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Summary

5 Mr Karl McCartney MP called my office on 30 June 2021, having been contacted by a member of the press about an article that was due to be published. The article referred to a letter from Ms Anneliese Dodds MP alleging that Mr McCartney had breached paragraph 14 of the Code of Conduct for Members of Parliament. Later that day I received the same letter from Ms Anneliese Dodds, and I decided to open an inquiry.

10 Ms Dodds' letter alleged that on 10 January 2020, Mr McCartney registered an unpaid directorship for a company called ML Systems Ltd. in the Register of Members' Financial interests, despite his interest being with a company called Moonlighting Systems Limited.

15 Evidence from the Companies House website showed ML Systems Ltd and Moonlighting Systems Ltd were two different companies, and that Mr McCartney's name did not appear in any official documentation in connection with ML Systems Ltd. The records did show however that Mr McCartney had held the role of Secretary for Moonlighting Systems Ltd since 1999.

20 During the inquiry I sought comments from Mr McCartney who said that he had been using a shortened version of the company's name since he first entered Parliament in 2010, and that it was clear to his clients in communications that he used a shortened version of the company's name. I also sought advice from the Registrar of Members' Financial Interests who said that Mr McCartney "should have used the name that was registered at Companies House."

Having considered the information available to me, I concluded that by:

- 25
- registering a shortened version of the company's name, rather than the full registered name of Moonlighting Systems Limited,
 - registering himself as a Director rather than as Secretary, a position he had held since 1999,
 - registering under Category 1: Employment and earnings, receipt of a payment to ML Systems Ltd of £3,700 on 11 January 2020

30 Mr McCartney's entry in the Register of Members' Financial Interests was incorrect, and a breach of paragraph 14 of the Code of Conduct for Members of Parliament.

35 I asked the Registrar to arrange for the relevant current entries in the Register of Members' Financial Interests to be placed in bold italics, so that it would be clear it had been the subject of an inquiry. I consider this to be a suitable outcome and have concluded my inquiry by way of the rectification procedure available to me under House of Commons Standing Order No 150.

Mr Karl McCartney MP: Resolution letter

Letter from the Commissioner to Ms Anneliese Dodds MP, 7 October 2021

5 I wrote to you on 9 July 2021, to tell you I had begun an inquiry into your allegation that Mr Karl McCartney MP had breached paragraph 14 of the Code of Conduct for Members of Parliament.

10 My inquiry found that in using a shortened version of the company's name to register his interests in Moonlighting Systems Ltd, Mr McCartney's entry in the Register of Members' Financial Interests was incorrect and, as a result, Mr McCartney breached paragraph 14 of the Code of Conduct for Members of Parliament.

Mr McCartney has accepted my decision, acknowledged his breach of the rules, apologised, and set out the steps he has taken to correct his Register entry.

15 The full rationale for my decision can be found in my letter to Mr McCartney, dated 21 September 2021 (item 12 in the written evidence pack), which will be published on my webpages shortly.

<https://www.parliament.uk/mps-lords-and-offices/standards-and-financial-interests/parliamentary-commissioner-for-standards/>

20 I consider this breach to be at the less serious end of the spectrum and have decided this inquiry should be concluded through the rectification procedure, available to me through House of Commons' Standing Order No 150. I will report the outcome to the Standards Committee in due course. Thank you for bringing this matter to my attention. I confirm that the matter is now closed.

25 I would like to make clear my disappointment about your decision to publicly release your letter and allegations, ahead of sending that letter to me. My investigations are independent, impartial, thorough, and fair, and observe the principles of natural justice. Disclosing letters of complaint to third parties in such a way seeks to interfere with those principles and undermines the process.

30 In view of this, I ask that any future concerns you may have about breaches of the Code of Conduct are forwarded to me directly and not shared with third parties before I have had the opportunity to see the letter.

Finally, may I remind you of the guidance set out in paragraph 7 of chapter 4 of the Guide to the Rules that tells Members, "It is a basic courtesy that a Member making a complaint to the Commissioner should at the same time send a copy to the Member concerned."

35 7 October 2021

Written evidence

1. Letter from Ms Anneliese Dodds MP to the Commissioner, 30 June 2021

5 I am writing to ask the Parliamentary Commissioner for Standards to establish if the Rules relating to the Conduct of Members of Parliament have been properly applied by the Member of Parliament for Lincoln.

10 Section 1, Category 8 of the rules governing the Register of Members' Financial Interests covers the requirements for registration of any financial interest or material benefit which does not clearly fall into one of the other categories. Entries under this category must describe the interest and, where relevant, the name of the donor.

15 On 10 January 2020¹, the Member for Lincoln registered himself under category 8 as an "Unpaid director of ML Systems Ltd (IT management and consultancy)". The Member declares a shareholding in this company below the registrable threshold, which generates a dividend. ML Systems Ltd is also listed as receiving a payment of £3,700 from Copart UK Ltd for services rendered by the Member under category 1 (employment and earnings) of the same register.

20 According to the Companies House website, ML Systems Ltd was dissolved on 21 January 2015². The Member for Lincoln is not listed as an officer or person with significant control over the company. His name does not appear on an annual return with full list of shareholders dated 28 June 2013. The Member for Lincoln appears to be referring to a different company entirely, one that goes by the name of Moonlighting Systems Limited³. The Companies House website states that the Member for Lincoln acts as secretary for this company⁴, which is registered to Tunbridge Wells in Kent. It shows that he has not served as a director to it since 25 1999.

30 Karl McCartney has held a role at his family business for over twenty years, yet has omitted its full name from his register of financial interests. I am sure you will agree that it is in the public interest that Members of Parliament accurately register their financial interests. A member of the public seeking to understand those interests in relation to the Member for Lincoln may currently be led to believe that he is part of a company that is no longer trading. His failure to register the full and proper name for the company he does represent could also mislead, as could his inaccurate description of his current role.

