

7 February 2018

s(9)(2)(a)

REF: OIA-3421

Dear s(9)(2)(a)

Request made under the Official Information Act 1982

Thank you for your email of 4 December requesting the following information under the Official Information Act 1982 (the Act):

I am writing to request copies of all correspondence, meeting minutes and reports relating to money being paid for drivers licenses.

This includes (but is not limited to) reports, meeting minutes and correspondence to and from Vehicle Testing New Zealand, the Automobile Association, New Zealand police and the Minister.

In particular I would like any information held by the New Zealand Transport Agency relating to the following:

- *Any concerns raised by any individual/ organisation relating to the possibility that money has been paid for licenses*
- *Details of any current investigations*
- *Any information relating to current measures taken by licensing providers to avoid money being paid in exchange for licenses*
- *Any correspondence, reports or meeting minutes relating to advice to change measures in the last five years*
- *Any correspondence, reports or meeting minutes evidencing said changes (if applicable).*
- *Any records of disciplinary action taken against staff who have been involved in accepting money for licenses*
- *Any correspondence, reports or meeting minutes relating to license holders being contacted to re-sit their licenses*

Due to the nature of the request, it is appropriate to provide some background information to you about bribery allegations which were first made in February/March 2016. The allegations were that a small number of driver licence agent officials involved in driver licensing were taking money (bribes) in exchange for allowing drivers to progress through the driver licensing system. As a result the NZ Transport Agency established a project that involved a number of teams working on different aspects of the issue, including liaising with licence holders who may have wrongfully gained licences through an act of corruption. A part of the project also provided support for the NZ Police investigation. Further, in the process of investigating the bribery allegations, it was found that the overseas driver licence conversion process had been exploited and some drivers may have been issued with NZ licences after presenting fake overseas licences or other documents. In the case of overseas conversions, there is no evidence that bribery was involved. However, action was required to ensure drivers who had converted overseas licences to New Zealand licences had done so appropriately, and if not that those licences were invalidated.

The investigation of the actual allegations of corruption against a small number of driver licence agent officials (bribery) was carried out by NZ Police and the outcomes of the investigation are still before the Court. As a result I have withheld information related to the Police investigation and the support that the Transport Agency provided to NZ Police under section 6(c) of the Act as it would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.

1. *Reports, meeting minutes and correspondence to and from Vehicle Testing New Zealand, the Automobile Association, New Zealand police and the Minister.*

The Transport Agency has conducted searches for correspondence with Vehicle Testing New Zealand and AA New Zealand related to money being paid for licences, however has not found any (letters or emails) within scope. When the allegations that money was being paid for licences were made in February/March 2016, the Transport Agency required both agents that were delivering driver licensing services, AA New Zealand and Vehicle Testing New Zealand (VTNZ), to attend meetings regarding those allegations. The meeting with NZAA took place on 16 March 2016 and the meeting with VTNZ took place on 22 March 2016. At those meetings the then General Manager Access and Use for the Transport Agency, explained the Transport Agency's expectations in relation to how corruption was to be managed and outlined a process for clarifying the Transport Agency's expectations for preventative measures to avoid the possibility of corruption. The summary of the meetings is based on the recollection of one of the Transport Agency staff members that attended the meetings, as minutes were not kept of either meeting. Further information on the Transport Agency's expectations of agents to manage the risk of fraud and to maintain the integrity of the driver licensing system can be found under parts 4-6 below (Attachments 11 and 12).

In 2016 and in 2017, changes were made to the performance requirements for agents that deliver land transport services, which included changes to the requirements related to the integrity of the driver licensing system (and other systems) and the integrity of the personnel who work in these systems. Further information on the requirements for agents can be found in response to part 3 of your request below.

For the reason outlined above regarding the Police investigation, and pursuant to section 6(c) of the Act, I have not released information related to the Police investigation of the corruption allegations or information provided by the Transport Agency to NZ Police in support of the investigation.

The following briefings and other notes, which contain information on driver licensing fraud (including payment of money for driver licences), were provided to the Minister of Transport at the time, namely Hon Simon Bridges.

- **Attachment 1:** BRI-0705 Investigation into potential driver licensing fraud.
 - Some information within this attachment has been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons as well as section 6(c) of the Act as it contains details of Police investigations that are currently still active, and to release the details would prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.
- **Attachment 2:** 4 April 2016 weekly report to Minister of Transport (excerpt).
 - As your request relates to driver licence fraud, only the page with information relevant to this topic is included and sections out of scope of your request have been redacted.
- **Attachment 3:** BRI-0731 Allegations of driver licensing fraud – Conversion of overseas heavy motor vehicle licences from India.
 - Note that some of the data provided in this briefing reflects information held at the time it was written. These numbers may have been updated since.

- Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons as well as section 6(c) of the Act, as it contains details of Police investigations that are currently still active and to release the details would prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.
 - **Attachment 4:** 11 April 2016 Weekly report to Ministers.
 - As your request relates to driver licence fraud, only the page with information relevant to this topic is included and sections out of scope of your request have been redacted.
 - **Attachment 5:** BRI-0740 – Driver Licensing Fraud – system monitoring and management of communications.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
 - **Attachment 6:** BRI-0791 Update on the Driver Licensing Integrity Project.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
 - **Attachment 7:** Progress update: Release of KPMG report on Review of the Driver Licensing End-to-end System Integrity dated 6 July 2016.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
 - **Attachment 8:** BRI-0856 Historic driver licensing fraud.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
 - **Attachment 9:** BRI-1058 – Driver licensing fraud general overview.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
2. *Any concerns raised by any individual/ organisation relating to the possibility that money has been paid for licences*

Please find attached records of complaints or contacts to the Transport Agency that include allegations of money being paid for licences. This has been obtained from a search of Transport Agency systems and includes all instances that can be identified within the last five years.

