

Witness Name: Tim Losty

Statement No: 1

Exhibits:

Dated:

UK COVID-19 INQUIRY

WITNESS STATEMENT OF TIM LOSTY

I, Tim Losty, will say as follows: -

Background

1. I provide this statement in response to a request from the Inquiry. It should be noted that I also assisted The Executive Office (TEO) in developing its corporate response to a request from the Inquiry for Module 5.
2. From 2012 - 2021 I held the post of Director of International Relations within The Executive Office (TEO).
3. From September 2014, I was based in China to establish the office for the Northern Ireland Executive and as such also took on the role of the Director (Acting Grade 3) of the Bureau. This was a Diplomatic Office and part of the British Embassy, and I held the diplomatic title of Minister Counsellor for Northern Ireland. I reported to Dr Andrew McCormick, Director General for International Relations and Brexit.
4. I remained in Beijing until I was evacuated to Northern Ireland on the 20 February 2020. I maintained responsibilities for the roles in paragraph 3 and for the period of 23 March 2020 to 16 June 2020, I also assumed responsibilities of the Principal Private Secretary for the deputy First Minister before returning to China on the 17 June 2020.
5. I completed my post as Director of the Northern Ireland Bureau China on the 31 August 2020 when I returned to Belfast at which point I took up the position of Joint Secretary North South Ministerial Council until my retirement in May 2022.

NI Bureau in China

6. The Northern Ireland Bureau in China ('the Bureau') was established in September 2014 by the First Minister and deputy First Ministers to develop relations with China which would provide mutual benefits. TEO has departmental responsibility for International Relations, including the NI Bureau in Beijing, China [Exhibit TL/M5/001

- INQ00505555]. The Bureau has both a Diplomatic and a Representative Office in Beijing, promoting the Northern Ireland Executive's (the "Executive") priorities to China's central, provincial, and municipal governments.

7. The First Minister, the Rt. Hon. Arlene Foster, officially opened the Northern Ireland Executive's Bureau at the China World Trade Centre in Beijing on 8 December 2016. First Minister, Arlene Foster said:

"The official opening of the Bureau in Beijing signals our clear determination to build a long-lasting presence and relationship in China. The Executive Office has had a presence in Beijing since 2014 and I am honoured today to officially open the Northern Ireland Executive Bureau. The relationship with China is very important to Northern Ireland. The establishment of this Bureau, the expansion of the Invest NI team and five Ministerial visits to China in 18 months are indicators of the importance of this relationship. We want to see Northern Ireland organisations come to China and for Chinese organisations and people to consider Northern Ireland as an option, whether it is for business, education, or cultural development. The Northern Ireland Bureau gives us a firm presence and it will work hard to promote Northern Ireland and the compelling proposition we have to offer." [Exhibit TL/M5/002 - INQ000475159].

8. Invest Northern Ireland (Invest NI) is the region's economic development agency. Invest NI established its first office for the Asia-Pacific (APAC) region in Shanghai in 2005. They now have seven offices across this diverse region in Beijing, Shanghai, Guangzhou, Tokyo, Singapore, Seoul and Sydney.
9. The NI Bureau's role is to:
- develop and maintain effective relationships with the government and key organisations in China,
 - increase trade and economic activity.
 - increase the number of Chinese students in NI.
 - collaborate on Science and Technology development.
 - learn more about each other's Culture and Sport.
 - share Best Practice in Addressing Global Priorities.

TEO's role in International Relations

10. International Relations is an Excepted matter under the Northern Ireland Act 1998. However, within the context of Northern Ireland's constitutional arrangement, it is recognised that Northern Ireland will have an interest in international relations in some discrete respects.
11. The nature and extent of Northern Ireland's role concerning international relations are more particularly set out in a Memorandum of Understanding dated September 2012 **[Exhibit TL/M5/003 - INQ000505594]**, updated in October 2013 **[Exhibit TL/M5/004 - INQ000256804]**, between the United Kingdom Government, the Scottish Ministers, the Welsh Ministers, and the Northern Ireland Executive Committee. Each is a statement of political intent and should not be interpreted as a binding agreement. They do not create legal obligations between the parties. Nothing in the Memoranda should be construed as conflicting with the Belfast/Good Friday Agreement.
12. The Memoranda confirm the mutual understanding of UKG and the Devolved Administrations that, as a matter of law, international relations and relations with the European Union remain the responsibility of the United Kingdom Government and the UK Parliament. However, they acknowledge the UK Government's recognition that the devolved administrations will have an interest in international and European policy making in relation to devolved matters, notably where implementing action by the devolved administrations may be required.
13. The supplementary agreements set out bilateral concordats between UKG and the Devolved Administrations on defined issues. Specifically, these agreements encompass the areas of Co-ordination of European Union policy issues, Financial Assistance to Industry and International Relations.
14. Arrangements for the handling of devolved administrations' interests outside the United Kingdom are set out in the international relations and EU concordats. The devolved administrations are able to develop bilateral or multilateral arrangements with other members of the British-Irish Council, including the Republic of Ireland, and to participate in the British-Irish Council itself, as set out in the Belfast/Good Friday Agreement. The Northern Ireland Executive Committee is also able to develop relations with the Irish Government through the North/South Ministerial Council provided for in that Agreement.
15. In relation to trade and inward investment promotion, the devolved administrations and the UK Government have concurrent powers to promote international trade and inward

investment. Whereas UK Trade & Investment has lead UK responsibility for the provision of support and assistance to new and existing exporters of goods and services and outward investors both at home and overseas and for promoting the UK and all its constituent parts to foreign investors, the devolved administrations are also responsible for devising and implementing additional programmes to meet the particular needs of companies in Northern Ireland, Scotland and Wales and for promoting Northern Ireland, Scotland and Wales to foreign investors.

16. It is in this setting that TEO has overall strategic responsibility for international relations matters. Additionally, guidance is provided by way of the Executive's International Relations Strategy 2014 [Exhibit TL/M5/005 - INQ000505596], which emphasises and anticipates the need for a coordinated and focused approach across all government departments in pursuance of its principles.

17. Through our international relations work, we aim to enhance our international message and develop mutually beneficial relationships with targeted countries, regions and organisations to secure investment, trade, tourism, students and to exchange knowledge and expertise.

My general role in relation to the procurement of key healthcare equipment and supplies including PPE

18. Procurement of key healthcare equipment and supplies was not within the specific remit of the various roles I held during the relevant period. Decision-making in this regard was principally within the remit of the Departments of Finance and Health and their Arm's Length Bodies (ALBs). Accordingly, I did not have any formal decision-making role in the procurement of key healthcare equipment and supplies, including PPE, during the relevant period. My direct involvement in such matters was limited to my role within the procurement exercise with China Resources Pharmaceutical Limited (CR Pharmaceutical) and the assistance I provided concerning the proposed joint procurement exercise between NI and Ireland.

