they do speak to new recruits undergoing IND's induction training.

Recommendation 13:

That IND should draw up a stronger, more specific code of conduct for PEO staff, with clear sanctions for breaches.

Recommendation 14:

That training and guidance for PEO staff should be adjusted to reinforce the new code. SACU should be involved in delivering the training.

Recommendation 15:

That IND should consider giving SACU sole responsibility for investigating allegations of corruption across the whole of IND, and tasking the unit with developing a more proactive strategy for combating fraud and corruption. This might include ways to raise the profile of corruption and misconduct issues and more effectively learn the lessons from actual cases.

Spotting the signs

73. Raising awareness of the risk of inappropriate or corrupt behaviour is clearly central to spotting early indications it might be happening. More could also be done with quality sampling and data mining.

74. Impressive efforts have been made to drive up quality in Managed Migration and in the PEOs in particular. But there are weaknesses in the current quality sampling regime. The PEOs aim to undertake quality checks on a random sample of 2% of all decisions, rising to 100% of decisions from new caseworkers or where immigration rules have changed. In fact, as shown in Annex E, the fraction of decisions checked in the Croydon PEO fell below 2% for most caseworkers in the second half of 2005, and a significant number of staff had no QA at all. Moreover, as noted in paragraph 28 above, the checks are designed to assess the quality of individual decisions, not to look for unusual trends or patterns. Warnings Index checks are not normally repeated as part of the QA sampling. PEO management told us that they were already considering how the existing regime might be extended, and how to build into it more sophisticated analysis. This inquiry clearly reinforces the case for doing that. More resources and a broader range of skills and experience may be required in the senior caseworker team.

75. The senior caseworker's close knowledge of the PEO's business and its staff is likely to be an advantage in detecting some kinds of irregular caseworking outcome; in other cases it may be an advantage to be able to examine data more remotely and objectively. For just such a purpose, IND purchased a data mining tool in 2004 to help with analysis of CID data. A combination of technical issues and lack of specialist resources have meant

that the tool has so far been used by SACU mainly in a reactive way, in support of specific investigations. From the briefing given to the inquiry it is clear there is huge untapped potential to use data mining more proactively to provide alerts of suspicious activity, not just in the PEO but across IND. Some additional investment in staffing and specialist training is likely to be needed.

76. I am convinced that these techniques are worth developing and expanding. They are of course no substitute for effective first line supervision of caseworking staff which is covered below.

Recommendation 16:

That QA sampling of PEO decisions should be extended to cover more cases and should include analysis of patterns and trends.

Recommendation 17:

That more resources should be invested in SACU's data mining capability so that data mining can be used proactively to detect earlier signs of suspicious activity.

Safeguarding staff as well as applicants

77. Both staff and applicants are at risk in the PEO environment, whether from improper advances or false allegations. There are several measures that could be taken that would help to minimise these risks.

78. CCTV coverage could be extended or refocused. The existing CCTV is designed to cover any disturbance on the public side of the counter and to provide surveillance of the vignette areas behind the counter. It was not intended to monitor and safeguard routine interactions between staff and applicants. I note that the IND Complaints Audit Committee (CAC) in its 3rd Quarter Report for 2005 said "We regard it imperative that [CCTV] be installed in all areas where allegations of misconduct may arise."

79. A more radical step in the same direction would be to monitor and/or record conversations between counter staff and applicants. These conversations are already amplified with microphones, so the practicalities would be relatively straight forward. Recording the conversations – as already happens with the IND call centre – would be likely to have significant QA and training benefits as well as enhancing safeguards for staff and applicants.

Recommendation 18:

That consideration should be given to improving the CCTV coverage of the PEO counter.

Recommendation 19:

That consideration should be given to enabling the monitoring and/or recording of all conversations between caseworkers and applicants at the counter.

80. Finally under this heading, I note that there is no time limit on postings to the PEO and that there are staff who have served for uninterrupted periods of 6 years and more. This seems to me undesirable from several points of view. In particular, in the context of this part of the report, it puts staff unnecessarily at risk. In other places it is not uncommon for certain categories of post (e.g. some procurement posts) to be strictly time-limited to help avoid any actual or perceived risk of impropriety. Having such a time limit in the PEO would require a different approach to staffing the office, probably involving more managed moves to and from other parts of Managed Migration, and possibly the Immigration Service. This could have much wider benefits than mitigating the risk of impropriety.

