

COURT OF INQUIRY

assembled by

**Lieutenant General J. Mateparae, ONZM
Chief of Defence Force**

into

**THE CIRCUMSTANCES IN WHICH
MR STEPHEN WILCE WAS EMPLOYED AS
DIRECTOR OF THE
DEFENCE TECHNOLOGY AGENCY**

**Edited for public release
pursuant to the Official Information Act 1982**

EXECUTIVE SUMMARY

1. This inquiry was carried out over the period 13 September to 15 October 2010. In that time, the Court heard the evidence of 40 witnesses and admitted 124 documents into evidence.
2. In summary, the Court finds that:
 - a. The NZDF project team formed to recruit a new Director of the Defence Technology Agency in 2004 complied with most of the then applicable provisions of DFO 16.
 - b. Given the nature of the position, the interview panel should not have ignored the scientific, research, development and engineering competencies of the final applicants to the extent that they did during the interview process.
 - c. No member of the interview panel had sufficient human resources experience and expertise to ensure that the process was properly managed in accordance with DFO 16.
 - d. The interview process was conducted with undue haste.
 - e. Overall, the quality of the recruitment process followed was inadequate from a qualitative perspective.
 - f. There were no relevant State Services Commission guidelines in place at the time Mr Wilce was recruited, but this was remedied in 2007.
 - g. A number of claims which Mr Wilce made in the curriculum vitae he submitted with his application were embellished or misleading.
 - h. Momentum Consulting Group Ltd ("Momentum") carried out qualifications checks on Mr Wilce in accordance with the then provisions of DFO 16. Mr Wilce holds the qualifications that he claimed to hold in his curriculum vitae.
 - i. Momentum carried out a criminal history check through a subcontractor...*[Information withheld under section 20 of the Criminal Records (Clean Slate) Act 1994.]*
 - j. Momentum was obliged, under the contract it entered into with the Crown, to "undertake detailed reference checking" to the standard indicated in its Proposal.
 - k. Momentum did undertake referee checks.
 - l. The checking undertaken by Momentum met the basic standard then required by DFO 16; enquiries were made of Mr Wilce's referees and no concerns about his background, integrity or character became apparent.
 - m. The checking undertaken by Momentum did not satisfy the higher standard of thoroughness required by its contract with the Crown; adherence to this standard was necessary given the nature of the position.
 - n. The NZDF recruitment project team placed an undesirably high level of reliance on Momentum carrying out the proper checks. The NZDF could

not contract out of its responsibility to ensure that adequate checks were conducted prior to appointing Mr Wilce. Accordingly, the relevant manager, [the then Assistant Chief Development], bears command responsibility for any failings in this regard.

- o. The standard of checking required by DFO 16 at the time was inadequate in the circumstances.
- p. The vetting of Mr Wilce for a [high level] clearance was conducted in accordance with the DPMC manual, *Security in the Government Sector*.
- q. The vetting process prescribed in *Security in the Government Sector* is at least as thorough as that which applies in New Zealand's partner defence forces.
- r. However, the NZDF's decision to grant Mr Wilce a [high level] security clearance was flawed because it had not conducted adequate pre-employment screening. This might have been expected to bring to light some of the security concerns subsequently raised if it had been done sufficiently thoroughly.
- s. Over the five years he was at the Defence Technology Agency, Mr Wilce made embellished claims to a number of his staff and other members of the NZDF about his qualifications, work, military and life experience. The claims were made sporadically to different people and often had an air of plausibility. Often there was some grain of truth, for example in the case of the bobsledding claim. When the claims are viewed together, they clearly appear to be the product of fabrication. Viewed individually and spread over a five year period, the fabrication and consonant security concerns were less obvious.
- t. Mr A raised a concern regarding Mr Wilce's integrity at around the same time Mr Wilce was being vetted for a security clearance in 2005. He passed on his concerns to a member of the NZSIS. The Court has been unable to determine what was done in response to this, as the NZSIS witness was unable to provide any record of the conversation or any action taken in consequence.
- u. Mr A's concern was also passed on by his daughter, then Major B, to two members of the NZDF involved in Mr Wilce's recruitment; Mr C and Mr D. It seems probable that Mr C informed...[the] then Assistant Chief Development [who was] chair of the interview panel. It is unclear what, if any, steps were taken beyond that.
- v. The staff of DTA did not raise any concerns about Mr Wilce's embellished and misleading statements until a disclosure was made under the Protected Disclosures Act 2000.
- w. Major E and Mr F raised concerns relating to Mr Wilce's veracity and discretion with the Director of Defence Intelligence and Security, Colonel G, in 2009. Colonel G may have raised the matter with his immediate superior. It is unclear what, if any, steps were taken beyond that.
- x. The responses to the various indications were less than satisfactory.

- y. Notwithstanding his [high level] clearance, in fact Mr Wilce had only limited access to [highly sensitive] information.
 - z. Mr Wilce was not and is unlikely to become a national security risk of any real significance.
 - aa. Mr Wilce may however present a risk to the reputation of New Zealand with its international defence and security partners.
 - bb. There are unanswered questions relating to Mr Wilce's work patterns, travel claims and expenses, as well as an employment related issue, while he was Director of the Defence Technology Agency.
3. The Court recommends that:
- a. The current version of DFO 16 as it applies to the recruitment of Civil Staff be amended as soon as possible by:
 - (1) Reinstating the requirement for reference and qualifications checks;
 - (2) Adding a requirement to conduct a criminal history check;
 - (3) Adding a requirement to conduct a credit history check where the appointee will have access to taxpayer funds;
 - (4) Ensuring that NZDF human resources staff obtain the consent of every candidate to conduct the foregoing checks, should that candidate be provisionally selected;
 - (5) Ensuring that the abovementioned consent includes permission for NZDF human resources staff to forward any information obtained to the Deputy Director Security for vetting purposes.
 - (6) Requiring NZDF human resources staff to indicate to New Zealand Police vetting staff, when conducting the criminal history check, if the position in question involves access to national security information; and
 - (7) Ensuring that the recruitment files of successful candidates are not destroyed.
 - b. DFO 51 and/or DFO 16 be amended to ensure that especially thorough checks of the type indicated above are conducted whenever the position, for which the Civil Staff member is being recruited, requires access to classified national security information, and that the information gathered by NZDF human resources staff is communicated to the Deputy Director Security before any application for a security clearance is forwarded to the NZSIS.
 - c. A mechanism such as a "whistle blower" phone number be established at HQ NZDF (eg in the Directorate of Defence Intelligence and Security) in order to provide an outlet for those NZDF personnel who feel unable to use their own command chain or management lines to draw attention to issues of security concern.

- d. The Directorate of Defence Intelligence and Security conduct a formal review of the security risk posed by Mr Wilce's employment as DDTA.
- e. An audit be undertaken to ascertain the veracity of the claims made in the evidence before this Court that Mr Wilce may have had an unacceptable number of unexplained and unauthorised absences from work.
- f. An audit of travel and expense claims made by Mr Wilce during his employment as DDTA be undertaken.
- g. The appropriate authorities investigate the claim made in the evidence of Dr AT that Mr Wilce employed a member of the Civil Staff in a manner which did not comply with the Defence Act 1990 or DFO 16.
- h. Communications and Information Systems Branch audit the computer networks in use at the Defence Technology Agency to ensure that they comply with relevant NZDF orders and instructions.
- i. The NZDF take steps to foster an organisational environment where its personnel feel able to come forward when they have concerns.
- j. A copy of this report, less the evidence attached, be placed on the NZDF personal file of Mr Stephen Wilce.

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ORDER FOR THE ASSEMBLY OF A COURT OF INQUIRY

Orders by Lieutenant General Jeremiah Mateparae, ONZM, Chief of Defence Force
Service description and appointment of assembling authority

A court of inquiry consisting of the following persons is to assemble at Headquarters New Zealand Defence Force
Place

on 13 September 2010 at 1300 hours for the purpose of collecting and recording evidence on:¹
Date Time

the circumstances in which Mr Steven Wilce was employed as Director of the Defence Technology Agency

(and reporting and commenting)² ~~(and making a declaration under section 201 of the Armed Forces Discipline Act 1971)²~~
by 0900 hours on 24 September 2010 as required by the terms of reference below.

President³ Brigadier A.D. Gawn, MBE, MA

Members⁴ Mr D.J. Edwards, BA, BMus

Counsel assisting⁵ Commander C.J. Griggs, LL.M, MA (Hons), LL.B, RNZN

The president is to order or summon the witnesses to attend in accordance with section 200I of the Armed Forces Discipline Act 1971.⁶ Upon completion the president is to forward the record of proceedings to the assembling authority.

The court is to have regard to sections 200M and 200N of the Armed Forces Discipline Act 1971 at all times. The court is to read DM 69 (2 ed) Volume 1 Chapter 11 Section 2 before commencing its inquiry.

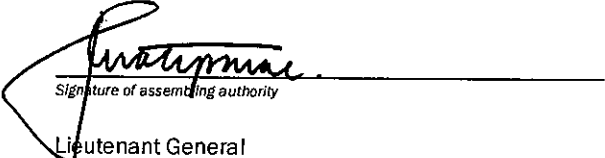
TERMS OF REFERENCE⁷

See attached Terms of Reference.

Dated at Wellington on 13 September 2010.

Place

Date


Signature of assembling authority

Lieutenant General
Rank

Chief of Defence Force
Appointment

¹ Insert a short description of the matter to be inquired into.

² Delete the words in parentheses if inapplicable.

³ Insert full Service description of the officer appointed as president.

⁴ Insert full Service description of the officer(s) and/or warrant officers and/or the members of the Civil Staff appointed as members.

⁵ Insert full Service description of the officer appointed as counsel assisting, if appointed.

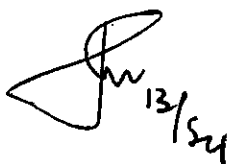
⁶ A summons is to be in form MD 637.

⁷ Specify the terms of reference. If necessary attach an additional page.

TERMS OF REFERENCE

You are to consider and report on the following:

1. What process was used to consider the application of Mr Steve Wilce for employment at the Defence Technology Agency? Did that process accord with relevant NZDF orders and guidance, and with State Services Commission guidelines?
2. What employment history was claimed by Mr Steven Wilce at the time of his application for employment at the Defence Technology Agency? Exhibit a copy of the curriculum vitae submitted by Mr Wilce as an exhibit.
3. Were any aspects of Mr Wilce's claimed employment history not authentic; if so, which ones?
4. What policies and/or procedures, if any, were in place at the time of Mr Wilce's application in respect of vetting and verifying information submitted in support of employment applications?
5. What steps, if any, were taken to substantiate the information submitted in support of Mr Wilce's application?
6. Were the steps taken to substantiate Mr Wilce's supporting information in accordance with the policies and procedures in place?
7. Were the steps taken to substantiate the supporting information adequate?
8. Were the policies and procedures in place at the time in respect of the vetting and verification of information submitted in support of employment applications appropriate?
9. Did the NZDF receive any indications that statements made by Mr Wilce about his qualifications, work, military or life experience were inaccurate? If so, provide details and the dates these indications became available.
10. What was the NZDF response to these indications?
11. Comment on the sufficiency of the response(s).
12. Was there anything that alerted or could have alerted the NZDF that the veracity of Mr Wilce's statements was questionable? If so, what, if any action was taken?
13. Are there any changes that could be made to NZDF practices, procedures, or policy that may prevent a recurrence of this type of incident?
14. Is or was a security risk present as a result of Mr Wilce's employment with the NZDF?
15. Comment on any other matter that the Court considers relevant.

A handwritten signature in black ink, followed by the date '13/5/24' written in the same ink.

ORDER FOR THE ASSEMBLY OF A COURT OF INQUIRY
AMENDMENT NO. 1

Orders by Lieutenant General Jeremiah Mateparae, ONZM, Chief of Defence Force

WHEREAS on 13 September 2010 I assembled a court of inquiry for the purpose of collecting and recording evidence on the circumstances in which Mr Stephen Wilce was employed as Director of the Defence Technology Agency:

AND WHEREAS I directed that the court of inquiry report and comment as required by the terms of reference by 0900 hours on 24 September 2010:

AND WHEREAS, having been informed that the court of inquiry was unable to complete its inquiry by the aforementioned date, I authorised the court of inquiry to submit an interim report only on that date:

NOW THEREFORE I direct the court of inquiry to report and comment as required by the terms of reference annexed to my original assembly order by 0900 hours on 1 October 2010.

Dated at Wellington on 27 September 2010.


J. MATEPARAE
Lieutenant General
Chief of Defence Force

ORDER FOR THE ASSEMBLY OF A COURT OF INQUIRY

AMENDMENT NO. 2

Orders by Rear Admiral Jack Raymond Steer, ONZM, Vice Chief of Defence Force

WHEREAS on 13 September 2010 the Chief of Defence Force assembled a court of inquiry for the purpose of collecting and recording evidence on the circumstances in which Mr Stephen Wilce was employed as Director of the Defence Technology Agency:


AND WHEREAS he directed that the court of inquiry report and comment as required by the terms of reference by 0900 hours on 1 October 2010:

AND WHEREAS the court of inquiry has been unable to complete its inquiry by the aforementioned date:

AND WHEREAS, by letter dated 5 October 2010, the Chief of Defence Force appointed me to act as the Assembling Authority for this court of inquiry during his absence on duty overseas:

NOW THEREFORE I direct the court of inquiry to report and comment as required by the terms of reference annexed to the original assembly order as soon as practicable, taking into account the principles of natural justice.

Dated at Wellington on 7 October 2010.


J.R. STEER
Rear Admiral
Assembling Authority
for Chief of Defence Force

STATEMENT OF COMPLIANCE WITH AFDA s 200N

The Court took the following steps to comply with AFDA s 200N in respect of the persons named below:

- a. **Mr Stephen Wilce.** It was apparent to the Court from the start of its inquiry that Mr Wilce's character and reputation would likely be affected by the inquiry. Mr Wilce was therefore advised of his rights under AFDA s 200N in writing on 13 September 2010. He was granted permission to be legally represented. Mr Wilce's lawyer was provided with copies of all evidence collected by the Court, on a solicitor's undertaking that the evidence was only to be used for the purpose of exercising Mr Wilce's rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. Mr Wilce gave evidence to the Court in the presence of his lawyer. Neither he nor his lawyer attended the proceedings of the Court while it was hearing the evidence of other witnesses. Mr Wilce was provided an opportunity to comment on the Court's draft interim report and draft final report.¹ Mr Wilce made two written submissions, which were considered by the Court.
- b. **Momentum Consulting Group Ltd.** Momentum was advised of its rights under AFDA s 200N in writing on 15 September 2010, as a consequence of evidence that the Court heard that day. Momentum was granted permission to be legally represented. Momentum's lawyers were provided with copies of all evidence collected by the Court, on a solicitor's undertaking that the evidence was only to be used for the purpose of exercising Momentum's rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. The Managing Director of Momentum, Mr H, gave evidence to the Court as the representative of Momentum in the presence of Momentum's lawyers. Momentum required the recall of three witnesses,² which the Court facilitated. Momentum's lawyers were also present during the evidence of a number of other witnesses (although not all), and exercised Momentum's right to ask pertinent questions of those witnesses. Counsel assisting the Court had a number of meetings and telephone conversations with Momentum's lawyers to ensure that they were aware of matters before the Court that might affect Momentum's reputation. Momentum was provided an opportunity to comment on the Court's draft interim report and draft final report. Momentum made three written submissions and addressed various correspondence to the Court during the inquiry, all of which was considered by the Court.
- c. **Mr C.** Mr C was advised of his rights under AFDA s 200N orally, as a consequence of evidence that the Court heard the previous day. He was provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising his rights under s 200N and was to be returned to

¹ This additional step was taken to accord with the principles of natural justice under common law: *Re Erebus Royal Commission: Air New Zealand Ltd v Mahon* [1983] NZLR 662 (PC).

² Mr L, Mr I and Mr Stephen Wilce.

the Court at the conclusion of the inquiry. He was present during the evidence of a small number of other witnesses. Mr C was provided an opportunity to comment on the Court's draft interim report and draft final report. Mr C chose not to comment on the draft interim report. He made a submission in respect of the draft final report, which was considered by the Court.

- d. **Dr J, Mr K and Mr D.** These gentlemen were advised of their rights under AFDA s 200N in writing on 22 September 2010, as a consequence of evidence that the Court heard the previous day. They were provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising their rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. They were provided an opportunity to comment on the Court's draft interim report and draft final report. Dr J and Mr K made oral statements under oath in respect of the draft interim report when they were recalled following its submission. Mr K exercised his right to give evidence to the Court on a further occasion, at a special sitting of the Court in Auckland on 12 October 2010. Mr D was recalled by the Court after he had been advised of his rights, and exercised his right to volunteer evidence relevant to his character and reputation. All three gentlemen were provided an opportunity to comment on the draft final report. Mr K and Mr D made written submissions which were considered by the Court.
- e. **Mr L.** Mr L was advised of his rights under AFDA s 200N by letter dated 24 September 2010, although he did not receive this advice under 27 September due to his absence on leave. Mr L was provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising his rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. He was provided an opportunity to comment on the Court's draft interim report and draft final report. Mr L was recalled by the Court after he had been advised of his rights. He provided the Court with a written submission on 8 October 2010, which was considered by the Court.
- f. **Mr M.** Mr M was advised of his rights under AFDA s 200N in writing on 27 September 2010. He was provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising his rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. He was provided an opportunity to comment on the Court's draft interim report and draft final report. Mr M made a written submission on 29 September 2010. He provided some additional comment on 19 October 2010. Both documents were considered by the Court.
- g. **Mr N.** Mr N was advised of his rights under AFDA s 200N in writing on 30 September 2010, as a consequence of evidence that the Court heard from Mr K. He was provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising his rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. Mr N exercised

his right to recall and question witnesses at a special sitting of the Court in Auckland on 12 October 2010. He was provided an opportunity to comment on the Court's draft interim report and draft final report. Mr N made a written submission to the Court on 18 October 2010, which was considered by the Court.

- h. **Ms O.** Ms O was advised of her rights under AFDA s 200N in writing on 4 October 2010. She was provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising her rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. She was provided an opportunity to comment on the Court's draft interim report and draft final report. Ms O made a written submission in respect of the draft interim report, which was considered by the Court.
- i. **Colonel G.** Colonel G was advised of his rights under AFDA s 200N in writing on 13 October 2010. He was provided with copies of the relevant part of the evidence collected by the Court, on the understanding that the evidence was only to be used for the purpose of exercising his rights under s 200N and was to be returned to the Court at the conclusion of the inquiry. He was provided an opportunity to comment on the Court's draft interim report and draft final report. Colonel G made a written submission on 14 October 2010, which was considered by the Court.

WITNESSES

NOT INCLUDED WITH THIS VERSION

REPORT OF THE COURT OF INQUIRY

General

1. The inquiry was carried out over the period 13 September to 20 October 2010. In that time, the Court heard the evidence of 40 witnesses and admitted 124 documents into evidence. The Court sat at Defence House in Wellington and at the Defence Technology Agency and HMNZS PHILOMEL in Auckland.

2. *[This public version of the report has been edited by withholding:*

- a. *The names of persons involved in the matters inquired into, with the exception of Mr Wilce: section 9(2)(a) Official Information Act 1982;*
- b. *A small amount of personal information about Mr Wilce, where the public interest in that information is outweighed by his privacy interests: section 9(2)(a) Official Information Act 1982*
- c. *Information, the release of which would be likely to prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand: section 6(a) Official Information Act 1982; and*
- d. *Information which must be withheld under section 20 Criminal Records (Clean Slate) Act 1994.]*

Part 1: The process followed in recruiting Mr Stephen Wilce

3. This part of the Court's report deals with terms of reference 1 to 3. It also provides supplementary comment under term of reference 15.

The process used

4. DFO 16 (Defence Force Orders for Civil Staff Administration) was in force during the recruitment process of Mr Stephen Wilce as Director of the Defence Technology Agency (DDTA). This DFO came into force on 14 April 1997.³

5. The process prescribed in DFO 16 is set out in Annex C.

6. A project team was formed by Assistant Chief Development to manage the process of recruiting a new DDTA, after the retirement of Dr JB. The process followed in recruiting the DDTA is set out in the form of a flow chart at Annex A. This is supplemented by a process timeline at Annex B. Strictly speaking, the project team complied with all the steps required by DFO 16, except those relating to previous employment checks. The policy and circumstances relating to that aspect are dealt with in a later section of this report. The Court finds however that the quality of the recruitment process followed was inadequate.

7. The recruitment process is not a loose collection of isolated actions that have a sequence. It is an integrated process that has interdependencies. All of the

³ Exhibit B.

components of the process need to be undertaken and completed well. The Court finds that that did not happen.

8. It is one thing to comply, or be seen to comply with a process from a quantitative perspective ie tick the box. However, the responsibility rests with decision makers to ensure that they undertake the process properly from a qualitative perspective.

9. The Court has identified two key failings in the process used. One of these was the way in which referee and reference checks were conducted. That is covered in a later section of the report. The other was the manner in which the interview panel was constructed and operated.

10. Dr AH was there for his scientific contribution.⁴ The review of the DTA in mid 2004 that sought to refocus the DTA, the revised job description and the advertisement all identified that there needed to be a balance between scientific credibility and management.⁵ The Court finds that it was poor decision making by the recruitment project team to exclude scientific, research, development and engineering analysis of the final applicants to the extent that it was at this critical point.⁶

11. DFO 16 paragraph 4.69 stated that the panel composition should include a "person with a good knowledge of NZDF appointment and selection procedures". Considering the importance of this appointment, the Court finds that it was poor decision making that there was no person on the interview panel with the requisite human resources experience and expertise:

- a. To ensure compliance with appointment and selection procedures in terms of risk;
- b. To ensure robust and probing interviews occurred; and
- c. To interpret all documentation such as referees' reports, candidate reports, curricula vitae and behavioural assessment reports to ensure the issues and concerns raised in them were understood and addressed.

12. This was a significant and senior appointment. The Court finds that, for such a task, the interview panel were poorly prepared.⁷ To make a quality decision requires quality time with each candidate, plus time to discuss both before and after each interview. The day may have been efficient, but the Court finds it was rushed.⁸ The interview process was too condensed and too structured to be truly effective.⁹

Non-compliance with DFO 16

13. Chapter 4 Section 2 of DFO 16 stated 11 principles to be adopted for the selection and appointment of Civil Staff.

14. Principal h stated:

⁴ Exhibits T, U and V.

⁵ Exhibits F(2), F(3) and F(5).

⁶ Exhibits T, U and V.

⁷ See, for example, Tenth Witness, Question 17.

⁸ Tenth Witness, Questions 23 to 30; Annex B, paragraph 72.

⁹ Exhibits K and L.

External assistance may be obtained to assist with appointments to specialist positions within NZDF. However, only NZDF personnel have the authority to approve appointments.

15. [It was up to the]... Assistant Chief Development [AC Dev]... to ensure that all aspects of the DFO were complied with. As the line manager to whom the DDTA reported, he was responsible for ensuring that CDF and the organisation were not exposed to risk or reputational damage.

16. The Court is concerned by the evidence which it heard, that Personnel Branch was not adequately resourced at the time to fully support managers and ensure that robust monitoring and auditing of compliance took place in this case.¹⁰ The appointment of a contractor was not an adequate substitute for this support, especially in a time of policy flux and structural change within the human resources portfolio.

17. Principle j stated that:

Unless there are extenuating circumstances, appointments are not to be made if there is no suitable applicant i.e. the appointee must be able to perform the requirements of the position to a reasonable level of competence.

18. Professor AH gave evidence that he directly asked the chair of the interview panel whether "the interview panel [is] able to make a non-decision in other words to say that none of the candidates were suitable".¹¹ The response was "we have to make a decision".¹² When asked why he had asked that question, Professor AH replied:¹³

...because that [is] frequently the case. I would advertise for ... a professor appointment and frequently we will not get a suitable candidate after interviewing. We will say none of the candidates were appointable and go out again.

19. Professor AH gave evidence that:¹⁴

I sat on a great number of interviews now over the last 15 years and I pay a lot of attention to my gut feeling about a candidate and my feeling was after the interviews, none of the candidates were appointable.

20. Professor AH said that he had informed the other panel members of his view, but that he was told a decision had to be made.¹⁵ Professor AH was quite specific in his evidence that he considered Mr Wilce was not suitable for appointment as DDTA after the interview.¹⁶

21. In his evidence, the CDF [of]...the time, could not recall [AC Dev] asking him if non appointment was an option.¹⁷ He stated:

For me that would be unusual ... Clearly if there is no suitable candidate it would be silly to go ahead with an appointment so while I cannot categorically say I didn't say that it would be unusual for me to have given that sort of advice.

¹⁰ Second Witness (Fourth Recall), Questions 3 to 17.

¹¹ Tenth Witness, Question 14.

¹² Tenth Witness, Question 16.

¹³ Tenth Witness, Question 19.

¹⁴ Tenth Witness, Question 31.

¹⁵ Tenth Witness, Questions 32 and 33.

¹⁶ Tenth Witness, Question 34.

¹⁷ Twenty-third Witness, Question 4.

22. Mr L did not recall raising with the then CDF the issue of whether no appointment could be made,¹⁸ nor could he recall passing on Dr AH's view that none of the candidates were appointable.¹⁹ He said he:²⁰

...did recall talking to the Chief of Defence Force... that neither of the final candidates were the perfect fit, I think those were the words I used, and that's when I suggested to the CDF he might like to interview those candidates...

23. The Court concludes that while parts of the recruitment process were done well, others should have been done better. Events have transpired to show that this process failed to meet either the quantitative or qualitative outcomes sought in the recruitment of such a critical position to this organisation. Furthermore, the Court was hampered in its efforts to determine how the recruitment was conducted by the fact that the recruitment file had been destroyed in accordance with DFO 16. The Court was hindered by poor record keeping in general.