¹ https://publications.parliament.uk/pa/cm/cmregmem/200111/mccartney_karl.htm

² <https://find-and-update.company-information.service.gov.uk/company/06927066>

³ <https://find-and-update.company-information.service.gov.uk/company/03666934>

⁴ <https://find-and-update.company-information.service.gov.uk/company/03666934/officers>

Does the Parliamentary Commissioner of Standards consider this to be an acceptable entry in the Members' Register of Financial Interests? If not, can you set out what steps you intend to take to compel the Member for Lincoln to correct the record?

5 I will be publishing this letter in the public interest.

30 June 2021

2. Letter from Mr Karl McCartney MP to the Commissioner, 1 July 2021

10 Further to my conversation late yesterday with your colleagues including Helen Reed, your media adviser, the email I received below⁵ has now led to a 'news' story this morning, and I believe therefore a complaint to you from the Labour Party Chairman, rather than the journalist, is likely to be submitted.

15 Within various allegations made by this journalist, refuted by IPSA when I spoke to them, as all my declarations and claims are all in order - and I have '*...provided more information than is required*', is the allegation that has been made regarding my various original entries in, and those still listed on, the Register of Members' Financial Interests.

20 I have worked, and invoiced my clients, as a 'Director' of Moonlighting Systems Ltd, referred to in shorthand as ML Systems Ltd, since 1999 and upto my first election in 2010, and during the time I was not a Member of Parliament 2017-19. I have not worked for the company whilst elected as an MP. I am listed at Companies House along with my brother Kevin McCartney as the two shareholders of our company. I am listed at Companies House as the Company Secretary.

25 The one invoice payment ML Systems Ltd received after I regained my seat in December 2019 for work I had undertaken was declared, as per the rules in place, despite the work having been completed before I was elected.

If you have any other questions I would be very happy to answer them, and comply with any requirements to assist you.

1 July 2021

30

⁵ See enclosures after letter

Enclosures: Emails sent by Political reporter for Insider to Mr Karl McCartney between 20 May to 30 June 2021

- From: [details redacted] @insider.com

Sent: 30 June 2021. 15:20

5 To: MCCARTNEY, Karl

Subject: Re: Right of reply: [details redacted]

Dear Karl,

I write once again to offer you right of reply on a story to be published this evening.

10 I intend to report that an allegation is to be submitted against you to the Parliamentary Commissioner for Standards regarding your entries on the register of members interests referring to ML Systems, on the grounds that the entries are incorrect as the company's name is in fact Moonlighting Systems, not ML Systems, which was at one point registered as a company to which I do not believe you have any link. And that while you say you are an "unpaid director", filings on Companies House suggest you are in fact a secretary of the company, not a director.

15 If you have any comment on any of the above, likewise the numerous questions posed previously, or my reporting to date, please do get in touch.

20 Thanks

[name redacted]

Two further emails received by Mr McCartney as part of an email chain submitted as evidence. Times and dates are displayed below but the main body of the emails are redacted as they are not pertinent to this inquiry.

- 25
- On Mon, 21 Jun 2021 at 13:47, [Name redacted]@insider.com> wrote: [Details redacted]
 - On Thu, 20 May 2021 at 16:49, Name redacted]@businessinsider.com> wrote: [Details redacted]

1 July 2021

3. Letter from the Commissioner to Mr Karl McCartney MP, 9 July 2021

Thank you for your email of 1 July 2021, which you sent in relation to a complaint you anticipated would be made regarding your entry in the Register of Members' Financial Interests.

5 I received a letter from Ms Anneliese Dodds MP on 30 June 2021. In that letter Ms Dodds questioned the accuracy of your entry in the Register of Members' Financial Interests and asked whether the registration of your interests met the requirements as set out in the House of Commons' Code of Conduct for Members of Parliament. Ms Dodds alleges the details of the interest you have registered under Category 8:
10 Miscellaneous are incorrect. Her letter provides links to information publicly available from Companies House, as well as a link to your Register entry made on 10 January 2020.

I am grateful for your email of 1 July explaining certain details regarding your register entry. However, I have decided to open an inquiry into your compliance with paragraph 14 of the Code. I have copied the relevant section of your entry in
15 the Register of Members' Financial Interests below, from 18 January 2020, for ease of reference.

8. Miscellaneous

20 Unpaid director of ML Systems Ltd (IT management and consultancy). I have a shareholding below the registrable threshold, which generates a dividend. (Registered 10 January 2020) ⁶

I have also enclosed a copy of Ms Dodd's letter for your information.

The scope of my inquiry

25 Based on information publicly available from Companies House, Ms Dodds' claims that the title of your role and the name of the company you have registered under Category 8⁷ of the Register is incorrect and misleading.

She states that, "According to the Companies House website, ML Systems Ltd was dissolved on 21 January 2015". Ms Dodds goes on to say,

30 *The Member for Lincoln appears to be referring to a different company entirely, one that goes by the name of Moonlighting Systems Limited. The Companies House website states that the Member for Lincoln acts as secretary for this company, which is registered to Tunbridge Wells in Kent. It shows that he has not served as a director to it since 1999.*

⁶ https://publications.parliament.uk/pa/cm/cmregmem/210118/mccartney_karl.htm

⁷ <https://publications.parliament.uk/pa/cm201719/cmcode/1882/188204.htm>

My inquiry will focus on whether your entry in the Register of Members' Financial Interests is accurate and up to date and, if not, whether you have acted in breach of paragraph 14 of the House of Commons' Code of Conduct for Members. If the scope of my inquiry changes, I will update you in writing.

5 The relevant rules of the House

The overarching rules are found in the House of Commons' Code of Conduct for Members. **Paragraph 14** of the Code states:

10 *Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests. They shall always be open and frank in drawing attention to any relevant interest in any proceeding of the House or its Committees, and in any communications with Ministers, Members, public officials or public office holders.*

15 Further to the Code, the Guide to the rules relating to the conduct of Members, which is appended to the Code, states the following in **Chapter 1: Registration of Members' Financial Interests**.

