Robert Neill MP  
Chair of the Justice Select Committee  
House of Commons  
London  
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Dear Bob,

Thank you for inviting me to appear before the Committee on 18th December to give evidence on the work of the Serious Fraud Office (SFO). As promised during that session I am now writing with further details on our planned expenditure to prepare for Brexit and the proportion of our work that is done in connection with other jurisdictions.

In addition I take this opportunity to clarify some points that I made in the evidence session, concerning the execution of European Arrest Warrants (EAW) by Germany and France, delays in our cases and the SFO’s positive overall financial contribution to Her Majesty’s Government.

Firstly, I promised to provide you with an estimate of the additional expenditure that my office expects to incur as a direct result of the UK leaving the EU. As I mentioned during the evidence session we intend to recruit an additional six staff on fixed term contracts to help bolster, support and navigate our operational teams through the transition in either a “no deal” or “Implementation Period” scenario. Our estimate is that recruiting and remunerating these individuals will incur a cost of approximately £271,600 over the first year. We have submitted a bid to the Treasury for the funds and will shortly begin recruitment.

With regard to the request for detail of which countries are the most important proportionately for the SFO, I am unable to provide a statistical breakdown on the exact number of cases where we interact with any specific country. As I am sure you will appreciate, the large majority of our cases are transnational and our engagement with other jurisdictions often involves the use of sensitive investigative tools such as Mutual Legal Assistance requests and European Investigation Orders, and it is a matter of policy and practice that we do not comment on such matters, which are confidential. To do so could compromise or undermine existing international agreements as well as the willingness of overseas jurisdictions to engage with us on casework.

I would, however, like to reassure the Committee that the SFO’s relationship with international partners is well established and constructive at both strategic and operational levels. The SFO is committed to working closely with overseas partners for operational support and collaboration, including the sharing of intelligence and obtaining evidence. The SFO continuously develops and strengthens these relationships, seeking out opportunities for closer collaboration and to build on our strong international reputation.

As mentioned above, I would also like to clarify some comments I made about case delays, EAWs and the SFO’s financial impact.
In response to question 28 I stated that many of our cases were often delayed by 18 months to 2 years because of problems getting a court date. In fact the delay is more typically up to 18 months.

In addition, in response to question 32 I noted that France and Germany were examples where countries did not agree to execute SFO EAWs. I would like to make it completely clear that both countries have signed up to use EAWs, and have made use of them; also in the case of these specific SFO EAWs they did not execute them for legal reasons pertaining to their own national legislative frameworks.

Finally, in response to question 24 I understated the SFO’s overall net positive addition to the consolidated fund. The actual amount is £457m between April 2014 and March 2018.

I hope this information is of use to the Committee. Again, I would like to thank you for offering me the opportunity to provide evidence regarding the SFO’s accomplishments and the direction I am planning to take the SFO in the future.

Yours sincerely,

Lisa Osofsky
DIRECTOR