State Services Commission guidelines

24. There were no State Services Commission recruitment guidelines in place or issued by the State Services Commission at the time of the recruitment of Mr Wilce as DDTA.

Part 2: The employment history claimed by Mr Wilce

25. The Court has admitted the curriculum vitae submitted by Mr Wilce at the time he applied for the position of DDTA as Exhibit AQ. The Court commissioned a researcher, Ms X, to verify all the claims made in that document. The results of that research are analysed and presented in detail in Annex D. The following part of this report sets out the main findings of the Court in this respect.

Authenticity of Mr Wilce's claimed employment history

26. The Court finds that many aspects of Exhibit AQ were embellished or misleading. It bases this finding on evidence gathered by a researcher commissioned by the Court to make enquiries of Mr Wilce's previous employers and colleagues. Examples of the embellishments and misleading statements made in Exhibit AQ are as follows:

- a. **PowerServe.** Mr Wilce omitted any mention of working on a fixed term contract for this company. This omission was important, because the report received by the Court suggests that Mr Wilce was dismissed for poor performance.²¹ Mr Wilce gave evidence that he left the company due to a "falling out" with the owner.²² He said that he omitted this company from his CV because he was only there for six or seven months.²³ The Court notes that Mr Wilce did mention his employment in the Royal New Zealand Yacht Squadron, for example, which lasted for a similar period.²⁴

¹⁸ Third Witness (First Recall), Question 3.

¹⁹ Third Witness (First Recall), Question 6.

²⁰ Third Witness (First Recall), Question 4.

²¹ Exhibit CD.

²² Thirtieth Witness, Questions 141 to 143.

²³ Thirtieth Witness, Question 148.

²⁴ Exhibit BB.

b. **Freedom Homes.** Exhibit AQ implies that the company underwent exponential growth as a result of a targeted sales and marketing effort. The inference from this is that Mr Wilce contributed to this occurring. The report received from the General Manager of Freedom Homes suggested the growth occurred as a result of the building boom, and not because of any targeted sales and marketing campaign. The person interviewed did not recall Mr Wilce initiating or developing a sales and marketing campaign.²⁵

c. **National Power.**

(1) Exhibit AQ states that "I led and managed the Region ... to achieve the business objectives of profitability". Mr Wilce's manager told the Court's researcher that Mr Wilce did not achieve his profitability targets.²⁶

(2) Exhibit AQ states that the "impending sale of the business and closure of the regional operations led to my seeking an alternative role." Mr Wilce's manager told the Court's researcher:²⁷

The performance of his region was a matter of great concern to us and we spoke of it often. Over time it became apparent that he was not able to improve the performance of his region. And as he was the GM I held him accountable for this outcome. We discussed it and it was evident that the situation was not sustainable and he resigned on the pretext that we were going to close the region. In fact, the region did not close for quite some time after his departure and our Queensland office remained open for some years after his departure. The business was not sold.

d. **CEMA.**

(1) Exhibit AQ indicates that Mr Wilce was asked as an industry expert to give keynote and other addresses at major electronics, communications and IT industry conferences. The Court found no evidence to support this claim. The only conference identified was as a panel chair of a 90 minute industry forum at the Surface Mount 99 conference.²⁸

(2) Exhibit AQ implies that Mr Wilce turned this business around. His employer at the time dismissed this as incorrect when asked by the Court's researcher.²⁹

e. **Royal New Zealand Yacht Squadron.** The implication from Exhibit AQ is that Mr Wilce was involved in the America's Cup defence, when in reality he was responsible for bar and restaurant facilities and an upgrade to those facilities.³⁰ Mr Wilce admitted as much in his own evidence to the Court.³¹ The Court finds that he was not appointed to manage future

²⁵ Exhibit BA.

²⁶ Exhibit BF.

²⁷ Exhibit BF.

²⁸ Exhibits BG, BI and BX.

²⁹ Exhibit BG.

³⁰ Exhibit BB.

³¹ Thirtieth Witness, Questions 162 to 170.

business growth as claimed, nor did he put in any plans to help in the defence.

Part 3: Vetting and verification of information

27. This part of the Court's report deals with terms of reference 4 to 8. It also provides supplementary comment under term of reference 15.

Policies and procedures

28. Where an application is made for an appointment, such as Director of the DTA, which requires the incumbent to hold a security clearance, two distinct categories of policy apply to the vetting and verification of information submitted by the applicant. The first category is the human resources policy which prescribes the checks which the NZDF as employer must make in respect of the applicant's background before confirming him or her as the successful applicant for the appointment.³² The primary purpose of such checks is to verify the applicant's suitability to perform the role in question. This is also referred to as "pre-employment screening".³³ The second is the security policy governing the vetting and verification which must occur as a precursor to deciding whether the provisionally successful applicant is a suitable person to hold the requisite security clearance.³⁴ The primary purpose of this latter process is to assess the applicant's suitability to have access to classified information.

29. The Court finds that the pre-employment screening process consists of three discrete types of checks: referee checks, reference checks and probity checks. A referee check consists of contacting the applicant's named referees for information. A reference check consists of contacting previous employers to confirm the veracity of the applicant's curriculum vitae. A probity check consists of checks on the applicant's criminal history, qualifications, aliases and credit history.³⁵

30. In 2005, Exhibit B was the version of DFO 16 which constituted the Civil Staff human resources policy of the NZDF. Paragraph 4.63 of Exhibit B stated that the applicant's approval should be sought to contact an applicant's referees or check his or her references. The paragraph went on to state:

This check should cover qualifications, references and/or referees verifying past work experiences and positions held, and obtaining other evidence of each short listed applicant's ability to satisfactorily perform in the position.

31. Exhibit B did not provide authority for a criminal or credit history check to be conducted as part of pre-employment screening.

32. Exhibit D is the contemporary policy which has replaced Exhibit B. It is largely consistent with Exhibit B in substance, however it has deleted the requirement for reference and qualifications checks and has limited background checking to the referees nominated by the applicant.³⁶ The Court finds this to be a retrograde step which could result in a repetition of the circumstances leading to Mr Wilce's appointment. It is recommended that the requirement for reference and qualifications

³² Exhibit B.

³³ Exhibit Q.

³⁴ Seventh Witness, Question 28.

³⁵ Thirty-ninth Witness, Question 8.

³⁶ Exhibit D, page Online 1-27

checks be reinstated in DFO 16 as soon as possible. A requirement to conduct a criminal history check should also be added, as should a requirement to conduct a credit history check where the appointee will have access to taxpayer funds. In view of section 19(3)(d)(i) of the Criminal Records (Clean Slate) Act 2004, NZDF human resources staff should be required to indicate to New Zealand Police vetting staff when conducting the criminal history check if the position in question involves access to national security information.

33. On a more positive note, paragraph 1.8 of Exhibit D makes it clear that the immediate manager of the appointment being recruited for is responsible for all aspects of the recruitment process, including referee checks. This line of accountability was less clear when Mr Wilce was recruited under Exhibit B.

34. Exhibit Q is the DPMC publication, *Security in the Government Sector*, which governed the granting of security clearances when Mr Wilce was initially vetted and still does today. That publication states that security clearances are granted by the head of the relevant government organisation; in this case, CDF.³⁷ In practice, CDF has delegated his authority to grant security clearances to the Deputy Director Security (DDSy).³⁸

35. The first step in the process is to decide what level of security clearance, if any, is required for the particular appointment, based on the type of information the appointee is likely to have access to on a regular basis.³⁹ In the present case, Mr Wilce applied for a [very high level] clearance,⁴⁰ based on the indication in his provisional offer of employment that that was the security clearance required.⁴¹ Mr Wilce completed the appropriate form, VF4,⁴² but DDSy processed it as a request for a [high level] clearance instead, because Mr Wilce's "position and his access to ... intelligence did not require him to be vetted at the much more rigorous level...".⁴³ Mr Wilce was also required to complete a consent form, VF1,⁴⁴ which authorised the NZSIS to collect personal information about him from, *inter alia*, "any... person or organisation in addition to those [he had] nominated as referees",⁴⁵ for the purpose of the security vetting assessment. The NZSIS witness noted that "each of the security questionnaires have that particular form embodied in them".⁴⁶ The Court notes in passing that the VF1 did not authorise any agency other than the NZSIS to conduct such enquiries.

36. The next step in the process is referred to as "pre-vetting".⁴⁷ This step primarily requires the employing department, in this case NZDF, to check that the vetting forms have been filled in correctly and completely. It also requires the NZDF to review the application against the applicant's staff file. However, the Court accepts the evidence of DDSy... that such checks are essentially nugatory when the

³⁷ Exhibit Q(3), paragraphs 27 and 53 to 57. See also Sixth Witness, Question 8.

³⁸ Seventh Witness, Question 16. CDF's power to so delegate this power is section 30(2) of the Defence Act 1990.

³⁹ Exhibit Q(3), paragraphs 34 to 37.

⁴⁰ Seventh Witness, Question 10.

⁴¹ Thirtieth Witness, Question 7 and Exhibit E(1).

⁴² Exhibit R.

⁴³ Seventh Witness, Question 10.

⁴⁴ Sixth Witness, Question 7.

⁴⁵ Exhibit N(1).

⁴⁶ Sixth Witness, Question 7.

⁴⁷ Exhibit Q(4), paragraphs 6 to 9.

applicant is a new employee, since the staff file will contain very little information.⁴⁸ The NZDF also does a criminal history check on the applicant, which is required as part of pre-employment screening by Exhibit Q(2) paragraph 5. DDSy obtains the consent of applicants to conduct this check in form MD 390, which applicants are required to complete along with the vetting forms.⁴⁹ This check must be completed to the satisfaction of DDSy before any application for a NZDF security clearance is forwarded to NZSIS for vetting.⁵⁰ The Court finds this to be a sensible screening mechanism although, as mentioned above, it should be done by or in conjunction with NZDF human resources staff as part of pre-employment screening.

37. Exhibit Q(5) sets out security assessment guidelines to be:⁵¹

- a. Applied by NZDF, when relevant information is already known, in deciding whether to forward a vetting request;
- b. Considered by NZSIS during vetting inquiries;
- c. Applied by NZSIS in making an assessment upon which a recommendation will be based; and
- d. Applied by DDSy in making the decision whether to grant or decline a security clearance.

38. One of the criteria which is to be taken into account in this context is the applicant's overall integrity, which is [by considering a range of factors including honesty and reliability].⁵²

39. In the case of an initial [high level] vetting, such as was carried out in respect of Mr Wilce, information relevant to the abovementioned criteria, among others, is collected by [making enquiries of various persons].⁵³ Where any concerns emerge from these enquiries, additional [enquiries are made].⁵⁴

40. The NZSIS witness gave evidence that the responsibility for vetting a candidate for a security clearance against the abovementioned criteria lies not only with NZSIS but also with the employing department.⁵⁵ He said that:

This character background stuff can be gleaned as part of the pre-employment checks and I think you will find... there is sufficient reference amongst those pre-employment areas which refer to the employer having some responsibility for sorting some of these things out or resolving them.

41. However, the legal framework in respect of security vetting is such that NZSIS has a greater freedom to make such checks than the NZDF.⁵⁶ Under Principle 2 of the Privacy Act 1993,⁵⁷ the NZDF may only conduct reference or referee checks in

⁴⁸ Seventh Witness (Recalled), Question 3.

⁴⁹ Seventh Witness (Second Recall), Question 10.

⁵⁰ Seventh Witness, Question 8.

⁵¹ Exhibit Q(5), paragraph 2.

⁵² Exhibit Q(5), paragraph 18.

⁵³ Exhibit Q(4), paragraph 41.

⁵⁴ Exhibit Q(4), paragraph 43; Sixth Witness, Question 37.

⁵⁵ Sixth Witness, Questions 21 and 50.

⁵⁶ See Exhibit Q(3), paragraphs 29 and 30.

⁵⁷ Section 6 of the Privacy Act 1993.

respect of an applicant if the applicant authorises that.⁵⁸ Furthermore, even if the NZDF sought such information from another person or organisation in New Zealand, in ordinary circumstances that person or organisation could not lawfully release the information sought without the authorisation of the applicant.⁵⁹ By way of contrast, nothing in Principles 2 or 11 of the Privacy Act applies in relation to the collection of information by, or the disclosure of information to, the NZSIS.⁶⁰ Furthermore, as the Court has already noted, the VF1 authorises the NZSIS, rather than the NZDF, to conduct such checks.

42. [DDSy]... gave evidence that the Defence Security Directorate does not have the authority to conduct the sort of vetting enquiries that the NZSIS makes in respect of the character of a candidate for a security clearance.⁶¹ He also stated that he had been told by the NZSIS that, if he did make such enquiries, it might improperly interfere with the vetting enquiries conducted by the NZSIS.⁶²

Responsibility for conducting checks on recruitment of Mr Wilce

43. The Court finds that the project team which was formed to recruit a new DDTA had an obligation under DFO 16 to:⁶³

- a. Ensure that Mr Wilce's consent was obtained to verify the information he had provided in his application; and
- b. Check Mr Wilce's qualifications, references and/or referees to verify his claimed work experiences and positions held; and
- c. Obtain other evidence of his ability to satisfactorily perform in the position.

44. As is indicated in the preceding section of this report, the project team arranged for the Crown to enter into a contract with Momentum to perform some of its obligations under DFO 16.⁶⁴ Of these obligations, there is no doubt that Momentum carried out the qualifications checks and the Court finds accordingly.⁶⁵ As is indicated above, the qualifications checks conducted were entirely satisfactory. Mr Wilce does in fact hold the qualifications that he claimed to hold in the curriculum vitae he submitted as part of his employment application.

Probity check

45. In an e-mail dated 3 May 2005, under the heading "Probity checks for Stephen Wilce", Ms O of Momentum advised Mr D of NZDF as follows:⁶⁶

I am pleased to advise that the following checks have been verified and completed for Stephen Wilce.

...

⁵⁸ Privacy Commissioner's Case Note 88333 [2007] NZ PrivCmr 4 (March 2007).

⁵⁹ Principle 11 of the Privacy Act 1993.

⁶⁰ Section 57 of the Privacy Act 1993.

⁶¹ Seventh Witness, Questions 12 to 14.

⁶² Seventh Witness, Question 18.

⁶³ Exhibit B, paragraph 4.63.

⁶⁴ Exhibit BE. See also Exhibit AO.

⁶⁵ Third Witness, Question 32; Twenty-ninth Witness, Question 42; Exhibit AO.

⁶⁶ Exhibit BM.

Criminal: It has been advised by Si International Ltd. that there is no adverse information held in subsystems.

46. The NZSIS witness produced evidence that a criminal history check with the New Zealand Police had been carried out as part of the security vetting.⁶⁷ The Court finds that the criminal history check was carried out by the Defence Security Directorate in accordance with the directorate's normal practice, and that the Police certificate was then forwarded to the NZSIS with the relevant vetting forms.⁶⁸ The NZSIS witness also produced the relevant part of Mr Wilce's VF 4 Security Vetting Form, in which Mr Wilce indicated that he had never been "convicted of a criminal offence or serious traffic offence in a civil court".⁶⁹ ... *[Information withheld under section 20 of the Criminal Records (Clean Slate) Act 1994].*

47. Mr Wilce completed and signed his VF 4 on 22 January 2005⁷⁰ and the criminal history check was conducted on 10 February 2005.... *[Information withheld under section 20 of the Criminal Records (Clean Slate) Act 1994].*

48. *[Information withheld under section 20 of the Criminal Records (Clean Slate) Act 1994].*

49. Mr Wilce had lived in Australia and the UK prior to applying for the position of DDTA. In such circumstances, the NZSIS witness confirmed it would be normal for the Service to seek a criminal history check [from Australia and] Britain.⁷¹ The NZSIS witness admitted that that had not been done when Mr Wilce was vetted, describing it as "an oversight".⁷² The NZSIS did however subsequently make those checks. There was nothing to suggest he had any convictions in Australia or the UK.⁷³

Obligation to conduct referee and reference checks

50. In view of the inaccuracies which the Court has found in the employment history claimed by Mr Wilce, the far more difficult questions during this inquiry have been:

- a. Was Momentum required to carry out the referee or reference checks?
- b. Were any such checks carried out?
- c. If such checks were carried out, were they:
 - (1) Sufficient when measured against the policy in DFO 16; and
 - (2) Adequate in fact?

Preliminary observations

51. The Court is well aware of the importance of these issues with respect to Momentum's reputation, which is one of the reasons that Momentum was accorded full natural justice rights pursuant to section 200N of the Armed Forces Discipline Act

⁶⁷ Exhibit BS.

⁶⁸ Seventh Witness, Questions 2 and 3.

⁶⁹ Exhibit BT.

⁷⁰ Exhibit R.

⁷¹ Sixth Witness (Recall), Question 2.

⁷² Sixth Witness (Recall), Questions 6 and 9.

⁷³ Sixth Witness (Recall), Question 6.

1971 as soon as the issue arose on the evidence. The Court has also received careful submissions from able and experienced counsel appearing for Momentum, for which the Court is obliged. The Court has considered those submissions and taken particular care in assessing the evidence on these matters before reaching its findings.

52. As a preliminary matter, the Court notes Momentum's submission that it is not entitled to make any findings based on its interpretation of the contract between Momentum and the Crown.⁷⁴ It bases this partly on the submission that the Court does not have jurisdiction to determine a breach of contract. The Court agrees with that submission. However, that is not the purpose of the Court's findings in the succeeding paragraphs. The Court is obliged by its terms of reference to consider and report, *inter alia*, on:

- a. What steps, if any were taken to substantiate the information submitted in support of Mr Wilce's application;⁷⁵ and
- b. Were the steps taken to substantiate the supporting information adequate?⁷⁶

53. In view of its findings below pertaining to the way in which the NZDF approached the completion of the relevant tasks, the Court finds that it could not answer the above mentioned terms of reference without examining the contract and drawing conclusions from it as to the responsibility for substantiating Mr Wilce's information. The Court deliberately does not make any finding as to breach of contract – that is not its domain. For example, the Court does not propose to address Momentum's submissions founded in equity,⁷⁷ because the Court is not considering whether the contract could or should be enforced against Momentum. The Court does not however accept Momentum's submission that, in making the findings it does below, it is acting *ultra vires*.

Substantive findings

54. The contract between the Crown and Momentum states that Momentum "shall perform the Services", which are defined as the services set out in the Schedule to the contract.⁷⁸ The Services set out in that Schedule are stated to be:

The recruitment of a suitably qualified person to be the Director of Defence Technology Agency in accordance with the Proposal.

55. The "Proposal" is also a defined term in the contract. It means:⁷⁹

...the contractor's Proposal for the Recruitment of Director for the Defence Technology Agency.

56. The former Momentum consultant who handled the recruitment of Mr Wilce, Ms O, produced the Proposal as Exhibit AK ("the Proposal"). That exhibit is Momentum's proposal for the recruitment of the DDTA, which it submitted to the NZDF on 8 September 2004 when it was competing with other recruitment agencies for the

⁷⁴ Momentum submission dated 19 October 2010, paragraphs 2.6 to 2.9.

⁷⁵ Term of reference 5.

⁷⁶ Term of reference 7.

⁷⁷ Momentum submission dated 19 October 2010, paragraph 2.20.

⁷⁸ Exhibit BE, clauses 1.1 and 18.1.

⁷⁹ Exhibit BE, clause 18.1.

consultancy. In his evidence, the Managing Director of Momentum, Mr H, acknowledged that Exhibit AK was the only document which fitted the description of "the Proposal" when the contract was entered into on 8 October 2004 – there was no other substitute proposal at that point.⁸⁰

57. Section 5(d) of the Proposal states in part that:⁸¹

The two processes meet when we combine the potential candidates coming through both advertising and search sources

...

Momentum would undertake detailed reference checking for which we have firm procedures. We would check with people who knew the candidate from a number of different perspectives including: superiors, subordinates, peers, professional advisors, community contacts, and character references. We use a standard list of reference checking questions, and we also add to this list specific client requirements that have arisen from your interview or psychological assessment. We can undertake credit checks with the permission of the candidate.

58. The Court notes the evidence of Ms O that Exhibit AK was "our standard proposal" and that clients would then discuss that proposal and "select the parts of that process that they wish to follow".⁸² Ms O was very firm in her evidence that Momentum was only required to deliver the parts of the proposal that NZDF asked it to deliver, and that NZDF had not asked it to conduct referee or reference checks.

59. Ms O's evidence is reinforced by the prepared statement which the Court permitted Mr H to read into evidence on behalf of Momentum.⁸³ However it is contradicted by the evidence of Messrs D,⁸⁴ L⁸⁵ and C,⁸⁶ who all recalled (with varying degrees of clarity) that reference and referee checking was the responsibility of Momentum.

60. The Court notes that all the witnesses to the process used to recruit Mr Wilce have been faced with the difficulty that the relevant events occurred more than five years ago. The Court also notes Momentum's submission that there is a "risk of turning the issue before the Court into one of contractual interpretation".⁸⁷ However, the legal relationship between Momentum and the Crown at the relevant time was entirely founded in contract. The Court considers therefore that the written contract is a far more reliable indicator of the obligations which arose under that relationship than the recollections of witnesses some years later.

61. The Court finds that, when the contract was entered into on 8 October 2004, Momentum accepted a binding legal obligation to "undertake detailed reference checking" to the standard indicated in its Proposal. Momentum submits that the language of the Proposal referred to above at paragraph [57] is too ambiguous to be capable of constituting a binding contract.⁸⁸ The Court does not accept those submissions. It does not find the obligation agreed to the Proposal to be extraordinary, as is suggested by Momentum.⁸⁹

⁸⁰ Thirty-ninth Witness, Questions 20, 21, 28 and 29.

⁸¹ Exhibit AK, page 8.

⁸² Twenty-ninth Witness, Question 18.

⁸³ Thirty-ninth witness, Question 1.

⁸⁴ Second Witness, Questions 27 and 28.

⁸⁵ Third Witness, Question 25.

⁸⁶ Fourth Witness, Questions 10 and 15.

⁸⁷ Momentum submission dated 1 October 2010, paragraph 2.7.

⁸⁸ Momentum submission dated 19 October 2010, paragraphs 2.11 to 2.14.

⁸⁹ *Ibid*, paragraph 2.14.

62. The Court now turns to the submission made by Momentum that this obligation was deleted by a subsequent variation to the contract. The Court finds that clause 3.3 of the contract governs this issue:

The NZDF may, in writing, order variations to the Services and may request the Contractor to submit proposals for variations to the Services. The agreed value of any variation shall be added to or deducted from any fixed fee and the NZDF shall, if necessary, grant a fair and reasonable extension of time to the Contractor.

63. Momentum submits that:⁹⁰

clause 3.3 is permissive, not mandatory – variations *may* be in writing, but there is nothing in the contract to preclude oral variations. More importantly, turning the issue before the Court into one of contractual interpretation misses the significance of [Ms O's] email dated 3 November 2004 (**exhibit BM**).

64. With respect, the Court finds Momentum's suggested interpretation of clause 3.3 somewhat strained. In the context, the positioning of commas around the words "in writing" indicates that NZDF may order variations to the Services but that, if it does so, it is to be done in writing. The Court finds accordingly that a variation to the Services agreed to in the contract would be effective only if "ordered" in writing by the NZDF. The Court finds it significant also that clause 17.5 of the contract states that:

This agreement includes the Proposal and constitutes the entire agreement between the parties relating to the provision of the Services and supersedes all previous agreements and understandings. Any subsequent variation signed by both parties may be added to and shall then form part of the agreement.

65. The Court accepts Mr H's evidence that such a variation was made in respect of the guarantee that Momentum provided to the NZDF if the successful candidate for the position of DDTA left his employment within a prescribed period, subject to certain exceptions. The Proposal provided that the prescribed period was six months.⁹¹ Mr H produced Exhibit BQ, which is a letter from the NZDF to Momentum requesting that Momentum "indicate by letter the extended guarantee (9 months) of a suitable candidate for the Director's role". In terms of clause 3.3 of the contract, the Court finds that Exhibit BQ constituted an order in writing from the NZDF to vary the Services Momentum was required to deliver under the contract. There is no documentary evidence before the Court by way of proof that Momentum formally agreed to this variation, and so there might be a question as to whether there was agreement on the "value of the variation", as required by clause 3.3. Mr H indicated that Momentum would have agreed to NZDF's "instruction".⁹² In any event, nothing turns on this. The key question is whether the Services agreed to in the contract were varied in respect of Momentum's obligation to "undertake detailed reference checking" to the standard indicated in its Proposal.

66. Momentum places significant reliance in this respect on an e-mail which Ms O sent to Mr C and Mr D on 3 November 2004.⁹³ This e-mail contains a timeline which resembles the "Timeframe". The "Timeframe" is part of the Proposal and therefore part of the contract. The difference between the "Timeframe" and the later timeline is

⁹⁰ Momentum submission dated 1 October 2010, paragraph 2.7. See also Momentum submission dated 19 October 2010, paragraphs 2.15 to 2.19.

⁹¹ Exhibit AK, page 11.

⁹² Thirty-ninth Witness, Questions 3 and 4.

⁹³ Exhibit BM.

that the former specifies reference checking as an activity, whereas the latter does not. Mr H gave evidence that this meant the Proposal had been varied by the deletion of the reference checking requirement.⁹⁴ However, as he acknowledged, in fact the e-mail of 3 November was entirely silent on the question of reference or referee checking – it simply did not mention it.⁹⁵ He also agreed that he could produce no evidence that the NZDF had agreed in writing to the contents of the e-mail of 3 November.⁹⁶

67. The Court notes that Exhibit BM includes a further e-mail, dated 14 October 2004, in which Ms O sent Mr D and Mr C a revised timeline as an attachment. This timeline is in all material respects identical to the timeline forwarded on 3 November 2004, ie it is silent on the question of reference or referee checking.