Requirements of the House

20 *2. The House requires new Members, within one month of their election, to register all their current financial interests, and any registrable benefits (other than earnings) received in the 12 months before their election. After that, Members are required to register within 28 days any change in those registrable interests. Such a change includes both the acquisition of a new interest and the ceasing of any registered interest, for example because an employment has ceased or because a holding has reduced in value or been sold.*

25

Next steps

30 I would welcome your comments on the allegation made by Ms Dodds, and that your alleged actions have amounted to a breach of paragraph 14 of the Code of Conduct for Members. I would also be grateful for your answers to the following specific questions:

1. Since your re-election to Parliament in 2019, what prompted you to shorten the name of the company Moonlighting Systems Ltd, when registering this interest under Category 8?
 2. Whether you took any advice about registering a shortened version of the company name in the Register of Members' Financial Interests.
- 35

a) If you did, please provide further details and any correspondence you may have exchanged regarding this advice.

5 3. Why you registered your role as director with Moonlighting Systems Ltd, when records held by Companies House appear to show you resigned from this role in 1999.

4. If, on reflection, you consider that your Register entry under Category 8: Miscellaneous may have been incorrect.

a) If so, please explain the steps you will take to correct your register entry.

10 It would be helpful to receive any evidence to support your responses when you reply to this letter. Any other points you wish to make to help me with this inquiry would also be welcome.

Important information

15 My inquiries are conducted in private. However, following the decision taken by the House on 21 April 2021, I will shortly publish on my webpages the fact that I am conducting an inquiry about your alleged breach of the Code of Conduct. If contacted, my office will not comment on any aspect of this specific inquiry to third parties. They will answer direct factual questions about the processes I follow, and the standards system more generally, but will not provide any comment or details about the particulars of this inquiry.

20 This letter and any subsequent correspondence between us in connection with this inquiry is protected by parliamentary privilege. It should be kept confidential until the outcome of my inquiry is published. The same requirement extends to Ms Dodds.

25 The Members' Services Team (MST) can support and signpost you and/or your staff to appropriate support services. You can contact them confidentially on [details redacted] for a range of issues, including support with handling the impact of media attention.

Procedure

30 I enclose a copy of the Commissioner's Information Note, which sets out the procedure for inquiries. Please note that this has not yet been updated to reflect the changes flowing from the decision of 19 July 2018.

35 While I do not, at this stage, know whether it will be necessary to interview you about this matter, it would be open to you to be accompanied at any such interview. I am, of course, very happy to meet with you at any stage if you would find that helpful.

I should say now, as a matter of courtesy, that I may seek the advice of the House authorities and others as part of this inquiry. If I do so, I will share that correspondence with you.

5 Information provided to me during the course of my inquiry will be retained, and disposed of, in accordance with the House of Commons' Authorised Records Disposal Policy.

Potential outcomes

10 Inquiries are generally concluded in one of three ways. If the evidence does not substantiate the allegation, it will not be upheld. If the evidence demonstrates a breach of the rules, I may, in circumstances defined by Standing Order No. 150, uphold the allegation and conclude the inquiry using the rectification procedure, without making a referral to the Committee on Standards. Where an allegation is not upheld or is rectified, the investigation material, including our correspondence, will be published on the Parliament website.

15 If I uphold the allegation, and it is either unsuitable for the rectification procedure, or you do not accept my decision, I must make a referral to the Committee on Standards. My memorandum to the Committee will be published as an appendix to the Committee's own Report.

20 Regardless of the outcome of my inquiry, I must emphasise that all the relevant evidence, including our correspondence, will be published when this inquiry is concluded. I routinely redact the personal data of third parties unless it is relevant to my decision(s). Please tell me if you provide sensitive material that you think I should redact. I will consider carefully any such request.

Action

25 I would be grateful to have your response to this letter as soon as possible and no later than Friday 23 July 2021. Please let me know before that date if you require more time to respond.

30 If you would prefer me to communicate with you by a different email, please give the details when you reply to this letter. It would also be helpful if you were willing to provide a telephone number through which I might contact you.

Due to the ongoing pandemic restrictions, my team are working from home only, so I would be grateful if you could send your response electronically to; standardscommissioner@parliament.uk

Thank you for your cooperation with this matter.

35 9 July 2021

4. Email from Mr Karl McCartney MP to the Commissioner 15 July 2021

Thank you for your emailed correspondence – password protected – of the 9th July referring to a letter you received from Miss Anneliese Dodds MP on 30th June 2021. This correspondence was already expected as certain media associated with the Chairman of the Labour Party and her staff had publicly reported it would be sent, prior to your receiving it. It also generously informed you and me that its contents would be made public immediately, ahead of any decision you might make to investigate the allegations or otherwise, and I see that I have subsequently been added to the list of Members of Parliament under investigation, that has been made public and is being reported in various media.

Whilst naturally I would refute the many allegations and claims made by Miss Dodds, particularly that my Register entry is intended to be incorrect or misleading, I realise that you have to ensure that there is no obfuscation by all Members of Parliament. As with everything there is a level of individual interpretation and how pedantic one might wish to be. I therefore do not consider that since 2010, nor subsequently since 2019/20 on my re-election in a marginal constituency, that I have intended to breach paragraph 14 of the Code of Conduct for Members. On the contrary I have registered benefits and any changes in a timely and open manner, with no thought of any nefarious activity or will, and whilst my entry in the Register has stayed basically the same, - in terms of company name and role - it has also been updated regularly as required.

However, to answer your particular and specific questions;

1. There was no decision subsequent to my re-election in 2019 to ‘shorten the name’. My conversation/correspondence with the staff at the Register of Members’ Interests as far as I can recall was that I asked to re-instate my previous entry as nothing material had changed since my ceasing to be a Member of Parliament in 2017, elected initially in 2010. Moonlighting Systems Ltd. used and ‘traded’ as MLSystems Ltd., as a shortened name from its inception, but was one and the same entity as anyone could clearly see and understand if anyone either viewed my Register entry pre 2017 from 2010, or post 2019, or Companies House Records, and our clients also knew and were aware of that fact as the invoices and correspondence they received reflected that reality. I confirm that Moonlighting Systems Ltd. is the same entity as MLSystems Ltd. referred to in the Register, for the eradication of any wilful, or otherwise, doubt.
2. No, I did not, neither in 2010 nor 2019/20
3. I have carried out a number of roles on behalf of the company, over the intervening 21 years, some that were at ‘Director Level’ for many third party organisations; Director of Strategy, Director of Communications, Director of Public Affairs, Director of Stakeholder Management and as a Campaign Director, and having initially been a Director of Moonlighting Systems Ltd/MLSystems Ltd. I have been the Company Secretary since 1999.