19. As outlined in the TEO Corporate Statement in relation to Module 5 [Exhibit TL/M5/006 – INQ000541534], most of NI's public procurement activity falls under the Northern Ireland Public Procurement Policy (NIPPP) [Exhibit TL/M5/007 - INQ000494692]. This sets out definitions and the framework of organisational responsibilities for procurement policy and practice. The NIPPP applies to Departments, their Agencies, ALBs, Non-Departmental Public Bodies (NDPB) and Public Corporations, but not local authorities.

20. The Minister of Finance has Executive responsibility for the development of procurement policy and legislation. The Minister is supported by the Procurement Board and the Construction and Procurement Delivery (CPD) Policy and Performance Directorate. In addition, there are nine Centres of Procurement Expertise (CoPE) which provide specialist expertise across the public sector in Northern Ireland. One of these CoPEs is Business Services Organisation (BSO) Procurement and Logistics Service (PaLS) which provides procurement support in respect of goods and services for health bodies in Northern Ireland.
21. The Procurement Board is responsible for, *inter alia*, the development of procurement policy in Northern Ireland and monitoring implementation of that policy with Northern Ireland public bodies and to ensure adherence to legal obligations. CPD is responsible for, *inter alia*, collecting and monitoring information on procurement performance across the public sector and providing procurement services, under Service Level Agreements (SLAs) to Departments, Agencies and NDPBs who request them.
22. Operational responsibility for procurement lies with the public bodies that are purchasing goods, services, or construction work (contracting authorities). Accounting Officers within public bodies must ensure appropriate arrangements are in place to enable their staff to undertake effective and successful procurement activities. Departments (including TEO), their Agencies, ALBs, NDPBs and public corporations are required to carry out their procurement activities by means of documented Service Level Agreements (SLAs) with CPD or a relevant CoPE.

Procurement of PPE from China Resources Pharmaceutical Group LTD

23. From the 19 March 2020, although I was not directly involved, my recollection is that the Executive identified an urgent requirement to independently seek to procure PPE [Exhibits TL/M5/008 - INQ000475160 & TL/M5/009 - INQ000505603]. As a result, on 19 March 2020, the Civil Contingencies Group (C3) issued an email to all NI Departments and other interested parties requesting information to inform its understanding of the position regarding PPE stocks and requirements across Northern Ireland [Exhibit TL/M5/010 - INQ000505599]. I understand that this was due to mounting concerns around possible shortages of PPE in Northern Ireland and across the UK. An email, also dated 19 March 2020, sent from Mr Harbinson (Chief of Staff of the NI Hub) to Bernie Rooney (G5 NI Hub) which details these concerns and the consequential need to identify alternative suppliers from both inside and outside Northern Ireland [Exhibit TL/M5/011 - INQ000505600]. As a result of these issues having been raised, Ms Rooney made contact with officials in TEO Private

Office and the Head of the Northern Ireland Civil Service to ask if they had contacts in or with China that could help secure PPE supplies.

24. I became aware of the situation regarding PPE availability when I started work in the deputy First Minister's Private Office. Over the following days and during informal follow up discussions between Ministers and the officials involved in procurement of PPE, I recall that the question of identifying an official with knowledge of contacts within China was raised and, as Director of the NI Bureau in China, I agreed that I would be the most appropriate official who would make contact with organisations in China and try to identify possible providers of PPE. My recollection is that other devolved Nations were in similar circumstances.
25. Following conversations with the British Embassy and Chinese Consulate, and staff within the NI Bureau, they all directed me to the list (referred to as the "White List") prepared by the Ministry of Finance and Commerce of the People's Republic of China (MOFCOM), which was publicly available [Exhibit TL/M5/012 – INQ000505608]. Whilst I did not take steps to verify the quality/legitimacy of the recommended companies, I knew that to be eligible to be on this list companies needed certificates that they could meet European quality standards. I contacted the British Embassy in Beijing and subsequently emailed Ms Rooney and Sharon Smyth, DoF, on 25 March 2020 [Exhibit TL/M5/013- INQ000505601] providing an update in relation to PPE supply issues.
26. My direct involvement alongside other Departments in the procurement of PPE from CR Pharmaceutical arose following the informal follow up discussions between Ministers and officials as referenced above due to the circumstances prevailing at this time whereby TEO had operational responsibility for the Northern Ireland Bureau in China, and I was the Director of the Bureau. As a result, I had knowledge of governmental and business operations in China. In addition, I was able to avail of my existing network of contacts within the British Embassy and Chinese Businesses.
27. My understanding following my initial involvement is that the UKG Covid-19: Personal Protective Equipment (PPE) Plan was published on 10 April 2020 [Exhibit TL/M5/014- INQ00050008] which notes at paragraph 1.53 that:

"Each of the Devolved Administrations has their own supply chain operation for PPE and is responsible for ensuring distribution within Northern Ireland, Wales, and Scotland."

28. My role was to identify a potential supplier of PPE in China, act as facilitator for the subsequent negotiations between our Finance and Health Departments and CR Pharmaceutical, as well as providing practical guidance and assistance throughout the procurement exercise, as appropriate.

29. The tasks I undertook specifically in this regard included:

- sourcing organisations in China which could assist NI Departments with PPE supplies;
- facilitating the discussions and negotiations between NI officials and representatives of CR Pharmaceutical;
- liaising with the British Embassy and Chinese Consulate to seek guidance and to keep them informed of developments with the procurement exercise and
- providing practical advice to NI officials on conducting business with China **[Exhibits TL/M5/009 - INQ000505603, TL/M5/015 - INQ000505602, TL/M5/016 - INQ000505604].**

30. The formal negotiations that took place to select CR Pharmaceutical and to secure PPE from CR Pharmaceutical were between DoH (which primarily made decisions in relation to the type and quality of the items required) and DoF (which primarily made decisions regarding the contractual requirements of the procurement process).

31. On 11 April 2020, the First Minister issued a request to DoH and DoF for confirmation that (1) The consignment from China Resources would have no detrimental impact on the NI share of the UK wide consignment; and (2) That the contract provides reasonable value for money. A draft response **[Exhibit TL/M5/017 - INQ000505635]**, was sent to me for review, and I confirmed I was content that regarding (1) *The DHSC and Cabinet Office's Complex Transaction Team had been very supportive of the DoF/DoH approach to sourcing PPE directly from China. From next week the China Bureau and InvestNI staff will be working with British Embassy in Beijing. As such, the consignment negotiated for NI will have the support of the Embassy. This joint working will ensure that the underlying principle of the 4 nations approach will not be affected. If a significant consignment of PPE is received in NI this will ease any pressure on the stock secured for the wider UK consignment.* DoF responded to First Minister on this basis on 11 April 2020

32. David Sterling responded by letter dated 23 April 2020 **[Exhibit TL/M5/018 - INQ000505643]**, acknowledging the constructive and collaborative approach which had already taken place, and which was underway. He also confirmed that

arrangements were underway to secure PPE for Northern Ireland through a direct contract with a company in China with the contract due to be signed within 'the next few days'. The letter also confirmed that future international orders would be on the basis of the 4 Nations procurement activity.