68. On the evidence before it, the Court cannot find that either of the two e-mails mentioned above constituted a variation of the contract of 8 October 2004. There are two reasons for this. First, the e-mails do not explicitly absolve Momentum of the obligation which it undertook in the written contract. They simply do not mention it. For a variation to occur under clause 3.3, the Court would expect the change to the Services agreed to be explicit, as in the case of the change to the guarantee period. Second, both e-mails constitute communications from Momentum to the NZDF. Even if the Court accepted Momentum's submission that the e-mails implicitly indicated Momentum's view of its obligations under the contract, there is no written communication before the Court which could be construed as acquiescence in this by the NZDF. The Court takes the view that clause 3.3 would require some written agreement by NZDF before any change proposed by Momentum could have effect in law. For these reasons, the Court finds that the e-mails contained in Exhibit BM did not operate as variations to the contract of 8 October 2004.

69. In its submissions, Momentum has also drawn the attention of the Court to Exhibits F(4) and AN.

70. Exhibit F(4) is a recruitment timeline created by the NZDF project team over a month before the contract was entered into.⁹⁷ Ms O stated that the NZDF had indicated which parts of the recruitment process it wanted Momentum to undertake in this timeline.⁹⁸ Momentum submits that this exhibit does not state that Momentum is responsible for reference or referee checking, which the Court accepts. However, as Ms O accepted, Exhibit F(4) in fact makes no reference to the responsibility for conducting reference or referee checks at all.⁹⁹ Ms O agreed that Exhibit F(4) did not set out every task that Momentum was expected to perform under the consultancy.¹⁰⁰ Finally, Ms O could not remember whether Exhibit F(4) was passed to her before or after the contract was entered into.¹⁰¹ On the balance of the evidence, the Court finds that Exhibit F(4) could not and did not amount to a variation to the contract of 8 October 2004.

⁹⁴ Thirty-ninth Witness, Questions 33 and 34.

⁹⁵ Thirty-ninth Witness, Questions 36 to 38.

⁹⁶ Thirty-ninth Witness, Question 42.

⁹⁷ Exhibit F(1); Fourth Witness (Recall), Questions 17 to 20.

⁹⁸ Exhibit F(4).

⁹⁹ Twenty-ninth Witness, Question 26.

¹⁰⁰ Twenty-ninth Witness, Question 64.

¹⁰¹ Twenty-ninth Witness, Question 21.

71. Exhibit AN is a letter which Ms O sent to the NZDF on 21 January 2005. In this letter, Momentum states:

The process used for recruitment of Director DTA followed the outline supplied in our proposal to the NZDF.

The key components were...

72. Momentum makes the point in its submissions that this letter summarised the steps it had taken, but did not mention referee checking. Mr H gave evidence that reference or referee checking would amount to approximately 10 to 15% of a recruitment project such as this.¹⁰² Under careful examination by counsel for Momentum, Ms O agreed that, if she had been so tasked, reference or referee checking would have been mentioned in the letter.¹⁰³ The Court cannot however find that Exhibit AN constituted a variation of the contract, for essentially the same reasons that it gave above in connection with the two e-mails which form part of Exhibit BM. The Court notes in passing that Exhibit AN in fact confirmed that Momentum was following the Proposal, ie Exhibit AK, and it refers to the matters specifically enumerated in the letter as the "key components". In view of its finding, the Court does not need to enquire further into whether the reference and referee checking was considered a "key component" at the time.

73. Ms O placed some weight on the NZDF employment application form which she said was provided to Momentum by the NZDF at the beginning of its assignment.¹⁰⁴ She noted that Section B of the form indicated that the applicant was authorising the NZDF to contact referees, suggesting that it was NZDF's responsibility to do so rather than Momentum's.¹⁰⁵ Momentum submits that Exhibit AM is consistent with its submissions to this effect. However, the Court finds difficulty in attaching any probative force to this evidence, since:

- a. Exhibit AM is a blank, ie uncompleted, form; and
- b. Mr Wilce was shown Exhibit AM and gave evidence that he could not recall filling it out.¹⁰⁶

74. Even if the Court did attach some weight to Exhibit AM, it could not find that a blank NZDF application form constituted a variation to the contract dated 8 October 2004.

75. The Court accordingly finds that Momentum was obliged under the contract dated 8 October 2004 to "undertake detailed reference checking" to the standard indicated in its Proposal. The Court finds further that this obligation was not varied subsequently.

What referee or reference checking was done?

76. The Court finds that neither the interview panel, its human resources advisor, nor the project team at large conducted any referee or reference checks.¹⁰⁷

¹⁰² Thirty-ninth Witness, Questions 79 and 80.

¹⁰³ Twenty-ninth Witness, Question 106.

¹⁰⁴ Exhibit AM.

¹⁰⁵ Twenty-ninth Witness, Question 34.

¹⁰⁶ Thirtieth Witness, Question 288.

However, there is a conflict of evidence as to whether Momentum did in fact carry out reference and/or referee checks.

77. Mr C gave evidence that Momentum had in fact done referee checks, producing Exhibits I(1) to I(5) by way of documentary corroboration. These exhibits have been the subject of careful consideration by the Court. Exhibits I(1) to I(3) are each entitled "Referee's Report" and appear to have been prepared in respect of three individuals; Messrs Z, P and AA. It is not disputed that they were prepared in respect of an application which Mr Wilce had earlier submitted for another position, that of General Manager, Business Development in another organisation. This point was forcefully and eloquently made in the evidence of Ms O.¹⁰⁸ However, Exhibit I(5) commands the Court's attention. It is a later "Referee's Report" in respect of Mr P – prepared in December 2004, rather than August of that year as was the case for Exhibit I(2). Exhibit I(5) is explicitly prepared in respect of the DDTA position. It appears to provide updated and slightly refocused information when compared with Exhibit I(2). It is preceded in the bundle of exhibits produced by Mr C by Exhibit I(4), which is an e-mail from Ms O to Mr C dated 20 December 2004:

Here is additional info from the first ref – add it to the comments you already have. The other should be there by the end of the day tomorrow.

78. Mr H gave evidence that the abbreviation "ref" most likely stood for "reference".¹⁰⁹ However, there seemed to be some blurring in the evidence about whether certain action would be undertaken under the heading of "reference checking" or "referee checking".¹¹⁰

79. The Court sought the evidence of witnesses who applied for the position of DDTA at this time, to ascertain whether reference or referee checking was done and, if so, by whom.

80. Dr J stated that he did not think Momentum had sought his consent to do "probing checks on qualifications and previous work history".¹¹¹ However, he later gave evidence that Momentum had asked him to supply referees and that he had done so as part of his application.¹¹²

81. Mr Q, when asked whether he was required to provide referees to Momentum at the time of his initial application, stated: "I did provide them."¹¹³

82. Mr K stated that he was asked to provide referees, but did not state who asked him to do so.¹¹⁴ He did not think any of his referees were contacted.¹¹⁵

83. Mr M stated that he provided Momentum with his CV and application when the position of DDTA was advertised.¹¹⁶ He was then asked: "Were you required to supply on the CV any referees?" He answered: "Yes I did."¹¹⁷

¹⁰⁷ Second Witness, Questions 25 to 27; Third Witness, Question 25;

¹⁰⁸ Twenty-ninth Witness.

¹⁰⁹ Thirty-ninth Witness, Questions 98 and 99.

¹¹⁰ For example, Thirty-ninth Witness, Question 117.

¹¹¹ Twelfth Witness, Question 24.

¹¹² Twelfth Witness, Question 41.

¹¹³ Fourteenth Witness, Question 20.

¹¹⁴ Fifteenth Witness, Question 10.

¹¹⁵ Fifteenth Witness, Question 12.

¹¹⁶ Eighteenth Witness, Question 4.

84. Finally, Mr Wilce gave evidence as to the process which applied to his recruitment in particular. While it will be apparent from the Court's report that the Court does not consider Mr Wilce to be a particularly reliable witness, the Court does not perceive any plausible reason for Mr Wilce to fabricate evidence relating to the procedure followed in recruiting him. Mr Wilce gave evidence that Momentum sent him a form, which he signed, authorising it to check his qualifications, his referees and conduct a basic Police check.¹¹⁸ When recalled subsequently, Mr Wilce indicated that he had an unsigned copy of that form and was prepared to provide it for the Court.¹¹⁹ The Court subsequently received the form and a covering e-mail from Momentum by hand-up, and admitted it as Exhibit CF. The Court finds it significant that Exhibit CF states in part:

This form authorises Momentum to collect information for any of the following:

- ...
- Employment History
- ...
- Referees as to character and suitability for employment
- ...

The information may be collected from... Previous Employer/Referees provided... [a]nd any such other sources which may hold necessary information including, but not limited to credit agencies, referees, current and previous employers and individuals and organisations with which I am or have been associated.

85. Mr Wilce was quite clear that the Momentum recruiter asked him to supply referees.¹²⁰ When asked about those referees by the Court, Mr Wilce stated:¹²¹

They had I believe three on file because I had been working with another job through Momentum initially and they had reference checked me through that and I seem to remember the conversation was along the lines of I presume you would use the same referees for the DTA, referees checks as well.

86. Mr Wilce stated that he believed his referees were in fact contacted by Momentum at the time of his recruitment.¹²²

87. In contrast, Ms O gave evidence that Momentum had not conducted referee checks.¹²³

88. Momentum submits that:

[On] the evidence before the Court, there is no doubt that Momentum undertook reference checks to the extent that NZDF required of it – all NZDF witnesses agree with this point. All NZDF witnesses agreed the offer of appointment would not have been made until such time as all reference checks had been completed to their satisfaction.

89. The Court accepts Momentum's submission that, on the evidence before it, it appears that all the members of the NZDF involved in the recruitment of Mr Wilce were satisfied with the level of checks done by Momentum.¹²⁴ That is not the same thing, however, as a finding that Momentum satisfied its obligations under the

¹¹⁷ Eighteenth Witness, Question 5.

¹¹⁸ Thirtieth Witness, Questions 37 to 39.

¹¹⁹ Thirtieth Witness (Recall 1), Question 5.

¹²⁰ Thirtieth Witness, Questions 41 and 42.

¹²¹ Thirtieth Witness, Question 43.

¹²² Thirtieth Witness, Questions 45 and 46.

¹²³ Twenty-ninth Witness, Questions 97 and 98.

¹²⁴ Momentum submission dated 19 October 2010, paragraph 2.21.

contract of 8 October 2004. The relevant part of the Proposal¹²⁵ indicates a thorough process would be followed. Mr H gave evidence that the list of checks indicated in the Proposal was a “menu” from which the client would choose the checks it wanted Momentum to undertake.¹²⁶ The Court is prepared to accept that that may have been what he and Ms O believed, but finds that in fact Momentum’s contractual obligation under the written agreement was to carry out “detailed reference checking”, to:

...check with people who knew the candidate from a number of different perspectives: superiors, subordinates, peers, professional advisors, community contacts, and character references.

90. The Court finds that Momentum did conduct referee checks but that those checks did not meet the standard agreed to in the contract. Having said that, DFO 16 at the time set a less strict standard on its face.¹²⁷ The Court finds that the checks carried out by Momentum did meet this standard, albeit that they did not bring to light the issues with Mr Wilce’s past which have subsequently been discovered. The Court has been able to ascertain the inaccuracies in and misleading elements of Mr Wilce’s claimed employment history only by thorough research carried out by its researcher, Ms X. The Court accepts that, in the case of most appointments to the Civil Staff, such research would not be warranted. In such cases, the level of checks done by Momentum would be adequate. The DDTA position was in a special category however, because of the access to highly sensitive national security information which it involves. In such a case, the more thorough level of checks set out in Momentum’s Proposal was warranted. The Court therefore concludes that the referee and reference checks carried out were inadequate.

91. In this context, the Court finds that the NZDF project team placed an undesirably high degree of reliance on Momentum carrying out sufficiently thorough checks. The Court notes that the project sponsor and chair of the interview panel was the Assistant Chief Development...¹²⁸ Given his role, the Court finds that [the then AC Dev (now retired)]... bears command responsibility for the fact that proper checks were not carried out. In his written submission to the Court, Mr L notes the Court’s finding that Momentum was responsible for carrying out reference and referee checks, with which he agrees. However he submits that, given that finding, it is unreasonable for the Court to find that he bore command responsibility for this matter. With respect to Mr L, that submission misses the fundamental point that while a commander or manager may let a contract to a private provider for the performance of a public duty such as this, he or she cannot contract out of his or her ultimate responsibility for its effective performance. The subsequent reflection of this principle in DFO 16¹²⁹ did not change the position, it simply reflected an existing principle. The prudent commander or manager would therefore take steps to satisfy himself or herself that the public duty had indeed been performed in accordance with the expectations set out in the contract. The Court finds that that did not occur in this case.

92. In view of the Court’s comments below regarding the importance of NZDF’s pre-employment screening to the security vetting process as well as the recruitment

¹²⁵ Exhibit AK, page 8.

¹²⁶ Thirty-ninth Witness, Questions 56 to 59.

¹²⁷ Exhibit B, paragraph 4.63.

¹²⁸ Exhibit F(3); Third Witness, Question 5; Fourth Witness, Question 10.

¹²⁹ Exhibit D.

process, it is recommended that steps be taken to ensure that thorough reference and referee checking is carried out by NZDF human resources staff in conjunction with the Defence Security Directorate whenever a Civil Staff appointment requiring a high security clearance is to be made. The Court accepts Mr H's evidence that such checking should be done only once the preferred candidate has been identified.¹³⁰

93. On the other hand, as mentioned above, the evidence of qualifications produced by Mr Wilce¹³¹ largely supports the qualifications he claimed in the CV he submitted to Momentum,¹³² as summarised in Momentum's candidate report to NZDF.¹³³ The Court therefore finds that the qualifications checks conducted by Momentum were adequate.

Security vetting of Mr Wilce

94. The Court finds that the checks made collectively by the NZDF and NZSIS as a precursor to granting Mr Wilce a [high level] clearance were inadequate. The Court finds that this is principally a consequence of inadequate pre-employment screening by the NZDF, ie reference and referee checks during the recruitment phase.

95. The Court accepts the evidence of the NZSIS witness that the NZSIS expects employing departments to carry out proper pre-employment screening before forwarding an application for a security clearance,¹³⁴ which is consistent with *Security in the Government Sector*.¹³⁵ The Court also accepts that Mr Wilce was properly vetted by NZSIS for a [high level] clearance in accordance with Exhibit Q. Mr Wilce is a New Zealand citizen and none of the standard checks conducted by NZSIS ... turned up any "red flags" – hence there was no requirement to [make further enquiries].¹³⁶ The Court accepts the evidence of the NZSIS witness that a limit has to be drawn on how far vetting enquiries will extend, which takes into account the finite resources of the Service. The Court notes that New Zealand's vetting processes are compatible with those in allied countries, if not more thorough.¹³⁷

96. The Court finds that the two verification processes described above (namely, recruitment referee and reference checks and security clearance vetting), both of which may yield information of security interest, nevertheless operate in isolation; leading to the potential for information of security interest garnered during the recruiting process not to be passed on to the Defence Security Directorate and thence NZSIS. The Court recommends that the work mentioned by DDSy in strengthening the cooperative working relationship between his directorate and the Defence Personnel Executive needs to be developed and formalised as a matter of priority.¹³⁸ Existing policy is not adequate in this respect. Reference and referee checks conducted as part of the recruitment of members of the Civil Staff who are expected to hold a high security clearance should henceforth take into account the factors relevant to security reliability set out in Exhibit Q. An appropriate authorisation should be sought from all candidates, to ensure that such checks can

¹³⁰ Thirty-ninth Witness, Question 103.

¹³¹ Exhibits AU and AV.

¹³² Exhibit AQ.

¹³³ Exhibit AR.

¹³⁴ Sixth Witness, Questions 29 to 32.

¹³⁵ Exhibit Q.

¹³⁶ Sixth Witness, Question 37.

¹³⁷ Sixth Witness, Question 35.

¹³⁸ Seventh Witness, Question 5.

be made and the information can be passed on to DDSy.

Part 4: The veracity of statements and claims made by Mr Wilce as DDTA

97. This part of the Court's report deals with terms of reference 9 to 14. It also provides supplementary comment under term of reference 15.

General comment on indications of inaccurate claims by Mr Wilce

98. 16 witnesses gave evidence that Mr Wilce had embellished claims about his qualifications, work, military or life experience. The majority of these claims were made over a period of five years in the DTA work environment. The Court heard evidence from 10 DTA witnesses and three previous employees. It is noted by the Court that this represents less than 15 per cent of DTA's total workforce. It was suggested by some witnesses that the persons in this group who gave unflattering evidence in respect of Mr Wilce were amongst the more disaffected employees of DTA during the period of his tenure.¹³⁹ It is clear to the Court that the negative view of Mr Wilce is not universally held by all employees¹⁴⁰ and nor was it held by NZDF at senior levels, as his annual salary of 107.4% of salary band and recent selection for the Royal College of Defence Studies ("RCDS") attests.¹⁴¹

99. Notwithstanding this, the Court finds that Mr Wilce has made numerous claims and statements that are inaccurate, misleading or false.

100. Many of these claims were based on an element of truth or were inferred through the context and frame of the conversation,¹⁴² document,¹⁴³ or environment,¹⁴⁴ creating an illusion of plausibility that some individuals found it difficult to refute. On some occasions when the veracity of his claims was probed a little more deeply, Mr Wilce would use a caveat suggesting the detail was classified or a matter of national security, again creating a plausible air of truth that would or could not easily be pursued further.¹⁴⁵

101. These fabrications became part of the lunch room gossip¹⁴⁶ early in his tenure as DDTA through until his resignation in September 2010. The Court finds that, whilst some individuals were uncomfortable with the exorbitant claims and embellishment of the truth, after a time others accepted it as part of the environment that manifested at DTA over the last five years. Still others just ignored it and Mr Wilce.¹⁴⁷

¹³⁹ Fifteenth Witness (Recall) page 27; Thirtieth Witness, Question 344 to 351; Thirty-second Witness, Question 59; Thirty-sixth Witness, Questions 47 to 49.

¹⁴⁰ Twelfth Witness, Question 45; Sixteenth Witness, Question 30; Eighteenth Witness, Question 92; Thirty-sixth Witness, Questions 19 to 20; Exhibits E(11) to E(13), BN and BO.

¹⁴¹ Exhibit E(13).

¹⁴² Sixteenth Witness, Questions 14 to 20; Seventeenth Witness, Question 5; Twenty-second Witness, Question 4; Thirty-second Witness, Question 41.

¹⁴³ Exhibits AE, AQ, AR and BK.

¹⁴⁴ Fourteenth Witness, Questions 35 and 40.

¹⁴⁵ Eleventh Witness, Question 14; Twenty-second Witness, Question 4.

¹⁴⁶ Eleventh Witness, Question 18; Thirteenth Witness, Questions 4, 152 and 153; Fourteenth Witness, Questions 43 to 48; Fifteenth Witness (Recall), Questions 12 and 13; Sixteenth Witness, Questions 25 and 26; Eighteenth Witness, Question 97; Twenty-fourth Witness, Questions 16 to 18; Twenty-eighth Witness, Questions 42 to 45 and 53.

¹⁴⁷ Fourteenth Witness, Question 46; Twenty-fourth Witness, Questions 24 and 25; Twenty-eighth Witness, Question 40.

102. A few individuals were able to see through specific elements of Mr Wilce's inaccurate claims. Whilst comments about various issues were made (to more senior staff) this was generally done in casual conversation.¹⁴⁸ The Court heard evidence of only one occasion when the issue of the veracity of Mr Wilce's claims was raised formally to a Group Manager.¹⁴⁹

103. Over the five year period, Mr Wilce built a very colourful picture of himself as a man who had enjoyed exceptional levels of success in a wide range of sporting, military, professional and academic endeavours as well as life experience. In its totality parts of the picture are so obviously fabricated that a reasonable person could see it for the fabrication that it is, but the whole picture was not revealed until recently. Rather like a jigsaw puzzle being pieced together over a long period of time, it is not until the last pieces are put in place that the picture becomes clear. The Court notes that Mr Wilce often perpetuated his stories in one on one situations within the work environment, or during social events where alcohol was served.

Detail of inaccurate claims

104. The Court finds that Mr Wilce made various false and exaggerated claims over the entire period of five years during which he worked at DTA. As Mr Wilce admitted in his own evidence, he was in fact simply reflecting a tendency that he had had since boyhood.¹⁵⁰

105. **Early indications.** The Court heard evidence of two witnesses who had misgivings about claims made by Mr Wilce prior to him taking up his appointment as DDTA in 2005. First, Mr A approached the NZDF and NZSIS with serious doubts about the veracity of Mr Wilce.¹⁵¹ The Court has not been able to ascertain the full picture of what transpired, nor has it been able to confirm what action if any was taken by NZSIS.¹⁵² On the evidence available, the Court has been able to determine that:

- a. Following the announcement that Mr Wilce had been selected as DDTA, Mr A raised concerns with his daughter, then Major B, and his son-in-law Lieutenant Colonel R. These concerns centred on the veracity of claims which Mr Wilce had made to him about his military record.¹⁵³
- b. Major B formally raised her father's concerns with Mr D and Mr C at a meeting in Defence House.¹⁵⁴ Mr C can only vaguely recall a discussion with Major B but does not believe he would have done nothing about it.¹⁵⁵

¹⁴⁸ Fifteenth Witness (Recall), Questions 22 and 23.

¹⁴⁹ Twelfth Witness, Question 46; Thirteenth Witness, Questions 45 to 52; Fifteenth Witness, Question 28 and (Recall), Question 8.

¹⁵⁰ Thirtieth Witness, Questions 253 and 293.

¹⁵¹ Twenty-second Witness, Questions 12 to 18; Twenty-seventh Witness Question 12; Third Witness, Question 57; Twenty-sixth Witness, Question 4.

¹⁵² Sixth Witness, Questions 39 and 40.

¹⁵³ Twenty-second Witness, Questions 12 to 18.

¹⁵⁴ Twenty-seventh Witness, Question 12.

¹⁵⁵ Third Witness, Question 57; Fourth Witness Question 59, (Recall) page 1 and Questions 1 to 5; Twenty-fifth Witness, Question 100.

Mr L has a vague recollection of discussing something of this nature with Mr C but could not provide any detail.¹⁵⁶ Mr D only vaguely recalls Major B and does not recall the conversation about Mr Wilce.¹⁵⁷ He concedes that it is possible he has confused a conversation he believed he had with [another lady]... with the meeting recalled by Ms B.¹⁵⁸ Mr D thought that... [the other lady] had told him that she had heard through her father that Mr Wilce had made an exorbitant claim to her father's friend about being decorated for bravery. He gave evidence that he had mentioned this to Mr C, who requested it to be substantiated in writing. Mr D stated that it was not and so nothing came of it.¹⁵⁹

- c. Lieutenant Colonel R rang the NZSIS and "provided them with the details of [Mr A] and the fact that he was very concerned about this individual and wanted to speak to someone in the vetting area."¹⁶⁰
- d. Mr A contacted the NZSIS at a telephone number provided to him by Lieutenant Colonel R. He left a message on an answer phone and was subsequently contacted by telephone. Mr A discussed his concerns with a member of the NZSIS in a 10 to 15 minute conversation. He cannot recall the name of the individual to whom he spoke.¹⁶¹
- e. The NZSIS has been unable to locate any record of that conversation taking place and was unable to assist the Court with an indication of who Mr A spoke to.¹⁶²

106. Claims made post appointment as DDTA. The preponderance of evidence that the Court has heard relates to claims made by Mr Wilce after 20 July 2005, when he started at DTA, through to his departure to the UK to attend RCDS in January 2010, and then immediately following his return in July 2010. It is reiterated that Mr Wilce often perpetuated his stories in one on one situations within the work environment, or during social events where alcohol was served. The stories highlighted in this report are not exhaustive,¹⁶³ rather they provide sufficient evidence to substantiate and exemplify Mr Wilce's proclivity to boastfulness and the embellishment of his life's achievements. Mr Wilce's claims can be categorised in five broad areas.

107. Sporting prowess. The Court received evidence that Mr Wilce had made claims that he was:

- a. **A member of the British Olympic Bobsled Team.**¹⁶⁴ The Court finds that Mr Wilce was in fact a licensed member of the British Bobsleigh Association and competed in the two and four man British team in an event in the Nations Cup in 1986 or 1987. Mr Wilce admitted that "I may

¹⁵⁶ Third Witness, Question 57.

¹⁵⁷ Second Witness (Third Recall), Questions 2 to 4.

¹⁵⁸ Second Witness (Third Recall), Questions 4 to 7.

¹⁵⁹ Second Witness, Question 36.

¹⁶⁰ Twenty-sixth Witness, Question 4.

¹⁶¹ Twenty-second Witness, Questions 17 to 18.

¹⁶² Sixth Witness, Questions 39 to 40.

¹⁶³ Twelfth Witness, Question 45; Thirty-first witness, Question 11.