4. On reflection, no Member of Parliament wishes to be under investigation by your Department and yourself I would opine. The Labour Chairman and her acolytes know this. I have in all my two periods of time to have had the honour and privilege of being elected to be the Member of Parliament for Lincoln, sought to have a correct and up to date Register entry under Category 8, and any other category, of course. There is no benefit to not having a clear and correct entry in my view, and the information at Companies House is a matter of public record too. Therefore, I will update, with your agreement, my Register entry to remove the likelihood of any possible further pernicious mischief-making that the Labour Party took 11 years to bring to your attention in this instance. I intend, if you indicate your contentment, to amend my Register entry to clearly enunciate and demonstrate the reality, thus;

1. Employment and earnings

9 January 2020, payment of £3,700 from Copart UK Ltd, Acrey Fields, Woburn Road MK43 9EJ, for services as an adviser. Hours: none since my election. Fee paid to Moonlighting Systems Ltd., trading as 'ML Systems Ltd.' (Registered 11 January 2020)

8. Miscellaneous

Engaged in various Director level roles, on behalf of Moonlighting Systems Ltd., trading as 'ML Systems Ltd.' (a company providing IT and Management Consultancy services) of which I am currently, and have been, the Company Secretary, since 1999. Prior to this I was a Director of the Company. I have a shareholding below the registrable threshold, which generates a dividend. (Registered 10 January 2020)

If however you would like me to provide even more detail in my Register entry, than that provided above, then please do let me know.

Thank you for the other information you have provided me, including the process details and the procedure and provision of the 'Commissioner's Information Note' - soon to be updated - and I also noted the friendly salutation you have received from the Chairman of the Labour Party on the letter she sent to you.

I look forward to your decision on the potential outcomes you illustrated in the final section of your letter to me. [Further details redacted]⁸.

Of course, with all the above being said, if you, or your colleagues, require any further clarification on these matters I would of course be happy to provide anything further you request, or that may assist you in your endeavours.

⁸ Details redacted as they are not material to this inquiry

15 July 2021

5. Letter from the Commissioner to Mr Karl McCartney MP, 2 August 2021

5 Thank you for your email of 15 July 2021. I am grateful for the information that you provided and for the suggested amendment to the wording of your entry in the Register. Before I agree to a change to your entry in the Register, please could you assist me with two further points.

10 Firstly, you state that *“Moonlighting Systems Ltd. used and ‘traded’ as MLSystems Ltd., as a shortened name from its inception...and our clients also knew and were aware of that fact as the invoices and correspondence they received reflected that reality”*. Please can you send some suitable documentation, such as letter headed paper, or redacted invoices, or promotional materials, to me to illustrate that Moonlighting Systems Ltd trades on a day-to-day basis as MLSystems Ltd.

Secondly, please can you also confirm whether Moonlighting Systems Ltd has any involvement, connection, or overlap with your role as a Member of Parliament.

15 Please could you send me your reply by 13 August 2021.

In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

Thank you for your continued co-operation with this matter.

2 August 2021

20 6. Letter from Mr Karl McCartney MP to the Commissioner, 6 August 2021

In response to your latest letter, dated 2nd August, you asked me to assist you with two further points:

25 Firstly I attach - minimally redacted - documentation that illustrates Moonlighting Systems Ltd. traded ‘on a day-to-day basis’ as MLSystems Ltd., as detailed on the invoices and emails⁹.

Secondly, I can confirm, again, that MLSystems Ltd. had, and has, no involvement, connection nor overlap with my role as a Member of Parliament, as my Register entry details show, and have shown, since my initial election.

30 I look forward to hearing again from you with your decision and instructions in due course.

⁹ See Appendix below for redacted copies of the emails and invoices submitted.

6 August 2021

7. Letter from the Office of the Parliamentary Commissioner for Standards to the Registrar of Members' Financial Interests, 16 August 2021

5 As you will know, the Commissioner is currently away from the office and will return on 31 August 2021. In line with her usual practice, I am writing today to ask for your advice in connection with a complaint the Commissioner has received about Mr Karl McCartney MP, which is the next step in her investigation. It would be very helpful to receive your advice in readiness for the Commissioner's return to the office at the end of August.

10 The complainant, Ms Anneliese Dodds MP, alleges that company details Mr McCartney has registered for ML Systems Ltd, under Category 8: Miscellaneous, are incorrect. For reference I enclose a copy of the complaint from Ms Dodds ¹⁰, which led to the Commissioner initiating this inquiry. I also enclose copies of the correspondence exchanged between the Commissioner and Mr McCartney to date
15 on this matter ¹¹.

I can see from previous publications of the Register that Mr McCartney first registered an interest in ML Systems Ltd in 2010, when he was initially elected to Parliament. It would be helpful to know if your office has any records noting whether Mr McCartney contacted the then registration team for advice about this
20 interest and, if he did, what advice he was given.

It would also be useful to know whether Mr McCartney approached you or your team for advice on his registration when he was re-elected to Parliament in 2019. If he did not, please could you set out for the Commissioner how you would have advised Mr McCartney if he had sought advice ahead of registering this interest. It
25 would also be helpful to understand the factors you would have taken into account when giving that advice.

If you or your office have advised Mr McCartney about this matter, I would be grateful for details of this or any subsequent contacts, including telephone calls and emails you and your team may have exchanged with him, and that you think may
30 assist the Commissioner with her inquiry.

It would be very helpful to have your reply as soon as possible and by 27 August 2021. If you require further information from Mr McCartney before giving your advice, the Commissioner would be happy for you to contact him directly.

16 August 2021

¹⁰ Item 1 in this written evidence pack.