Cross Departmental Working and the procurement of PPE from CR Pharmaceutical

33. With DoH in Northern Ireland being responsible for the wider Health and Social Care sector, unlike the UK Department of Health, at the Executive meeting on 6 April 2020, the DoF Minister pressed the importance of progressing a NI PPE order and emphasised that all efforts were being taken to mitigate any risks associated with ordering from China. The Executive also discussed possible NI based suppliers, nurses concern about the lack of PPE availability in hospitals and the duration to which supplies would last. **[Exhibits TL/M5/019 - INQ000048452 and TL/M5/020 - INQ000065720]**.
34. I contacted the relevant officials in DoH and DoF who had responsibility for those aspects of the procurement process within their department's specific remit to say I would provide assistance regarding the engagement with China.
35. By early April 2020, a small cross-departmental working group formed comprising of myself and another official from NIBChina, Sharon Smyth (Chartered Procurement and Supply Professional, Department of Finance), an official from Invest NI China, Sharon Gallagher (Policy Lead for supply of PPE, Department of Health) and Peter Wilson (Assistant Director, Procurement and Logistics Service, Business Services Organisation).
36. NI Bureau and Invest NI China 'in-country' officers (the China Team) were included in this team due to their experience of government and cultural operations in China and they were native Mandarin speakers. I involved and managed our locally engaged Chinese NI Bureau colleagues and Invest NI's China team to support NI's procurement and liaised with the British Embassy helping to maintain communications on our plans and flag up any issues the team based in Belfast might have to resolve **[Exhibit TL/M5/021 - INQ000505631]**.
37. Sharon Smyth, DoF led on due diligence, pricing and other contractual provisions where they fell within the remit of DOF **[Exhibits TL/M5/022 - INQ000505630 & TL/M5/023 - INQ000475161]**. I also liaised with and sought guidance from British Embassy/FCO officials, as appropriate. For example, on 22 April 2020, I asked the Invest NI official in China, to liaise with the British Embassy to seek views on contracts

- with Chinese organisations [Exhibit TL/M5/024 - INQ000520877]. I also shared this information with Sharon Smyth, Sharon Gallagher, and Peter Wilson on 23 April 2020.
38. There was an exchange between the Ministers for the Departments of Health and Finance on 30 April 2020 regarding approval of the contracts and the release of funding were approved by Ministers from the Departments of Health and/or Finance and officials from these Departments liaised internally with their own Ministers respectively to secure the necessary authorisations [Exhibits TL/M5/025 - INQ000520879 - and TL/M5/026 - INQ000505644].
39. Proposed contractual documentation was provided by China Resources to me to share with the group for consideration on 23 April 2020 [Exhibit TL/M5/027 - INQ000505716]. I sent this to Sharon Smyth, Sharon Gallagher, and Peter Wilson on the same date. These included a 'Co-Operation Agreement' together with an Annex prepared by China Resources to address Northern Ireland's requirements; a Sales and Purchase Agreement, an Epidemic prevention disclaimer, and a Delivery Note.
40. On 30 April 2020, the Minister of Finance confirmed to the Minister of Health to go ahead with the procurement contract [Exhibits TL/M5/025 - INQ000520879 & TL/M5/026 - INQ000505644], and I informed China Resources Pharmaceutical that the Minister had approved the contract, and the documentation would be forthcoming. I informed the British Embassy by Wechat on 3 May 2020 that the contract was agreed [Exhibits TL/M5/028 - INQ000475162].

Contact with British Embassy regarding PPE procurement from CR Pharmaceutical

41. I was in regular contact with FCO officials, John Edwards and a junior official, in the British Embassy in Beijing via Wechat, email and voice calls from the 23 March 2020 and throughout the period within which discussions and negotiations were underway relating to the procurement of PPE from China [Exhibits TL/M5/015 - INQ000505602, TL/M5/009 - INQ000505603, TL/M5/016 - INQ000505604, TL/M5/021 - INQ000505631, TL/M5/024 - INQ000520877, TL/M5/029 - INQ000505667, TL/M5/030 - INQ000505631, TL/M5/031 - INQ000475163, TL/M5/032 - INQ000475164, TL/M5/033 - INQ000475165].
42. The purpose of the engagement with the British Embassy was initially to ask them about their plans to procure PPE and, as discussions with China progressed, to keep them informed of these and to share information to ensure the Embassy was fully aware of our plans. I also agreed that our NI China Bureau officers would sit in with the

Embassy procurement teams to share information and I introduced the Embassy to our contacts in CR Pharmaceutical.

43. On 24 March 2020, I sent a further email to officials in the FCO on the understanding that the British Embassy had secured supplies of PPE equipment from China to query whether the Devolved Administrations would be receiving an allocation of these supplies and, if not, whether contact information for the suppliers could be provided so that we could approach these suppliers directly. John Edwards of the FCO replied on 25 March 2020 confirming that four new Cabinet Office co-ordinating committees had been set up [Exhibit TL/M5/009- INQ000505603].
44. Through my contacts in Beijing, I received a copy of the White List of approved manufacturers. However, as I did not have connections with any of the companies, listed in the White List, I contacted a company in Beijing I had met with on a number of occasions; China Resources a state-owned business. Part of my role as Director of the NI Bureau in China, was the development of working relationships and networks of key stakeholders in China relating to economic diplomacy. China Resources was one of the companies I engaged with for this purpose and this covered a number of economic sectors. My recollection is that my first interaction with China Resources would have been in 2014. They confirmed their organisation supplied PPE but that it was another company within their corporation, CR Pharmaceutical, and they agreed to arrange an introduction. I subsequently met with the Vice President of CRP, along with Sharon Smyth who agreed they could help us and asked that TEO send over the list of products and the quality standards required. At the same time, I contacted the Chinese Consulate in Belfast to get their support. The consulate confirmed CR Pharmaceutical was approved by their government to supply and export PPE but that I would need to send an official government communication (*Note verbale*) to CR Pharmaceutical stating we were a government procuring PPE for humanitarian use and the company would pass this on to the Chinese Ministry of Commerce to secure their agreement that the company could supply us with PPE. This *Note verbale* is referred to as a letter of authorisation. The Chinese Consulate also agreed to contact the government in Beijing in support of our efforts. I also informed contacts in the British embassy and Irish Embassy in Beijing of our plans. The Vice President of CRP confirmed at the meeting that they could supply most of the products on our list and to the necessary quality standards but emphasised the need for us to provide exact details on standards required.
45. At the Healthcare Ministerial Implementation Group (MIG) on 2 April 2020,

discussions on a UK-Wide basis focused on the adoption of a cross UK approach to cover the procurement of PPE, ventilators, testing and medical supplies and the respective asks from DAs in respect of supply and demand [Exhibits TL/M5/034 - INQ000272959, TL/M5/035 - INQ000083632 and TL/M5/036 - INQ000505568]. It is noted that at that time, the NI entry in the presentation contains no data and an official in TEO raised the matter with DoH [Exhibit TL/M5/037 - INQ000505569].