Recommendation 20:

That consideration should be given to having a time limit for postings to the PEO.

Organisation and culture

81. A recurring theme of this report is that things that should have been picked up by supervisors (and in some cases by more senior managers) were not, or at least were not acted upon. In some cases, the first line supervisors were EOs, promoted in situ from AO caseworker and therefore managing former colleagues – at best a somewhat invidious position. Another factor may be the management structure of the PEO: the large number of EOs in relation to AOs (typically a ratio of 1:2), and the way in which staff and supervisors are rostered so that caseworkers are supervised by many different EOs, appears to me to diffuse accountability on the one hand and undermine the authority of supervisors on the other.

82. In such an environment, a strong “laddish” culture appears to have thrived amongst a certain group of caseworkers, a culture in which not only were applicants exposed to the sort of inappropriate behaviours described earlier in this report, but also inappropriate banter and e-mails were commonly exchanged amongst the staff in question. I observe there is no obvious operational reason for PEO staff to have access to e-mail at the counter, whereas the inquiry found evidence of misuse with all that that implies for productivity and the orderly conduct of business.

83. I am told that the PEO is reviewing the role of the EO supervisor, including specifically whether it makes sense to employ EOs in the sifting of applications in reception. With so much riding on the effectiveness of first line supervision, I believe the review needs to be more fundamental than this.

Recommendation 21:

That IND should review the overall management structure of the PEO, the policy of promoting staff in situ and the training and support that managers are given as managers.

Recommendation 22:

That IND should consider whether further action should be taken against any individuals in respect of abuse of the e-mail system and related misconduct.

Recommendation 23:

That consideration should be given to withdrawing e-mail access from terminals at the PEO counter.

Tim Gbedemah
Non-executive Director

3 March 2006

ANNEX A

WHAT HAPPENS AT THE PEO?

The PEO offers a same day premium service by appointment. Customers who arrive on the day without an appointment will only be seen in compelling and compassionate circumstances, such as urgent need to travel due to bereavement.

Arrival

- all customers pass through airport style security screening
- customers are called “post office” style to a reception desk where their documents are examined by an Executive Officer to ensure that the paperwork is in order and the application valid
- the application form is then stamped and the customer directed to the cash office on the first floor

Cash office

- the customer is called to a cashier’s desk to make payment, issued with a receipt and directed to the waiting area on either the first or second floor close to the counters

Case consideration

- the customer is called by appointment number as shown on the appointments booking system
- the counter officer (the AO caseworker) examines the documents in more detail to ensure that they are genuine and support the application being made
- the counter officer interviews the applicant as necessary
- the Warnings Index is checked, as are the file tracking system (to ensure that any existing file the applicant may have is not being worked on elsewhere) and any previous immigration history shown on the passport or on CID
- the counter officer makes a decision, referring if necessary to a more senior officer (some categories of decision have to be approved at a higher level)
- the computer record is updated and the applicant’s passport sent to the vignette area
- the applicant is asked to take a seat in the waiting area

Issue of UK Residence Permit

- staff in the vignette secure handling area affix a vignette in the passport
- a PEO supervisor collects the documents and arranges the case to be “despatched”
- the customer is called back to the counter on the same appointment number, although not necessarily by the same counter officer, and is given back passport and other documents together with an explanation of any visa conditions

ANNEX B

EXTRACT FROM “SECURITY IN THE PUBLIC ENQUIRY OFFICE” DECEMBER 2005

DO NOT

- Offer any preferential treatment for any application to IND (this includes fast tracking friends and family members’ applications. Under no circumstances should you bring an application to the office and ask others to give preferential treatment on your behalf);
- Family + staff applications should be sent to: ICC 3 or according to the new instruction.

In exceptional circumstances some cases can be fast tracked but only with authorisation from a Team Leader, Senior caseworker and any grade higher. I.e. Civilian Components, refunds and amendments.