¹¹ Items 2 - 5 in this written evidence pack.

8. Letter from the Office of the Parliamentary Commissioner for Standards to Mr Karl McCartney MP, 16 August 2021

Thank you for your recent letter to the Commissioner, dated 6 August 2021.

5 When the Commissioner wrote to you on 9 July 2021, she explained that she may seek the advice of the House authorities as part of her inquiry. In order to have the information ready for the Commissioner's return to the office on 31 August 2021, and in line with her usual practice, I have today written to the Registrar of Members' Financial Interests to ask for his advice on this matter.

10 A copy of this letter is enclosed for your information and, when I receive the Registrar's reply, I will write to you again to share that advice.

Once the Commissioner has had the opportunity to review your most recent letter and the Registrar's advice, she will write to you again regarding next steps. In the meantime, this matter remains protected by Parliamentary Privilege and should continue to be kept confidential.

15 *16 August 2021*

9. Email from the Registrar of Members' Financial Interests to the Office of the Parliamentary Commissioner for Standards, 26 August 2021

Thank you for your letter asking for advice in relation to the complaint against Mr Karl McCartney MP.

20 Mr McCartney first registered an interest in ML Systems Ltd in his registration form when he was elected as a Member of Parliament in 2010. The entry was as follows:

I continue to work for MLSystems, although I am no longer paid a salary. Instead, I receive a dividend from a shareholding which is below the registrable threshold.

25 That entry remained in place throughout the 2015 Parliament.

Mr McCartney lost his seat at the 2017 General Election. When he was re-elected at the 2019 General Election, Mr McCartney submitted his registration form on 9 January 2020. On 20 January 2020, the Registry Office emailed Mr McCartney seeking clarification about his entry in relation to ML Systems Ltd:

30 *"I have taken the description of ML Systems Ltd from your past entries. Please correct if this is wrong".*

The Registry Office followed up that request for clarity on 25 January:

"We assume that you are content with the description of ML Systems Ltd, which is taken from the past Register."

Mr McCartney responded in the following terms

"I am happy with the description as previously detailed".

- 5 I can find no correspondence between the Registry Office and Mr McCartney on the use of the words ML Systems Ltd to describe Mr McCartney's interest in Moonlighting Systems Ltd.

A search of the Companies House website brings up two companies:

- 10 a) ML Systems Ltd which was incorporated on 8 June 2009 and dissolved on 21 January 2015.
- b) Moonlighting Systems Ltd which was incorporated on 12 January 1998 and continues to trade.

The two companies have different registration numbers and addresses, and Mr McCartney does not appear to have had any involvement in ML Systems Ltd.

- 15 Paragraph 14 of the Conduct of Members states that

"Members shall fulfil conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Financial Interests."

- 20 Category 7: Shareholdings requires Members to provide *"The name of the company or organisation"* if the shareholding reaches the threshold for registration. This would be the name of the company, not an abbreviation. Mr McCartney's shareholding did not meet the threshold for registration but in registering his shareholding under Category 8: Miscellaneous, the same attention to detail should apply.

- 25 Although Mr McCartney said that "Moonlighting Systems Ltd. used and 'traded' as ML Systems Ltd., as a shortened name from its inception" ML Systems Ltd is not the registered name of the company in which Mr McCartney has a shareholding. Therefore, Mr McCartney's entry is incorrect. He should have used the name that was registered at Companies House. Had Mr McCartney explained that ML Systems
30 Ltd was not the registered name of the company, he would have been advised to use the registered name, Moonlighting Systems Ltd.

For the sake of completeness, you may wish to ask Mr McCartney to confirm that he has never had any financial interest in the company listed at Companies House as ML Systems Ltd.

26 August 2021

10. Letter from the Commissioner to Mr Karl McCartney MP, 13 September 2021

5 My office wrote to you on 16 August 2021 to explain they had written to the Registrar of Members' Financial Interests to seek their advice. This step was in line with my usual practice for inquiries. My office received the Registrar's advice on 26 August 2021, and a copy of that advice is attached to this letter for your information.

It would be helpful to have your comments on the Registrar's advice, as well as answers to the additional questions set out below.

- 10 1. Based on the Registrar's advice, do you now accept that it was incorrect to use a shortened version of the company's name, when registering your interests in Moonlighting Systems Ltd, in the Register of Members' Financial Interests?
2. If, on reflection, you accept you should have registered your role as Secretary with Moonlighting Systems Ltd, a position you have held since 1999.
- 15 3. For the sake of completeness, please confirm that you have never had any financial interest in the company listed at Companies House as ML Systems Ltd, which was incorporated on 8 June 2009 and dissolved on 21 January 2015.

Any other comments you would like to add would also be welcome.

20 Please could you reply as soon as possible and at the latest by 24 September 2021. In the meantime, our correspondence remains protected by parliamentary privilege and I must that you continue to maintain the strict confidentiality of the inquiry.

13 September 2021

11. Letter from Mr Karl McCartney MP to the Commissioner, 14 September 2021

25 In response to your latest letter, dated 13th September, you have asked me to further assist you with comments on the Registrar's advice, the copy of his advice you received in late August I now have as it is attached with your latest letter, as well as answers to your additional questions.

30 I accept the Registrar's advice, why would I not, given, as I re-iterate, that I made the original declaration and maintained a similar entry with no intent to do other than register those interests I had at the time of my first and subsequent re-elections. The correspondence provided by the Registrar would, in my view, indicate this.

Taking your latest three questions in turn;

1. Yes
2. Yes
3. I confirm that is correct.

5 Other than re-iterating previous information and the evidence subsequently
provided to you by myself, the only comment I would now make at is that I had no
intent at any point to do other than comply with the rules and regulations in place
for Members of Parliament. In hindsight I perhaps should have asked the Registrar
in 2010 for some advice or confirmation as to the form of my initial entry that I
made, and that had then remained constant since my initial happy election, and
10 subsequent re-elections, in the following decade.