46. Although I was not directly involved, I understand that that on 6 April 2020, officials from TEO attended a UK / DA Health data call, the purpose of which was to discuss how to provide UKG with appropriate data to allow for negotiation of PPE contracts on a 4-nation basis with NI representatives confirming that they would contact DoH to provide information that was being requested. DHSC also confirmed that they had a central team of 150 people working to secure PPE for all 4 nations and NI officials noting that supply in NI was limited to UK central supply and local suppliers at that time. The note of the meeting is exhibited at TL/M5/038 - INQ000520833.
47. I also understand that a further Healthcare MIG was attended by officials on 7 May 2020, where it was agreed that work would need to progress on agreement for funding PPE procurement on a 4-nation basis and that this should include appropriate use of the Barnett formula. It also confirmed that work should continue with all 4 nations to ensure their needs are taken account of and that all departments should refrain from public communication on PPE contracts until supplies have arrived and are confirmed to meet assured standards [Exhibit TL/M5/039 – INQ000505571].
48. On 16 April 2020, I emailed Sharon Smyth, sharing a Chinese government Checklist of certifications and exporting requirements for Chinese manufacturers/traders supplying medical products to the UK which had been provided to me by the British Embassy in Beijing and used by them [EXHIBIT TL/M5/040 – INQ000505714]. I confirmed that officials from the Bureau based in China were now embedded in the Embassy team which meant they would project-manage the NI order with CR Pharmaceutical and the Embassy would have sight of NI's operation so that NI did not compete with the rest of the UK.
49. On 16 April 2020, a letter addressed to David Sterling and concerning 'International Procurement of Medical Supplies to support a UK Wide response to Covid-19' was received from Sir Chris Wormald, Permanent Secretary DHSC [Exhibit TL/M5/041 - INQ000505641]. The letter refers to a meeting of the 4 Nations which had taken place on 9 April 2020 to discuss international procurement efforts. It emphasised the need

for a collaborative UK-wide approach and the steps that had been taken at that time to collate necessary information to inform this approach. It also included a request for the provision of any information relating to direct procurement of PPE which was currently being undertaken by the 4-Nations.

50. David Sterling responded by letter dated 23 April 2020 **[Exhibit TL/M5/018 - INQ000505643]** acknowledging the constructive and collaborative approach which had already taken place, and which was underway. He also confirmed that arrangements were underway to secure PPE for Northern Ireland through a direct contract with a company in China with the contract due to be signed within 'the next few days'. The letter also confirmed that future international orders would be based on 4 Nations procurement activity.
51. On 23 April 2020, I also confirmed to the British Embassy in Beijing that, following completion of the NI order, all PPE procured from China would be procured through the Embassy route and PPE would be distributed on a 4-Nations' basis according to needs.
52. I contacted a junior official at the British Embassy on the 27 April 2020 to discuss the supply routes for PPE going back to the UK. I understand this was later formally agreed with Peter Wilson.

Contact with Chinese Consulate regarding PPE procurement from CR Pharmaceutical

53. At the end of March/early April, I had contacted the Chinese Consul General in Belfast on a number of occasions, I believe through Wechat messages and calls, to seek both advice and support on securing PPE from China. They confirmed the Chinese government's production of a 'White List' of approved PPE manufacturers **[Exhibit TL/M5/012 - INQ000505608]**. The Chinese Consulate did not recommend any organisations but in our conversations, they also confirmed that China Resources was known as a suitable and credible supplier but that we would need to provide a '*Note verbale*' to the company stating we were a government buying PPE for humanitarian purposes to get Chinese governments permission for the company to sell PPE to us.

Involvement in the distribution of donated PPE with the NI Executive and the 4 Nations

54. Through our international connections throughout the relevant period, TEO also received donations of masks and PPE equipment from partner organisations and provinces in China, from the Chinese Consulate, the Confucius Institute, Friends of Ireland in China and also the Vietnamese government **[Exhibits TL/M5/042 -**

INQ000279505, TL/M5/043 - INQ000505658, TL/M5/044 - INQ000505659,
TL/M5/045 - INQ000520885, TL/M5/046 - INQ000505734, TL/M5/047 -
INQ000305502 and TL/M5/048 - INQ000287588].

55. The donated PPE mainly consisted of face masks that would be commonly worn in China in response to when there were higher levels of pollution, or someone was experiencing a cold. The manufacture of PPE had been increased in China and Vietnam and the donations were the result of the positive relations we had with those organisations.

56. Donated PPE did not include documentation confirming manufacturing quality standards that would enable them to be used in front-line settings. These products, e.g., masks were more suitable for use by the general public and I recommended that they be sent to organisations such as sports clubs, community organisations and others who were supporting the Covid response efforts [Exhibit TL/M5/042 - INQ000279505]. Some of this PPE was distributed by TEO officials to their community contacts and some was sent to community/sports organisations [Exhibits TL/M5/049 - INQ000520888 and TL/M5/050 - INQ000505662]. TEO officials also passed donations to DoH to distribute through their networks. The First Minister and deputy first Minister wrote to Madame Zhang on 15 December 2020 [Exhibits TL/M5/051 - INQ000279504 and TL/M5/042 - INQ000279505] to express thanks for the continued support and the additional supplies offered which included testing kits and face coverings, whilst also confirming that relevant organisations here have been asked to consider the potential usage in association with the UK government guidelines.

Engagement with other bodies in relation to procurement or distribution of PPE

57. I did not work on the procurement and distribution of key healthcare equipment and supplies with any of the following bodies in relation to the procurement exercise with CR Pharmaceuticals:-

- The Health and Social Care Trusts;
- The Health and Social Care Board;
- The Public Health Agency;
- The Health and Social Care Commissioners;
- North South Ministerial Council.

Chronology of my material contributions in relation to the procurement of PPE from CR Pharmaceutical.

58. I was not a key decision maker in the process but a facilitator and advisor. My communications were advisory or for sharing information. To the best of my knowledge my communications were mainly through my NI Bureau email account to contacts in China and with the NI based colleagues. My communications with NI colleagues in China and with the Chinese Consulate were also mainly through Wechat.
59. My first task was to identify a potential supplier of PPE equipment in China. On the 23, 24 and 25 March 2020, I was in email communications with contacts in the British Embassy in Beijing about PPE procurement in China [**Exhibit TL/M5/009 – INQ000505603 & TL/M5/015 - INQ000505602**]. I passed this information on to the officials in the NI Hub [**Exhibit - TL/M5/016 - INQ00506504**]. I was aware from contacts in China and advice from the Chinese consulate in Belfast that due to concerns around PPE procurement practices and the need to ensure the quality of PPE, the Chinese government had produced a list of PPE manufacturers approved to export PPE to appropriate international standards including Europe. This is referred to as the 'White List'.
60. On 1 April 2020, I got a copy of the companies on the 'White List' [**Exhibit TL/M5/012 – INQ000505608**]; however, I was not familiar with any of them. I checked with colleagues working in Invest NI's Beijing office, who were also unfamiliar with any of the companies listed. At this time, I decided to contact China Resources, an organisation I had met with on a number of occasions while in China, as I was aware that they were a large organisation involved in a number of sectors the NI Executive were interested in, including health. I believed that I could use my previous involvement with them as an introduction. I asked them how they sourced their PPE and if they worked with any of the companies on the 'White List'. I was informed that another company, CR Pharmaceutical within China Resources Group sourced PPE and they agreed to help set up an introductory meeting with them.
61. It is my understanding that CR Pharmaceutical is a public listed company which is primarily engaged in the development, production and sale of pharmaceutical products and healthcare items both within China and internationally. It is a subsidiary of its parent company China Resources (Holdings) Company limited, a state-owned enterprise.
62. On 3 April 2020, I facilitated an initial video meeting with the CR Pharmaceutical representative and Sharon Smyth (Chartered Procurement and Supply Professional)

from the Department of Finance. Department of Health officials had also been invited to attend the meeting. They were unable to attend the meeting but had supplied Ms Smyth with details of the PPE required. The representative of CR Pharmaceutical confirmed they sourced PPE products from approved manufacturers on the 'White List' and they would be prepared to supply most of the PPE required and to the appropriate standards.