- Unquestioningly follow instructions from others (even senior officers) if you have doubts about the propriety of the action you are being asked to take – seek advice from your management or direct from Security and Anti Corruption Unit; (based on the 19th Floor Lunar House).
- Give specific advice to, or write on behalf of an applicant based upon your knowledge of the way IND operates as this may give an advantage to the application;
- Where an applicant is requesting an update on their application they should be advised to write in or telephone INEB for further information regarding their application or any queries they may have.
- The Freedom of Information Act is also available to the applicants which is a written request.
- Under no circumstances should you act as a referee in naturalisation applications. Paragraph 3.1.6 of the staff handbook prohibits this.
- Allow your Personal Data Stamp to be used by any other persons apart from yourself no matter what the circumstance.
- Get involved with an application where you know the applicant personally or make any form of progress enquiry about their case; this can be misconstrued and could be seen as if you are trying to influence the decision.

- Under no circumstances should you do favours for a colleague or a friend regarding an application that may relate to them.
- Use your position to further a decision that may be of private interest.
- Call for a file or get involved in cases which is not part of your official duty;
- Leave you desk keys in any other unlocked drawer;
- Share your IT account with anyone else.
- Allow anyone else to have access to your IT password (except when you are dealing with ATOS)
- Under no circumstance should you go to the safe and help yourself to information inside. The safe should be locked at all times. You should find a Team Leader who will open the safe for you and allow you to access the information that you require.
- Enter the Cash Office without signing in your arrival and departure time. There is a signing in and out book placed on the windowsill to your left as you walk in through the door.
- Enter the Vignette Area: if you have a query you should approach your Desk Supervisors who will sort out the problem

DO

- Report any application that does not appear to have been received into IND through normal channels to a senior officer or direct to the Security and Anti-Corruption Unit
- Inform your line manager or Team Leader immediately if you receive an application from someone personally known to you; i.e. if it has been received directly through the postal system addressed to you.
- Politely but firmly refuse anyone who asks for a favour in respect of an applicant or would be applicant, either in writing, or on the telephone, or in person. Make a note of the incident and report it immediately to your line manager, Team Leader and to the Security and Anti-Corruption Unit.
- Report discreetly and immediately, any instances or suspicions of impropriety or other suspicious behaviour to your line manager, Team Leader and to the Security and Anti-Corruption Unit...

STATISTICAL ANALYSIS OF CID DATA

Systematic gender bias in granting LTR

1. The fractions of decisions granting LTR for male and female applicants were calculated for each nationality of applicant, and the distribution of the difference between grants to men and women by nationality was examined. Overall, LTR is granted to 88% of male applicants and 86% of female applicants. Fig. 1 shows that the most likely outcomes show no nationality bias, with 26% of countries having less than $\pm 1.25\%$ difference between grants to men and women. For the remainder, there is a small 4% skew in the distribution with 41% favouring men over women, and 33% favouring women over men. Although no detailed analysis was made, discussion with officials suggests some skew is to be expected from the application of immigration rules to the mix of applicants.