¹⁶⁴ Thirteenth Witness, Question 13; Fourteenth Witness, Questions 35 to 39; Sixteenth Witness, Questions 8 to 14.

have given the impression from the conversation that I had done an Olympics but I have not".¹⁶⁵

- b. **The Captain of the Royal Navy Swimming Team.**¹⁶⁶ Mr Wilce gave evidence that "...I was never in the Royal Navy Swim Team. I was around the Navy and Marine swim team...I would train alongside them but not with them. I have watched some of the events that they compete in." When asked by the Court, he could not say that Ms Y was mistaken in her recollection.¹⁶⁷
- c. **Represented England in the 1990 Commonwealth Games Swimming Team.**¹⁶⁸
- d. **Was a member of a Welsh rugby team that played against the All Blacks.**¹⁶⁹

108. The Court finds that Mr Wilce made inaccurate claims about his sporting prowess throughout the time he was employed as DDTA. He deliberately perpetuated the myths, greatly exaggerating the level of competitions in which he participated. This is confirmed by his own evidence.¹⁷⁰

109. Academic qualifications. The Court received evidence that Mr Wilce had claimed at various times:

- a. **To hold an Honorary PhD in Astronomy from Cambridge University.**¹⁷¹ Mr Wilce recalled "a conversation... [which] may have been something like 'I have done so much work for Greenwich Observatory on the Islands and in Cambridge that they might as well give me an Honorary PhD'...I don't recall having said categorically to her that I have an Honorary PhD..."¹⁷²
- b. **To hold a Masters in aerospace systems and astrophysics from Cranfield and Cambridge.**¹⁷³ Mr Wilce told the Court "I did a few weeks research work with a working group from Cambridge...The reference to Cambridge University is a bit of a stretch...I will accept the reference from Cambridge is slightly misleading..."¹⁷⁴
- c. **To have been a University Lecturer/Professor/Doctor.**¹⁷⁵ Mr Wilce did not recall a conversation to this effect with Mr F but did give evidence that he was a lecturer initially at General Electric Corporation and in the Royal Navy because he was an instructor officer.¹⁷⁶

¹⁶⁵ Thirtieth Witness, Questions 239 and 244. See also Questions 300 to 314 and Exhibit AW.

¹⁶⁶ Ninth Witness, Questions 21 to 24.

¹⁶⁷ Thirtieth Witness, Questions 246, 249, 250 and 251.

¹⁶⁸ Twenty-second Witness, Question 4; Thirty-sixth Witness, Question 7.

¹⁶⁹ Exhibit BB.

¹⁷⁰ Thirtieth Witness, Questions 293 to 299.

¹⁷¹ Eleventh Witness, Questions 9 to 12.

¹⁷² Thirtieth Witness, Questions 220 to 222.

¹⁷³ Thirteenth Witness, Question 25; Exhibits W and BK.

¹⁷⁴ Thirtieth Witness, Questions 24 to 36.

¹⁷⁵ Nineteenth Witness, Question 7.

¹⁷⁶ Thirtieth Witness, Questions 227 to 232.

110. Given its separate findings that Mr Wilce had a propensity to fabricate exorbitant claims about his sporting prowess and military experience, the Court finds that Mr Wilce lacks credibility. It therefore prefers the evidence of the other witnesses, who have testified that he made similarly inflated claims in respect of his academic qualifications, and finds accordingly.

111. Military experience. The Court received evidence that Mr Wilce had embellished his military service record with respect to:

- a. **Claims to have served in the Falklands War; Northern Ireland and the First Gulf War;**¹⁷⁷
- b. **Claimed service in the Royal Marines;**¹⁷⁸
- c. **Claimed service in Special Forces/SBS;**¹⁷⁹
- d. **Having been awarded the DSO, MC and Bar;**¹⁸⁰ and
- e. **Giving the impression that he was a helicopter pilot**¹⁸¹ (at the same time Prince Andrew was present).

112. Mr Wilce confessed to having lied to Mr A and Mr F regarding his claims to military experience and military decorations:¹⁸²

...I led him to believe I was something I was not...I would rather stand up and say look this is all – none of this is true, lets move on. I can't do that yet.

113. He further stated that "I am very, very conscious that I am prone to exaggeration....spontaneity takes over and I end up perpetuating the myth".¹⁸³

114. In light of Mr Wilce's admission of lying, the Court accepts all the evidence given by the various other witnesses with respect to his fabricated claims of military experience as a true record of the events.

115. Work experience. The Court received considerable evidence that Mr Wilce embellished his work experience. For example, the Court heard that Mr Wilce claimed:

- a. **To have worked on projects so classified that all reference to him had been "cleansed from the internet".**¹⁸⁴ Mr Wilce told the Court that "I may have said that but I mean I can't recall saying but I may have."¹⁸⁵

¹⁷⁷ Eleventh Witness, Questions 9 to 10; Twenty-second Witness, Question 4; Thirtieth Witness, Question 258.

¹⁷⁸ Ninth Witness, Questions 18 to 20; Eleventh Witness, Questions 13 to 14; Seventeenth Witness, Question 5; Nineteenth Witness, Questions 3 to 5; Twenty-second Witness, Question 4; Exhibit BK.

¹⁷⁹ Twenty-second Witness, Question 4; Thirty-sixth Witness, Question 7.

¹⁸⁰ Twenty-second Witness, Question 4

¹⁸¹ Sixteenth Witness, Questions 15 to 18.

¹⁸² Thirtieth Witness, Questions 253 and 254.

¹⁸³ Thirtieth Witness, Question 254.

¹⁸⁴ Eleventh Witness, Question 14.

¹⁸⁵ Thirtieth Witness, Question 232.

- b. **To have served in MI5 and MI6 or at the Home Office.**¹⁸⁶ Mr Wilce gave evidence that "...if that was an impression I gave then it was the wrong impression..." and admitted "I may have said that ..."¹⁸⁷
- c. **To have designed the guidance system for the Polaris missile.**¹⁸⁸ Mr K gave evidence that he found it hard to believe that Mr Wilce would have made such claims except in a "joking sense" but that it was also remotely possible that Mr Wilce had worked on it or was associated with its design or manufacture during his employment with Hunting Engineering.¹⁸⁹ Mr Wilce gave evidence that, whilst he recalled having a conversation related to missile technology, he had no recall of having a conversation with Mr N about designing the Polaris guidance system. He also gave evidence he may have referred to work he was doing at 'Hunting'; "...one of the systems there was the Polaris replacement or potential Polaris replacement..."¹⁹⁰

116. The Court has already found that Mr Wilce lacks credibility. It prefers the evidence of the witnesses who have testified that he made fabricated or inflated claims in respect of his work experience, and finds accordingly. With respect to Mr K, his readiness to seek a plausible explanation for Mr Wilce's claim, while understandable at the time, does not withstand close scrutiny in the light of what the Court now knows.

117. **Personal biographies.** The Court also received four versions of personal biographies drafted on Mr Wilce's personal computer over the period 26 August 2008 to 4 November 2009.¹⁹¹ The document metadata recovered by computer forensics confirms that:

- a. One version of Mr Wilce's biography was sent to Wing Commander S at the New Zealand Embassy in Washington DC on 24 September 2008;
- b. One version was sent to Ms T at Australia's Defence Science and Technology Organisation ("DSTO") on 9 June 2009; and
- c. A further version was sent by Mr U of DTA to Mr V in Australia in response to a social gathering at DSTO.¹⁹²

118. Each of these biographies has inaccurate claims about Mr Wilce's academic qualifications. The Court also finds that the biographies contained inaccuracies and exaggerations with respect to his work experience including:

- a. **Serving as "the New Zealand representative to the World Energy Council for Alternative Energy Technologies".**¹⁹³ A report obtained from [the]...Chairman for the Energy Federation of New Zealand, stated

¹⁸⁶ Ninth Witness, Questions 40 to 43; Eleventh Witness Question 10; Fifteenth Witness, Questions 18 and 43.

¹⁸⁷ Thirtieth Witness, Questions 270 to 272.

¹⁸⁸ Twenty-eighth Witness, Questions 10 to 39.

¹⁸⁹ Fifteenth Witness (Recall), Questions 11 and 12

¹⁹⁰ Thirtieth Witness, Questions 212 to 219 and 336 to 340.

¹⁹¹ Exhibit BK, Annexes A to D; Thirtieth Witness, Questions 324 to 331.

¹⁹² Thirty-seventh Witness, Questions 3 to 6; Exhibit BK.

¹⁹³ Exhibit BK, Annexes A to D.

that "To my knowledge the WEC has not had a sub-group called the World Energy Council for Alternative Technologies....I can confidently say he (Mr Wilce) has never been put forward as an official NZ representative of any type...."¹⁹⁴ Mr Wilce responds that he attended a conference in Canada, which he appears to suggest justifies the claim made in his biography.¹⁹⁵

- b. **Served as "a Director of Ceramic Fuel Cell development business CFCL".**¹⁹⁶ A report obtained from... the current Group General Manager Commercial (and Company Secretary) for CFCL, stated: "I have taken a quick look through our annual reports for 1993 to 1999 and cannot find a reference to Stephen Wilce as a director of Ceramic Fuel Cells Limited."¹⁹⁷ Mr Wilce maintains that he was a director despite this.¹⁹⁸
- c. **"...[C]areer achievements have been recognised on a number of occasions through awards and commendations for scientific, technological and managerial excellence".**¹⁹⁹ No evidence has been provided to the Court to demonstrate awards and commendations in these fields.²⁰⁰ The Court acknowledges however that Mr Wilce was paid at 107.4% of his salary band and was selected for attendance at RCDS in 2010.

119. Life experience. The Court received evidence that Mr Wilce had embellished claims about his life experience. For example, the Court heard evidence that Mr Wilce claimed:

- a. **He was on the IRA death list.**²⁰¹
- b. **To have a degree of medical experience/background.**²⁰²
- c. **To be a two star equivalent in the NZDF.**²⁰³
- d. **To have played the guitar on the British Folk circuit.**²⁰⁴ Mr Wilce said "I used to play the guitar and sing a bit...we used to have a cellar bar underneath the accommodations and the residence we all lived in at the timeused to be a gathering around for local folk singers...and occasionally I used to pull out my guitar and do a couple of songs."²⁰⁵
- e. **To be a member of the Royal Society in the UK.**²⁰⁶ Mr Wilce said "I don't imagine I would have said that but if that's his recollection then maybe I did."²⁰⁷

¹⁹⁴ Exhibits BU and CE.

¹⁹⁵ Mr Wilce submission dated 19 October 2010, paragraph 20.

¹⁹⁶ Exhibit BK, Annexes A to D.

¹⁹⁷ Exhibits BW and CE.

¹⁹⁸ Mr Wilce submission dated 19 October 2010, paragraph 21.

¹⁹⁹ Exhibit BK, Annexes A to D.

²⁰⁰ Exhibit CE.

²⁰¹ Twenty-second Witness, Question 4.

²⁰² Thirty-second Witness, Questions 12 and 40.

²⁰³ Eleventh Witness, Question 26; Thirteenth Witness, Question 39; Nineteenth Witness, Question 7; Twenty-fourth Witness, Question 35.

²⁰⁴ Fourteenth Witness, Questions 39 to 42.

²⁰⁵ Thirtieth Witness, Question 234.

²⁰⁶ Thirteenth Witness, Questions 36 to 39.

²⁰⁷ Thirtieth Witness, Questions 224 to 226.

120. The Court prefers the evidence of the witnesses who have testified that Mr Wilce made fabricated or inflated claims in respect of his life experience, and finds accordingly.

121. **Mr N and Dr W.** As is identified in paragraph [101], the web of lies and exaggeration described above developed gradually over a period of five years. However the Court has heard evidence that Mr N and Dr W had grave concerns about the veracity and character of Mr Wilce as early as 2007. They gave evidence that they discussed their concerns with Mr K on numerous occasions in 2007 and that the issue was also raised with Dr J.²⁰⁸ Mr K did not refute this assertion although his recollection of the meetings is not as clear and he stated that the first time he heard of the Polaris missile story was on the *60 Minutes* television programme.²⁰⁹

122. Having exercised his right to recall a witness under section 200N of the AFDA, Mr N asked Dr W to confirm that he and Dr W had approached Mr K, their manager, on multiple occasions in 2007 to point out that Mr Wilce was "not the man he claims to be" and requested that Mr K take action. Dr W answered:²¹⁰

Yes that's true. The three of us and us individually, met with [Mr K]. We had many discussions on these and other matters....

123. In July 2007, Mr N attended a University of Auckland short course in Tauranga. During that course a lecturer, Dr S, spoke of the critical need to verify *curricula vitae* as part of the recruitment process. He used a case study involving an anonymous person who had falsified his curriculum vitae, claiming to be a member of the UK bobsleigh team and to have won a DSO in the Falklands War.²¹¹ Mr N confirmed with Dr S that the individual referred to was indeed Mr Wilce.²¹²

124. Mr N stated, and Dr W confirmed, that these revelations were raised with Mr K on return to DTA. As far as the Court has been able to ascertain, they were not acted upon.²¹³

125. In August 2007 Mr N and Dr W personally hired a private investigation firm, Paragon, to verify the *bona fides* of Mr Stephen Wilce's biography. According to Mr N, the report alluded to "holes in his biography" but did not provide any evidence that suggested it was incorrect.²¹⁴ In January 2008 Mr N and Dr W resigned from DTA.

126. The Court notes that, despite the lack of definitive action by their superior, Mr N and Dr W did not take the matter further themselves through official NZDF channels. Mr K questioned Mr N on whether he had considered going to Defence Security or Defence Intelligence with his concerns. Mr N said, "To be honest I never thought of those paths the only path I really thought of was to GMOS..."²¹⁵

²⁰⁸ Twenty-eighth Witness (Second Recall) page 4; Twenty-fourth Witness, Questions 19 to 20, (First Recall), Question 6.

²⁰⁹ Fifteenth Witness, Classified Annex.

²¹⁰ Twenty-fourth Witness (First Recall), Question 2.

²¹¹ Twenty-eighth Witness (First Recall), Question 10.

²¹² Twenty-eighth Witness, (First Recall), Question 10.

²¹³ Twenty-fourth Witness (First Recall), Question 2; Twenty-eighth Witness (First Recall), Questions 10 and 12.

²¹⁴ Twenty-eighth Witness (First Recall), Questions 12 to 17.

²¹⁵ Twenty-eighth Witness (First Recall), Questions 23 to 26.

127. **Report to DDIS.** In 2008, Major E and Mr F formally raised concerns about the security reliability of Mr Wilce with the Director of Defence Intelligence and Security ("DDIS"),²¹⁶ Colonel G, following discussions that they had with Mr Wilce on a social occasion in the Wardroom at HMNZS PHILOMEL.²¹⁷ They felt that Mr Wilce was "loose with his talk about security clearances and...[defence relationship] issues". Mr F also questioned the veracity of Mr Wilce's claims about his service with the Royal Marines.²¹⁸ Colonel G recalled the conversation (relating to the Court a diary entry) and believes that the diary notation suggests that "I probably considered that the matter is a command matter and probably referred it to... [Assistant Chief Strategic Commitments and Intelligence ("AC SCI")] to take up with Steve's boss."²¹⁹ was AC SCI at the relevant time. He does not recall any discussions with Colonel G regarding security concerns about Stephen Wilce, but acknowledges that that does mean such a discussion did not occur.²²⁰

128. In November 2009 Mr Wilce was asked by NZDF to complete a security vetting form to renew his [high level] clearance. He requested that his security clearance be increased from [a high level one] to [a very high level one]. The Court heard evidence that Mr Wilce was advised of the depth of background checks that would be required and "Steve backed off....and [then] these issues that we are dealing with in this Court of Inquiry started to become evident ..."²²¹ Mr Wilce gave evidence that he did not pursue the [very high level] clearance at that point because he was going to RCDS and his existing security clearance, which was adequate for that study, was extended for 12 months.²²²

129. Mr Wilce left DTA to attend RCDS in the UK in December 2009. He returned to New Zealand in August 2010. Between July and September 2010 the issues surrounding the integrity and character of Mr Wilce were brought into sharper focus. In particular, Mr K began to develop concerns around the security reliability of Mr Wilce because of comments provided to him by "friends and colleagues" as well as his own observations of the previous 12 to 18 months.²²³ These concerns were discussed with Colonel G, as well as other colleagues.²²⁴ At the time it was considered that the evidence was insubstantial but that the situation should be monitored in order to determine patterns and quantify any security risk.²²⁵ It wasn't until shortly before Mr Wilce returned from RCDS that the situation had manifested itself sufficiently to indicate a clear security and/or reputational risk to NZDF.²²⁶ The Court finds that the later events in 2010 unfolded as follows:

- a. **July.** A submission is received by the Vice Chief of Defence Force on related issues under the Protected Disclosures Act 2000. The Court is not privy to this submission.

²¹⁶ Seventeenth Witness, Questions 5 and 9 to 13; Nineteenth Witness, Questions 7 and 12.

²¹⁷ Seventeenth Witness, Questions 5 to 13; Nineteenth Witness, Questions 7 to 12.

²¹⁸ Nineteenth Witness, Questions 5 to 7.

²¹⁹ Twenty-first Witness, Questions 24 to 29; (Recall), Question 7.

²²⁰ Fortieth Witness, Questions 1 to 4.

²²¹ Twenty-first Witness, Question 7.

²²² Thirtieth Witness, Question 17.

²²³ Twelfth Witness, Question 46; Fifteenth Witness, Questions 18 to 19, 22 and 31 to 33; (Recall) pages 23 to 25.

²²⁴ Twelfth Witness, Question 46; Fifteenth Witness, Question 43; (Recall) pages 20 to 22.

²²⁵ Fifteenth Witness, Question 30; (Recall), Question 8.

²²⁶ Fifteenth Witness, Questions 36 to 43.

- b. August.** Mr Wilce returns from RCDS.
- (1) Mr K raises concerns with DDIS around security debrief requirements following a conversation with Mr Wilce in which Mr Wilce declares his intention to leave DTA to work for another company.²²⁷ DDIS receives information from overseas that Mr Wilce is being investigated by *60 Minutes*.²²⁸
 - (2) Mr Wilce e-mails the General Manager Operational Support ("GMOS"), Dr GB, to report that he has been interviewed by a reporter from *60 Minutes* and that TV3 has a copy of his curriculum vitae.²²⁹ There are discussions between Dr J and GMOS about "concerns around the allegations of what he [Mr Wilce] had said in the past and what were in that CV..."²³⁰ GMOS requests that Mr Wilce stand down on full pay until the processes of the protected disclosure and the "media frenzy" can be worked through.²³¹
 - (3) An audit and risk assessment of Mr Wilce's access to classified material is undertaken by Mr K at DTA and Colonel G.²³²
- c. September.** Mr K and Mr Wilce have a meeting at the Sierra Café in Devonport during which Mr Wilce talks about his stress and alludes to concerns around his CV.²³³
- d.** The *60 Minutes* programme is broadcast. The programme features Dr W and Mr N.

The sufficiency of the NZDF's response

130. The Court is unable to reach a firm conclusion on the misgivings expressed by Mr A about the character of Mr Wilce in 2005,²³⁴ because it has been unable to determine what action if any was taken by the NZSIS.²³⁵ On the face of the evidence, it appears that no action was taken, which is troubling.

131. The evidence before the Court suggests that Mr Wilce's exorbitant claims, or at least a number of them, were a common topic of discussion in the DTA lunch room. The evidence also suggests that various staff raised concerns about Mr Wilce with individual DTA Group Managers over the period 2005 to 2009.²³⁶ The Court finds that these indications were not acted upon in any meaningful way.²³⁷ This had the unintended consequence of creating a permissive environment for Mr Wilce to continue behaving in an inappropriate manner. The Court finds that the inaction by

²²⁷ Fifteenth Witness, Questions 36 to 41; Exhibit Y.

²²⁸ Twenty-first Witness, Questions 8 and 9; Thirty-sixth Witness, Question 23.

²²⁹ Thirty-sixth Witness, Question 22.

²³⁰ Twelfth Witness, Questions 47 to 49; Thirty-sixth Witness, Question 22.

²³¹ Thirty-sixth Witness, Question 22.

²³² Thirty-sixth Witness, Question 22.

²³³ Fifteenth Witness, Questions 41 to 43.

²³⁴ Twenty-second Witness, Questions 12 to 21

²³⁵ Sixth Witness, Questions 39 to 40.

²³⁶ Eleventh Witness, Question 15; Thirteenth Witness, Questions 45 to 53; Fourteenth Witness, Question 63; Fifteenth Witness (First Recall), page 7; Twenty-fourth Witness (First Recall), Question 2.

²³⁷ Thirteenth Witness, Questions 45 to 51; Twenty-eighth Witness (First Recall), Questions 12, 13 and 23 to 26.

senior staff led some staff to feel disenfranchised or disgruntled.²³⁸ However it is important that these findings are contextualised against the environment and culture of DTA manifested by the appointment of Mr Wilce and his tenure as Director.

132. The Court finds that a number of elements contributed to an environment at DTA in which – at least in the view of some witnesses – senior management chose not to “rock the boat” with respect to the allegations made against Mr Wilce.²³⁹ These factors included:

- a. A belief held by at least some staff, that Mr Wilce was a manager who did not brook dissent.²⁴⁰
- b. The fact that the three Group Managers at DTA had unsuccessfully applied for the position of DDTA and had formally sought review of the appointment of Mr Wilce.²⁴¹ The Court finds that the Group Managers – or at least some of them – continued to hold the view that Mr Wilce was not the right choice for DDTA. It had however been made clear to them by the NZDF during the appointment and review process that their misgivings were not shared by the organisation. In these circumstances, the Group Managers “had to get on with it”.²⁴² The Court recognises that, as direct reports, this was an invidious position for them to be in.
- c. The fact that at least some of the staff at DTA did not feel well supported by the senior management of NZDF and “didn’t feel they could bring it to [GMOS – Mr Wilce’s direct superior] because they couldn’t quite trust the organisation.”²⁴³ Compounding this was a perception that Mr Wilce was well connected and well supported.²⁴⁴
- d. The belief by senior management at the DTA that each individual piece of the story they were aware of was vaguely plausible. By themselves, these fragments of information were not considered strong enough to take to higher authorities until security concerns were raised and evidential patterns emerged in late 2009/2010.²⁴⁵

133. With respect to the concerns expressed by various staff at DTA and raised with individual DTA Group Managers, taking into account the above mentioned factors, the Court finds that the apparent lack of response by those managers in the first years of Mr Wilce’s employment is understandable in the circumstances.

²³⁸ Eleventh Witness, Questions 26 and 32 to 38; Thirteenth Witness, Questions 45 to 47; Twenty-fourth Witness (First Recall), Question 10; Twenty-eighth Witness.

²³⁹ Twenty-fourth Witness, Questions 5 to 10; Twenty-eighth Witness, Questions 54 to 59.

²⁴⁰ Ninth Witness, Questions 52 to 57; Eleventh Witness, Questions 33 to 37; Fifteenth Witness (First Recall), page 27; Thirty-first Witness, Questions 33 to 35; Thirty-second Witness, Questions 34 to 39.

²⁴¹ Twelfth Witness (Recall), Questions 15 to 17; Fourteenth Witness, Question 32; Fifteenth Witness, Questions 9 and 32; Thirty-second Witness, Question 61; Exhibits F(10), T, U and AC.

²⁴² Twelfth Witness (Recall), Questions 15 to 17; Fourteenth Witness, Question 57; Fifteenth Witness (Recall), pages 17 and 19; Eighteenth Witness, Questions 92 to 98; Thirty-second Witness, Question 9; Exhibits T, U and V.

²⁴³ Ninth Witness, Question 51; Eleventh Witness, Questions 15 to 17 and 26; Thirty-first Witness, Questions 47 to 49; Thirty-second Witness, Questions 63 to 65; Thirty-sixth Witness, Questions 26 to 27.

²⁴⁴ Twenty-eighth Witness (First Recall), Questions 19 and 20; Thirty-first Witness, Question 12; Thirty-second Witness, Questions 63 to 65.

²⁴⁵ Twelfth Witness, Question 46; Fifteenth Witness, Questions 30 to 32; (Recall) Questions 8 and 16, pages 22 to 25 and 27.

134. It is the Court's view that the response by DDIS to security concerns about Mr Wilce, which were formally raised by Major E and Mr F in 2008, was limited at best. The Court was not able to confirm with any certainty what actions if any were taken by DDIS following the meeting between the parties.²⁴⁶ It is evident that when complaints by "trusted" members from within NZDF are made, a more vigorous response and thorough investigation is warranted.

135. As a pattern of behaviour emerged and dissatisfaction amongst some individuals grew with the imminent return of Mr Wilce from RCDS, events came to a head. The Court finds that the action taken by NZDF since then has been timely and appropriate to mitigate any potential security risks, and compartmentalise Mr Wilce from highly sensitive information at DTA.²⁴⁷ An audit and risk assessment was undertaken by Mr K and briefings were provided to [certain countries with which New Zealand has a close defence relationship] as events unfolded.²⁴⁸ The Court understands that...[*views of New Zealand's defence partners withheld under section 6(a) Official Information Act 1982*].²⁴⁹ Updates on the risk assessment continue to be provided to New Zealand's partners...by Mr K.

136. The complaint under the Protective Disclosures Act has been handled separately to this inquiry and the Court is not in a position to comment on it.

137. The Court finds that the administrative process undertaken as the wider picture of Mr Wilce became clear was also appropriate given the circumstances of an ongoing Protected Disclosures Act complaint against him. Mr Wilce was asked to absent himself from work on full pay in August 2010 and subsequently resigned.²⁵⁰

138. The Court was troubled by a general impression it formed that a number of witnesses seemed to desire complaints to be made formally or submitted in writing before definitive action could be taken.²⁵¹ It is the Court's view that authorities should be more proactive in following up stories or complaints when matters of national security are involved.

Part 5: The need for change

139. In the preceding part of its report, the Court has called for much greater synergies between the pre-employment screening and security vetting processes of the NZDF particularly for senior appointments requiring a high level of security clearance. The Court finds that the situation regarding Mr Wilce may not have eventuated, had more robust policies been in place in that respect in 2004/2005.

140. The Court also recommends that a mechanism such as a "whistle blower" phone number be established at HQ NZDF/DDIS in order to provide an outlet for those NZDF personnel who feel unable to use their own command chain or

²⁴⁶ Seventeenth Witness, Questions 5 to 13; Nineteenth Witness, Questions 7 and 12; Twenty-first Witness, Questions 24 to 29; (Recall), Question 7.

²⁴⁷ Fifteenth Witness, Questions 22 to 26 and 34 to 36; Exhibit Y; Twenty-first Witness, Questions 7 and 8; (Recall), Question 9; Thirty-sixth Witness, Questions 22 and 23.

²⁴⁸ Twenty-first Witness (Recall), Question 9.