63. Following the meeting on 3 April 2020, I provided a list of PPE items required, including specifications, and the volumes of each item to the Vice President of CR Pharmaceutical and confirmed I would follow up with details of the specification **[Exhibit TL/M5/052- INQ000505614]**. I then provided a verbal update to First Minister and deputy First Minister and confirmed with Health and Finance officials on 3 April 2020 that CR Pharmaceutical had agreed to provide assistance with procuring PPE. The officials in the Departments of Health and Finance were then responsible to their Ministers for those aspects of the procurement process which fell within their respective areas of responsibility and for keeping their ministers informed.
64. Following the initial meeting on 3 April 2020, members of the NI team met with CR Pharmaceutical on a regular basis via zoom (two or three times a week (in the early stages of negotiation)) to liaise and discuss contracts, technical requirements, and transport logistics. One such meeting was held on 7 April 2020 **[Exhibit TL/M5/053 - INQ000520873]**, **Exhibit TL/M5/054: INQ000505712**, **TL/M5/055 - INQ000520841]**.
65. I informed John Edwards and another junior official from the British Embassy on 7 April 2020 of our discussions with the Chinese organisations.
66. As part of these discussions, CR Pharmaceutical and the Chinese Consulate informed me that they needed a letter (*Note verbale*) from the NI Executive confirming that the PPE would be used directly by our Executive and for humanitarian purposes only. This was a requirement of the Chinese government at that time to prevent profiteering from PPE supplies and to be able to get permission from the Chinese government to export and to provide us with the appropriate PPE **[Exhibit TL/M5/052 - INQ000505614]**. CR Pharmaceutical also asked that TEO confirm that the British Embassy was aware of the negotiations and that a person with the appropriate senior status and policy responsibility be nominated to sign the contract on behalf of the Executive and ultimately receive the goods.
67. I sent a submission to Ministers dated 10 April 2020 **[Exhibit TL/M5/056 INQ000251732]** asking for them to sign the letter of authorisation, and this was approved on 12 April 2020 **[Exhibit TL/M5/057 – INQ000251768]**. The Minister of

Finance was initially proposed as signatory in the '*Note verbale*' Letter of Authorisation but this was subsequently changed to Minister Swann for the contractual Letter of Authorisation [Exhibit TL/M5/058 - INQ000520894] as the Department of Health was the 'buyer'.

68. The first batch of the PPE equipment for NI left China on the 28 May 2020 and arrived in Belfast, via London, on the 8 June 2020 [Exhibit TL/M5/059 INQ000505637]. Responsible Ministers confirmed all the PPE equipment received was in compliance with the necessary quality and operating standards for NI. [Exhibit – TL/M5/060 - INQ000475166].

Chronology of actions I took

| Date | Detail |
|---------------|--|
| 23 March 2020 | I contacted UK embassy to ask about sourcing plans for PPE [Exhibit TL/M5/015- INQ000505602]. |
| 24 March 2020 | I wrote to John Edwards (British Embassy) re PPE sourcing in China and destination [Exhibit TL/M5/009- INQ000505603]. |
| 25 March 2020 | John Edwards replied giving his understanding of the set up of ministerial groups [Exhibit TL/M5/009- INQ000505603]. I wrote to the Hub re my communication with British Embassy Beijing – this said the embassy understanding was that Ministerial groups were to be set up to look at dispersal of PPE and their understanding was this was for the whole of the UK [Exhibit TL/M5/016- INQ000505604] |
| 1 April 2020 | I obtained a list of Chinese government approved manufacturers of PPE [Exhibit TL/M5/012- INQ000505608]. I spoke to a contact in China Resources for advice and if the company provided PPE – advised they would introduce me to Senior Official in Pharmaceutical company. |
| 3 April 2020 | I arranged a video call with VP of the China Resources Pharmaceutical Company (CR). Sharon Smyth Department of Finance participated. [Exhibit - TL/M5/052 - INQ000505614] I confirmed to Sharon Smyth, Sharon Gallagher, Peter Wilson confirming CR could provide most of what we needed. |
| 7 April 2020 | Confucius Institute NI provides translation of PPE information from CR [Exhibit TL/M5/055 - INQ000520841] I contacted the British Embassy and briefed them on our plans for PPE sourcing. |

| Date | Detail |
|---------------|--|
| 10 April 2020 | I sent a submission to First Minister/deputy First Minister to get Letter of Authorisation as discussed with CR and Chinese consulate [Exhibit TL/M5/056 -INQ000251732]. |
| 12 April 2020 | Submission agreed and letter issued [Exhibit TL/M5/057 -INQ000251768]. |
| 15 April 2020 | Sharon Smyth writes to CR confirming standards and quality requirement [Exhibit TL/M5/061 - INQ000505636] <i>Note verbale</i> to Chinese gov re Letter of Authorisation and confirmation PPE to be procured by government. |
| 16 April 2020 | Note from First Minister to Finance Minister raising questions and seeking assurance on CR order [Exhibit TL/M5/062 - INQ000505640] |
| 22 April 2020 | Contacted Christopher Dunne British Embassy to discuss managing of donated PPE [Exhibit TL/M5/063 - INQ000520885] |
| 23 April 2020 | Confirming with British Embassy our understanding that after our order with CR is confirmed and processed procurement of PPE was to be through central UK sourcing. [Exhibit - TL/M5/064 – INQ000520907] Asked official in Invest NI, to introduce our contact company to the Embassy. China Resources confirm all PPE will be sourced from manufacturers on Chinese government's approved list (White List) for PPE exporters to Europe. NI team checking product information supplied by CR – our NI China team and Confucius Institute provide any necessary translation. [Exhibit TL/M5/065- INQ000475167] I checked with CR, Embassy and consulate on China customs regulations regarding standards for exports. Meeting set up with CR including their technical standards specialist, China NI team and NI team to discuss standards requirements and provide reassurance. I say we should recommend to Ministers to agree the contract. I update Irish ambassador on progress with PPE. |
| 24 April 2020 | (CR) confirm they can answer all questions we may have re products and contract. I update a junior official at British Embassy on NI plans. Group call with CR, China Team and NI team to discuss CR agreed to provide English translation for all products and certificates. |
| 27 April 2020 | CR agrees to provide quotations in Sterling and include transport logistics. |

