

REPORT REGARDING
CAMBRIDGE ANALYTICA LLC
AND SCL ELECTIONS LTD

”

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1. The business of Cambridge Analytica

1. Cambridge Analytica LLC (“CA”) is a US based¹ Limited Liability Corporation which has a service agreement with and the exclusive right to offer services in North America on behalf of SCL Elections Ltd (“SCL”). SCL is a privately owned English data analytics company based in London that uses novel data analysis to make predictions about the behaviour of individuals.
2. The American CA office tends to be data-focused, highly technical and political in expertise and services offered. The other divisions (Europe, Africa, Asia and South America) based in London, tend to be more commercial, research-focused and engaged in the marketing of goods and services as well as, to a lesser extent, electoral services. CA is a digital marketing agency and does not only market itself as a political consultancy² despite its very public involvement in political campaigns such as *Cruz for President* and *Trump for America*. The services offered by CA are no different from the services offered all over the world by a very large number of competing digital marketing and data analytics companies. At the New Oxford Street premises in London, there are approximately 80 members of SCL staff.
3. Client acquisition is largely based on recommendation or inbound inquiries resulting from press coverage. CA’s website has a fill-out

¹ But also with an office in London. CA and SCL are two separate corporate bodies, incorporated in different jurisdictions. The publicly recognised *brand* is Cambridge Analytica. I have sought in this Report accurately to refer to the relevant company on each occasion but Cambridge Analytica is often used loosely by the media and others to mean each and every associated company.

² It has a substantial commercial business as well.

form; anybody can express interest in its services and very little or no due diligence is initially conducted by CA as to the legitimacy of prospective clients³. The former acting CEO, Alexander Tayler, accepts that this area should be improved. Staff, however, resist the idea that, after an initial and brief meeting with prospective clients, SLC should charge for its time in making presentations, on the grounds that the market is far too competitive to allow for this.

4. Most employees are on salaries plus annual bonuses. However, sales people (i.e. the inbound team who deal with prospective clients and pitch for contracts) are on salaries, bonuses and commissions.

2. What is data? What is meant by “derivative”? What is an algorithm?

5. **Data:** The OECD Glossary of Statistical Terms defines data as a set of “*characteristics or information, usually numerical, that are collected through observation*”. These points of information can be as abstract as device information (e.g. attributes such as the operating system, hardware version, device settings, GPS, Bluetooth or Wi-Fi signals) or more ‘readable’ data such as names, profile photographs, emails, telephone numbers, privacy settings and so on. There is a huge wealth of publicly available information about individuals, voluntarily supplied by them. It is difficult to express this concept sufficiently. The size and extent of the data about individuals from almost all countries, electronically held, is truly gigantic.

³ Hence the success of the ITN sting.

6. **Derivative data:** The OECD Glossary of Statistical Terms defines “derived data element” as “*a data element derived from other data elements using a mathematical, logical, or other type of transformation, e.g. arithmetic formula, composition, aggregation*”. These transformative processes turn the raw information points into sufficiently different, ‘cooked’ data, that is more readily interpretable on its own. In that regard, derivative data is more valuable to harvest by developers because it is actionable information that businesses can then use to inform and optimise their practices. Many commercial companies, as a result of their operations, have access to extensive data on individuals. Data harvested from a direct or primary user can sometimes give companies insight into and access to the data or preferences of others, who are not their direct users. Some photo sharing apps, for example, request access to the user’s telephone contacts as a condition of using the app.
7. **Algorithms:** An algorithm, in the field under discussion, is a computer driven process of asking and answering a vast number of yes/no questions, using a very large number of data points, leading to a statistical likelihood (sometimes approaching a high level of probability) of the subject of the algorithm (which could be a group of people with the same or similar data points) behaving in a certain way or having certain characteristics or tastes. The net result is a statistical profile of an individual. The analysis of this data allows conclusions to be drawn as to how the individual behaves in a particular context. The *questions* are based upon research and the only magic in the process is (a) the large number of yes/no questions being asked about a large number of individuals and (b) those questions being processed at electronic speed and (c) those questions being formulated upon, what

are often counter intuitive findings, arrived at by behavioural research scientists, often undertaken by academics. In the commercial and political field, the aim is to undertake effective, targeted advertising and canvassing.