²⁴⁹ Fifteenth Witness, Questions 50 to 52; Exhibit Y.

²⁵⁰ Thirty-sixth Witness, Question 22; Mr Wilce submission dated 19 October 2010, paragraph 24 and enclosure.

²⁵¹ Second Witness, Questions 55 to 57; (Third Recall), Question 8; Thirteenth Witness, Question 13; Fifteenth Witness (First Recall), page 7, Question 12; Seventeenth Witness, Question 9.

management lines to make draw attention to issues of security concern (that may be non-attributable) about individuals. This may have a greater effect and provide earlier responses than the more formal process under the Protected Disclosures Act. This concept was discussed with and garnered support from a number of witnesses.²⁵²

Part 6: Degree of security risk posed by Mr Wilce

141. The Court finds that Mr Wilce was not and is unlikely to become a national security risk of any real significance.

Risk assessment

142. The Court considers, based on the weight of evidence and the opinion of security experts, that the risk to national security as a result of Mr Wilce's employment within the NZDF is low to moderate.²⁵³ However the risks to reputation and of future embarrassment due to the employment of someone of Mr Wilce's character for such a long period of time, is high. It is possible that Mr Wilce's tendency to "big-note" and embellish the truth could continue to embarrass and damage the NZDF's reputation into the future.²⁵⁴

143. ...[The] Director of GCSB, gave evidence that he considered the risk to be in the moderate to low-moderate region.²⁵⁵

He really didn't have access to the higher security level stuff which may be detrimental to New Zealand's interests if it were released. Yes he did have access to the DTA area, to other areas which would be embarrassing. That's the area I would put it in. Embarrassment and detrimental to national security.... I think he would be seen for what he is (an) untrustworthy person by all sides but as far as embarrassment is concerned to the government and to others I think he is a very high risk in releasing stuff which shouldn't be out there.

144. DDIS, Colonel G, gave evidence that Mr Wilce did pose a security risk, but that it is limited. He identified Mr Wilce as a "Walter Mitty" but stated: "I don't think he's had access to detailed enough information to be a security threat." However, he acknowledged that Mr Wilce did have a [high level] security clearance and that he could have had access to [highly sensitive] information. Colonel G agreed with the Court that Mr Wilce was vulnerable to traditional security threats.²⁵⁶

145. The NZSIS witness stated that "on the basis of the information on the vetting file", Mr Wilce was not a security risk. He was not prepared to comment on the security risk based on the media reports and what Mr A purported but did acknowledge that "I would have security concerns" if hypothetically a person had acted in the way Mr Wilce is purported to have done.²⁵⁷

146. Mr K gave evidence pertinent to this issue which is classified....²⁵⁸

²⁵² Fifteenth Witness, Question 52; Twenty-first Witness, Question 42; Thirty-first Witness, Question 49; Thirty-second Witness, Question 63; Thirty-sixth Witness, Question 27.

²⁵³ Twenty-first Witness, Question 31; Twenty-third Witness, Question 19.

²⁵⁴ Seventh Witness, Questions 56 and 57; Fifteenth Witness (Recall), page 23; Twenty-third Witness, Question 19.

²⁵⁵ Twenty-third Witness, Question 19.

²⁵⁶ Twenty-first Witness, Questions 31 to 40.

²⁵⁷ Sixth Witness, Questions 52 to 57.

²⁵⁸ Fifteenth Witness, Questions 32 to 41, 45 and 50 to 52; See classified annex to the report.

147. DDSy... stated that a person with "narcissistic tendencies" (such as Mr Wilce) would constitute a security risk "because they could actually be vulnerable to exploitation from foreign intelligence organisations ... or if they are indiscreet they'll be talking about things which should not be discussed in open forum or public..."²⁵⁹

148. By way of contrast, Mr Wilce gave evidence that he had never passed any classified information outside a classified environment and that he did not consider himself a security risk.²⁶⁰

Access

149. The Court finds that, notwithstanding his [high level] clearance, Mr Wilce had very limited access to [highly sensitive] information and had never accessed [a highly sensitive computer network].²⁶¹ DTA has a culture of compartmentalising the work that they undertake, with only those directly involved having access to the laboratories, sensitive material or data.²⁶² Mr Wilce was briefed on a regular basis by project managers and received reports at a level commensurate with his clearance. He attended classified meetings and conferences as DDTA.²⁶³ More recently (since 2008), Mr K compartmentalised Mr Wilce's access due to concerns he had regarding Mr Wilce's indiscrete stories and embellishments of the truth.²⁶⁴

Part 7: Other relevant issues

150. A number of other issues have been raised by various witnesses regarding Mr Wilce's work patterns,²⁶⁵ travel claims and expenses,²⁶⁶ and an employment related issue. The Court has not fully investigated these allegations but has collected and reviewed some evidence in relation to work patterns and recommends that an audit be undertaken to ascertain the veracity of the claims.²⁶⁷ Mr Wilce has made a submission in relation to these matters, which is forwarded with this report.²⁶⁸

151. It was suggested in the evidence that an appointment to the Civil Staff was made at DTA during Mr Wilce's tenure as Director, which did not comply with the Defence Act 1990 or DFO 16.²⁶⁹ The Court recommends that this matter be investigated by the appropriate authorities separately. The Court notes that Mr Wilce strongly refutes any suggestion of wrongdoing on his part in connection with this appointment.²⁷⁰

152. When the Court directed a member of the National Information Assurance Team ("NIAT"), Communications and Information Systems Branch to harvest data from Mr Wilce's computer at the DTA, he reported that NIAT did not have the level of

²⁵⁹ Seventh Witness, Question 56.

²⁶⁰ Thirtieth Witness, Questions 364 and 365.

²⁶¹ Fifteenth Witness, Questions 22, 43 and 44; Twenty-first Witness, Question 8; (Recall), Question 9; Thirty-seventh Witness (Round 6), Question 1; Exhibit Y.

²⁶² Fifteenth Witness, Question 52.

²⁶³ Fifteenth Witness, Questions 40 to 44; Twenty-eighth Witness, Questions 16 and 17; Thirtieth Witness, Questions 279 and 280.

²⁶⁴ Fifteenth Witness, Questions 22 to 26; Twenty-first Witness, Questions 7 and 8.

²⁶⁵ Fifteenth Witness (Recall), page 23 and 45; Thirty-first Witness; Questions 39 to 42; Exhibit BZ.

²⁶⁶ Eleventh Witness, Question 33; Thirty-first Witness, page 3, Questions 10 and 21 to 29.

²⁶⁷ Exhibits BC and BZ.

²⁶⁸ Mr Wilce submission dated 15 October 2010.

²⁶⁹ Eleventh Witness, Question 33.

²⁷⁰ Mr Wilce submission dated 19 October 2010, paragraphs 27 to 29.

visibility and control of the "dta.mil.nz" domain that it has of the "nzdf.mil.nz" domain and which is required to ensure the integrity of NZDF information.²⁷¹ The aforementioned network is internet-facing. NIAT reported that, given the lack of control over other devices attached to such computers, "the potential for compromise of information security should be considered high".²⁷² The Court recommends that CIS Branch audit all computer networks in use at DTA to ensure that they comply with relevant NZDF orders and instructions.

153. In hearing the evidence of Mr N, it came to the attention of the Court that he did not appear to have been debriefed by DDIS as part of his clearance procedures when he left the NZDF, although he held a clearance for special compartmentalised intelligence. The Court finds this a matter of concern.

Conclusions

154. In summary, the Court finds that:

- a. The NZDF project team formed to recruit a new Director of the Defence Technology Agency in 2004 complied with most of the then applicable provisions of DFO 16.
- b. Given the nature of the position, the interview panel should not have ignored the scientific, research, development and engineering competencies of the final applicants to the extent that they did during the interview process.
- c. No member of the interview panel had sufficient human resources experience and expertise to ensure that the process was properly managed in accordance with DFO 16.
- d. The interview process was conducted with undue haste.
- e. Overall, the quality of the recruitment process followed was inadequate from a qualitative perspective.
- f. There were no relevant State Services Commission guidelines in place at the time Mr Wilce was recruited, but this was remedied in 2007.
- g. A number of claims which Mr Wilce made in the curriculum vitae he submitted with his application were embellished or misleading.
- h. Momentum Consulting Group Ltd ("Momentum") carried out qualifications checks on Mr Wilce in accordance with the then provisions of DFO 16. Mr Wilce holds the qualifications that he claimed to hold in his curriculum vitae.
- i. Momentum carried out a criminal history check through a subcontractor...*[Information withheld under section 20 of the Criminal Records (Clean Slate) Act 1994.]*

²⁷¹ Thirty-seventh Witness, Question 7.

²⁷² Exhibit BK.

- j. Momentum was obliged, under the contract it entered into with the Crown, to “undertake detailed reference checking” to the standard indicated in its Proposal.
- k. Momentum did undertake referee checks.
- l. The checking undertaken by Momentum met the basic standard then required by DFO 16; enquiries were made of Mr Wilce’s referees and no concerns about his background, integrity or character became apparent.
- m. The checking undertaken by Momentum did not satisfy the higher standard of thoroughness required by its contract with the Crown; adherence to this standard was necessary given the nature of the position.
- n. The NZDF recruitment project team placed an undesirably high level of reliance on Momentum carrying out the proper checks. The NZDF could not contract out of its responsibility to ensure that adequate checks were conducted prior to appointing Mr Wilce. Accordingly, the relevant manager, [the then Assistant Chief Development], bears command responsibility for any failings in this regard.
- o. The standard of checking required by DFO 16 at the time was inadequate in the circumstances.
- p. The vetting of Mr Wilce for a [high level] clearance was conducted in accordance with the DPMC manual, *Security in the Government Sector*.
- q. The vetting process prescribed in *Security in the Government Sector* is at least as thorough as that which applies in New Zealand’s partner defence forces.
- r. However, the NZDF’s decision to grant Mr Wilce a [high level] security clearance was flawed because it had not conducted adequate pre-employment screening. This might have been expected to bring to light some of the security concerns subsequently raised if it had been done sufficiently thoroughly.
- s. Over the five years he was at the Defence Technology Agency, Mr Wilce made embellished claims to a number of his staff and other members of the NZDF about his qualifications, work, military and life experience. The claims were made sporadically to different people and often had an air of plausibility. Often there was some grain of truth, for example in the case of the bobsledding claim. When the claims are viewed together, they clearly appear to be the product of fabrication. Viewed individually and spread over a five year period, the fabrication and consonant security concerns were less obvious.
- t. Mr A raised a concern regarding Mr Wilce’s integrity at around the same time Mr Wilce was being vetted for a security clearance in 2005. He passed on his concerns to a member of the NZSIS. The Court has been unable to determine what was done in response to this, as the NZSIS witness was unable to provide any record of the conversation or any action taken in consequence.

- u. Mr A's concern was also passed on by his daughter, then Major B, to two members of the NZDF involved in Mr Wilce's recruitment; Mr C and Mr D. It seems probable that Mr C informed...[the] then Assistant Chief Development [who was] chair of the interview panel. It is unclear what, if any, steps were taken beyond that.
- v. The staff of DTA did not raise any concerns about Mr Wilce's embellished and misleading statements until a disclosure was made under the Protected Disclosures Act 2000.
- w. Major E and Mr F raised concerns relating to Mr Wilce's veracity and discretion with the Director of Defence Intelligence and Security, Colonel G, in 2009. Colonel G may have raised the matter with his immediate superior. It is unclear what, if any, steps were taken beyond that.
- x. The responses to the various indications were less than satisfactory.
- y. Notwithstanding his [high level] clearance, in fact Mr Wilce had only limited access to [highly sensitive] information.
- z. Mr Wilce was not and is unlikely to become a national security risk of any real significance.
- aa. Mr Wilce may however present a risk to the reputation of New Zealand with its international defence and security partners.
- bb. There are unanswered questions relating to Mr Wilce's work patterns, travel claims and expenses, as well as an employment related issue, while he was Director of the Defence Technology Agency.

Recommendations

155. The Court recommends that:

- a. The current version of DFO 16 as it applies to the recruitment of Civil Staff be amended as soon as possible by:
 - (1) Reinstating the requirement for reference and qualifications checks;
 - (2) Adding a requirement to conduct a criminal history check;
 - (3) Adding a requirement to conduct a credit history check where the appointee will have access to taxpayer funds;
 - (4) Ensuring that NZDF human resources staff obtain the consent of every candidate to conduct the foregoing checks, should that candidate be provisionally selected;
 - (5) Ensuring that the abovementioned consent includes permission for NZDF human resources staff to forward any information obtained to the Deputy Director Security for vetting purposes.
 - (6) Requiring NZDF human resources staff to indicate to New Zealand Police vetting staff, when conducting the criminal history check, if the

position in question involves access to national security information;
and

- (7) Ensuring that the recruitment files of successful candidates are not destroyed.
- b. DFO 51 and/or DFO 16 be amended to ensure that especially thorough checks of the type indicated above are conducted whenever the position, for which the Civil Staff member is being recruited, requires access to classified national security information, and that the information gathered by NZDF human resources staff is communicated to the Deputy Director Security before any application for a security clearance is forwarded to the NZSIS.
 - c. A mechanism such as a "whistle blower" phone number be established at HQ NZDF (eg in the Directorate of Defence Intelligence and Security) in order to provide an outlet for those NZDF personnel who feel unable to use their own command chain or management lines to draw attention to issues of security concern.
 - d. The Directorate of Defence Intelligence and Security conduct a formal review of the security risk posed by Mr Wilce's employment as DDTA.
 - e. An audit be undertaken to ascertain the veracity of the claims made in the evidence before this Court that Mr Wilce may have had an unacceptable number of unexplained and unauthorised absences from work.
 - f. An audit of travel and expense claims made by Mr Wilce during his employment as DDTA be undertaken.
 - g. The appropriate authorities investigate the claim made in the evidence of Dr AT that Mr Wilce employed a member of the Civil Staff in a manner which did not comply with the Defence Act 1990 or DFO 16.
 - h. Communications and Information Systems Branch audit the computer networks in use at the Defence Technology Agency to ensure that they comply with relevant NZDF orders and instructions.
 - i. The NZDF take steps to foster an organisational environment where its personnel feel able to come forward when they have concerns.
 - j. A copy of this report, less the evidence attached, be placed on the NZDF personal file of Mr Stephen Wilce.

Dated at Wellington on 20 October 2010

[Signed on original]

A.D. GAWN
Brigadier
President

D.J. EDWARDS
Member

COMMENTS BY ASSEMBLING AUTHORITY

1. I have now received and considered the report of the Court of Inquiry which I assembled on 13 September 2010 to inquire into the circumstances in which Mr Stephen Wilce was employed as Director of the Defence Technology Agency. The proceedings of the Court of Inquiry were conducted from 13 September to 20 October 2010 and involved hearing the evidence of 40 witnesses and the consideration of considerable body of documentary and other evidence. I consider the members of the Court of Inquiry to have done a thorough and professional job and I substantially accept their conclusions.

2. At the heart of this matter is a man who has, at the least, overly embellished and misrepresented his history. The NZDF placed trust in the reliability of Mr Stephen Wilce. This report demonstrates that that trust was misplaced.

3. This inquiry has taken longer than I expected or would have liked. This is largely due to the fact that the reputations of a number of persons within and outside the NZDF were likely to be adversely affected by its findings. This in turn necessitated the application of natural justice, including the provisions of the Armed Forces Discipline Act 1971.

4. The potential for damage to reputation is, as the report clearly demonstrates, a very real one. The answers provided to the terms of reference which I set for the Court highlight a number of failings at many levels. I address those failings as follows.

Stephen Wilce

5. In my view the central and most important of the failings identified in the report must be those of Mr Wilce himself. He represented his work history, military career, achievements, academic qualifications and activities in other fields in a way that was neither honest nor complete. But for this breach of a fundamental duty of honesty towards his employer, his peers and his subordinates, the rest of the matters in question could not have arisen. It is some consolation that Mr Wilce has finally conceded his characteristic of pointless self-aggrandisement and I hope he has gained some insight into the damage that he has done to his own reputation, that of the NZDF and to the morale of those he led in the Defence Technology Agency (DTA).

6. A reasonable question that flows from this is whether a complaint of criminal conduct based on these misrepresentations should now be made to the New Zealand Police. There are, however, real difficulties with such a course of action. The Court makes it clear that there are two distinct periods of relevance here. The first is the period of time up to the point at which Mr Wilce was employed, including the submission of his curriculum vitae. The second is the period during which he was employed by NZDF. In respect of this first period, the recruitment phase, it appears that Mr Wilce's failings were almost entirely those of omission.

7. Although the Court finds that some of his statements were embellished or misleading there is no evidence that he lied about his qualifications. The bulk of Wilce's untruths arose during the latter phase when Mr Wilce was already employed by NZDF. Furthermore, NZDF was not induced to do anything that it would not otherwise have done in reliance on these fabrications. Telling lies in one's day-to day dealings is reprehensible, but further elements are needed before it becomes a crime. I will be taking more considered advice on this point over the next few days, but on the face of this report I consider that a complaint to the Police is unlikely to be productive.

8. The Vice Chief of Defence Force ordered the conduct of an employment investigation concerning Mr Wilce, arising from a disclosure received in late June 2010 under the Protected Disclosures Act 2000. Mr Wilce tendered his resignation from NZDF following receipt of the draft Terms of Reference for that investigation on 3 September 2010. Although that investigation continued, and made findings largely consistent with those of this Court of Inquiry, Mr Wilce no longer works for NZDF and therefore cannot be disciplined by it.

The appointment process

9. I am concerned to find that the appointment process for such an important and senior position in the NZDF was flawed in a number of significant respects. Amongst other things the Court finds that a key failing of the employment process was the manner in which the interview panel was constructed and operated. The Court finds that the panel was poorly prepared and lacked requisite expertise. It appears to have excluded or marginalised important expert advice concerning technical, scientific and human resources considerations. In particular it seems to me that the failure to pay sufficient attention to the views of the only member of the panel who actually had qualifications and experience in scientific matters contributed to the current problem. I also consider the decision to forge ahead with the appointment process when non-appointment of any of the candidates was a viable and appropriate option was a failure.

10. The Assistant Chief Personnel (AC Pers) has put before me terms of reference to remedy the deficiencies of the existing Defence Force Order in respect of panel preparation and reference checking. I have directed him to complete this work as a matter of urgency and to ensure that the measures comply with State Services Commission guidelines and are promulgated, well advertised and complied with.

11. It is also my intention to require senior civilian appointments to be endorsed by the Senior Appointments Board of the NZDF, as is the case for senior military officers.

Vetting and verification of information

12. One of the most critical aspects of the report is the role played by Momentum Consulting Group Ltd (Momentum) in the selection process. This is also likely to be one of the most contentious aspects of the report. I am aware that, as a professional and high-profile human resources consultancy, the Court's criticism of Momentum's performance in this case is viewed by them as striking at their commercial reputation and vital interests. The Court has therefore been very measured in its approach to Momentum's role and has been punctilious in its respect for natural justice rights. The Court finds that the conduct of the qualifications checks was conducted in a

satisfactory manner. However in respect of reference checking it is faced with a stark contrast of evidence as to what it is that Momentum was required to do. Significantly this includes the terms of the written contract entered into between the NZDF and Momentum which seem quite clear on their face. The Court finds that the referee and reference checking conducted in respect of Mr Wilce was inadequate. The Court does not shy from attributing a significant measure of the blame for this to the procedures applied by NZDF at the time, and to the conduct of the panel (see above). However it is also clear that the part of the process which was expected of Momentum under its contractual relationship with NZDF was not adequately performed either. Momentum may not like this finding, and are at liberty to dispute it, but there is evidence upon which such a finding may reasonably be made. I agree with the Court's finding.

13. The role of a court of inquiry is not to attribute blame. It is to identify the reasons for certain occurrences so that failings can be rectified and the repetition of mistakes avoided. In this case I consider the finding to be significant, not with any thought to using it as a mechanism to shift the blame from NZDF to another agency, but rather because it clearly demonstrates the following points of general application:

- a. The dangers inherent in relying on outside agencies to do tasks that are central to NZDF's interest.
- b. The need to ensure that contracted agencies are entirely clear on what is required of them, that they produce good value for taxpayer's funds and that their offered services are appropriate to the needs of the NZDF.
- c. The need to rigorously manage, monitor and enforce contractual obligations.

14. I have directed AC Pers, in consultation with the Director General of Defence Legal Services (DGDLS), and the Deputy Director Security (DDSy) to review the NZDF's processes to ensure that thorough reference and referee checking takes place, and to review the part in that process that outside agencies should play and how they are to be managed if they do.

Security vetting

15. The Court concludes that NZDF's decision to grant Mr Wilce a [high level] security clearance was flawed because adequate pre-employment screening had not been conducted which might have been expected to bring to light some of the security concerns subsequently raised if it had been done sufficiently thoroughly.

16. I accept the Court's recommendation that a formal mechanism for strengthening the relationship between the Defence Security Directorate and the Defence Personnel Executive is necessary and I have directed AC Pers and DDSy to produce such a mechanism.

17. I also note the Court's preliminary assessment of the extent to which Mr Wilce constituted a security threat and its recommendation that a formal review of this aspect be conducted. I have directed the Directorate of Defence Intelligence and Security to undertake such a review, noting that to my knowledge the directorate has already put some mitigation and assessment processes in place.

Reaction of NZDF to concerns about Mr Wilce

18. The last, and in some respects the most concerning, issue with which the Court grapples is the extent to which NZDF reacted to concerns about Mr Wilce's behaviour.

19. The Court sets out in a thorough and even manner the extent of Mr Wilce's bizarre and dishonest behaviour. It is not necessary for me to repeat or comment further on this, other than to observe that many of the things which Wilce claims to have done or been rewarded for, such as gallantry, are matters which strike to the heart of the values of the NZDF.

20. What is of greater concern, however, is the question of whether NZDF was sufficiently receptive to the concerns raised by its own staff, and by interested outsiders.

21. I am satisfied that the response of the NZDF to the protected disclosure made in July of this year was satisfactory. I am also satisfied that the NZDF followed the appropriate employment processes for dealing with Mr Wilce, up to the point at which he resigned. I am not so satisfied, however, that we reacted appropriately to earlier indications of Mr Wilce's bizarre behaviour. It is inevitable that parallels will be drawn between this episode and that considered by the Controller and Auditor-General in respect of the UN accommodation allowance issue. Although there are material differences between the two issues, I consider that the resolution of both engages the same factors. I have already directed AC Pers and DGDLS to draw up procedures by which concerns about bad behaviour of members of the NZDF can be elevated to the appropriate level for rapid resolution at the earliest possible stage. Work on this is already well underway and I consider that this process will go a long way to avoiding a repetition of this unhappy saga.

[Signed on original]

J. MATEPARAE

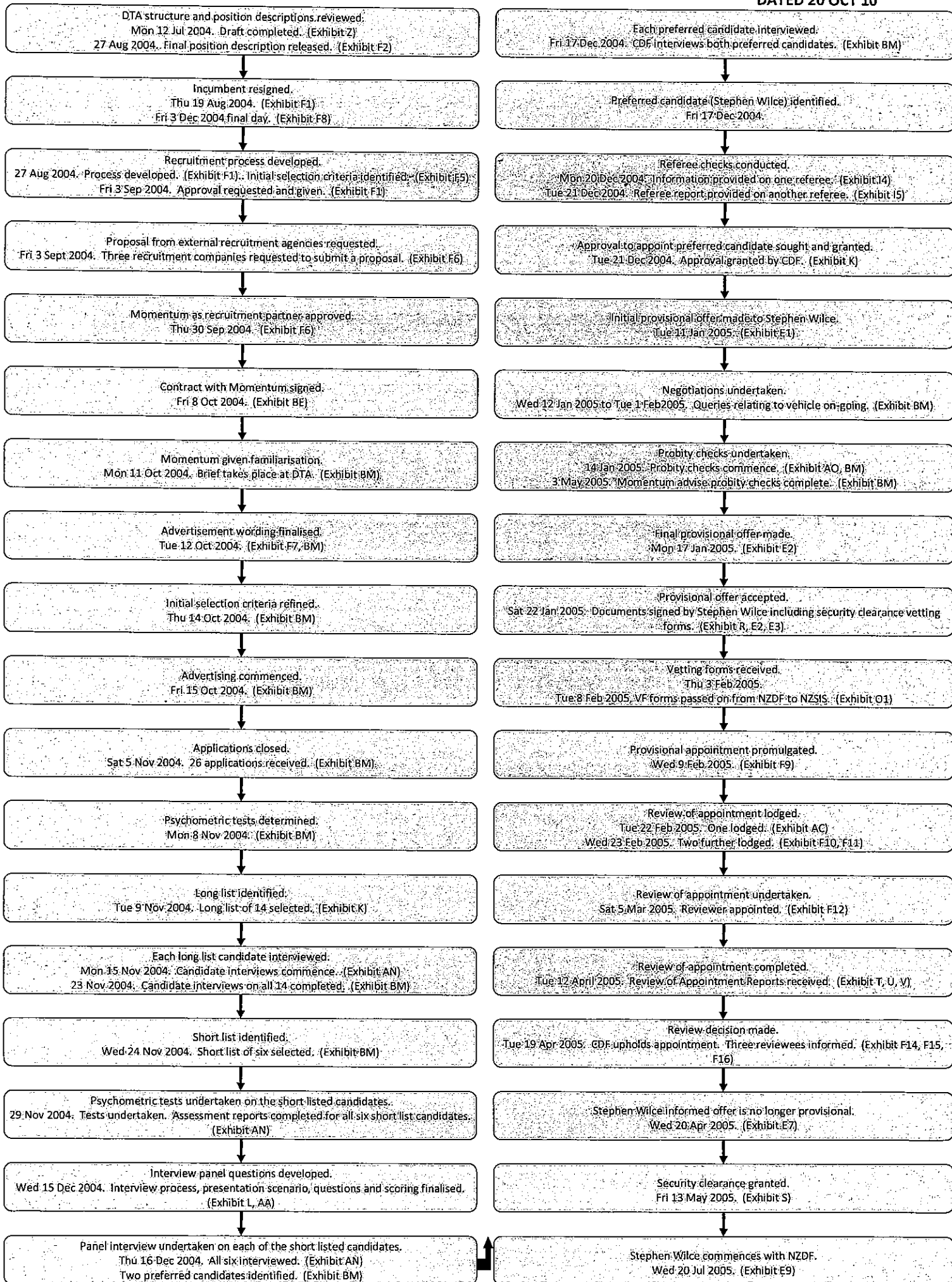
Lieutenant General
Chief of Defence Force

EXHIBITS

NOT INCLUDED WITH THIS VERSION

Recruitment Process Flow Chart – Mr Stephen Wilce

**ANNEX A to
NZDF 5202-2 S.WILCE-DTA
DATED 20 OCT 10**



Continued at top of next column.