- **Attachment 10:** Allegations of bribery.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
3. *Details of any current investigations*
- The Transport Agency has no current investigations underway related to money being paid for driver licences. The last investigation ran from February/March 2016 until May 2017. That investigation in part related to allegations of staff at driver licensing and testing sites in Auckland receiving money from driver licence applicants and to providers of driver licensing courses who may not have required course participants to have completed all requirements of the courses.
4. *Any information relating to current measures taken by licensing providers to avoid money being paid in exchange for licences*
5. *Any correspondence, reports or meeting minutes relating to advice to change measures in the last five years*
6. *Any correspondence, reports or meeting minutes evidencing said changes (if applicable).*

As outlined under the response to part 1 above, changes have been made to the performance requirements for agents that deliver land transport services, which included changes to the requirements related to the integrity of the driver licensing system (and other systems) and the integrity of the personnel who work in these systems. Attachment 11 and Attachment 12 are correspondence between the Transport Agency and its agents AA and VTNZ regarding the performance expectations for transactions involving the Register of Driver Licences. This provides an overview of the range of measures that are now in place to ensure the integrity of the system,

including the people that work within it. Measures related specifically to the taking of money by officials (counter staff and testing officers) will be included within the required Code of Conduct.

- **Attachment 11:** Summary of Driver Licensing Performance Expectations & Next Steps.
 - Some details in this attachment have been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons.
- **Attachment 12:** Licensing Agent Performance Expectations – Meeting 1 June 2016.

The Transport Agency constantly monitors the performance of all agents providing land transport services including driver licensing services. This monitoring involves monitoring of transaction data and checks against the criteria outlined in Attachment 12. All agent sites are subject to at least one comprehensive site audit per year, sometimes more frequently based on risk and performance.

7. *Any records of disciplinary action taken against staff who have been involved in accepting money for licenses.*

None of the driver licensing staff who were alleged to have received money from applicants were NZ Transport Agency staff. This particular request is therefore refused on the basis that the documents/information does not exist under section 18(e) of the Act.

The Transport Agency is satisfied that any driver licensing staff employed by agents and about whom there was evidence of corrupt behaviour (including receiving money from applicants) have been identified and are either no longer employed by the agent or are no longer in positions in which they have access to the driver licensing system. The details of any disciplinary action taken against those staff by their employers are not held by the Transport Agency. Please refer to Attachments 11 and 12 for information on changes to the requirements related to the integrity of the driver licensing system (and other systems) and the integrity of the personnel who work in these systems.

8. *Any correspondence, reports or meeting minutes relating to license holders being contacted to re-sit their licenses*

The following table on the Transport Agency website summarises the action taken by the Transport Agency (as at 5 May 2017) in respect of licence holders who may have wrongfully gained driver licences at a licensing site in Auckland between May 2014 and March 2016:

<http://nzta.govt.nz/media-releases/transport-agency-acting-to-address-findings-of-independent-driver-licensing-review/>.

Some of these actions will have been taken on the basis of evidence of money being paid by applicants to driver licence administration staff or testing officers.

Total licences scanned (approximate rolling total)	10,500
Licences investigated and invalidated (partially or fully)	253
Licences investigated and holder required to be retested	96
Licences revoked following failure to pass retest	38

Each of the affected licence holders was contacted by letter, delivered by signature-required courier, although not all letters were able to be delivered. In cases where letters were not able to be delivered the invalidation or revocation of the licence still occurred.

The project team that led the response to the 2016 allegations of corruption at a driver licensing site in Auckland met weekly, sometimes several times in a week and maintained records of those meetings. While some of the content relates to actions taken in respect of people who may have paid money to driver licensing staff, the records only do so indirectly and would not be recognisable as relating to money being paid for driver licences. For example, brief comments are recorded at a high level that relate to progress being made in collation of the data on people who may have wrongfully gained licences or progress being made in deciding which files to progress. Some of these people may have paid money to driver licensing staff although many will have been identified for other reasons such as the presentation of fake or questionable overseas licences. However, the comments do not refer explicitly to money being paid for licences. I have provided two examples as **Attachments 13 and 14** to illustrate this. These minutes are otherwise outside of scope of your request as they do not contain specific information about money being paid for driver licences.

- **Attachment 13:** SIT_Report_DLF1010-11-29_March_2016.
Certain information has been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons as well as section 6(c) of the Act as the document contains details of matters that are currently before the court and to release the details would prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.
- **Attachment 14:** _SIT_Report_DLF1010-_70-_25_Jul_2016.
Certain information has been withheld under section 9(2)(a) of the Act to protect the privacy of natural persons as well as section 6(c) of the Act as the document contains details of matters that are currently before the court and to release the details would prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.

With respect to the information that has been withheld, I do not consider there are any other factors which would render it desirable, in the public interest, to make the information available.

Under section 28 of the Act, you have the right to ask the Ombudsman to review my decision to either withhold certain information or refuse certain questions relating to the request, and/or to extend the time limit to respond to part of the request. The contact details for the Ombudsman can be located at www.ombudsman.parliament.nz.

If you would like to discuss this reply with the NZ Transport Agency, please contact Andy Knackstedt, Senior Manager Media, by email to Andrew.Knackstedt@nzta.govt.nz or by phone on 04 894 6285.

Yours sincerely



Michael Aitken
Senior Manager, Operational Policy, Planning and Intelligence