8. When applied to traditional marketing of goods and services, this technique is certainly effective and has been demonstrated to be so. When applied to voting intentions, there remains a considerable difference of opinion as to its relative effectiveness. Obviously, CA is of the public opinion that its targeted election marketing is highly effective and will assert that this is the case when pitching for election contracts from candidates and political parties. The extent to which this form of electioneering is effective *in fact*, is however, not yet established. However, the belief that the technique is or may be effective in influencing the outcome of elections is of current concern to the public. Whatever the *current* level of effectiveness is, however, the *trend*, given ever increasing computer power and the ever-growing availability and extent of personal data and sophistication of analysis, must be towards greater effectiveness. All this comes both at a time when research in the scientific community is questioning the extent of an individual's free will⁴ and at a time when a significant generational gap, in the topic under discussion, has opened up in society. Put simply, if you take the electorate as falling within the ages 18 to 100, and divide that electorate into the traditional 20 or 25 year generational gap, so that you have generation 1, (aged 18 to, say, 40), generation 2, (40 to about

⁴ The free will doctrine is the basis of most religions, is thought to distinguish mankind from other animals, underpins the criminal justice system and is an essential ingredient of Western philosophy. The idea that it might not be correct, is, to put it mildly, disconcerting and, when considered in the context of the marketing of political parties and candidates, in elections, deeply troubling.

60) and generation 3 (over 60), the social behavior (including social interaction and the purchase of goods and services) of most of generation 1 and parts of generation 2, is utterly different from the rest of generation 2 and the whole of generation 3. This difference is much more marked now, than at any time in earlier human history. Unsurprisingly, politicians worldwide and the leaders of traditional media (newspapers, TV, radio) are mostly not from generation 1. So there has to be and there is taking place, a seismic change in effective electioneering, (and marketing) if those in generation 2 and generation 3, seeking election, (or selling goods or services) wish to attract the votes (or purchases) of those in generation 1. It is quite apparent that the traditional media's power to influence elections, which was considerable⁵, is on the wane and this may have had some influence upon the tone of the reporting of the Cambridge Analytica situation. This report addresses, what, if any, *actually scandalous or illegal activities* have been undertaken by CA, dealt with below by topic, taken from each of the highly publicised allegations.

3. Christopher Wylie: competing company; the murder of his “predecessor”.

9. Christopher Wylie, has played and is playing a significant role in the current allegations which have engulfed CA. He is a Canadian national, aged 28, who has been described as a “data scientist” and, *following* the ITN Channel 4 broadcasts, he went public with a number of allegations against CA, (and Facebook) which appeared in the press and he gave

⁵ There are many examples, ranging from the Nixon/Kennedy Presidential TV debate, the damage recently done to Marie Le Pen in her TV debate and the Sun's claim to have defeated Neil Kinnock chances of becoming Prime Minister.

evidence to a House of Commons Committee on the 27 March 2018⁶. Despite a search across a range of sources, it does not appear that he has any formal science or mathematical qualifications. I understand from the SCL staff that Wylie was taught coding on an external course in London during the time he was working with SCL.

10. The *facts* are as follows. According to his written contract, on 29 November 2013, Wylie was engaged by SCL as a part time *intern* to work upon an electoral project in Ghana. Wylie had a Tier 4 *student* visa. He worked 2 days per week for about 10 months with SCL.
11. Wylie's involvement with SCL was very modest. He was a student intern (not an employee) and his hours were therefore contractually limited to 19 hours per working week; hence he only did 2 days' work with SCL per week. In addition, he tried law at the LSE and then fashion at The London College of Fashion. His involvement with SCL ended in July 2014. In his email to Alexander Nix of the 30 June 2014, he wrote, "*After a productive and eventful year, I will be pursuing another opportunity and therefore will be scaling back my involvement...my work can continue as before until 10 July 2014, after which I can only be involved in an ad hoc advisory capacity... I wish you the very best of luck in the future.*"
12. He did not, in fact, subsequently perform any ad hoc tasks for SCL. The above contemporaneous email does not suggest that, at least as at the end of his engagement with SCL, he had any qualms about the work he had been doing at SCL or helping others to do.

⁶ An appearance strongly reminiscent of the appearance of Captain Robert Jenkins, with his ear, before a similar Commons Committee in the spring of 1738..

13. I have found no evidence to support his suggestion that he was a key player with SCL, still less, a founder. Much of what he alleges against SCL, even on his own account, took place after he stopped working with SCL⁷.