PUBLIC VERSION

Process Timeline

1. Fri 10 June 1983 (Exhibit AV)
 - a. Master of Science in Aerospace Systems conferred on Stephen Wilce from the School of Electronic System Design at Cranfield Institute of Technology, UK.
2. Sat 8 December 1984 (Exhibit AW)
 - a. British Bobsleigh Association National Championships at Winterburg recording Stephen Wilce as having competed.
3. Mon 14 April 1997 (Exhibit B)
 - a. DFO 16 Defence Force Orders for Civil Staff Administration Chapter 4 Appointments to the Civil Staff and Review on Non-Appointment promulgated by CDF.
4. Sat 15 May 1999 (Exhibit AU)
 - a. Master of Business Administration conferred on Stephen Wilce from Henley Management College, UK through it's NZ affiliate, the Auckland Institute of Technology.
5. Tue 1 October 2002 (Exhibit Q1)
 - a. Security in the Government Sector and Protective Security Manual issued by the Department of the Prime Minister and Cabinet.
6. Fri 12 Dec 2003 (Exhibit Z)
 - a. DTA Management Review initiated by [Assistant Chief Development (AC Dev)].
7. Wed 2 June 2004 (Exhibit AA)
 - a. Job Evaluation of Director DTA confirmed at Compers grade 31.
8. Mon 12 July 2004 (Exhibit Z)
 - a. Draft Report: Review of Management, Minute from [AC Dev] to DTA Group Managers providing draft report and seeking feedback. Draft Director DTA Job Description included.
9. Tue 17 August 2004 (Exhibit I1)
 - a. Referee's Report on Stephen Wilce, undertaken by AB, referee interviewed was Mr Z, a former supplier to, and a customer of companies Stephen Wilce was employed by. Referee's Report prepared for the role

of General Manager, Business Development, an earlier role that Stephen Wilce applied for.

10. Tue 19 August 2004 (Exhibit I2)
 - a. Referee's Report on Stephen Wilce, undertaken by Mr AB, referee interviewed was Mr P, the formal Financial Controller at National Power Services where Stephen Wilce was the General Manager – Northern Region.
11. Thu 19 August 2004 (Exhibit F1)
 - a. Dr AC agrees to step down as Director, DTA on 3 December 2004, and agrees to allow NZDF to recruit a new Director immediately.
12. Tue 24 August 2004 (Exhibit I3)
 - a. Referee's Report on Stephen Wilce undertaken by Mr AB. The referee interviewed was Mr AA, a former MBA study colleague and after that, General Manager, Sales and Marketing at a company where Steven Wilce was formerly the Chief Executive.
13. Fri 27 August 2004
 - a. Project Charter for Recruitment of New Director of the Defence Technology Agency (DDTA) developed by the Recruitment Project Team (Mr AD, Mr C and Mr D). (Exhibit F3)
 - b. Final Job Description developed. Alters from draft of Exhibit AA by adding Chief Military Scientist responsibilities, i.e. paragraphs 23 and 25, and amending "Reports to", "Responsible for" and "Purpose of the Position". (Exhibit F2)
 - c. Recruitment timeline developed (Exhibit F4)
 - d. Draft brief to external recruitment consultants developed. The brief states "I am requesting from you a proposal for NZDF to consider your company as a preferred provider in seeking suitable applicants ..." (Exhibit F5)
14. Thu 2 September 2004 (Exhibit BM)
 - a. Telephone conversation between Mr D and Mr AE.
15. Fri 3 September 2004 (Exhibit F1, AA)
 - a. Director, DTA Recruitment Process. A minute from Mr AD to Mr L seeking approval for the Director, DTA Recruitment Process including going to a Request For Proposal to find an external recruitment partner. The minute covers the following
 - (1) Review of structure, position descriptions and salaries
 - (2) Project charter

- (3) Recruitment plan
- (4) Timeline
- (5) External recruitment agency
- (6) Advertising
- (7) Interview process (by the Panel and CDF)
- (8) Security procedures
- (9) Referees checks
- (10) Immigration procedure
- (11) Communications plan
- (12) Costings.

16. Fri 3 September 2004 (Exhibit BM)

- a. Email from Mr D to Mr AE which states "Hi [Mr AE], Further to our telecom on Thursday, I have attached a letter requesting a proposal, the position description and noting that you and [Ms O] will meet with the project team on Thursday 09 Sept at 1000 hrs where you will be able to have an overview of DTA and NZDF requirements along with explaining Momentums capabilities for this assignment."

17. Fri 3 September 2004 (Exhibit AI)

- a. Recruitment of a Director, DTA. Letter from Mr D to Mr AE inviting Momentum to "forward a proposal for the New Zealand Defence Force (NZDF) to consider your company as a preferred provider in seeking suitable applicants ... I now invite you to submit a proposal outlining how your company can assist NZDF in seeking suitable candidates ..."

18. Wed 8 September 2004 (Exhibit AK)

- a. Proposal for the Recruitment of Director, DTA. In response to NZDF's invitation to submit a proposal, NZDF receives a letter from Ms O to Mr D attaching the Momentum "Proposal for the Recruitment of Director for the Defence Technology Agency" that states amongst other things
 - (1) "Momentum is delighted to present a proposal for the recruitment of this position and this document, in conjunction with our meeting on Thursday 9 September 2004, will demonstrate: ... Our approach to the project and the methodology we will employ"
 - (2) "This is a key appointment for the NZDF and will have a strong bearing on the quality outputs of the organisation and its reputation within the environment it operates. We believe because of the importance of this role, the use of a professional and systematic

approach will find the very best candidate. To achieve this objective you will need to select a recruitment partner who can demonstrate the necessary levels of experience within executive search and selection; has knowledge of the relevant New Zealand markets; and has the ability to work closely with you to ensure transparency of process. We are confident we have these capabilities and that we will be able to assist you in an effective and professional manner.”

- (3) “In recognition of the seniority and complexity of this role we propose that Ms O, manages the assignment, assisted by Mr AE. These are two of our senior consultants in the Wellington Office.”
- (4) “[Ms O] has recently joined Momentum after 14 years with the New Zealand Dairy Board and latterly Fonterra Cooperative Group. [Ms O] has held senior research and development roles, with the last two years as Technology Leader – Bioactives and Health with Fonterra Cooperative Group.”
- (5) [Mr AE] holds a Bachelor of Commerce and Administration degree majoring in Economics and Finance. Prior to joining Momentum in 1998, he held senior investment banking positions both in New Zealand and the United Kingdom for a global banking operation. [Mr AE] has six years experience in the executive recruitment industry. Since joining Momentum, [Mr AE] has recruited a wide range of executive positions at both the General Management and Chief Executive Officer levels.”
- (6) “The two processes meet when we combine the potential candidates coming through both advertising and search sources.

Once all of the candidates have been interviewed and assessed against the selection criteria, we would present you with a list of candidates, that we believe potentially suited your requirements. To ensure consistency of processing, Ms O will conduct candidate evaluations and long-list interviews. From this group a 'shortlist' can be selected to be interviewed by NZDF.

A full report is presented on each shortlisted candidate presenting their work history, biographical details, consultants comments on the candidates suitability from a competency, technical and cultural fit perspective. We will highlight both the strengths and weaknesses of the shortlisted candidates suitability for the position.

Once a strong mutual interest has been established with the preferred candidate(s), we would recommend that this/these candidate(s) be further assessed.

Momentum would undertake detailed reference checking for which we have firm procedures. We would check with people who knew the candidate from a number of different perspectives including: superiors, subordinates, peers, professional advisors, community

contacts, and character references. We use a standard list of reference checking questions, and we also add to this list specific client requirements that have arisen from your interview or psychological assessment. We can undertake credit checks with the permission of the candidate.

We would also use an array of psychological assessment techniques appropriate for a senior appointment. We tailor our psychometric assessment process to meet the requirements of the position. Our psychologist would work with you to find a solution that enables targeted reference checking, as well as identifying individual strengths and areas for development.

By pulling together the information from interviews, reference checks and psychological appraisals, a decision can be made as to the most appropriate person to appoint.

Once a final decision is made, we would assist with the offer to the preferred candidate on both salary negotiations and contract details.

We also give full feedback to internal candidates where appropriate if they have been unsuccessful in gaining a role internally or on areas for personal development if required.”

- (7) “Timeframe The following schedule is indicative only and subject to a wide range of variables including deciding on the strategies to be employed. It gives you an indication however of the time frame required for an assignment of this nature.

Activity	TIMELINE ELAPSED WEEKS
Preparatory briefing	1
Booking advertising space	1
Final ad copy	2
Advertising and database search	2, 3, 4, 5
Close off for all applications	6
Competency based interviewing	7, 8, 9
Presentation of long list	10
Presentation of short list	11
Formal interviews, psychological evaluation, reference checking and salary negotiation	12

Offer made to successful Candidate 12"

- (8) "8. Fee Structure Our fees reflect the professional time, effort and resources required leading up to the appointment of a suitably qualified individual. Our fee will be 16% plus GST of the proposed salary, at this stage believed to be in the range of \$155,000 to \$160,000 per annum. Please note, we are prepared to cap our fee at a maximum salary of \$160,000. In addition, there would also be a cost of advertising; this cost to be agreed upon once the extent of this medium was confirmed."
- (9) In addition to our professional fees, we charge for direct costs such as personal checking (aliases, criminal convictions, credit history and education verification), travel, accommodation, long distance telephone calls, facsimile costs and courier charges."
- (10) "Should information be required from overseas, we would quote this on a case-by-case basis."

19. Thu 9 September 2004 (Exhibit BM)

- a. NZDF Recruitment Project Team (Mr AD, Mr C, Mr D) meet with Momentum to discuss Momentums proposal.

20. Fri 10 September 2004 (Exhibit BM)

- a. Email from Ms O to Mr D providing Ministry of Research Science and Technology and Foundation for Research Science and Technology as client referees

21. Mon 27 September 2004 (Exhibit BM)

- a. Email from Ms O to Mr D "Information post this mornings meeting. ... After our discussion on Friday I can advise the following: The following points illustrate how I anticipate running the project: ... I would carry out the candidate evaluation. ... As discussed this morning I would run this project with the assistance of our researcher in Auckland. ... For assessment consistency I would handle all candidate interviews. Associated costs: ... "

22. Tue 28 (overwritten by Thu 30) September 2004 (Exhibit F6, AA)

- a. Recruitment of Director, DTA – Assessment of Recruitment Consultants. A minute from Mr AD to Mr L seeking approval to use Momentum as the recruitment partner as they were the successful tenderer.

23. Wed 6 October 2004 (Exhibit AL, AN)

- a. Meeting between NZDF and Momentum. "Briefing A full briefing was given by the project team at NZDF Head Quarters ..."

24. Wed 6 October 2004 (Exhibit AL)

- a. Letter from Mr D to Ms O stating
- (1) "Many thanks for attending the meeting today and congratulations on your provisionally gaining this recruitment project."
 - (2) "I state "provisionally" as you will still need to have your security clearance completed ..."
 - (3) "I state "provisionally" as you will still need to ... accept the "Contract for Services" which I am in the process of formatting. The Contract for Services will be sent to you in the next few days."
 - (4) "Please find enclosed the following papers; an NZDF application form for your information and assessment, the Ministry of Defence report on the Defence Technology Agency (restricted document) and the Review of Management of the Defence Technology Agency (restricted document)." These three documents were Enclosures 1, 2 and 3. of this letter. Enclosure 1, the NZDF Application Form, is Exhibit (AM).
25. Thu 7 October 2004 (Exhibit BM)
- a. Email from Ms O to Mr D stating "Here is a copy of the Momentum application form. Please let me know if this is suitable to use for applicants – or whether you would like your official one used."
26. Fri 8 October 2004 (Exhibit (BE))
- a. Contract for Services RFP TS20 agreed between NZDF and Momentum. The contract states
- (1) "1.1 The Contractor shall perform the Services using the personnel specified in the Schedule and will fulfil all of its obligations under this agreement."
 - (2) "1.2 The Contractor shall exercise the degree of skill, care and diligence reasonably expected of contractors in similar circumstances."
 - (3) "1.4 The Contractor warrants that the Contractor and their personnel have the necessary skills, experience, training and resources to perform the Services ..."
 - (4) "2.1 The NZDF shall pay the Contractor for the Services the fees and expenses specified in the Schedule. The NZDF shall not be liable for payment of any expense incurred by the Contractor, excluding item 3 of clause 9 of the Schedule, unless previously agreed to in writing."
 - (5) "3.1 The Contractor shall commence and complete the Services (in accordance with the indicative time line at page 9 of the proposal) at the times specified in the Schedule subject to any extensions granted pursuant to clause 3.3."

- (6) "3.3 The NZDF may, in writing, order variations to the Services and may request the Contractor to submit proposals for variations to the Services."
- (7) "14.1 If any differences or dispute arises as to the interpretation of this agreement or as to any other matter arising out of or in connection with this agreement then either party may by notice in writing served on the other party inform the other party of the details of the difference or dispute."
- (8) "17.5 This agreement includes the Proposal and constitutes the entire agreement between the parties relating to the provision of the Services and supersedes all previous agreements and understandings. Any subsequent variation signed by both parties may be added to and shall then form part of this agreement."
- (9) "17.6 Where there is any inconsistency between the terms and conditions contained in clauses 1 to 18 of this agreement and the schedule any other document comprising this agreement, the clauses and schedule take precedence."
- (10) "18.1 In this Contract, unless the context otherwise requires: ...

Project means the recruitment of a suitably qualified Director of the Defence Technology Agency in line with the attached position description. ...

Proposal means the contractor's Proposal for the Recruitment of Director for the Defence Technology Agency.

Services means the services set out in the Schedule."

b. The Schedule states

- (1) "1. Services: The recruitment of a suitably qualified person to be Director of Defence Technology Agency in accordance with the Proposal."
- (2) "2. Contractor's Personnel: [Ms O]"
- (3) "3. Commencement date: 11 October 2004"
- (4) "4. Completion date: Estimated as December 2004"
- (5) "8. Total fees (Lump Sum): 16% of the proposed salary (between \$155,000 and \$160,000 per annum) capped at \$160,000 (Refer to para 8, Pg 10 of the Proposal)."
- (6) "8. Management Assessment charge \$1,000 per individual applicant shortlisted."

- (7) "9. Expenses ... 3.Direct costs for verification checks, long distance telephone call, facsimile and courier costs."
27. Mon 11 October 2004 (Exhibit BE)
- a. Contract between Momentum and NZDF commences.
28. Mon 11 October 2004 (Exhibit BM, AN)
- a. Familiarisation meeting at DTA for Ms O. "Briefing A full briefing was given by the project team at NZDF Head Quarters and this was followed with a briefing at the DTA in Devonport."
29. Tue 12 October 2004 (Exhibit BM)
- a. Email from Ms O to Mr AD and Mr C states "Good to get the full briefing yesterday, appreciate the time people took to get me up to speed. I have attached a draft advertisement. I have also attached the proposed advertising schedule and associated costs."
- b. Proposed Advertising Schedule – deletions and additions made.
30. Tue 12 October 2004 (Exhibit F7, BJ, BM)
- a. Advertisement wording finalised. The draft advertisement was unchanged other than the addition of "Applications will close 05 November 2004"
31. Wed 13 October 2004 (Exhibit BM)
- a. Email from Ms AF to Mr D asking for JPEG of NZDF logo.
32. Wed 13 October 2004 (Exhibit BM, K)
- a. Email from Ms O to Mr D "Have firmed up the advertising schedule with costs. Let me know what you would like to do with the Australian and Australian Financial Review." No advertising further afield mentioned.
- b. Exhibit K states "Recruitment advertising A tender process was initiated to select the cost effective agency to carry an international search and advertising campaign. This position was advertised internationally through Momentum Recruiting Consultancy. [It] was advertised in the NZDF Civilian Staff Newsletter and throughout New Zealand and Australia. Advertising further afield (Canada and United Kingdom) would have occurred should suitable applicants have not been found in Australia or NZ."
33. Thu 14 October 2004 (Exhibit BM)
- a. Emails between Mr D and Ms O confirming some of the ad placements, and an addition in Australian Financial Review.
34. Thu 14 October 2004 (Exhibit BM)

- a. Email from Ms O to Mr D and Mr C states "Notes and timeline Hi I have attached a document which is essentially my notes on the job brief, but also includes a revised timeline. This isn't for circulation but will let you see where I have got to. I haven't included any communication aspects to the timeline – may be [Mr D] you could suggest timing on this. As you will see the final interviewing falls on Christmas week or the week before and this may be logistically difficult. I would appreciate your thoughts. I have outlined some competencies I see as most critical, feedback on these would be appreciated."
 - b. The email contains one attachment "Director DTA – briefing and timelines.doc" which is Ms O's "notes on the job brief, but also includes a revised timeline. This isn't for circulation but will let you see where I have got to." For a comparison of these three timelines see Annex G.
 - c. The attached Director – DTA notes mentioned in b. includes selection criteria. It is concluded that Ms O uses these criteria to filter the 26 applicants down to the 14 long list candidates. These cover three groupings
 - (1) the person specifications (10 criteria listed)
 - (2) experience (7 criteria listed)
 - (3) core competencies (4 criteria listed).
 - d. These criteria are used in Exhibit AN, with the only difference in the experience grouping where the 14 October 2004 cites "Commercial experience". This criteria is deleted and replaced with "Applied Science" in Exhibit AN. This again is slightly different to Exhibit AP which may have been an earlier draft but is not considered material.
35. Thu 14 October 2004 (Exhibit BL)
- a. Invoice No 204598 from Momentum to NZDF for \$9,599.63 for "Retainer for the Director, Defence Technology Agency". For a summary of the invoices, see Annex H.
36. Fri 15 October (Exhibit BL)
- a. Advertisement loaded on to Seek website and Momentum website as R63121 (Evidence BM)
37. Sat 16 October 2004 (Exhibit BL)
- a. Advertisement for vacancy of Director, DTA appears in
 - (1) Dominion Post
 - (2) NZ Herald
38. Wed 20 October 2004

- a. Advertisement for vacancy of Director, DTA appears in
 - (1) NZDF's internal civil staff newsletter (Exhibit BJ)
 - (2) Dominion Post (Exhibit BL)
 - (3) NZ Herald (Exhibit BL)
39. Sat 23 October 2004 (Exhibit BL)
- a. Advertisement for vacancy of Director, DTA appears in
 - (1) Dominion Post
 - (2) The Australian
 - (3) Adelaide Advertiser
 - (4) Australian Financial Review
40. Wed 27 October 2004 (Exhibit BQ)
- a. Letter from Mr D to Ms O enclosing two copies of the contract for services and asking that both copies be signed, dated and each page initialled and one copy returned. It also asks for a letter to extend the guarantee to nine months.
 - b. A signed but undated copy is on file, signed by Mr H, but not initialled on each page as requested. If signed on or after 27 October 2004, the NZDF file copy shows no amendment to the proposal for reference checking. (Exhibit BE0)
41. Thu 28 October 2004 (Exhibit BL)
- a. Invoice No 204844 from Momentum to NZDF for \$10,406.25 for "Advertising for the Director Defence Technology Agency".
42. Thu 28 October 2004 (Exhibit F8)
- a. Search for a new Director, DTA, minute from Mr L to DTA staff advising them that Momentum are "managing the search and selection process".
43. Mon 1 November 2004 (Exhibit BM)
- a. Email from Ms O to Mr C cc Mr D requesting a "Progress meeting ... to go over applicant progress. The cut off date is Friday – but I have a few applications I would like to get on with next week. So I would like to discuss:
 - applications to date,
 - candidates identified to date through search,

- confirm competencies that I will use on candidate interviewing,
 - discuss candidate testing that will be used and when
 - internal candidates”
44. Wed 3 November 2004 (Exhibit BM)
- a. Progress meeting between Ms O and Mr C.
45. Wednesday 3 November 16:05 (Exhibit BM)
- a. Email from Ms O to Mr C, cc Mr D with the subject of “Competencies and timeline”. It states “I have attached a draft outline of the competencies I will explore in interviews with candidates for DDTA. It is quite lengthy and it will depend on the candidate – how I cover the competencies. If you feel there are non relevant competencies let me know also if there are any glaring omissions. Also have re done the timelines – based on our discussion – this is best case – with no hiccups.”
 - b. For a comparison of the timelines, see Annex G.
46. Thu 4 November 2004 (Exhibit BM)
- a. Email from Ms AG to Mr D re “Testing options ... haven’t been able to get hold of you yet. Will try you again tomorrow.”
47. Fri 5 November 2004 (Exhibit (BM, K))
- a. Ms AG and Mr D discuss testing options.
48. Fri 5 November 2004 (Exhibit BM)
- a. Applications close off. 26 received.
49. Mon 8 November 2004 (Exhibit (BM))
- a. Email from Ms AG to Mr D providing details of testing options, prices and process. “The table below outlines the testing options we have talked about which gives you a bit more information on which to make an informed decision. The format of the report would include:
 - Strengths
 - Areas for development
 - Interview/referee questionsIn addition, we provide you with a full verbal debrief on the results of the testing – and you have indicated that this would be in the form of a briefing to the interview panel.”
50. Mon 8 November 2004 (Exhibit BM)

- a. Email from Ms O to Mr C which states "I have all the applications in – there seems a lot to interview! I would like to briefly go over with you the long list – of those to interview. There will be potentially 8 for me to see in Auckland and I am proposing to do them next Wednesday and Thursday (17 and 18) ... at our offices in Auckland."
51. Tue 9 November 2004
- a. Long list of 14 identified. "The short listing process was carried out by Momentum by eliminating applicants CV's which did not demonstrate the requisite competencies for the role." (Exhibit K)
 - b. "Long list Presentation to Client A total applicant (26) were presented to the NZDF project team. The long list was selected according to competencies and person specifications. The long list consisted of 14." (Exhibit AN)
 - c. "Long list Interviewing A competency based interview was used to interview all candidates on the long list. These interviews with the Momentum consultant took approximately 1 hour and a half." (Exhibit AN)
52. Mon 15 November 2004 (Exhibit AN)
- a. Candidate interviews of 14 long list candidates commences.
53. Wed 17 November 2004 (Exhibit (BM))
- a. Ms O undertakes candidate interviews in Auckland.
54. Thu 18 November 2004 (Exhibit (BM))
- a. Ms O undertakes candidate interviews in Auckland.
55. Fri 19 November 2004 (Exhibit BL)
- a. Invoice 205188 from Momentum to NZDF for \$21,116.10 for "Advertising for the Director – Defence Technology Agency"
56. Mon 22 November 2004 (Exhibit AR)
- a. Ms O undertakes an interview with Stephen Wilce that results in a Candidate report that states "Factors to consider
 - Fit for organisation.
 - Whether Stephen has the right profile to manage the present staff through a period of uncertainty.
 - Ability for Stephen to present himself in the chief scientist role."
- 57.
58. Tue 23 November 2004 (Exhibit (BM))

- a. Candidate interviews completed.
59. Tue 23 November 2004 (Exhibit BL)
- a. Invoice 205204 from Momentum to NZDF for \$669.89 for "Travel expenses for [Ms O] to interview Auckland based candidates for the Director DTA position".
60. Wed 24 November 2004
- a. Meeting between Ms O, Mr C and Mr AD "to discuss the long list and those to progress to testing." (Exhibit BM)
 - b. "The short listing process was carried out by Momentum by eliminating applicants CV's which did not demonstrate the requisite competencies for the role and then interviews for the remaining applicants until a shortlist of 6 was compiled." (Exhibit K, T, U, V)
 - c. "Candidate Shortlisting. Results of the long listing interviews were presented to the project team. The project team decided from this information, in relation to the strength at which candidates met competencies, to short list 6 candidates." (Exhibit AN)
61. Mon 29 November 2004 (Exhibit BM)
- a. Assessment Report for Mr K on Personality Profile, Numerical Reasoning, Critical Thinking and Scenario tests prepared.
 - b. OPQ32 undertaken on Dr J.
62. Tue 30 November 2004 (Exhibit BM)
- a. OPQ32 undertaken on Mr K.
 - b. "Testing Short listed candidates were tested by Momentum Consulting, organisational development team ... All candidates tested received personal feedback from our in-house psychologists, and those that requested reports were sent them." (Exhibit AN)
63. Thu 2 December 2004 (Exhibit BW)
- a. Assessment Report for Mr M on Personality Profile, Numerical Reasoning, Critical Thinking and Scenario tests prepared.
 - b. Assessment Report for Dr J on Personality Profile, Numerical Reasoning, Critical Thinking and Scenario tests prepared.
64. Fri 3 December 2004 (Exhibit F8, K)
- a. Dr AC's last day as Director, DOTSE. He becomes the Defence Science Advisor.
65. Fri 3 December 2004 (Exhibit AS)

- a. Assessment Report for Stephen Wilce on Personality Profile, Numerical Reasoning, Critical Thinking and Scenario tests prepared. The report states
- (1) "Areas for Development The development needs and skill gaps which Stephen may need to address in the future are outlined below. It is important to validate these comments with referee checks or past performance records:
- Relationships. ...
 - Sensitivity. ...
 - Adaptability. ...
 - Positive outlook. ...
 - Emotional openness. ...
 - Based on these results, we would recommend that the following areas are checked further in an interview or with referees: ..."

