



HOUSE OF COMMONS

LONDON SW1A 0AA

Baroness Warsi  
Co-Chairman of the Conservative Party  
The Conservative Party  
30 Millbank  
London  
SW1P 4DP

23 August 2012

Dear Baroness Warsi,

I write regarding the matter of Asil Nadir and donations to the Conservative Party.

The conviction of Asil Nadir on 10 charges involving the theft of nearly £29 million from Polly Peck brings a welcome end to a long running case. However, it also raises the matter of his donations to the Conservative Party and commitments made by your predecessor as Conservative Party Chairman, Norman Fowler and former Prime Minister John Major.

As you will recall, there was significant controversy over donations received by the Conservative Party from Asil Nadir. In 1993, Norman Fowler Chairman of the Conservative Party, confirmed that £440,000 had been received:

"The party received a total of £440,000 over a five-year period from October 1985."  
*Norman Fowler, Conservative Party Chairman, Evidence to Home Affairs Select Committee, 16 June, 1993*

When questioned over the validity of the Conservative Party accepting these donations and whether they should be returned, Norman Fowler made a clear commitment as regards returning the money:

"What I can say is that obviously if it is proved that the money was stolen it will be returned. We have absolutely no intention of keeping money of that kind, and it is not our policy to accept such money."  
*Norman Fowler, Conservative Party Chairman, Evidence to Home Affairs Select Committee, 16 June, 1993*

This commitment was reiterated by the Prime Minister John Major later that year when asked if the money received from Asil Nadir should be returned:

Norman Fowler has made the position absolutely clear, any money that was dishonestly obtained and dishonestly donated to the Conservative Party is not wanted by the Conservative Party. If it proves to have been dishonestly obtained and dishonestly remitted to us then of course we will return it. The Conservative Party exists on funds raised within the constituency and honestly and freely donated to the Party, that is the way for a democratic party to survive, it is the way we survive, it is the way we have behaved in the past. These are matters that happened some time ago, if it turns out that money was illegally donated then it will be returned.  
*John Major, 30 June 1993 - <http://www.johnmajor.co.uk/page1080.html>*



Sadly, despite the clear commitments made, the initial response of the Conservative Party, very soon after the conviction of Asil Nadir, was to say that the money would not be repaid, claiming that there is "no evidence" that the money donated was stolen.

I would draw your attention to a report by the accountants Touche Ross who were attempting to locate money which went missing from Polly Peck. They reportedly provided the Conservative Party with a report in 1993, which said that they had evidence that £365,000 of the £440,000 donated by Asil Nadir came from money defrauded from Polly Peck. The Independent newspaper reported this as follows:

"[The Touche Ross report] details how £365,000 out of the £440,000 donated by Mr Nadir came from money defrauded from the Polly Peck empire. It states: 'The evidence we have obtained to date shows that a large proportion of the pounds 440,000 donations made to the Conservative Party formed part of Mr Nadir's fraud and/or breach of fiduciary duty and/or breach of trust and/or misfeasance as a director.'"

*The Independent, 19 May, 1996 - <http://www.independent.co.uk/news/tories-took-stolen-cash-from-nadir-1348012.html>*

The Observer newspaper later reported that the same report from Touche Ross set out their view that Mr Nadir was liable to repay the sums concerned:

'The Touche Ross investigations confirm that the monies donated by PPI to the Conservative Party were paid on the instructions of Mr Nadir acting without the authority of the board of PPI. It is the contention of the administrators that Mr Nadir is liable to repay the sums concerned as a result of his fraud and/or breach of fiduciary duty and/ or breach of trust and/or malfeasance as a director.' A note at the front warns that it contains 'highly sensitive information' which 'should not be disclosed to any third party'.

In a covering letter to Mr Hambro in July 1993, the administrator, Christopher Morris, pleaded: 'I would urge you to return the donations to Polly Peck so that the creditors can at least obtain some small measure of compensation from this unfortunate affair.'

*The Observer, 29 December, 1996*

The Touche Ross report raised serious issues about the donations received. The conviction of Asil Nadir on charges of theft has brought this issue back in to the public eye but it also presents the Conservative Party with an opportunity to finally put this matter to bed.

Before the General Election, David Cameron said that our political system "is looking ever more ragged and broken" and that we must act to restore "trust and confidence in politics". I hope that you will deliver on both the spirit of the Prime Minister's words and the clear commitment made by your predecessor and the former Prime Minister by repaying these donations.

Given the public interest in this matter I am releasing a copy of this letter to the media.

Yours faithfully,

Simon Danczuk, Rochdale's Member of Parliament