3.1 Eunoia Technologies

14. Shortly after his contract with SCL ended in 2014, Christopher Wylie started his own enterprise *in direct competition* with either or both of SCL and CA. On 18 May 2015, he founded a U.K. company, through which to pitch for work and to market his services, called Eunoia Technologies Limited. Those services, he described as being based upon, “...*rigorous scientific understanding of human behavior, which in turn allows us to engineer more responsive audiences and engage consumers more precisely. To do this we have developed a series of algorithms that can predict the personality traits of individual voters by analyzing their voterprofile [sic], social, online and consumer data*”. The full nature and extent of those services, Wylie set out in his advertising⁸. This shows that his company was formed to compete directly with SCL/CA across all its services.
15. In addition to Eunoia Technologies Limited in the UK, Wylie formed a second company in Delaware, USA, called Eunoia Technologies Inc., for the same purposes.

⁷ For example, his allegations about the EU referendum campaign and that CA still holds Facebook data.

⁸ <https://imgur.com/a/uHJJc>

16. On 21 May 2015, SCL discovered that Eunoia Technologies Limited had approached at least one of SCL's existing clients in the USA, following confirmation from a US political client that they had received a proposal from Eunoia Technologies, which purported to deliver exactly the same services as SCL⁹. Consequently, SCL's lawyers wrote to Wylie and others at Eunoia Technologies Limited regarding suspected breaches of covenants on intellectual property, client solicitation, staff solicitation and non-competition.

17. In the result, and faced with the prospect of litigation, on 10 August 2015, Wylie (who had instructed solicitors) settled the prospective action, by providing very wide ranging written undertakings to SCL (from his then Paris address) that, in summary, he would not use SCL's intellectual property and other commercial or confidential material (obtained whilst working with SCL) in the course of his own business enterprise. It seems that Wylie was not then and has not been subsequently successful in forming and running a business competing with SCL/CA. Eunoia fell dormant and was subsequently struck off the company register.

3.2 The death of Dan Muresan in a Nairobi hotel on 8 September 2012 aged 31.

18. Dan Muresan was Head of Elections for SCL and was working in Kenya, for the Uhuru Kenyatta Presidential election campaign for the election in 2013. I would not have described him as Wylie's predecessor. His death was certainly unexpected but I have found

⁹ No doubt with the edge of being better and/or cheaper and/or more current.

nothing in the circumstances to suggest that he was murdered. None of those closely involved at the time (the police and family and embassy staff) thought that he was murdered. The autopsy findings do not suggest murder. His death was in fact the kind of very sad event that can happen to a young man on a Saturday night, who has been drinking. To suggest to the world's press that he was murdered¹⁰ was an irresponsible act, no doubt causing pain to his loved ones.

4. Facebook data. What was it? Where is it now?

19. I have considered the two contracts entered into by SCL Elections Limited (“SCL”) and Global Science Research Limited (“GSR”) dated 4 June 2014 (“First Contract”) and 28 January 2015 (“Second Contract”) - the Second Contract has an addendum dated 22 April 2015 (“Addendum”). The aim of the contracts was to obtain data for the purpose of political modelling of the population in 11 states in the United States of America.

20. The First Contract contains extensive data protection provisions. In clause 9.1 of the First Contract, both SCL and GSR undertook to comply with the provisions of all relevant personal information legislation, regulations and/or directives in all relevant territories, including the Data Protection Act 1998 and safe harbour principles agreed between the United States Department of Commerce and the European Commission. It was also an express term of this agreement at Clause 9.2 that: “*GS warrants to SCL that the Terms and Conditions of the GS Technology and any other related data harvesting exercise it*

¹⁰ Even with the caveat that the suggestion was speculative.

conducts shall seek out informed consent of the seed user engaging with the GS Technology and that GS shall materially and substantially conform its operations, procedures, databases and technologies to the eight Data Protection Principles as outlined in Schedule 1 of the Data Protection Act 1998". Furthermore, GSR, as the Data Controller, was under a strict duty to comply with the Data Protection Act 1998 and the requirements of the Information Commissioner's Office. My review of SCL relevant documents shows that SCL took its Data Protection obligations seriously. There was always a Data Protection Plan document available to all the staff, which was routinely reviewed and which sets out the steps that SCL and others had to follow to keep data both secure and fairly processed. However, I am not oblivious to the fact that the existence of suitable policies and procedures in a business, necessarily means that there can never been any breaches, whether in connection with the Data Protection Act or any other legal requirements. However, I have found no such breaches.