25 questions in five groupings are then proposed for further exploration to assess "the person's potential to perform the role".

- (2) "Managerial Judgement ... is an overall assessment of a candidate's ability to weigh-up "real life" managerial situations and decide on appropriate and effective ways of handling them. ... This scale gives an assessment of an individual's ability to cope with a range of managerial situations typically found in a medium-large sized organisation."
- (3) "Stephen scored on the 42nd percentile for the people management sub-scale. This is a result that is slightly below average when compared with other managers, which suggests that this is not as much of a strength area for him as the other two areas are. While generally sound in his people management skills, he may not be quite as effective as others in his peer group in addressing individual and team performance and motivational problems. It is likely that he is stronger at managing objectives than in counselling and coaching individuals or building motivation in teams that are having difficulties."

66. Thu 9 December 2004

- a. Interview Panel meet with Momentum to review short listed candidates, candidate and assessment reports. [NZDF's CFO] indicates his unavailability to be a panel member. (Exhibit T, U, V Page ??)
- b. "Throughout this [short listing] stage of the process Momentum consulted with the Project Leader and comprehensive briefings were held with the Panel set up to conduct the post short-listed interviews." (Exhibit T, U, V Page ??)

- c. Q12 of Mr C's interview states "[Dr AH] had been briefed a week before the interviews, given a copy of draft questions and given the opportunity to amend or alter them at his discretion. He was quite happy with the questions that he asked, and his science background was used throughout his involvement in the process." (Exhibit T, U, V Page ??)
 - d. Recruitment Process for DTA states "Panel Briefing Momentum recruitment and organisational development senior consultant met with the interview panel to present candidate profiles." (Exhibit AN)
67. Sun 12 December 2004 (Exhibit BL)
- a. Momentum invoice no 205738 for \$9,106.88 (GST inclusive) for psychometric tests undertaken on Stephen Wilce, the five other short listed applicants, plus one other.
68. Tue 14 December 2004 (Exhibit AB)
- a. Interview: Director, DTA
 - (1) Outline provided to Mr M of interview process.
 - (2) Additional Information: The DTA and Science and Technology in the NZDF: Background Brief
69. Tue 14 December 2004 (Exhibit J)
- a. Brief for CDF for his Interview of Candidates for Director, DTA
 - (1) Dot-point brief for [the then CDF] from Mr C giving background on DTA in preparation for CDF interview of the two preferred candidates.
70. Tue 14 December 2004 (Exhibit AA)
- a. Ms O undertakes a short list candidate interview with Mr M that results in a Candidate report.
 - b. Presumption based on Exhibit AA and Exhibit BL (invoice no 205699) that Dr J and Mr K both interviewed for a Candidate report by Ms O.
71. Wed 15 December 2004 (Exhibit K, L)
- a. Panel interview questions finalised. Scenario, questions and matrix scores based around competencies of
 - (1) Technical skills
 - (2) Influencing skills
 - (3) Change management/leadership
 - (4) Business development/management.

72. Thu 16 December 2004

- a. Panel interviews of the six short listed applicants take place at Momentum.
(Exhibit AA, BM)
 - (1) 8.30 Ms JC
 - (2) 10.00 Stephen Wilce
 - (3) 11.30 Mr AI
 - (4) 1.30 Mr M
 - (5) 2.45 Mr K
 - (6) 4.00 Dr J
- b. "Client Interviewing Client interview panel interviews all candidates, and according to selection criteria identified, ranks and selected the most appropriate candidate for the role." (Exhibit AN)
- c. Director DTA Final Scoring Matrix for Mr M (Exhibit AA, BM).

73. Fri 17 December 2004 (Exhibit BM)

- a. Interview between [the then CDF] and Stephen Wilce.
- b. Interview between [the then CDF] and Mr AI.

74. Fri 17 December 2004 (Exhibit BL)

- a. Invoice 205671 from Momentum to NZDF for \$27.00 for "Lunch for panel interview in Momentum offices on 16 December 2004"

75. Mon 20 December 2004 (Exhibit I4)

- a. Additional referee's information for Mr Stephen Wilce
 - (1) Email from Ms O to Mr C
 - (a) "Subject: Addition ref info for Stephen – [Mr AA]. Here is additional info from the first ref – add it to the comments you already have. The other should be there by the end of the day tomorrow."

76. Tue 21 December (Exhibit I5, AA)

- a. Referee's Report on Stephen Wilce
 - (1) Mr P was one of Stephen Wilce's three referees. A referee interview was undertaken by Ms O that resulted in the submission of a Referee report to NZDF.

77. Tue 21 December 2004 (Exhibit K, AA)

a. Submission for Approval: Director, DTA – Interview Write Up

(1) Minute from the Interview Panel (Mr L, Mr C, Dr AH) to CDF recommending approval of Stephen Wilce

(a) The minute states at para 5 "The short listing process was carried out by Momentum by eliminating applicants CV's which did not demonstrate the requisite competencies for the role and then interviews for the remaining applicants until a shortlist of 6 was compiled. Throughout the process of short listing, Momentum consulted with DD 4ISR, Project Leader"

(b) Para 17 states "Stephen Wilce is a very good candidate. He has a wealth of experience in senior management of technology companies and has led companies and turned their performance around. His enthusiasm, coupled with his technical and management skills, provides an excellent fit for leading DTA into the future. Stephen has a good blend of science and management qualifications and is currently working on a PhD in business administration. Stephen's test results were good, being a close second to [Mr AI] and he was the most impressive candidate during the final interviews. The panel consider that Stephen's overall business experience, proven leadership qualities coupled with his energetic personal style best match the needs to lead DTA."

(c) The minute states at para 18. z. "Complete the reference checks on Stephen Wilce (these have already commenced)."

78. Tue 21 December 2004 (Exhibit BL)

a. Invoice 205699 from Momentum to NZDF for \$9,749.61 for "Shortlist for the Director DTA position and Additional costs for [Ms O] flexifare to conduct Auckland interviews"

79. Wed 22 December 2004 (Exhibit BL)

a. Invoice 205738 from momentum to NZDF for \$8,662.50 for psychological assessments on 7 persons @ \$1,100 each.

80. Tue 11 January 2005 (Exhibit E1)

a. Provisional Offer of Employment as Director, DTA to Stephen Wilce through Ms O from Mr L.

81. Wed 12 January 2005 (Exhibit (BM)

a. Email from Ms O to Mr D that states "Stephen is fine with the contract – so we need to get hard copy to him ASAP – for signing along with the security clearance forms. In regard to these it is important that we see if we can

fast track this process – as this will affect his forward planning and intended start date. Can you please find out how quick we could get through this. I have copied below a query regarding the vehicle – I assume you have a policy related to this – is it possible to have the details for him. ... Stephen Wilce wrote. Am happy with the offer contents, only query is about the vehicle allowance – if NZDF provide the vehicle will it be fully expensed (including reasonable private mileage) and can you please give me an indication of what you can get for the allowance (I assume [Mr C] will have access to the list of vehicles and NZDF pricing)."

82. Fri 14 January 2005 (Exhibit CF)

a. Email from Ms MW using email account CBAtemp@momentum to Stephen Wilce at [*withheld under section 9(2)(a) Official Information Act 1982*]

(1) "RE:Probity check forms as discussed with Ms O, please find attached Probity check forms to be filled in as part of our recruitment process. Please complete and return a hard copy to our office by 21 January to ensure speedy processing."

(2) "Probity checks This form authorises Momentum to collect information for any of the following: ...

- Employment History
- Educational Qualifications ...
- Referees as to character and suitability for employment ...

The information provided in this application is not collected, or used, for any other purpose than that of providing consenting parties the information they require to make an informed employment decision.

The information may be collected from any of the following agencies:

...

- Previous Employer/Referees provided

And any such other sources which may hold necessary information including, but not limited to credit agencies, referees, current and previous employers and individuals and organisations with which I am or have been associated."

83. Fri 14 January 2005 (Exhibit AO)

a. Qualification Check – Sent, exel comment box shows CBAtemp to

- (a) Southern Cross University DBA (emailed, not confirmed)
- (b) Henley Management College MBA (emailed, confirmed 14 February 2005)

- (c) Cranfield M.Sc. (confirmed 3 January 2005)
 - (d) Coventry HND (emailed, not confirmed)
 - (e) Australia Institute of Management (confirmed 11 February 2005)
 - i. The AIM membership is not mentioned on Stephen Wilce's CV (Exhibit AQ), nor the Candidate Report (Exhibit AR).
84. Mon 17 January 2005 (Exhibit E2)
- a. Provisional Offer of Employment as Director, DTA to Stephen Wilce direct from Mr L. NZDF supplied
 - (1) NZSIS VF1 (Exhibit N1) and VF4 (Exhibit N1)
 - (2) Employee Waiver of Employment (Exhibit E3)
85. Tue 18 January 2005 (Exhibit (AO))
- a. Momentum record that Criminal Check sent to Courts
86. Fri 21 January 2005 (Exhibit AN, BM)
- a. Email from Ms O to Mr D with seven attachments, three psychometric tests each for Dr J and Mr K, plus a letter from Ms O to Mr D stating "The process used for recruitment of Director DTA followed the outline supplied in our proposal to the NZDF."
 - b. "A total applicants (26) were presented to the NZDF project team. The long list was selected according to competencies and person specifications. The long list consisted of 14."
 - c. "A competency based interview was used to interview all candidates on the long list. These interviews with the Momentum consultant took approximately 1 hour and a half."
 - d. "Results of the long listing interviews were presented to the project team. The project team decided from this information, in relation to the strength at which candidates met competencies, to shortlist 6 candidates."
 - e. Short listed candidates were tested by Momentum"
 - f. Momentum Recruitment and organisational senior consultant met with the interview panel to present candidate profiles."
 - g. "Client interview panel interviews all candidates, and according to selection criteria identified, ranks and selected the most appropriate candidate for the role."
87. Fri 21 January 2005 (Exhibit BM)

- a. Letter of Offer, IMA and VF forms arrive with Stephen Wilce.
88. Sat 22 January 2005
- a. NZSIS Security Vetting Form VF4 completed and signed by Stephen Wilce. (Exhibit R)
 - b. Employee Waiver of Employment signed by Stephen Wilce. (Exhibit E3)
 - c. Individual Management Employment Agreement signed by Stephen Wilce with a remuneration package of \$194,420. (Exhibit E2)
89. Mon 24 January 2005 (Exhibit (BM))
- a. Email from Stephen Wilce to Ms O stating it will be Thursday that he will send forms back and has questions relating to his motor vehicle.
90. Tue 25 January 2005 (Exhibit BM)
- a. Email from Ms O to Mr D regarding paperwork and questions on the motor vehicle.
91. Mon 31 January 2005 (Exhibit (BM))
- a. Ms O speaks with Stephen Wilce and informs Mr D the following day in an email that Stephen Wilce has "sent off the signed offer and security papers on Friday, so you should receive them soon. We discussed start dates etc – I think now that he has signed the offer it would be useful for either yourself or [Mr L] to give him a call – to explain the clearance process. I think at this stage he is anticipating a mid year start."
92. Tue 1 February 2005 (Exhibit E5, BM)
- a. Email from Ms O to Mr D re further questions Stephen Wilce had about his motor vehicle purchase options where he states "perhaps the list I have is only a sample and there is a more extensive one available!". Ms O also supplies Mr D with Stephen Wilce's phone and email contact details.
93. Wed 2 February 2005 (Exhibit E4)
- a. Email from Ms SP at Cranfield to Ms MW via CBAtemp@momentum confirming M.Sc. conferred on Stephen Wilce.
94. Thu 3 February 2005 (Exhibit E4)
- a. Email from Ms O to Mr D verifying MSc in Aerospace Systems conferred by Cranfield in 1983
95. Fri 4 February 2005 (Exhibit O1)
- a. VF 6 Security Clearance Confirmation
 - (1) VF6 Form completed by Mr D, signed by Mr L

- (a) The instructions state "This form is to be completed by both the line manager or unit commander with authority to grant access, and the Departmental Security Officer"
 - (b) The instructions state "Departmental personnel records must be checked against the criteria for assessing trustworthiness (Exhibit refer to the Protective Security Manual) and the relevant information included on or attached to this form."
- 96. Tue 8 February 2005 (Exhibit O1)
 - a. VF6 Security Clearance Confirmation signed by Ms AV.
- 97. Wed 9 February 2005 (Exhibit F9)
 - a. NZDF Civilian Staff Newsletter Number 03/05 has a promulgation of Stephen Wilce's appointment.
- 98. Thu 10 February 2005 (Exhibit BS)
 - a. Combined Criminal and Traffic History. Police report on Stephen Wilce.
- 99. Fri 11 February (Exhibit AO)
 - a. Stephen Wilce's membership of the Australian Institute of Management confirmed.
- 100. Mon 14 February 2005 (Exhibit AO)
 - a. Henley Management College confirm Stephen Wilce's MBA
- 101. Wed 16 February 2005 (Exhibit BL)
 - a. Invoice from Momentum to NZDF for \$9,769.50 for "Placement of Stephen Wilce as Director DTA and Probity Check"
- 102. Fri 18 February 2005 (Exhibit BM)
 - a. Email from Ms O to Mr D attaching Mr M's Assessment Reports. It states "Please note that the document marked panel did not go to [Mr M] – this has referees questions and test results." Both the panel test and candidate feedback reports contained the same referee questions and test results. There were minor variations in the "Interpretation" sections.
- 103. Tue 22 February 2005 (Exhibit AC)
 - a. Letter from Mr M to [the then CDF] lodging a request for a Review of Appointment of the Director, DTA position.
- 104. Wed 23 February 2005
 - a. Email from Dr J to [the then CDF] lodging an "Appeal against my non-appointment to the position of Director DTA" (Exhibit F10)

- b. Email from Mr K to [the then CDF] lodging a "Review of Appointment for Director DTA – Mr S Wilce" (Exhibit F11)
105. Sat 5 March 2005 (Exhibit F12)
- a. Appointment of an Independent Reviewer
 - (1) Minute from [the then VCDF] to [the then AC Pers] advising the appointment of Mr AJ to conduct the Review of Appointment
106. Fri 1 April 2005
- a. Dr AC's terminal date as Defence Science Advisor.
107. Tue 12 April 2005
- a. Review of Non-Appointment of Mr K to Director, DTA (Exhibit T)
 - (1) Review of Appointment Report from Mr AJ to [the then CDF]
 - b. Review of Non-Appointment of Mr M to Director, DTA (Exhibit U)
 - (1) Review of Appointment Report from Mr AJ to [the then CDF]
 - c. Review of Non-Appointment of Dr J to Director, DTA (Exhibit V)
 - (1) Review of Appointment Report from Mr AJ to [the then CDF]
 - d. Mr AJ in all reports states that "I have found no evidence that the overall appointment process undertaken by the Appointment Panel was inappropriate, or that the issues raised ... justify any overturning of the decision reached by the Panel and approved by the Appointing Officer." (Exhibit T page 16, Exhibit U page 19, Exhibit V page 17)
108. Tue 19 April 2005
- a. Review of Non Appointment letter from [the then CDF] to Dr J (Exhibit F14), Mr M (Exhibit F15, AD) and Mr K (Exhibit F16) advising "that a correct and proper appointment process took place for the appointment to Director, DTA"
109. Wed 20 April 2005 (Exhibit E7)
- a. Review of Process of Appointment – Director, DTA. A letter from [the then AC Dev] to Stephen Wilce advising that the review of appointment has been completed and Stephen Wilce's appointment has been upheld.
110. Thu 28 April 2005 (Exhibit (AO))
- a. Momentum record Criminal Check Returned by Courts.
111. Tue 3 May 2005 (Exhibit BM)

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- a. Email from Ms AF to Mr D re "Probity checks for Stephen Wilce" advising Qualification verification of MSc and MBA, Credit ok, Membership as FAIM, and Criminal no adverse.

112. Fri 13 May 2005

- a. Security Clearance Form (Exhibit P)
 - (1) Letter from...Director of Security to CDF [recommending high level] clearance to Stephen Wilce.
- b. Clearance Details – Individual Report (Exhibit S)
 - (1) [High level clearance] granted by NZDF to Stephen Wilce, effective 13 May 2005.

113. Thu 23 June 2005 (Exhibit C1)

- a. Defence Force Order 04/2005 Recruitment of Civil Staff

114. Wed 20 July 2005 (Exhibit E9)

- a. Mr Stephen Wilce inducted into NZDF and entered into payroll system

115. Fri 23 December 2005 (Exhibit C2)

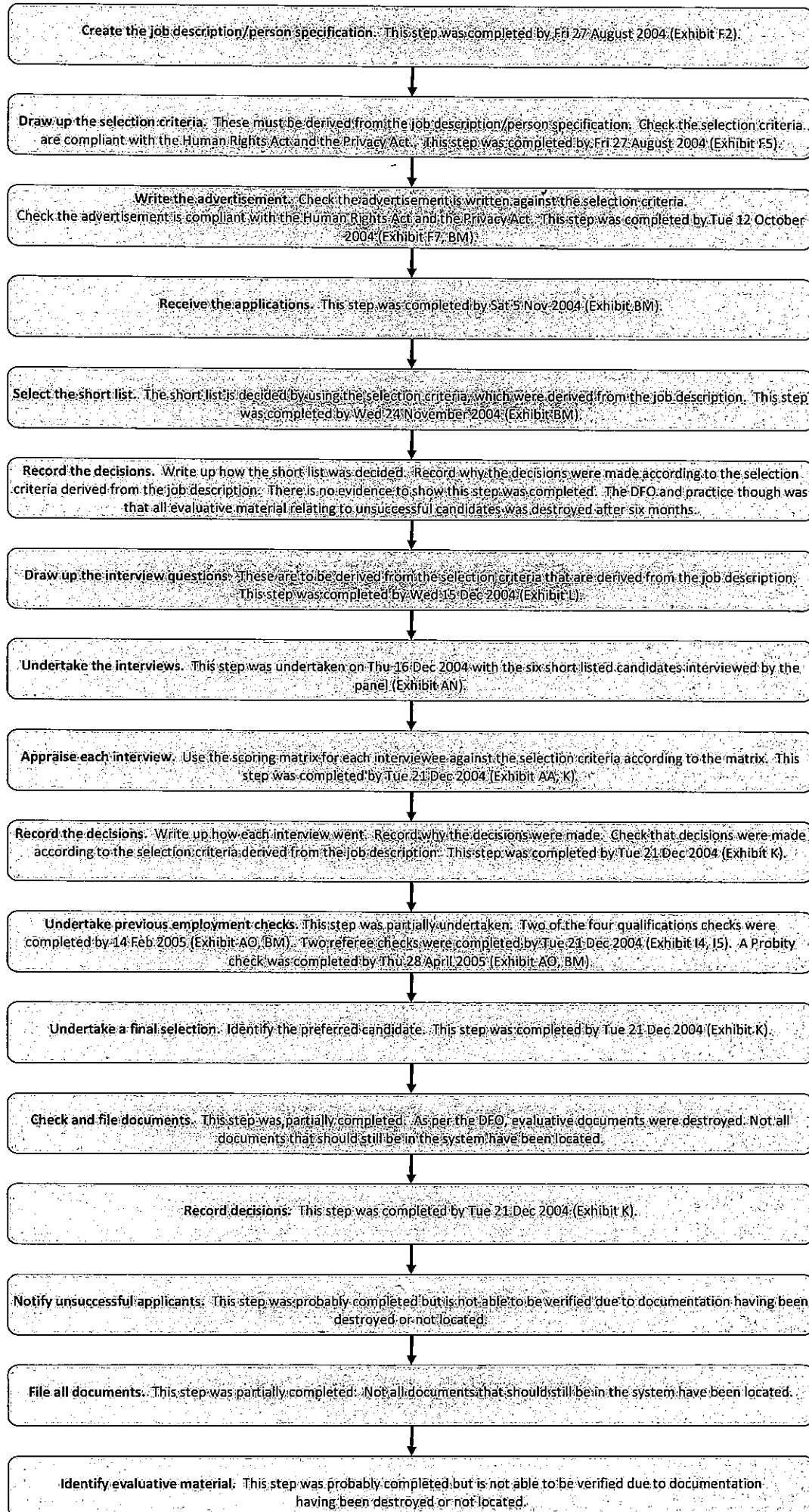
- a. Defence Force Order 09/2005 Appointment Review Procedure

116. June 2007 (Exhibit A)

- a. Leading Practice Selection Tools in the State Sector, State Services Commission

DFO 16 Recruitment Process Flow Chart

ANNEX C to
NZDF 5202-2 S.WILCE-DTA
DATED 20 OCT 10



CV Analysis

Information supplied on Stephen Wilce's CV	Comment
<p>PERSONAL INFORMATION</p> <p>Name: Stephen Paul WILCE</p> <p>Address: [Withheld under s 9(2)(a) Official Information Act 1982]</p>	<p>1. His residential address was stated as ... [withheld under s 9(2)(a) Official Information Act 1982] on his VFA (Exhibit R).</p>
<p>Telephone: [Withheld under s 9(2)(a) Official Information Act 1982] E-Mail: [Withheld under s 9(2)(a) Official Information Act 1982] Date of Birth: [Withheld under s 9(2)(a) Official Information Act 1982] Nationality: New Zealand, Australia and United Kingdom Current Residence: Australia Marital Status: [Withheld under s 9(2)(a) Official Information Act 1982]</p>	
<p>QUALIFICATIONS</p> <p>2001 – Ongoing Doctor of Business Administration Degree – DBA Southern Cross University, Australia</p> <p>1994 – 1998 Master of Business Administration Degree – MBA Henley Management College, UK</p> <p>1980 – 1982 Master of Science Degree – MSc (Aerospace Systems) Cranfield Institute of Technology, UK</p> <p>1975 – 1978 Higher National Diploma – HND (Electronics & Communications) Telecommunications/Coventry Technical College, UK</p>	<p>2. Stephen Wilce did not have a DBA. It was not a qualification at the time and has not become one subsequently. It would have been more correct to state that he was currently undertaking research towards a doctoral thesis.</p> <p>3. Copies of the MSc (Exhibit AV) and MBA (Exhibit AU) were provided by Stephen Wilce and qualifications checks were undertaken by Momentum at the time (Exhibit AO, BM).</p>
<p>CAREER EXPERIENCE</p> <p>2003 – Ongoing General Manager Freedom Homes Pty Ltd Hunter Valley based, New South Wales, Australia</p>	<p>Exhibit BA</p> <p>4. Throughout his CV, Stephen Wilce refers only to the years he was with each employer. By leaving the month unstated as to when he commenced and ceased employment with each company, the reader is given the impression that employment was seamless. Further, the reader is unable to ascertain the length of employment with each employer.</p> <p>5. The use of years in this instance can also leave the reader with an open interpretation that there was a seamless transition from National Power to Freedom Homes which is incorrect. Stephen Wilce left National Power in Jan 2003 (Exhibit R). He commenced employment with PowerServe in Feb 2003 (Exhibit R) and he ceased employment with PowerServe nine months later in Oct 2003 (Exhibit R).</p> <p>6. Stephen Wilce commenced employment with Freedom Homes in Nov 2003 (Exhibit R). His statement is not incorrect but is misleading.</p> <p>7. By leaving his employment with PowerServe off his CV, the reader is also left with an open interpretation that Stephen Wilce's employment with National Power and/or with Freedom Homes was longer than it was in actuality.</p>

Information supplied on Stephen Wilce's CV	Comment
<p>Freedom Homes is a leading manufacturer and builder of quality custom designed steel framed homes, based in the Hunter Valley and serving the New South Wales market.</p>	<p>8. Confirmed.</p>
<p>The Company has been operating successfully for 14 years and has recently begun to grow exponentially as a result of a targeted sales and marketing effort.</p>	<p>9. This statement is open to interpretation by the reader that the recent exponential growth occurred since Stephen Wilce commenced with Freedom Homes and was as a direct result of a targeted sales and marketing effort. It is also left to the reader to infer that there was a targeted sales and marketing effort and that as General Manager, Stephen Wilce was accountable for that targeted sales and marketing effort.</p>
<p>My role as the Company General Manager is to manage all business operations, with especial regard in the near term to consolidating existing systems and developing a robust business platform commensurate with the Company's continued growth.</p>	<p>10. AK, the current General Manager of Freedom Homes and former direct report to Stephen Wilce (Exhibit BA), stated that the exponential growth was "more due to the building boom that NSW at the time was experiencing" than to sales or marketing efforts. He has no knowledge of Stephen Wilce having any involvement with a sales and marketing effort.</p>
<p>In strategic terms the challenge is to work closely with local government and the building industry to ensure that the Company is adequately prepared to meet any changing legislative requirements for the Building and Construction Industry and in working with manufacturers and suppliers of building products to ensure that advances and new technologies are evaluated and, where appropriate, integrated into the Company's product portfolio.</p>	<p>11. This statement, like many others in the CV, describes the role that Stephen Wilce was employed to do. The reader is left to infer that he did them and that he did them satisfactorily.</p>
<p>Reporting to the Group Managing Director I enjoy full autonomy over the business.</p>	<p>12. Confirmed.</p>
<p>PowerServe Pty Ltd</p>	<p>13. Confirmed.</p>
<p>Left off his CV.</p>	<p>Exhibit CD</p>
<p></p>	<p>14. Confirmed. Stephen Wilce did not record his nine month employment with PowerServe Pty Ltd on the CV that he submitted to Momentum in support of his application for the Director DTA role (Exhibit AQ). Stephen Wilce did record this period of employment on his NZSIS security vetting form VF4 (Exhibit R). It has been added to this CV analysis for continuity of timelines, employment, roles and claims.</p>
<p></p>	<p>15. On the VF4 form (Exhibit R), in the section headed OVERSEAS TRAVEL, RESIDENCE and EMPLOYMENT, Stephen Wilce completes the box headed "Overseas employment or postings" on page 3 with the following information "PowerServe (Short Term Contract)". The VF4 form on pages 2 and 3 in the section headed Employment in New Zealand asks for a Reason for leaving. This same question is not asked of OVERSEAS EMPLOYMENT on pages 3 and 4.</p>
<p></p>	<p>16. The Researcher exchanged information with a PowerServe representative (Exhibit CD). PowerServe was based in New South Wales, Australia and Stephen Wilce was employed between 28 Jan 2003 to 13 Oct 2003 or nine months. This was a private company taking on their first CEO. The role was initially for a 12 month fixed term evaluation period. The purpose of the role was, amongst other things, to</p> <ol style="list-style-type: none"> lead and manage the Company to achieve the business objectives of growth, profitably, customer service excellence and safety manage and direct the day to day operational activities of the business and develop and implement process, practice and procedures to achieve objectives.
<p></p>	<p>17. The PowerServe representative states that it was "obvious after 9mths he could not do the job, did not meet expectations and was terminated".</p>