14 September 2021

12. Letter from the Commissioner to Mr Karl McCartney MP, 21 September 2021

15 Thank you for your letter of 14 September 2021, in which you responded to the
advice from the Registrar and provided answers to the additional questions I had
asked; I appreciate your prompt response on these points. Having considered the
evidence carefully, I now have sufficient information to make a decision on the
allegation that your Register entry breached paragraph 14 of the Code of Conduct
for Members of Parliament.

20

My decision

I have considered all the correspondence, the published rules and guidance
regarding the registration of financial interests, and the advice from the Registrar.
I have concluded that by registering your interests in Moonlighting Systems Ltd.
25 using the shortened version of ML Systems Ltd, your entry in the Register of
Members' Financial Interests was incorrect. This was a breach of paragraph 14 of
the Code of Conduct for Members of Parliament.

30 I also found that describing your role on the Register as a Director with
Moonlighting Systems Ltd rather than your official position of Secretary, a position
you have held since 1999, was inaccurate and resulted in a further breach of
paragraph 14 of the Code of Conduct.

35

*Members shall fulfil conscientiously the requirements of the House in
respect of the registration of interests in the Register of Members'
Financial Interests. They shall always be open and frank in drawing
attention to any relevant interest in any proceeding of the House or its
Committees, and in any communications with Ministers, Members,
public officials or public office holders.*

40

Rationale

You telephoned my office on 30 June 2021, to say you had been contacted by a member of the press asking about an official complaint they were told would be sent to me. You also wrote to me on 1 July 2021, setting out the scope of the
5 allegations you expected would be made by the Labour Party Chairman, Ms Anneliese Dodds MP, and your response to those allegations.

In both of these pre-inquiry contacts and our subsequent correspondence, you explained that you had registered your interests in connection with the company
10 Moonlighting Systems Ltd with a shortened version of the company's name, and that you had done so since you first entered Parliament in 2010.

Ms Anneliese Dodds wrote to me on 30 June 2021, alleging that your Register entry under Category 8: Miscellaneous, of an unpaid directorship with a company called
15 ML Systems Ltd, was incorrect. In her complaint, Ms Dodds submitted evidence published on the Companies House website that showed you had been a director of a company called Moonlighting Systems Ltd from 12 November 1998 until 31 March 1999, when you resigned as a director and took on the role of Secretary for that company.

Ms Dodds also provided the details of a second company, registered with Companies House as ML Systems Ltd, who were incorporated on 8 June 2009 and dissolved on 21 January 2015. Ms Dodds stated that your name does not appear in
20 any official documentation in connection with the company ML Systems Ltd, but that you are registered with Companies House as the Secretary for Moonlighting Systems Ltd. Ms Dodds questioned why your entry in the Register of Members' Financial Interests differed from the information published by Companies House.

I wrote to you on 9 July 2021, to open a formal inquiry into this matter. In your
30 reply of 15 July 2021, you explained that "*Moonlighting Systems Ltd used and 'traded' as ML Systems Ltd as a shortened name from its inception, but was one and the same entity as anyone could clearly see and understand if anyone either viewed my Register entry pre 2017 from 2010, or post 2019, or Companies House Records...*". You also stated that your clients were aware of this fact as, "*...the invoices and
35 correspondence they received reflected that reality.*" You shared examples of Moonlighting Systems Ltd. invoices and correspondence with clients alongside your letter of 6 August 2021.

In line with my usual practice my office sought advice from the Registrar, who
40 replied on 26 August 2021 stating,

*Although Mr McCartney said that "Moonlighting Systems Ltd. used and 'traded' as ML Systems Ltd., as a shortened name from its inception", ML Systems Ltd is not the registered name of the company in which Mr McCartney has a shareholding. Therefore, Mr McCartney's entry is
45 incorrect. He should have used the name that was registered at Companies House. Had Mr McCartney explained that ML Systems Ltd was not the registered name of the company, he would have been advised to use the registered name, Moonlighting Systems Ltd.*

The Registrar's advice is clear that in matters of registration, the full name of the company and not an abbreviated version is required when making registrations. The Guide to the rules for Members states that it is each Member's personal responsibility to ensure their compliance with the rules on registration, and that
5 Members should pay close attention to the details required for each of their registered entries.

Registering your interest with a shortened version of the company name was incorrect and breached paragraph 14 of the Code of Conduct for Members of
10 Parliament. Registering as a Director with Moonlighting Systems Ltd rather than as Secretary, a position you have held since 1999, was also incorrect and resulted in a second breach of paragraph 14 of the Code of Conduct for Members of Parliament.

15 Finally, Ms Dodds' complaint highlighted your use of the shortened version of the company's name when registering receipt of a payment of £3,700 from Copart UK Ltd, registered under Category 1: Employment and earnings on 11 January 2020. This also put you in breach of paragraph 14 of the Code of Conduct. However, as
20 this item no longer appears in your Register entry, it will not be included as part of the rectification steps that will apply to the relevant items in your current entry, outlined below.

Next Steps

25 Standing Order No 150 makes provision for me to conclude an inquiry without making a referral to the Committee on Standards in certain circumstances. The Committee would generally expect the Member to have acknowledged and apologised for their breach of the rules, and to have taken any steps necessary to rectify their breach. I consider these breaches to be at the less serious end of the spectrum. I have decided a referral to the Standards Committee is not necessary
30 and that these breaches of the rules can be resolved by way of rectification. To do so, the Committee would generally expect the Member to provide the following:

- a) Confirmation you have accepted my decision;
- b) A clear acknowledgement that you have breached the rules;
- 35 c) An apology for the breaches; and
- d) Information of the steps you have taken to rectify the breach and to ensure there is no recurrence of the breach.

The above can be provided by way of your formal response to this letter. In cases
40 concerning the registration of interests, I would usually ask the Registrar to arrange for the relevant entries to be italicised in the Register of Members' Financial Interests, to indicate to the reader that entries have been the subject of a rectification. If you are content for me to conclude the inquiry in this way, please write to me with the above information as soon as possible and no later than Tuesday 28 September 2021.

Subject to your acknowledgement and apology for these breaches of the rules, and in order to progress this matter through rectification, I will also require confirmation that you have contacted the Registrar in order to correct the inaccuracies in your entry in the Register.