| Date | Detail |
|---------------|--|
| | Confirm with a junior official from the British Embassy we can use On Time Express (OTE) for transportation |
| | We agree with CR and embassy that cargo shipping company (OTE) can act as recipient letters of inspection would be signed by Peter Wilson |
| 29 April 2020 | Updated Chinese Consulate on plans |
| | Zoom call with CR and NI teams – went through all updated technical data |
| 30 April 2020 | I confirm Minister has agreed to sign contract and informed other ministers. |
| | I hold telephone calls and Wechat messaging with NI China team – CR confirm they need an Authorisation letter signed by a minister. |
| | Approval from Finance Minister to Health Minister to go ahead with procurement [Exhibits TL/M5/026 - INQ000505644] |
| 1 May 2020 | Confirm receipt of emails with all documentation |
| | Confirm Sharon Smyth got invoice and paperwork was complete |
| | Confirm Finance has instructed bank to process payment |
| | I update UK embassy |
| 6 May 2020 | CR confirm receipt of payment. |
| | I confirm we need to send Authorisation from First Minister, deputy First Minister |
| 8 May 2020 | Meeting with NI China team – UK gov say they will send some of our PPE by rail which will take longer. |
| 9 May 2020 | I update UK embassy and discuss logistics options. |
| 10 May 2020 | I confirm with China that Health has agreed transport logistics with London. |
| | CR confirm they have been approached by British embassy re sourcing PPE. |
| | Logistics team in London say our PPE will go by rail to Chengdhu – CR raise issue that this will impact on possible quality issues and increase costs to NI. |
| 14 May 2020 | Discussion with Sam McKay at British Embassy to get priority for shipment of gloves for NI to go by air. |
| 18 May 2020 | Meeting with Sam McKay and agreement that gloves will go by air. |
| 22 May 2020 | Confirmation with Embassy that NI PPE will go now by air. |
| 24 May 2020 | CR confirms 7.5 million pieces of PPE delivered to OTE warehouse |
| 27 May 2020 | Confirmation Uniserve will bring PPE from London to Belfast |
| 28 May 2020 | Confirmation first batch of NI PPE has left Beijing |
| 8 June 2020 | PPE arrives in Belfast. |

Relevant matters that required handling during the specified period

69. My personal experience of the procurement process was limited in terms of the extent of my involvement (having only been directly involved in the CR Pharmaceutical exercise and the proposed joint contract with ROI as set out in paragraphs 70-72 below) and the nature of my role. As facilitator, I was not privy to internal decision-making processes and issues which officials within DOF and DOH might have encountered. However, I did encounter two issues related to the procurement of PPE.

i. Leaking of emails

70. In the early stages of the process, I was made aware by contacts in the Embassies in China, the Chinese Consulate and by media reports that as a result of extreme competition, some unethical procurement practices, profiteering and provision of sub-standard quality PPE. In or around late March/early April 2020 the Chinese Government implemented conditions on the export of PPE by manufacturers and exporters in China. The 'White List' **[Exhibit TL/M5/012- INQ000505608]** was issued by the Chinese Government confirming those Chinese Companies permitted to export PPE goods out of China. This highly challenging environment regarding PPE procurement was well known at the time and the subject of a lot of media attention.

71. Following my initial meeting with China Resources Pharmaceutical Company, I sent a note out to senior officials in the departments of Finance and Health on the 3 April 2020 confirming China Resources Pharmaceutical could meet our PPE needs. This note was included in a document leaked to the media on the 10 April 2020 **[Exhibits TL/M5/066 - INQ000505645, TL/M5/067 - INQ000505646, TL/M5/068 - INQ000317400]**. As previous stories had appeared in the media suggesting that some PPE bought by other countries was not fit for purpose, a major theme in this story was that Northern Ireland was likely to experience the same.

72. On 10 April 2020, a media outlet in NI broadcasted a programme questioning if the PPE provided by China met NI standards **[Exhibit - TL/M5/069 - INQ000475168]**, referencing a leaked memo dated 6 April 2020 from Sharon Gallagher. As previous stories had appeared in the media suggesting that some PPE bought by other countries was not fit for purpose, a major theme in this story was that Northern Ireland was likely to experience the same.

73. The leaking of this document was problematic in that it was leaked at a time when sensitive negotiations were underway with China Resources Pharmaceutical creating a possible risk of damaging relationships and placing the potential procurement of

essential PPE equipment in jeopardy. Following transmission of the broadcast (which included a discussion about the leaked document) during a call CR Pharmaceutical I was asked if there were concerns about their products. I provided assurances to them that this was not the case as all parties were each working to the agreed quality standards and specifications. I was of the opinion at the time that the leak had the potential to damage our negotiations. The Executive also discussed the media reporting on the China order [Exhibits TL/M5/070 - INQ000048454 and TL/M5/071 - INQ000213644] and agreed that a letter should issue to the BBC to express concern about the potential impact on the China order [Exhibit TL/M5/066 - INQ000505645] & TL/M5/068 - INQ000317400]. The PPE we procured from China met the appropriate quality standards and was fit for use as confirmed by Ministers. [Exhibit – TL/M5/060 - INQ000475166].

ii. Effective systems, including management of potential fraud

74. The value of the contracts was decided by the Departments of Health and Finance who were responsible for the negotiations on product quality and funding respectively and so officials from these Departments would be better placed to provide a view on the effectiveness of systems designed to ensure overall value

75. The responsible departments had processes in place to minimise risks, including risk of fraud. In addition, Chinese companies exporting PPE needed to secure Chinese government approval that they could supply the necessary items to the required quality and that they were allowed to trade internationally. We (TEO) provided a letter of authorisation to China Resources confirming we were a government, and the PPE was required for humanitarian purposes and would not be sold on, to enable CR Pharmaceutical to secure Chinese government export permission to provide us with the PPE [Exhibit – TL/M5/057 - INQ000251768]. The contract and payment details had to be approved by both the departments of Finance and Health in NI and the CR Pharmaceutical legal team, and the funding had to be sent through the Bank of China. My understanding, from my experience of operating the NI Bureau bank account, is also that the Bank of China held the payments from international organisations for a number of days before releasing to the Chinese company as a further anti-fraud/corruption measure. The Department of Finance also commissioned a due diligence check on the company and the Department of Health decided to split the order in two parts to minimise any risk.

76. During this PPE procurement exercise there were two clumsy attempts at fraud including personification of the CR Pharmaceutical company and the NI Executive.