4.1 Size of data acquired by SCL

21. GSR is a company established by a Dr Kogan, a scientist who specialises as a researcher in the field of predicting human behaviour.
22. Dr Kogan¹¹ developed a Facebook app called "*this is your digital life*" which GSR deployed on the Facebook platform. By using this app, individuals were invited to complete an *OCEAN*¹² survey which resulted in the obtaining of an *OCEAN* score for each individual participant. In the event, 40,000 individuals in the USA responded to

¹¹ A Cambridge University psychology lecturer from 2012.

¹² Openness to experience, Conscientiousness, Extraversion, Agreeableness, Neuroticism.

this opt-in survey for GSR. They were paid by GSR for their participation in the survey. Filling up multiple surveys for a modest reward for each survey is a commonplace activity. The First Contract refers to the provision by GSR to SCL of a core sample of 2 million individuals in 11 states in the USA; the information to be provided in respect of the individuals consisted of the name, the gender, birthday and/or location.

23. In the Second Contract, which *superseded* the First Contract, GSR agreed to supply SCL with a copy of 30 million records of demographic data, in return for a payment of £200k. The Second Contract gave SCL the right to acquire the modelled derivative ‘personality data’ developed by GSR, with some of the underlying demographic data (including Facebook ‘Likes’), that GSR collected as part of the initial research project. In the Addendum, the total consideration for this work was increased to £233k.
24. In fact, GSR delivered to SCL¹³ personality models for around 26 million individuals, instead of models for 30 million users, as envisaged by the Second Contract. This large figure was achieved because GSR was able to collect data in respect of the Facebook friends of each survey participant, if the privacy settings of the friends, allowed for this. Using the *OCEAN* scores for the survey participants, Dr Kogan was able to build a model for predicting the likely *OCEAN* scores for the Facebook friends, whose data had been collected. This was done by attributing similar scores to those individuals with similar Facebook

¹³ SCL always believed that GSR had consent from Facebook to do this and it now appears from Zuckerberg’s evidence to Congress on 10/4/2018 that SCL was right, contrary to the media suggestion that SCL had obtained Facebook data illegally.

“likes”¹⁴. This data was predictive data, not established data from the survey (that is to say, derivative data). The suggestion that is currently circulating in the media, that the data of 87¹⁵ million users was provided by GSR to SCL is not correct. It is simply not known by SCL or CA how many users’ data was *actually* harvested by GSR from Facebook, whether 50 million, or, as now suggested, 87 million. All that can be said by SCL or CA is that GSR delivered data on 26 million individuals in the 11 relevant states of the USA, to SCL.

4.2 Retention of any Facebook data by CA or SCL

25. In December 2015, it was alleged in the media that GSR’s data was in breach of Facebook’s terms of use¹⁶ and was also potentially a breach of the Data Protection Act 1998. In July 2016, Facebook made contact with SCL, asking for information about any Facebook derived data that it held and SCL was asked to delete all data received from GSR. This led SCL to commence legal action against GSR for licensing illegally acquired data, to SCL. This law suit was subsequently settled in November 2016.
26. I have seen an undated certificate by Nix, which he told me that he had signed in the spring of 2017, which states that all Facebook data gathered as part of and from the GSR/Dr Kogan’s app and received from or on behalf of GSR, and which was connected to Facebook, had been accounted for and that it had been permanently deleted and destroyed. This included “*dropping all database tables, and deleting*

¹⁴ The writer is not a scientist but this methodology does not strike one as being particularly rigorous.

¹⁵ Previously 50 million.

¹⁶ As noted above, this does not now, appear to be the case.

the raw data (stored as csv) from our encrypted fileserver". Nix also certified that no third party had, at any time, had access to the data derived from the GSR app. These undertakings were supported by an internal audit. At the time, Nix also informed Facebook that the model being tried, which involved the use of the Facebook data, was statistically only slightly more accurate than random, and that this approach had consequently been abandoned. I have no reason to doubt Nix's sincerity on this. Members of staff also confirmed this to me. No member of staff expressed to me the slightest anxiety occasioned by the Information Commissioner's Warrant Execution raid on SCL's London premises, on 23 March 2018. His Honour Judge Leonard Q.C., who granted the warrant, did not consider that any CA witness had been untruthful. He just stated that some traces of metadata from the Facebook material (actual or historic) might still, in some form, be on the SCL servers, so he allowed the Information Commissioner to have her warrant to search 55 New Oxford Street (see paragraph 19 of his reasons).