5

If you agree to my proposal, I will share my draft written evidence pack with you, so that you can check its factual accuracy before publication. I will also report the outcome to the Committee on Standards in due course as a matter of routine, and I will ask the Registrar to arrange to annotate the relevant information in the Register.

10

If you do not accept my decision, you should tell me the reasons for that by reply. After which, I will prepare a Memorandum to the Committee on Standards, so that they may consider the matter. I would give you the opportunity to see and comment on a draft of the Memorandum, but the content of it would, in the final analysis, be for me alone.

15

In the meantime, our correspondence remains protected by parliamentary privilege and I must ask that you continue to maintain the strict confidentiality of the inquiry.

20

As you know, due to the ongoing pandemic, my team are currently working from home only, so I would be grateful if you could please send your response electronically to standardscommissioner@parliament.uk.

25

21 September 2021

13. Letter from Mr Karl McCartney MP to the Commissioner, 29 September 2021

I write in response to your latest letter, dated 21st September, in which you have detailed your decision, and asked for my response. My response is detailed below.

30

- a) I accept, and confirm my acceptance of, your decision
- b) I acknowledge that I have breached the rules as discussed in our correspondence
- c) I apologise for the two specific breaches
- d) I will, and confirm, as previously offered, now contact the Registrar to amend my Register entry and I am aware that you will also contact the Registrar's Office to instruct that the entry is to be italicised in the Register of Members' Financial Interests.

35

I also confirm I am content for you to conclude your inquiry in this way.

40

29 September 2021

14. Letter from the Commissioner to Mr Karl McCartney MP, 30 September 2021

5 Thank you for your letter of 29 September 2021, agreeing to my proposal to conclude my inquiry by way of the rectification procedure, and in which you acknowledged and apologised for your breach of the rules.

10 I enclose a copy of the written evidence pack, which includes the correspondence exchanged during the investigation. In this pack you will find a draft copy of the letter I plan to send to Ms Dodds; it is the first item in the pack, after the summary. While the content of the letter is a matter for me alone, I would welcome any comments on the factual accuracy of this and the written evidence pack. You will see that I have already made some redactions; please let me know if there are any further redactions you think should be made, and I will consider your request.

I would be pleased to receive any comments you wish to make on the factual accuracy of the pack as soon as possible, and no later than Friday 8 October 2021.

15 Once I have any comments you wish to make, I will finalise the pack, which will then be published on my webpages. I will notify you of the publication of the pack. I will also notify the Committee on Standards of the outcome of my inquiry in due course.

20 In the meantime, our correspondence continues to be protected by parliamentary privilege. Until I send you and Ms Dodds letters concluding the inquiry, this matter should remain confidential.

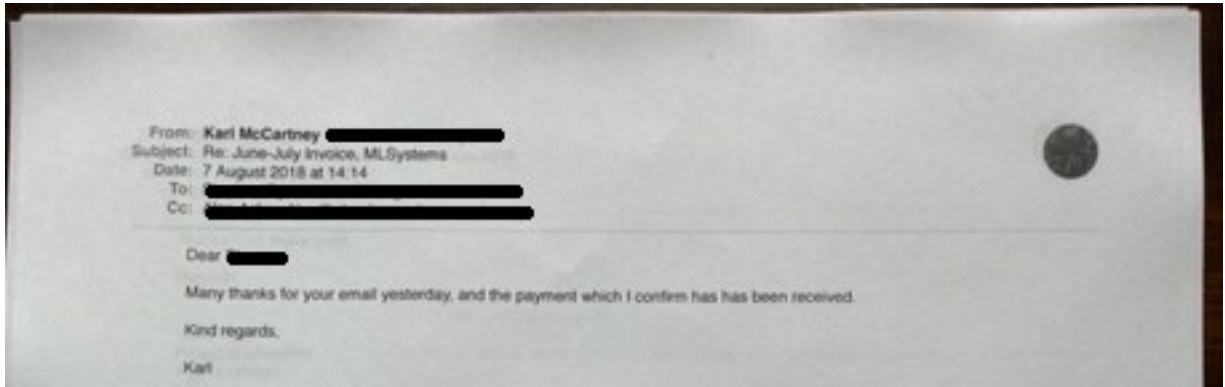
30 September 2021

25

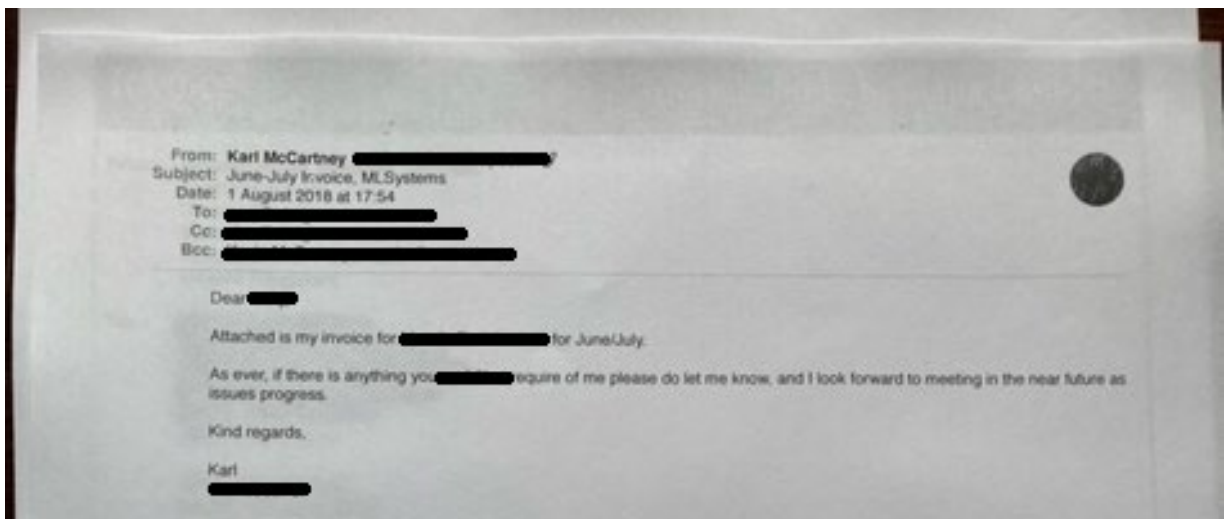
Appendix

30 **Redacted examples of three emails and two invoices, sent by Mr Karl McCartney MP to clients of Moonlighting Systems Ltd.**