77. Both were prevented. The first in April, involved a communication from a person in China purporting to represent the CR Pharmaceutical and requesting the money be sent to a different banking account. This issue was immediately flagged with China Resources. The appropriate procedure for payments was to agree the banking details with the principals and the legal office of CR Pharmaceutical and to verify accounts through the NICS banking procedures. There would not be any change in banking instructions without direct contact and agreement between with the negotiation teams, the legal teams and the finance teams [Exhibit TL/M5/072 - INQ000505650].
78. The second attempt in August 2020 was when TEO were made aware of a potential incident of fraudulent activity during the procurement process with China Resources. Specifically, it appeared that a shell corporation approached one of the CR Pharmaceutical manufacturing suppliers with details of the quantities of the second-batch order (for gloves) and purporting to be confirming the order on behalf of the NI Government. CR Pharmaceutical were alerted to the attempt by their supplier manufacturer and contacted me to report the matter. The shell company would have to have been able to go through the Chinese government PPE export restrictions and also be in receipt of a Letter of Authorisation from the NI Executive. The NI Executive had signed an exclusivity agreement with China Resources Pharmaceuticals for the specific products therefore this attempt was stopped by Chinese government and business policies.
79. The timely identification of both attempts and the policies and procedures in operation by the Departments involved together with China Resources Pharmaceutical policies and the Chinese governments restriction mitigated the risk.

Potential conflicts of interest

80. I had experience of working with the China Resources Corporation but not CR Pharmaceutical and I declared my prior working with the corporation in verbal briefings to the Head of the Civil Service, First Minister, deputy First Minister and Minister of Finance after first contact. I had no personal business interest with any part of the China Resources organisations, and CR Pharmaceutical operated within the strict Chinese government export processes which included full transparency on the management of the finances. The contracts were negotiated by the Departments of Finance and Health and both had to be satisfied with the costs and the processes. The contract specified the CR Pharmaceutical account name and details (ie IBAN/SWIFT numbers), to ensure that payment would go direct to China Resources

Pharmaceuticals (via Bank of China) and not through any agents or intermediaries.

[Exhibit TL/M5/026 - INQ000505644].

Proposed Joint Procurement of PPE from China with Irish Government

81. I was not involved or included in the early discussions leading to an announcement that there would be a joint procurement between NI and the Irish government. When I took up my role as Principal Private Secretary to the deputy First Minister, I was aware from discussions at the Executive that there was a plan to work with the Irish government to source PPE through their supply routes but that there had not been any definite agreement. I was due to take up the position of Joint Secretary of the North South Ministerial Council on my permanent return to Northern Ireland and had met with the Joint Secretary on the Irish government's side on a familiarisation visit sometime during 2019. In March and April 2020, I was in contact with the Southern Joint Secretary (Irish Government) when there were concerns as to whether the Irish government would be able to help the NI Executive with PPE supplies. I recall speaking with the Southern Joint Secretary in late March 2020 and he made me aware of concerns within their system as to whether they would be able to secure additional PPE to meet NI requirements. I had worked closely with the Irish Embassy in Beijing during my time there and I decided I would contact them to discuss the matter.

82. Towards the end of March 2020, I contacted the Irish Ambassador in Beijing, and he arranged a Zoom call. During this call, I was made more aware of the pressures to secure PPE and the extreme competition that was taking place between countries and regions. The Economic Officer explained that they had utilised all of their resources in terms of their PPE suppliers and that, due to the international demand, they were unable to add any more to their allocation at that time. I provided a verbal update to First Minister and deputy First Minister on the conversation, and it was agreed that I would try to reach out to my contacts in China to see if they would be able to assist us. In early April 2020, I was approached by DoF officials in connection with the planned collaboration between Northern Ireland (specifically by DoF) and ROI to secure PPE from China on a joint basis. I was asked whether, given my contacts in China, I would be able to identify additional resources in China to help the IDA (International Development Authority) Ireland staff who were sourcing and securing orders for the products. [Exhibit TL/M5/073 - INQ000505652 & TL/M5/074 - INQ000505657]. Whilst I agreed to provide assistance, ultimately the planned collaboration did not proceed. This was the extent of my personal involvement and I am unable to comment as to why the joint procurement did not succeed.

83. The North South Ministerial Council had no further involvement in the PPE procurement exercise for the NI Executive and I believe the Irish government was kept informed of our work through informal discussions between the procurement and health organisations north and south.

Document Retention

84. I did not have access to the NICS internal network whilst working in China and asked IT Assist to set up an email account that I could use to be able to communicate with NI officials. IT Assist set up a 'SquirrelMail' account (NIBchina@nics.gov.uk - the 'NI Bureau account') to allow me to communicate via email when in China.

85. The NI Bureau account was solely for my use and was used by me from September 2014. It was my understanding that the NI Bureau account was accessible only by me. The NI Bureau email account was my main method of communicating.

86. As I was facilitating discussions and negotiations at that time my view was that the key documents were owned by the Department of Finance and Department of Health, and they would retain those documents. I was copied into any relevant correspondence for information and to help me facilitate the negotiations. I kept documents relating to my involvement on the procurement process and made these available to the TEO Inquiry Team in May 2022 and also confirmed that Finance and Health maintained other documents [Exhibits TL/M5/075 - INQ000520899 and TL/M5/076 - INQ000520900]. After my retirement in May 2022, I had access to my documents on the NI Bureau email account until sometime in 2023 at which time my NI Bureau email account was discontinued without my knowledge. In sending the appropriate documents to TEO inquiry team, I had identified and provided documents that focused on my role in facilitating the contractual negotiations. My cover email also confirmed that further documentation was maintained in DoF and BSO/DoH [Exhibits TL/M5/075 - INQ000520899 and TL/M5/076 - INQ000520900], which I understood related to the detail of the contracts and details on product requirements.

87. I used Wechat for communicating with colleagues in China and at the Chinese Consulate in Belfast and I used WeChat for informal communications during the PPE procurement exercise. WeChat is a Chinese instant messaging, call, video call, social media and mobile payment app which can be downloaded allowing users to access services like those available via WhatsApp, including text messaging, calls and videoconferencing. WhatsApp is not available in China.

88. I had a NICS-issued phone for use in China, which included personal use, but this phone was disposed of in China in line with advice received at that time by NICS, prior to my then expected end of posting and intended return to NI in or around July 2019 [Exhibit TL/M5/077 – INQ000520896]. Shortly before my departure for NI I was informed that the process to appoint my replacement had fallen through and I was asked to stay on in the post for a further period. Prior to the disposal of my NICS phone, I had purchased an Android phone in China for personal and work use while in China and downloaded and registered WeChat to that phone. I continued to use this phone instead of a NICS-issued phone for work purposes because I expected to be replaced in China at any time.
89. The Android phone I had purchased was not connected to any NICS systems or network.
90. I used Wechat on this Android phone until towards the end of April 2020 when it was broken in an accident, at which point I had not backed up the Wechat messages. I have retained the Android phone and although I took some informal advice in and around the time of the Android phone was broken, I have not personally been able to retrieve the Wechat messages used on that phone. I was keen to retrieve the messages for the purposes of continuity as the Wechat messages regarding PPE procurement had commenced. I was provided with a pre-used NICS-issued iPhone a few days after the accident with the Android phone in or around 20 April 2020 and was able to connect with WeChat again. Messages held on the broken Android phone did not transfer to my NICS iPhone as they were not backed up. The WeChat messages and activity that are not available cover the period from around 8 April 2019 to 21 April 2020. This would have included messages such as arranging times and dates for calls/video chats, asking if meetings can be set up, confirming when China¹² staff would go into the Embassy, checking on the welfare of our Chinese colleagues, etc. I have emailed 122 screenshots of relevant informal WeChat communications dating from 22 April 2020 onwards to TEO to aid with preparation of this statement and the TEO Module 5 corporate statement [Exhibit TL/M5/006 – INQ000541534]. Examples of these are available at Exhibits TL/M5/078 – INQ000505713, TL/M5/079 – INQ000520908, TL/M5/080 – INQ000516719 & TL/M5/064 – INQ000520907. The remainder has been provided as general disclosure. In addition to using a mobile phone whilst in China, I also used a NICS-issued laptop and iPad. I left the laptop and iPad in China when I returned to NI in August 2020.