4.3 A forensic audit

27. In order to confirm SCL's and CA's position that no Facebook data derived from GSR, is currently held by either SCL or CA, a forensic audit is being organised, but this has not yet been undertaken. It should be added here that after SCL decided that the GSR data was not proving useful, SCL undertook to build its own OCEAN models and SCL generated its own survey data (with individual's consent), for example, on its own website and from CINT¹⁷.

¹⁷ An information, including survey information, exchange platform.

5. SCL / CA Works with Russia / Russian companies

28. It has been alleged by various media outlets that CA and SCL have worked with Russian individuals and entities. It has also been alleged that CA and SCL failed to put in place adequate data protection provisions, when dealing with Russian entities. The facts are as follows. Between June 2014 and February 2015, there were meetings between the Turkish division of a Russian company named Lukoil and SCL in Turkey to explore the possibility of a future business contract. In December 2014, SCL prepared a presentation for Lukoil as part of an initial sales pitch, showing how SCL's services would allow Lukoil to gain a greater insight into the purchasing habits of their customers. The data specifically requested by SCL, on which to base this pilot study, was a sample of around 20,000 Lukoil loyalty card customers based in Istanbul and Antalya. This was a purely commercial venture. The purpose for Lukoil was not to acquire new customers but to enhance its existing customers' loyalty. None of the sample data provided by Lukoil to SCL contained any personally identifiable information.
29. It was understandable that SCL was eager to secure a contract with Lukoil, Russia's second largest oil company. However, I have no reason to think that this eagerness to secure a lucrative contract led to any violation of data protection laws by SCL. Indeed, although no contract was in fact entered into, Nix had made it very clear in negotiations that any contract would have to include full data protection provisions. This included SCL's agreement to delete sample data from

its servers. Negotiations came to an end in 2015. No contract was concluded.

30. In 1993, a short consultancy was carried out by SCL Group Limited¹⁸ for a subsidiary of Gazprom, leading to an educational lecture delivered by SCL Group Limited (with about 80 attendees) designed to increase Russian exposure to Western marketing techniques and strategies.
31. The above is the sum total of the SCL or CA involvement with Russian entities. The media speculation that SCL and/or CA has been in some way involved in or was instrumental in helping Russian interference in elections in the USA or in the UK, is not supported by the facts.

6. Honey traps¹⁹

32. It has traditionally been thought to be a feature in elections, in English speaking democracies, that the sexual behaviour of candidates was a relevant consideration in the mind of the electorate. A traditional family background is thought to be more favourably viewed by voters as a whole: anything outside this paradigm is or was considered to be adverse or at best neutral, to a candidate's chances. There are innumerable examples from recent decades to demonstrate the above. It may be that a candidate's sexual activity, provided it is lawful, is diminishing in importance in Western democracies. Nonetheless, a male candidate in an election exposed as having had relations with a female sex worker, would still, in many elections, globally (but by no

¹⁸ A separate company.

¹⁹ Correctly described by Nick Timothy in The Telegraph of 12/4/2018 as “a decidedly analogue form of corruption”.

means in all nations), suffer damage to his campaign. A honey trap takes place when a female sex worker²⁰ is employed to seduce a male candidate (preferably married) in exchange for money. Honey traps can be used for the purposes of blackmail²¹ and are also employed by detective agencies to find grounds for divorce for female clients. It is therefore thought that a candidate in an election might be tempted to damage his opponent with such a scheme.

33. In this investigation, I have found no evidence that either SCL or CA has ever organised, directly or indirectly, a honey trap on behalf of its clients. One way of looking at this, is to ask whether any opposing candidates, in any elections in which SCL or CA took part, were publicly exposed as having undertaken some disreputable sexual activity. The answer is no such event has taken place. Indeed, the only person who is currently and consistently embroiled in these kinds of allegations, is the current President of the USA, in whose interests CA worked, not against him. I have also worked closely with SCL's London accounts department. There is and has been zero discernible cash activity on either the income or the expenditure sides of SCL's accounts. Whilst perhaps not unknown, it would not be usual for a female sex worker's client to pay her by cheque or credit or debit card or by bank transfer²². I am quite satisfied that honey traps are not and have never been a feature of SCL or CA's services to their political clients.