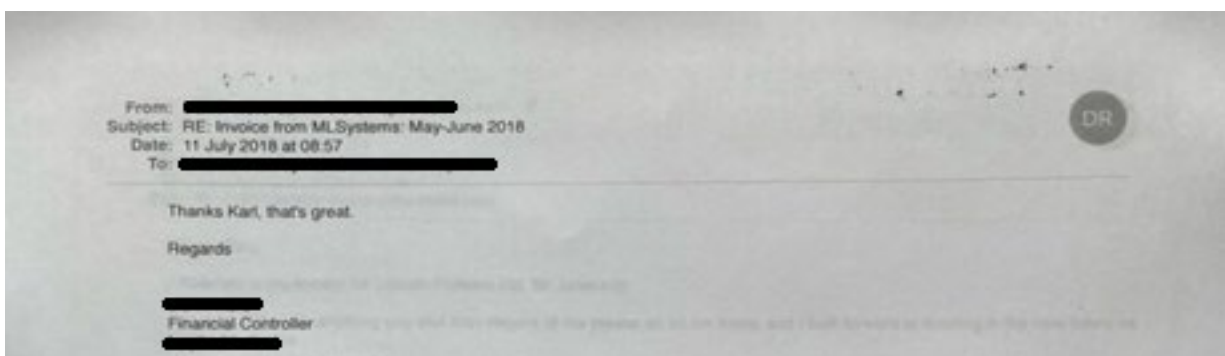
1. Email sent at 14:14, 7 August 2018



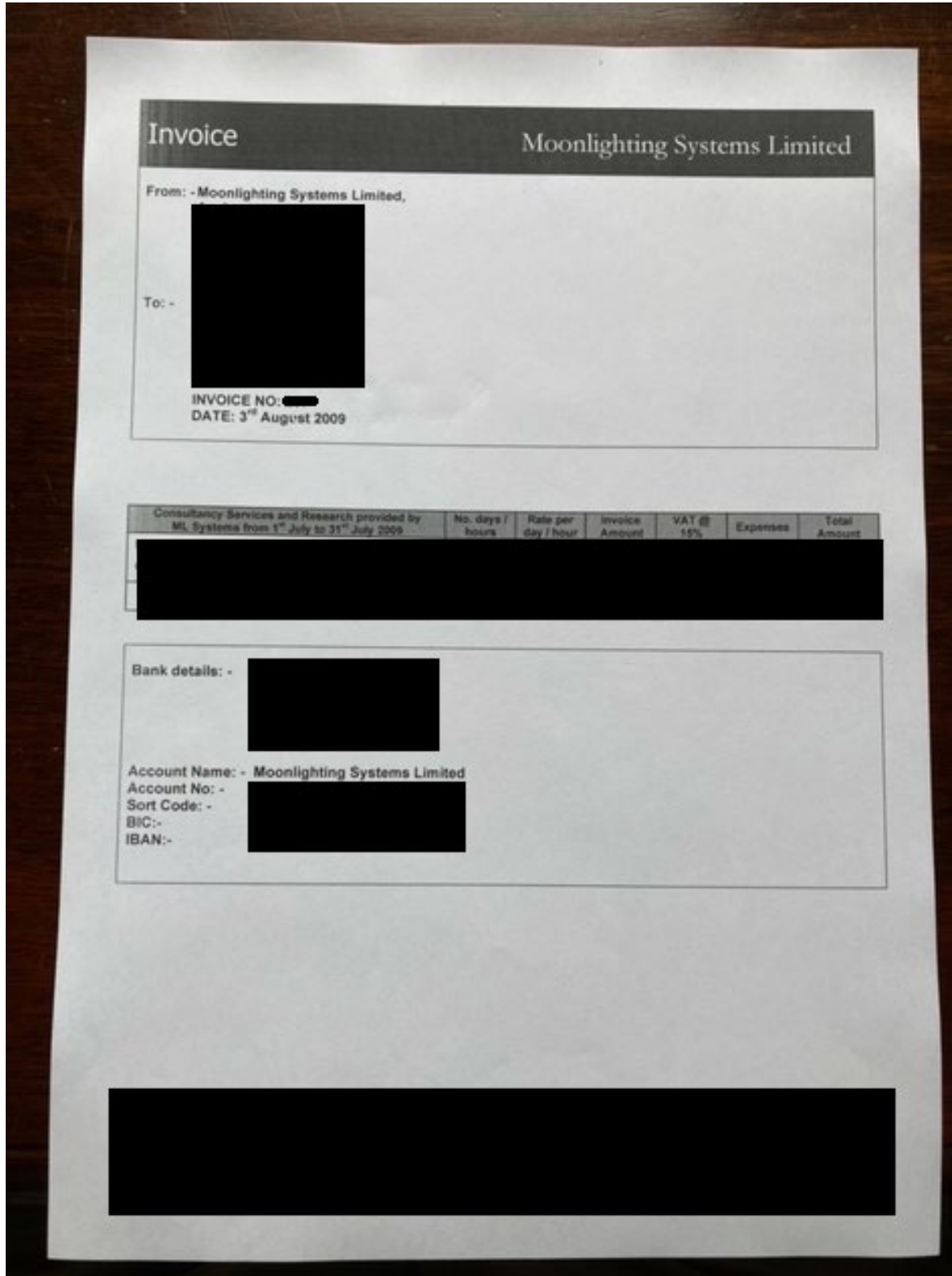
2. Email sent at 17:54, 1 August 2018



- 5 3. Email received 08:57 11 July 2018



4. Invoice sent on 3 August 2009



5. Invoice sent 2 April 2009