91. As my role was facilitator and advisor to those involved in the negotiations the key documents in the negotiations came from or were in response to those from the primary departments responsible for the PPE negotiations – Finance and Health. The emails and messages that were not retained by me were either those that were authored and owned by the other departments that would be maintained by those departments or emails I would describe as administration – setting dates for meetings, confirming if meetings were to take place, confirming receipt of emails etc.
92. The Wechat messages that are relevant to the scope of Module 5 but which are no longer available were similar administration or checking in with my colleagues in China. Wechat messages to get an introduction to the VP from CR Pharmaceutical and messages to Consul General Zhang Meifang asking to set up telephone calls are not available.

Action Taken to Retrieve Material Relevant to this Module 5 Statement

93. I understand that DoF confirmed on 5 July 2024 that the Bureau email account had been closed. The Module 5 Inquiry Legal Team was advised of the potential loss of data on 10 July 2024 [Exhibit TL/M5/081 – INQ000520905]. TEO confirmed that action would be taken to secure emails from other sources.
94. I have been advised that the TEO Covid Inquiry Team, on learning that I could no longer access the NI Bureau account and therefore the information contained within it, contacted a TEO IT colleague to determine what had happened. This is set out in detail in TEO Module 5 Corporate statement [Exhibit TL/M5/006 – INQ000541534].
95. In summary, the Covid Inquiry Team was advised that it would not be possible to retrieve the NI Bureau email account because it no longer existed, and backups did not go any further back than six months [Exhibit TL/M5/082 – INQ000520901].
96. I have been advised that on 3 July 2024, the issue of the closure of my email accounts of potential relevance to the Inquiry being deleted was discussed at the HOCS Reference Group meeting. HOCS formally commissioned TEO and DoF to undertake an urgent review of the potential loss of emails. It was agreed that TEO would update HOCS on Monday 8 July 2024. It was also agreed that if the issue had not been resolved the Inquiry would be notified of the situation and that steps would be taken to retrieve information, if possible [Exhibit TL/M5/083 – INQ000520903].
97. On 5 July 2024, an email from Helen Toner, DoF, confirmed that my NI Bureau account was decommissioned in April 2023 and that system backups were not taken, and it was, therefore, not possible to recover any information. She states:

“the NI Bureau email account NIBCHINA@NICS.GOV.UK, which was separate from the Foreign Office email accounts that would have been set up within the Embassy, was a standalone account accessed only by Tim Losty. It was hosted on a separate system away from the core services provided by IT Assist on NIGOV. This was to ensure there was complete separation for systems accessed in China and no possibility of compromise” [Exhibit TL/M5/084 – INQ000520904].

98. On 9 July 2024, Jane Holmes, TEO, emailed colleagues in the Department of Finance (DoF) posing a number of questions in relation to the email accounts. DoF replied that day advising that due to leave commitments, a substantive response could not be provided until they returned from leave [Exhibit TL/M5084 – INQ000520904].

99. On 25 July 2024, DoF replied and advised the following:

“The NIB account was established to assist communication between the office and colleagues back in NI. The NIB account was on a separate system which was hosted by IT Assist (ITA) in an isolated area for security purposes to ensure it could be closed or destroyed swiftly, if required, should there be a breach in the system. In September 2022, a service request was received by ITA from NIB seeking a new NIGOV email in order to transfer information to the NICS system.

No further communication was received from TEO and in April 2023, in light of the system not being used and having received no instruction to maintain, IT Assist decommission the NI Bureau account. It was noted that this was longer than the usual 90 day rule on NICS mailboxes and therefore there was no data to restore.” [Exhibit TL/M5/084 – INQ000520904].

100. However, it is TEO’s understanding that the 90-day retention rule was not applied to the NIBureau email account.

101. In addition, on 30 July 2024, TEO contacted DoF colleagues and asked if they would carry out a search for emails regarding the procurement of PPE from China that involved me [Exhibit TL/M5/085 – INQ000520906]. DoF subsequently advised that they held 230 emails of potential relevance to my involvement to PPE procurement. DoF provided a schedule of potentially relevant documents and read only access to those documents to TEO. TEO reviewed the documents and, with my assistance, identified a possible 10 documents which were additional to those held by TEO and

were of relevance to the information provided by me. The remainder of the documents were either already in the possession of TEO or not considered relevant to this statement. The 10 relevant documents are now exhibited as evidence where indicated within this statement. DoF provided TEO with access to these 10 documents to facilitate this.

Lessons learned and personal reflections

102. I have not been involved in any internal or external reviews or lessons learned exercises in relation to this PPE procurement.
103. My role as facilitator and advisor in the procurement exercise was because of my work in China and the contacts I made there. I did not have a formal responsibility for procurement, healthcare items or distribution. I do want to help the inquiry and therefore my following reflections are from my personal observations and reflections on the experience.
104. I felt at the time that the nine departments, headed by permanent secretaries reporting to ministers from 5 different parties did not always encourage or facilitate good cross-departmental cooperation. However, in my experience of working with the team procuring the PPE from CR Pharmaceuticals, this worked well because the two ministers, (Finance and Health) agreed the priority of securing PPE and the officials on the team worked well together to achieve that objective. The operation of senior officials within departmental silos did not always facilitate the cooperation required to face a crisis and highlighted the weakness of the chain of command between the Head of the Civil Services (HoCS) and the Permanent Secretaries. HoCS does not have an accounting officer role and the Permanent Secretaries report to the minister from one of the then five parties.
105. It was my view at the time that the leaking of information, as referred above, from within the system at a critical time could have resulted in our losing the PPE supply. Given the global demand for PPE at that time, CR Pharmaceutical was not dependent on an order from NI and could have withdrawn from negotiations if they felt their reputation was associated with criticism of product quality. As stated above, there were no issues with the quality of products provided by CR Pharmaceutical. I am not aware of this leak being investigated.
106. On a number of occasions I also felt that the UK government came across as disinterested in working with, or hearing the concerns of the Devolved Administrations and this was sometimes reflected in the attitudes of some UK officials.

STATEMENT OF TRUTH

I believe that the facts stated in this witness statement are true. I understand proceedings may be brought against who makes, or causes to be made a false statement in a document verified by a statement of truth without an honest belief of its truth.

Personal Data

Signed:

Dated: 12 February 2025