²⁰ Sex worker doesn't have to be female, and the victim doesn't have to be male.

²¹ Though with diminishing success since the time of the first Duke of Wellington.

²² Thereby leaving a paper trail and making the assignation undeniable.

34. In the recorded discussions with the ITN undercover journalist, who posed as a representative of a wealthy Sri Lankan family and potential client, the possibility of using a honey trap against opponents was raised. Reading the conversation as a whole, Nix made very clear that he was discussing *hypothetical* examples of what *could* be done and not what SCL had done. In seeking to close the deal and in order to meet what he perceived to be the client's wishes, it is fair to say that he did give the impression that a honey trap was within the realms of possibility in helping a client with a political campaign. However, as stated above, I am satisfied that SCL has never used a honey trap, and that the comments made were more of a general and hypothetical nature: that is to say that honey traps *can* be used, and *have* been used in the history of election campaigning but not by SCL itself. A much stronger impression was given by the partial²³ ITN broadcast, to the effect that the use of honey traps was one of the services which SCL did offer and would provide to its clients. This was not the case. ITN was told by Mark Turnbull: "*We are not in the business of entrapment, so we wouldn't send a pretty girl out to seduce a politician and film them in their bedroom, and then release the film. There are companies that do this but to me that, that crosses a line.*" The undercover reporter continued to press on this aspect of electoral activity and Nix accepted that it would be possible to compromise a politician in such a scheme, but he made very clear that his answer was hypothetical, and that he was just giving an example of what can be done. Given that this is a highly competitive market, and it cannot be said that all possible clients are exactly themselves without blemish, there was present a strong element of overzealous salesmanship. It bears mentioning that these

²³ ITN declined to provide the full transcripts.

comments were made in the last of the four meetings, at a point in time in which SCL had already made considerable efforts to get the contract, both in expense and time, and was very keen to close the deal.

7. Bribes

35. It is difficult to see what role a bribe to electors can play in elections, where there is universal suffrage and a secret ballot. Bribing the very small electorate in a Parliamentary constituency, with no secret ballot²⁴, up until the second half of the 19th century was common in England, but in modern times, it is not a practicable enterprise. In a secret ballot, there is no way of ascertaining whether the bribed person has voted in the way intended. With universal suffrage, there are too many electors. The issue of bribes has come up in connection with the electoral activities of CA, because it is alleged that SCL, in the 2010 elections in St Kitts and Nevis, arranged for the leader of the opposition, Lindsay Grant, to be filmed agreeing to accept campaign funding in exchange for the sale of government land, in the event that his party formed the next government and that the video of this meeting was made public. Plainly no crime could have been committed by the offer because, as alleged, the offer was bogus and there was obviously no intention of actually providing such funding for the campaign (i.e. the bribe). As alleged, it was an exercise designed to test the moral worthiness of the leader of the opposition. Whether, if it took place, that very act of testing is disreputable or not is a matter for the reader. I was not able to confirm whether this particular event in 2010 had or had not taken place, but having questioned SCL staff members closely on this subject, I am

²⁴ The Secret Ballot Act was passed in 1872.

quite satisfied that SCL does not engage in stings of this nature and has not done so for many years. Even if the 2010 sting did occur, exposing corruption and dishonesty in politicians by subterfuge, or even deceit, provided no illegal means are used, might be thought to be a proper process which helps maintain high standards in public life.

8. Potemkin²⁵ office and Steve Bannon²⁶

36. Wylie asserts that SCL leased some offices near Cambridge in order to deceive Bannon into falsely thinking that SCL was a university type institution and/or was closely associated with academic research work. This is false. Bannon had already done due diligence on SCL in 2013 and had visited SCL's then London premises in Bond Street. The Cambridge visit arose in the following way. Bannon had been invited to lecture at Cambridge University in 2014. SCL felt that it would better fit into Bannon's schedule if SCL staff and Bannon met in or near Cambridge and so SCL rented an office there, which was also much more convenient for the SCL staff who lived in Cambridge, who normally commuted to the SCL London office. In fact, there never was a meeting at the rented Cambridge office, because Bannon's schedule was so tight that he asked for the meeting to take place at his Cambridge hotel, which it did. The "Potemkin" office slur, is neat, but false.