Information supplied on Stephen Wilce's CV	Comment
<p>National Power Service Pty Ltd</p>	<p>Exhibit BF</p> <p>18. The Researcher spoke with AL, Stephen Wilce's former manager at National Power by phone and had email correspondence with him (Exhibit BF).</p>
<p>2000 – 2003 General Manager – Northern Region National Power Service Pty Ltd New South Wales based, Australia</p>	<p>19. When Stephen Wilce commenced employment at National Power Service Pty Ltd (National Power) in July 2000, he was employed in the position of State Manager, New South Wales. He remained in this position until December 2001 with no change to his title. He was therefore in this position for 18 months.</p> <p>20. In December 2001 he was promoted into the role of General Manager - Northern Region. This region included New South Wales, Queensland and Northern Territory. He remained in this position for 13 months until he left National Power in Jan 2003.</p> <p>21. It is incorrect for Stephen Wilce to claim that he was General Manager – Northern Region for the period 2000 to 2003. It would have been more accurate for Stephen Wilce to state</p> <p>a. Jul 2000 to Nov 2001 State Manager, New South Wales</p> <p>b. Dec 2001 to Jan 2003 National Manager, Northern Region</p>
<p>National Power Services is a leading contractor and consultant to the energy, communications and Industrial Services industries in Australasia and the Asia Pacific Region, providing customers with turnkey innovative solutions to their design, construction, operations, environmental services, asset and facilities management needs.</p>	<p>22. Confirmed.</p>
<p>As General Manager – Northern Region, I led and managed the Region (NSW, ACT, QLD and NT) to achieve the business objectives of profitability, customer service excellence, quality and safety.</p>	<p>23. AL stated "Due to continued poor performance of his division, his position was unsustainable. His division failed to meet sales and delivery targets, and slowly became unsustainable so we suggested Mr Wilce resign, and merged his division under the management of another one of my General Managers."</p>
<p>Customers primarily being Government Agencies and/or major corporations.</p>	<p>24. AL stated that Northern Power had little work for industrial customers outside Government owned utility companies. Depending on the readers interpretation of "and/or major corporations" this statement may or may not be correct.</p>
<p>Principal accountabilities included: management of operations and key projects; development and implementation of strategic and tactical plans; marketing, business development and contract negotiation; development and maintenance of close relationships with key accounts; effective financial management; and the pursuit and assessment of growth opportunities, especially those pertaining to merger, acquisition or partnership.</p>	<p>25. AL states that Stephen Wilce was accountable for these tasks. When asked, AL stated that he did perform aspects of this statement satisfactorily, but he did not perform the following tasks satisfactorily:</p> <ol style="list-style-type: none"> management of operations implementation of strategic and tactical plans new business opportunities effective financial management the pursuit and assessment of growth opportunities.
<p>As a member of the Company Senior Executive I worked to ensure that corporate management, matters of governance and strategic planning reflected best practice. ...</p>	<p>26. With regards to National Power Services growing under the management of Stephen Wilce, AL states Stephen Wilce "failed to grow the business in his Region, while other Regions were successfully growing that the targeted rate."</p>
<p>... and that offshore parent organisation policy was implemented appropriately within the business.</p>	<p>27. AL states that this statement is correct "in the context of his Northern Region." AL states that with regards to ensuring "that corporate management ... reflected best practice" that Stephen Wilce did not do this satisfactorily and made no significant corporate management changes that AL recalls.</p>
<p>The impending sale of the business and closure of the regional operations led to my seeking an alternative role.</p>	<p>28. AL states that with regards to ensuring that "matters of governance ... reflected best practice" that Stephen Wilce did not do so satisfactorily and made no significant governance changes that AL recalls.</p> <p>29. AL states "Our parent company was an Australian listed company, with an offshore cornerstone shareholder."</p> <p>30. AL regarded this statement as incorrect and stated "The performance of his region was a matter of great concern to us, and we spoke of it often. Over time it became apparent that he was not able to improve the performance of his Region, and as he was the General Manager, I held him accountable to this outcome. We discussed it, and it was evident that the situation was not sustainable, and he resigned on the pretext that we were going to close the Region. In fact the Region did not close for some time after his departure, and our Queensland office remained open for some years after his departure. The business was not sold."</p>

Information supplied on Stephen Wilce's CV	Comment
<p>1999 – 2000 Chief Executive Officer CEMA Pty Ltd Sydney, Australia</p>	<p>Exhibit BG</p> <p>31. AM was a Company Director and co owner.</p> <p>32. With leaving the months un-stated, and only giving his employment as 'years worked', he has created the illusion that his employment was for two years, when his employment was from Aug 1999 to June 2000, or 11 months.</p>
<p>The brief was to manage and direct the organisation towards its primary objective of becoming the pre-eminent contract electronics manufacturing services provider in Australasia.</p> <p>This was my third senior role within the electronics/communications/defence manufacturing sector; the first being in the UK, the second in New Zealand.</p>	<p>33. AM states that "this was Mr Wilce instruction however he did not had the qualifications or the ability to deliver these outcomes."</p>
<p>The organisation suffered adversely from poor management and the immediate challenge was to re-engage the business and engender a culture based on customer focus, quality and operational effectiveness, thus allowing a return to profitability.</p>	<p>34. AM states "When Mr Wilce came to CEMA we were making small profits. His overall statement is generally glorified as these are what I would call basic statements that could be made when a new CEO position is created. ... the company was either the third or fourth largest contractor in Australia & NZ so we achieved this by our good management & the endeavours of the 4 owners & our staff. ... CEMA was profitable when Mr Wilce joined in a small way. It only went downhill from his joining ..."</p>
<p>With the basic internal blocks in place I set about rebuilding the Company Image and customer base and ensuring the effectiveness of supply and distribution channels.</p> <p>Having successfully turned the business around the owners disagreed on a future direction for the company and a sale of the business was sought and concluded in June 2000.</p>	<p>35. AM regards this statement as incorrect. CEMA was not successfully turned around under Stephen Wilce's management.</p> <p>36. It is correct that a sale of the business was sought and concluded. However, this was due to CEMA being placed into Voluntary Administration. It was the Administrators who subsequently sought and concluded the sale.</p>
<p>I sat, and continue to sit, on the Board of the Australasian Electronics Manufacturing Industry body, the SMCBA, and have been regularly asked as an 'industry expert' to give keynote and other addresses at major electronics, communications and IT industry conferences.</p>	<p>37. AN is unaware of Stephen Wilce being asked to ever give a keynote or other addresses at any major conference.</p> <p>38. AM stated that in regard to delivering any papers to the SMCBA, or on behalf of the SMCBA, he was not aware of any. Further, he would not class him as able to provide industry expert advice nor of having any hands on industry experience with process and the likes.</p> <p>39. AD stated that Stephen Wilce did not deliver any papers to the SMCBA and he was unaware of Stephen Wilce having been asked as an industry expert to give a keynote or other address at their conferences.</p>

Information supplied on Stephen Wilce's CV	Comment
<p>1997 – 1999 General Manager MAGUS Contract Electronics (A member of the Harding Electronics Group) Wellington, New Zealand</p>	<p>Exhibit B1</p> <p>40. His employment was from April 1997 to July 1999.</p>
<p>As General Manager of Magus (formally Harding Control Systems) my job purpose was the management and growth of the company business; the provision of electronics manufacturing services, engineering R&D and product development services, and a global purchasing, distribution and logistics operation.</p>	<p>41. AP regards this statement as incorrect and states "It was never remotely a "global" purchasing, distribution and logistics operation. It was focussed on a small number of local manufacturers, some prospects on Australia were "talked" about. The business did source components from offshore."</p> <p>42. Stephen Wilce being accountable for distribution – that it was only in regards to supplying local customers with components.</p> <p>43. Stephen Wilce being accountable for logistical operations – that there were limited logistics as it was a only a small business.</p>
<p>The Company's portfolio included a number of Australasia's leading export electronics and defence communications organisations.</p>	<p>44. The Court acknowledges Mr Wilce's evidence that MAGUS conducted significant business with Marine Air Systems, a defence communications company. This was not put to LM.</p> <p>45. AP states that MAGUS "focused on the NZ market, and didn't have any aspirations to go to Australia."</p>
<p>My vision during this period involved leveraging the expertise gained as a developer, manufacturer and exporter of control systems products; allowing diversification into the contract electronics manufacturing services market. This was successful and Magus quickly became established as New Zealand's preferred contract service provider, offering levels of product quality previously unattainable in local markets.</p>	<p>46. AP states with regards to Magus offering levels of product quality previously unattainable in local markets until Wilce provided them - that it is untrue. There was another organisation offering same service.</p> <p>47. In response to "did Magus become established as NZ's preferred contract service provider under Mr Wilces management?", AP responded "Certainly not to my knowledge."</p>
<p>The period was also marked by branding, imaging and re-launching of the Company as Magus Contract Electronics, and from a sales standpoint through significant new business development and growth of the customer base in both local and overseas markets incorporating both own product and contract services.</p>	<p>48. AP states "The rebuilding of the company image was not successful and the company was sold."</p>
<p>Additional value added services included due diligence and commercial assessment of potential new hi-tech products or organisations bought to the attention of the Company and in the provision of advice and direct to developers and start up businesses wishing to take those products to market.</p>	<p>49. When asked "Is this statement correct, AP states "not to my recall."</p>
<p>In early 1999 the Company's principal shareholder, a US based investment house, tasked me with positioning Magus for sale. Wishing to divest itself of their local manufacturing portfolio I sought a purchaser and concluded the successful negotiation and sale of the business in June 1999.</p>	<p>50. AP states "Mr Wilces was not the driver of the sale." "It was sold and he was involved but not the driver." "Magus ended up being sold, virtually given away."</p>

Information supplied on Stephen Wilce's CV	Comment
<p>1996 to 1997 Chief Executive Officer Royal New Zealand Yacht Squadron Auckland, New Zealand</p>	<p>Exhibit BB</p> <p>51. AQ was the Commodore at the RNZYS at the time of Stephen Wilce's departure and reported directly to him.</p> <p>52. AQ recollection is that Stephen Wilce resigned and left in 1996, not 1997. His employment was from May 1996 to Nov 1996 or 7 months.</p>
<p>Reporting to the Board through its Chairman, the Commodore, the CEO is the Chief Operating Officer for the Squadron.</p> <p>As such I was accountable for the total management, administration and operation of the Squadron including: P&L, sales and marketing, sponsorship generation, major projects and performance management, racing and a total quality and customer focused service to its 3,000 individual members, 40 Corporate members, and sponsors.</p>	<p>53. AQ recalls the role being called General Manager.</p> <p>54. AQ states that Stephen Wilce was accountable for, but did not do so satisfactorily, the following tasks:</p> <ul style="list-style-type: none"> a. Total management, administration and operation of the Squadron b. Total quality and customer focused service to the Squadron <p>55. AQ states that Stephen Wilce was not accountable for the following tasks:</p> <ul style="list-style-type: none"> a. Sponsorship generation b. Racing c. Major projects.
<p>Following the success of Team New Zealand in winning the America's Cup on behalf of the RNZYS in 1995, I was primarily appointed to manage future business growth and to put the organisation in place for the year 2000 defence of the 'Auld Mug'.</p> <p>I determined that the most effective event structure differed from the original concept and with this in place the CEO role became redundant.</p>	<p>56. Witness AQ regards this statement as unfairly representing the role. Stephen Wilce was not primarily appointed to manage future business growth. Stephen Wilce did not put in place any business plans which allowed the RNZYS to prepare for the year 2000 defence.</p> <p>57. AQ regards this statement as incorrect. The GM role still exists today and Stephen Wilce was not made redundant. Stephen Wilce resigned and left immediately after AQ spoke to Stephen Wilce about his poor performance in the role and unsubstantiated statements about himself that Stephen Wilce was making to club members.</p>

Information supplied on Stephen Wilce's CV	Comment
<p>1994 to 1996 General Manager, Engineering (1995 – 1996) Head of Research (1994 – 1995) Electricity Corporation of New Zealand (ECNZ) Wellington, New Zealand</p> <p>My period of service covered the roles detailed below, Initial at ECNZ Corporate Headquarters as Head of Research and latterly with DesignPower New Zealand Limited, a wholly owned subsidiary of ECNZ, as General Manager, Engineering.</p>	
<p>1995 to 1996 General Manager, Engineering DesignPower New Zealand Limited Wellington, New Zealand</p> <p>The job purpose centred around the leadership and management of the Engineering Division as a Separate Business Unit.</p>	<p>Exhibit CC</p>
<p>The primary function of the Division being the provision of high quality project and specialist engineering, telecommunication, IT/IS, and business services, to Government and an International Client base. These Business Services included the Company's R&D, product and Applications Development, project, environmental and consultancy activities. Crucial to the operation was the need to promote and maintain a customer service culture whereby world-class quality and client service standards were met and exceeded, and in line with the Companies ISO 9001 accreditation requirements.</p>	<p>59. AR, the Managing Director of DesignPower at the time and Stephen Wilce's manager wrote "In my opinion the first sentence is generally correct but the term "Business Services" could be misinterpreted as the Division only provided engineering services. I am less comfort with the second sentence, as DesignPower did no R&D, and any "product" development was the development of services rather than any physical products. Project management was carried out by a Projects Management Division separate from the Engineering Division that Mr Wilce managed."</p>
<p>I was closely involved in all major bids and the subsequent project delivery and in seeking out and conducting due diligence on potential acquisitions.</p>	<p>60. With respect to ISO 9001 AR states "Yes this statement is correct."</p>
<p>Staff Management criteria included the recruitment, mentoring and retention of suitably qualified and experienced staff to meet Company growth and the provision of strong leadership, motivation and focused direction for 11 National managers and their teams, totalling approximately 200 staff.</p>	<p>61. AR wrote "The first part of this statement up to the words "project delivery" is correct, but I am not comfortable with the remainder of the sentence. In my time as Managing Director of DesignPower, the company only considered and made one acquisition, and I do not recall if this was made during the period of Mr Wilce's employment by the Company. Mr Wilce would have had a role in the technical aspects of the due diligence conducted as part of the acquisition process if he was with the company at the time of the acquisition, but he was not involved in the negotiations which identified or structured the acquisition – these were undertaken by me and my CFO."</p>
<p>Reporting to the Managing Director, I was financially accountable for the divisions, and a member of the Senior Management Team. I also contributed extensively to the Company's strategy and business planning.</p>	<p>62. Confirmed.</p> <p>63. Confirmed.</p>
<p>This was a significant strategic development, change and project management role.</p>	<p>64. AR wrote "I am comfortable with this statement with exception to the reference to "project management". At the time of Mr Wilce's employment, the management of the Company's projects was the responsibility of a separate Projects Management Division, with Mr Wilce being responsible for the technical engineering involved in the projects. Without doubt there were elements of project management involved in Mr Wilce's role, but I do not consider these to have been significant in relation to his core role of technical management."</p>

Information supplied on Stephen Wilce's CV		Comment
1994 to 1995	Head of Research Electricity Corporation of New Zealand Limited Wellington, New Zealand	Exhibit BH 65. AR, Stephen Wilce's manager at the time, states the job title was Research Manager. EGNZ did not conduct research themselves, they engaged parties to do research for them. The Research Manager managed at arm's length the providers of the research. His employment was from April 1994 to Aug 1995, or 1 year and 4 months.
The principal job purpose was to develop, manage and fund the Corporate Research and Development Projects programme		66. AR regards a more correct business function description would be 'Production Research', rather than 'Corporate Research'
Product development and research was primarily of a long term technical or commercial nature, into issues either having a potential impact on the Electricity Corporation, or that provided opportunity to leverage commercial advantage.		67. AR regards this as overstating the job and a more correct description would be 'production development' not 'product development.' 68. There being a focus on leveraging commercial advantage for EGNZ – that EGNZ was actually trying to downplay any commercialism at the time as EGNZ was Government owned and has somewhat of a commercial monopoly at this time, so this was not a focus of this role.
The projects programme included, but was not limited to, the areas of electricity generation (both traditional and alternative) and fuel technologies, natural resources and the environment, and operational enhancement to electrical hydro and thermal generating plant.		
All projects were performed on a cost effective basis following Government contracting guidelines and were potentially of commercial benefit to the Electricity Corporation.		
The real challenge of the position was always to maintain a comprehensive knowledge of global energy industry technology and related industry trends and to analyse these within the context of EGNZ, and their competitors', business strategies, with particular emphasis on the early identification and development of responses to threats and opportunities as they arose.		69. AR states that with regards to this statement being the 'real challenge' of this position, that this statement is overdramatic. This aspect was just one of several challenges of the position. 70. EGNZ competitors and needing to understand them and their business strategies – that EGNZ did not have competitors and were a monopoly at this time. 71. The role putting a particular emphasis on early identification and development of responses to threats as they arose – that this was more of a technical rather than commercial nature.
During my time in this role I also served as a Company Director on the Boards of a number of the Corporations' hi-tech subsidiaries.		72. AR states that Stephen Wilce was more of an EGNZ representative for one or two joint venture steering committees. Witness AK regards this statement as correct but overstated. This statement implies there was a corporate legal framework around the joint ventures, were listed with the NZ Companies Office and had Board Members elected to serve for the Company. 73. He has never been a Director of Ceramic Fuel Cells Ltd or of SuperLink, a joint venture/not a company with DSIR for high temperature super conducting research. (Exhibit BW)
Demonstrated success in this position led to my subsequent appointment to EGNZ's subsidiary DesignPower New Zealand Limited, in the role outlined above.		74. The Researcher conducted a search of the NZ Companies Office registrar for all subsidiary companies recorded on the EGNZ 1993 – 1997 Annual reports for proof that Stephen Wilce was a Director. The search turned up a nil result. A further search for a Stephen Wilce ever having been a Director on the Board of any NZ company returned a nil result also. (Exhibit BV)
		75. Confirmed.

Information supplied on Stephen Wilce's CV	Comment
<p>1990 to 1993 Deputy Director and Head of Engineering Royal Greenwich Observatory (An establishment of the Science and Engineering Research Council) Canary Islands, Spain and Cambridge, United Kingdom</p> <p>The job task was principally located at the United Kingdom's Isaac Newton Group of Telescopes on the island of La Palma in the Canary Islands.</p> <p>The position focused on the operational management and implementation at the start up of one of the world's premier telescope facilities. I was accountable for the day-to-day management and running of the Operations Division, as a business unit, whilst implementing significant ongoing operational change. The Telescope Group is a GBP200M multinational co-operative project, operating at the forefront of IT/IS, heavy and light electrical, electrometrical, optical, communications and mechanical technology, with systems what must be available to the world astronomical community 365 days a year.</p> <p>My portfolio also included the role of Head of Engineering, in which capacity I carried project and operational accountability for all civil, Mechanical, electrical, electronic and communications works, as well as product development, manufacturing, installation, commissioning, maintenance and IT/IS functions. All operations were carried out within an extremely environmentally sensitive region of the islands.</p>	<p>76. Stephen Wilce states on his VFA form that he was living in La Palma from Nov 1990 to March 1992</p> <p>77. Researcher notes: Stephen Wilce states that the position focused on the operational management and implementation at the start up of one of the world's premier telescope facilities. In an earlier Staff Profile created by Stephen Wilce, he stated that he had "full project management accountability for the final stage construction, commission and operation of the William Hershel Telescope Facility ... including all associated power infrastructure".</p> <p>78. The William Hershel Telescope was built by Grubb Parsons. Construction began in 1983. It was shipped to La Palma in 1985. It became fully operational by June 1987. This was some three years before Stephen Wilce claims to have worked for the Royal Greenwich Observatory. (Thirty-fourth Witness, 4th Recall)</p>
<p>I was latterly relocated back to the Cambridge Headquarters to lead the development and implementation of a commercial business strategy for the Science and Engineering Research Council, commensurate with fulfilling the Governments objectives of commercialising its public sector activities.</p> <p>I was a member of the Senior Management Team and had full accountability for my Division as a separate business unit.</p> <p>1989 to 1990 Group Manager Engineering and Operations Parsys Limited London, United Kingdom</p> <p>Accountability in this position covered all the aspects of operation and engineering in this start-up organisation. Parsys was conceived to design, manufacture and market massively parallel computer systems and applications based on transistor technology, primarily for financial, telecommunication, defence and aerospace applications. The role was a Greenfield start-up and development spin-out.</p> <p>Company start-up responsibilities whilst finalising the MBO from parent Thorn EMI, included the development of all R&D, manufacture, production, QA, logistics, and product support activities. I was closely involved with negotiations to put the necessary finance in place, a mixture of staff funding and venture capital, and became a founding shareholder of the Company.</p> <p>My role following the MBO centre around the operational implementation and management of the Company Technical Business Plan and included responsibility for management of the Company Patent Portfolio. The role was for a fixed term of 15 months.</p>	<p>79. Researcher notes: The Science and Engineering Research Council (SERC) used to be the UK agency in charge of publicly funded scientific and engineering research activities including astronomy, biotechnology and biological sciences, space research and particle physics.</p> <p>80. These councils were only split off from one another after 1994 when a new Director General of Research Councils was charged with reorganising the Research Councils.</p> <p>Exhibit CB</p> <p>81. Researcher notes: Parsys Ltd was at the time Europe's leading Massively Parallel Unix systems manufacturer. The 'company' was a Greenfield start-up company, which was formed and incorporated in January 1988. This 'role', given the dates of employment, would have been taken up 12 - 18 months after the company started operating. It was launched as independent company in Jan 90. It was then 100% owned by Parsys Holdings Ltd, which was in turn owned by Electra Invotec Limited partnership, British Gas Ventures Limited Partnership, THORN EMI, and by directors and staff.</p>

Information supplied on Stephen Wilce's CV		Comment
<p>1987 to 1989 Project and Training Manager British Aerospace Dynamics Limited Malang, Indonesia and Stevenage, United Kingdom</p>	<p>As manager of this project, I was responsible for the design, build, commissioning, staff recruitment and operational management of a technological facility primarily concerned with the supply of multi-disciplined engineers to the Indonesian Armed Forces, as part of a major aerospace defence contract. The Project was scheduled to take four years, we brought it in successfully, and under budget, in just over two.</p>	<p>82. Researcher notes: The Researcher found that in 1986 British Aerospace was awarded a £40 million contract for Rapier ground-to-air missiles. In June 1987, the Financial Times reported that "The 1986 deal included building facilities near Malang including marshalling and workshop buildings, stores and a training school."</p>
<p>Accountability on deployment to the Far East included the project management of the construction of the facilities from a Greenfield site, and ranged subsequently through all on-site operations. I was also involved with the management, negotiation and control of other Contract projects and the co-ordination and implementation of the hand-over of the operational facilities to the Indonesian Government. This was a significant multi-million pounds sterling project with staff numbers, both expatriate and Indonesian, in excess of 350.</p>	<p>83. In his Candidate report that was undertaken by [Ms O] (Exhibit A4), he uses this as an example. Stephen Wilce is reported as stating that "Stephen initiated a range of negotiations with the Indonesian Government and the Indonesian military and this resulted in a project that was worth £200million. Stephen had to manage the project ..."</p>	
<p>1980 to 1987 Commissioned Officer, British Armed Forces</p> <p>My commission served to hone my human resource management skills, refine leadership qualities, and taught the importance of integrity and security. It also highlighted my ability to ensure that operations and complex major projects run smoothly and efficiently. A major strength called upon on several occasions was my ability to maintain a global perspective whilst being involved in the minute detail. A time of significant personal growth.</p>	<p>84. The Researcher was unable to substantiate if Stephen Wilce was a Commissioned Officer, and if he was, for what length of time. However, a discrepancy exists in that he earlier states that during 1980 to 1982 he was also undertaking a Master's of Science Degree – MSc (Aerospace Systems) at Cranfield Institute of Technology. Whilst this is possible, in the CV he supplied to PowerServe, he only claims to have been in the British Armed Forces from 1982 to 1987. It appears Stephen Wilce changed these dates on his CV for NZDF. (Thirty-fourth Witness, 4th Recall)</p>	
<p>1979 to 1980 Electronics Design Engineer Hunting Engineering Limited Ampthill, United Kingdom</p>	<p>Electronics Engineer involved with the Design and Development of weapons systems.</p>	
<p>1975 to 1979 Communications Lecturer and Consultant CEC Telecommunications Limited Coventry, United Kingdom</p>	<p>This was my first role out of College and following completion of my 3 year Technologist Apprenticeship with GEC, being responsible for the design, preparation and delivery of courses in telecommunications and communications engineering.</p>	<p>85. Whilst a possibility, it rests on the definitions of "Lecturer" and "Consultant". However, the Court finds it difficult to accept. Stephen Wilce was 19, had just finished an apprenticeship, was enrolled in a Higher National Diploma at Coventry Technical College, and had no prior work experience.</p>