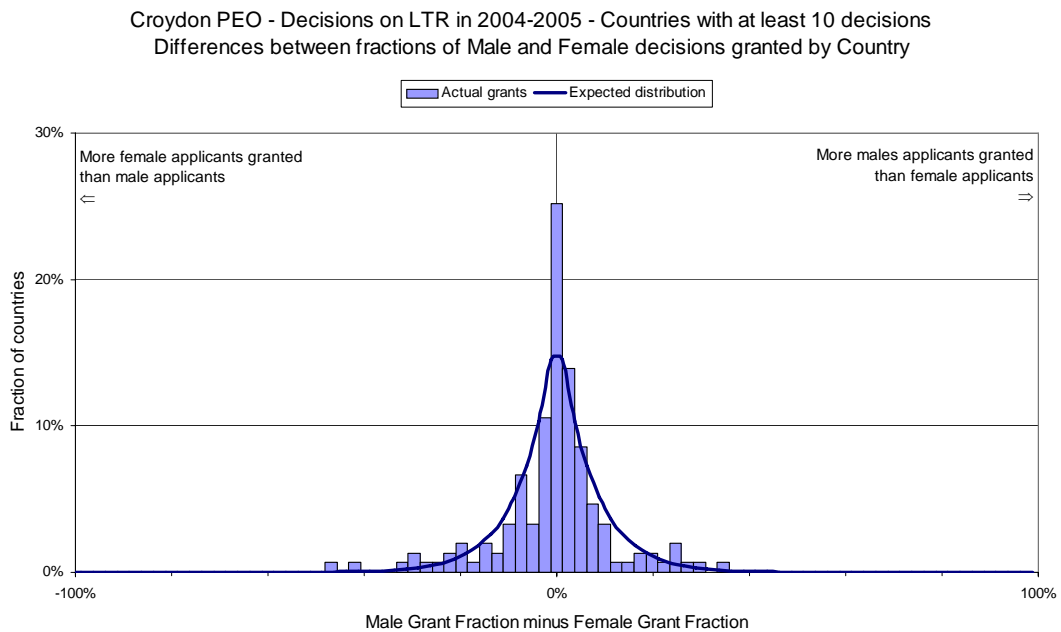


Fig. 1 Distribution of differences between rates of granting LTR to male and female applicants by caseworkers in Croydon PEO.

Systematic gender bias in duration of LTR

2. Taking all grants of LTR by Croydon PEO in 2004 and 2005 in aggregate, the average duration granted to men was 541 days and the average for women was 582 days. This represents a bias¹ of 3.7% in favour of women.

3. The average duration of LTR granted was calculated for male and female applicants for each quarter period and each nationality, and the distribution of the difference between durations by gender was examined. Fig. 2 shows again that the most likely outcome has no bias, with 14% of measurements having less than $\pm 1.25\%$ difference between the durations granted to men and women. For the remainder, there is no skew in the distribution, with equal (43%) likelihood of granting longer duration to men and women.

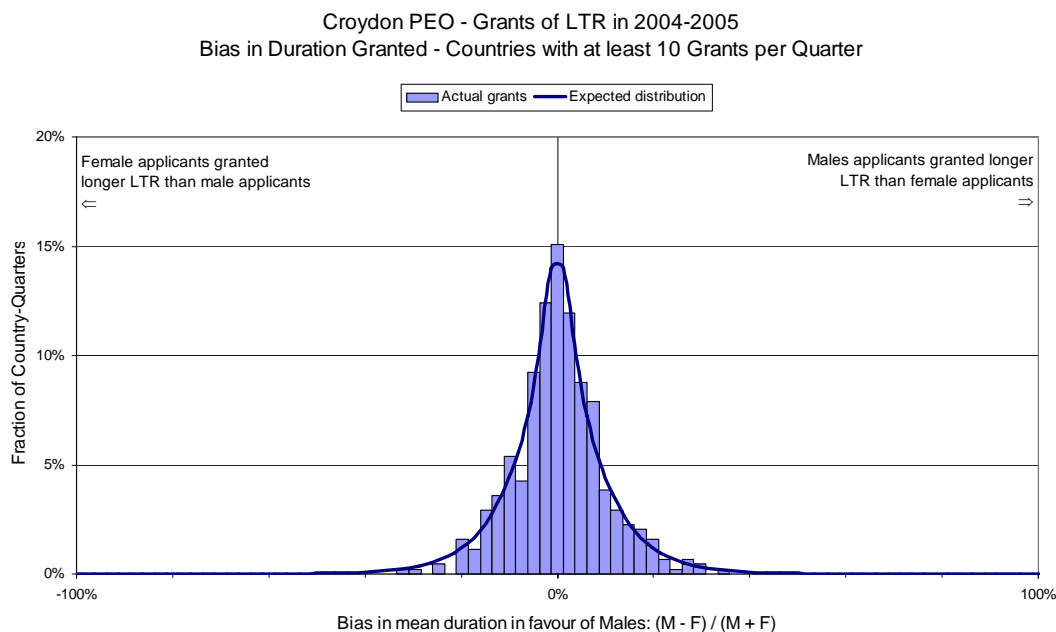


Fig. 2 Distribution of bias in duration of LTR granted to men and women from Croydon PEO.

¹ Bias here is defined as the difference in values for men and women divided by the sum of values, i.e. $(M - F) / (M + F)$. This produces a value between +1 (completely biased in favour of men) and -1 (completely biased in favour of women).