9. The ITN interviews. Alexander Nix and Mark Turnbull and Alex Tayler.

²⁵ Prince Potemkin is famous, inter alia, for having employed thousands of serfs to create fake villages and even lakes with swans, in Russia, in order to persuade his lover, Catherine the Great, that her subjects lived an idyllic life and his serfs, especially so. In this context, Potemkin means fake and is not to be confused with the battleship, which was far from fake.

²⁶ An American media and political figure.

37. On Sunday 18 March 2018, ITN's Channel 4 broadcast parts of its video and tape recordings of meetings and a telephone call, with the above persons. There were 4 face to face meetings namely on 10 November 2017 (at the Hari Hotel, with Turnbull and Tayler), on 29 November 2017 (at The Dorchester with Turnbull and Tayler), on 19 December 2017 (at The Berkeley, Turnbull only) and 16 January 2018 (at The Berkeley, Nix and Turnbull). There was also a telephone call between the ITN undercover reporter and Nix sometime between 19 December and 16 January.

38. In summary, as far as the Channel 4 viewers of the broadcast are concerned, the *relevant* embarrassing statements recorded from and selected from the four meetings and the telephone call were to the following effect:

(i). *That CA had good contacts with organisations²⁷ specialising in deep background research into the character and behavior of political opponents which could uncover embarrassing conduct by such opponents which, if published during an election campaign, would harm that candidate. CA stated that it would subcontract such work to those type of organisations. This was stated and/or confirmed by both Turnbull and Nix. Specifically, Nix stated that CA had used a company called Black Cube, when that company was mentioned by the reporter.*

COMMENT

²⁷ Often ex employees of State security organisations.

39. It must be commonplace in elections for candidates to investigate the personal backgrounds of their opponents in order to discover anything electorally useful. Obviously, it would be unlawful and improper, to use illegal means to do this. In so far as the media allegation is that either SCL or CA sanctioned (directly or indirectly) illegal methods (for example, hacking their personal computers) of researching the backgrounds of candidates, the staff deny this. I have seen no evidence (payments for example) to suggest that either SCL or CA did use illegal methods. I have seen no account document to suggest that Black Cube was ever in fact retained. Nix denies that Black Cube was ever used by SCL or CA. His remark to the contrary to the ITN reporter seems to me to be an example of his seeking to close the deal by exaggerating SCL's experience and willingness to meet the client's wishes.

(ii). *That CA's expertise in voter manipulation by tapping into and using voters' fears as well as hopes, (subconscious as well as conscious) to influence their voting intentions, was second to none and based upon cutting edge psychological profiling and behavioral research (Turnbull).*

COMMENT

40. Those members of staff with actual knowledge of SCL's capacities (with first class degrees and PhDs from the top universities in the hard sciences, such as physics) laughed at the above sales pitch. They thought it ridiculous. In short, it is not true. This was a sales pitch from Turnbull and Nix.

(iii). *That CA's modus operandi included anonymously releasing into the online public sphere²⁸, "stuff" by which Turnbull meant, material damaging to the reputation of CA's clients' political opponents and that CA was very skilful in acting for candidates in the shadows.*

COMMENT

41. The SCL employees working in London (around 80) were without exception, absolutely dismayed by the ITN broadcast. They simply did not recognise the company being described by Turnbull and Nix, as the company for which they worked. The staff are almost all aged 24 to 34²⁹. I found them to be extremely bright and sincerely idealistic. Comments from staff about Nix and Turnbull as SCL's salesmen, ranged from "*they were behaving like teenagers desperately trying to get a deal*", to "*they should have been reined in long ago*" and "*they were delusional*". I have seen no evidence to show that, whatever the sales boasts from the salesmen, the staff, who would actually have had to perform the above tasks, have ever performed and would ever agree, to behave illegally or disreputably or unethically.

(iv). *That CA was prepared to damage political opponents by sending beautiful sex workers from the Ukraine to seduce them and take compromising footage (Nix).*

42. Please see the section on honey traps.

²⁸ Including via highly thought of organisations, like charities.

²⁹ Given the chance to work for either campaign, they would all have much rather worked for the Remain campaign than for the Leave campaign in the EU referendum campaign.

(v). *That SCL had and was prepared to expose corrupt politicians by offering them bribes and recording their acceptance.*

COMMENT

43. This is dealt with in the section on bribes. It is for the reader to decide whether this crosses the line into unacceptable electoral behavior.