Brazilians

4. To focus on the variations in leave duration granted to Brazilians, who featured in the original allegations, Fig. 3 shows the quarterly average durations granted in 2004 and 2005. The bias varies between 7% in favour of women in 2004Q2 to 6% in favour of men in 2005Q3, with an overall average of 1% in favour of women. This pattern is typical of other countries.

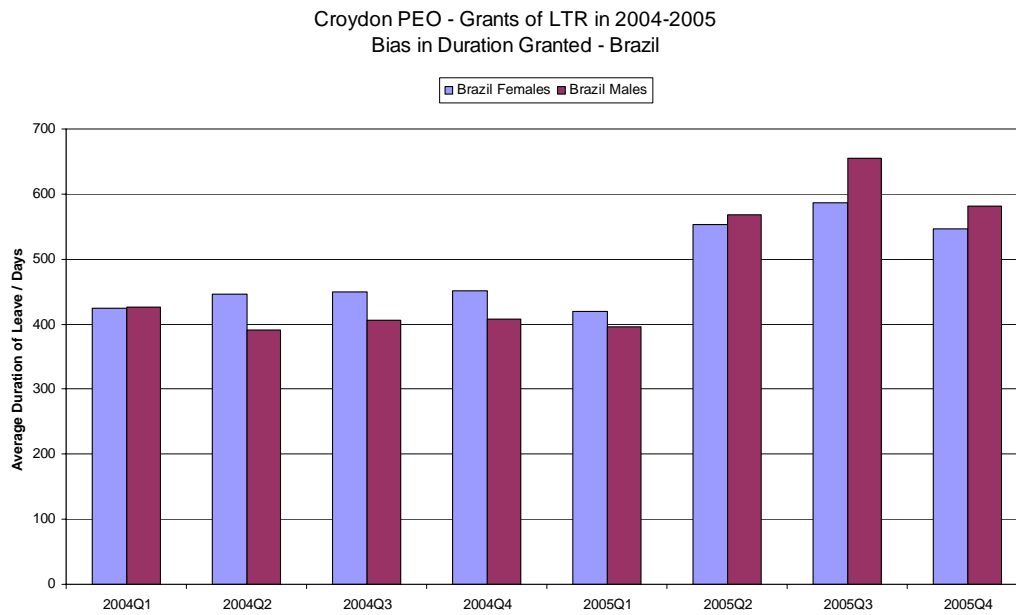
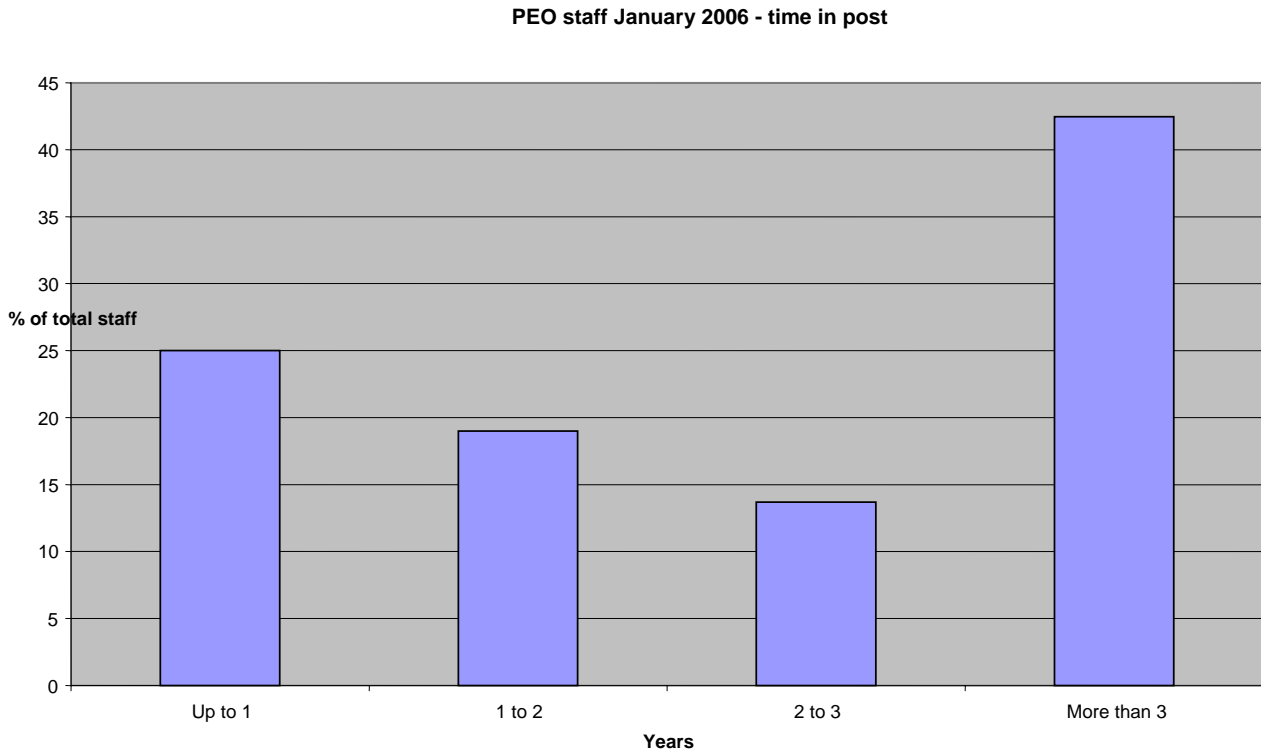


Fig. 3 Quarterly average leave to remain granted to male and female Brazilians.

ANNEX D

PEO STAFFING – TIME IN POST



QUALITY ASSESSMENT

Figure 1 shows the fraction of decisions checked for all caseworkers between May and December 2005. For most, the actual fraction checked falls below the 2% target, and 64 caseworkers did not have any checks made, although some of these were EOs (i.e. a grade above the normal AO caseworker) who made only a few decisions.

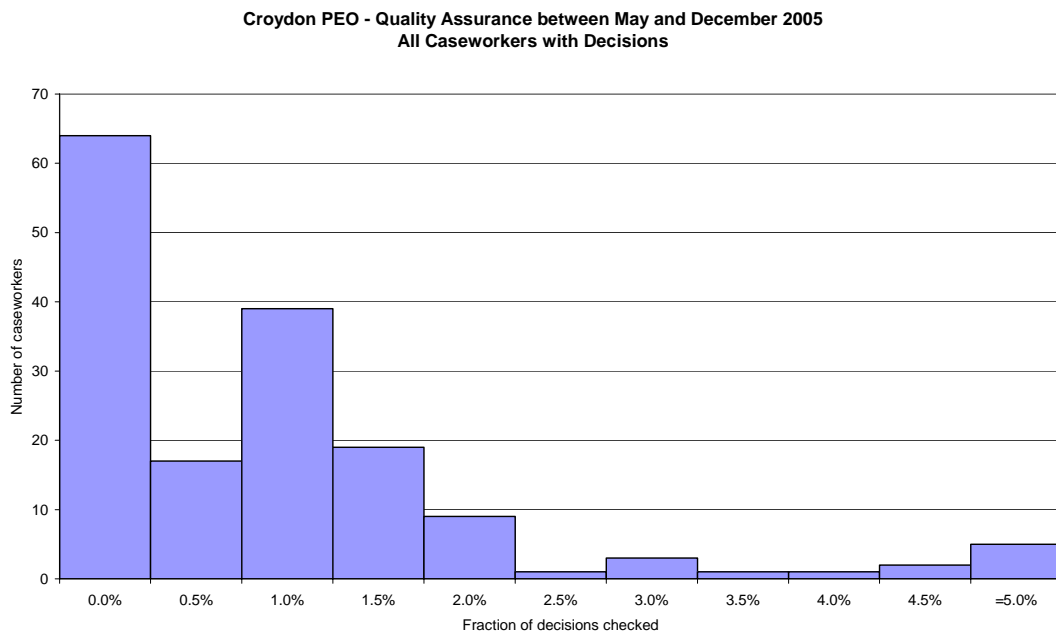


Fig. 1 Fraction of decisions checked for all caseworkers who made decisions in the period May to December 2005 for which quality assurance measurements were available.

Figure 2 focuses on caseworkers who have made at least 100 decisions in the period of QA data. The mean rate of checking is 1%. Of these caseworkers, 8 had no checks recorded in the QA data.

Croydon PEO - Quality Assurance between May and December 2005
Caseworkers with Over 100 Decisions