(vi). *That SCL was prepared to act for a client and cooperate with that client in concealing that fact, including the use of an email system which self destructed after a short period and including the provision of CA's employees, pretending to be completely different persons, such as research students using different names.*

COMMENT

44. It may be the case that in some countries, clients would prefer that their use of a well known, foreign and, by local standards, expensive political consultancy and electoral services company, was kept confidential. There could be any number of reasons for this. Although everybody knows that some electoral candidates do from time to time read out speeches written for them and that campaign groups do employ speechwriters³⁰, one can understand that, for example, in a particular campaign, a candidate might not wish himself to be exposed to the gibe that he does not even write his own speeches or draft his own manifesto, but has to get in an overseas company to do all that for him. Provided local electoral laws are complied with in all respects³¹, including

³⁰ Most major public figures employ speech writers.

³¹ And I have found no reason to suspect that they were not.

campaign election expenditure limits, it must be for the reader to decide whether providing services through a differently named company and taking steps not to be identified, is in some way improper.

(vi). *That CA offered a full service electoral support programme under which a candidate merely needed to turn up and perform as advised.*

COMMENT

45. This is true in theory but I have found no example where it happened in practice.

10. Alexander Nix and his recent³² evidence to the D.C.M.S. Committee of the House of Commons.

46. Nix told me that when he went to give the above evidence, he thought that the Committee had invited him to help inform it as to how data and targeting are used. He was also asked, however, a number of questions about involvement in the EU referendum campaign, because, the Committee told him, he had referred to that topic in his earlier letter to the Committee. Members of the Committee did not seem satisfied with his answers on this topic.

47. Nix has been invited to give further evidence to the Committee on the 18 April.

³² 27 February 2018.

48. The area in which it is said that Nix misled the Committee is that he told the Committee that SCL does not still retain Facebook data derived through GSR, whereas the Committee is not satisfied of that (nor is the Information Commissioner). Nix plainly told the Committee that no such data was still held by either CA or SCL. Nix told me that he also previously told the Committee that SCL had originally received this data and had subsequently deleted it.
49. I have dealt with the extent of the alleged involvement of either SCL or CA in the EU Referendum campaign in this Report and also covered other topics in which the Committee has expressed interest. Whether or not the Committee members feel that Nix has not been 100% frank with them, which is plainly his duty, is entirely a matter for the Committee. I can only cover relevant topics with the material and evidence which has been made available to me.

11. EU referendum campaign.

50. It has been asserted that SCL and/or CA played a critical role in the EU referendum³³, acting in support of the leave campaign. The two main organisations campaigning for the the U.K. to leave the EU were Vote Leave and Leave.EU. In the case of Leave.EU, this organization was joined by other groups and adopted the umbrella name of GO Movement. In the event, on the 13 April 2016, the Electoral Commission chose Vote Leave (not Leave.UK/GO Movement) as the officially recognised leader of the leave campaign. The chronology up to that point was as follows: (i) On 23 October 2015, there was a sales meeting between Leave.EU and SCL at which nothing was agreed. (ii)

³³ 23 June 2016

On 18 November 2015, SCL (represented by Brittany Kaiser) was present at a press conference with Leave.EU at which SCL's proposals to help Leave.EU's selection by the Electoral Commission, as the official leave campaign leader, was presented; (iii) On 20 November 2015, SCL went to Leave.EU's Bristol offices and made a presentation of their services (primarily to the Leave.EU's social media team) in the hope of securing a contract; (iv) On 8 January 2016, Liz Bilney of Leave.EU met SCL in London, and SCL presented a project plan and associated costs for the Leave.EU/GO Movement to consider, were they to retain SCL's services. In the course of seeking to obtain a contract from Leave.EU, SCL was provided with sample data, by UKIP, whose membership was, obviously, in favour of the UK leaving the EU. This enabled SCL to analyse that data and thus improve the presentation to Leave.UK. Neither the raw data nor the added value of the SCL analysis, was handed to Leave.EU. Brittany Kaiser's concern that the SCL public position, (to the effect that it did no work, paid or unpaid, in connection with the EU referendum campaign), is not true, is based upon SCL's bid to get a contract from Leave.EU. SCL did prepare a proposal, but that was done to secure a paid contract (which never materialised) and I have no reason to believe that any SCL or CA work done in the preparation of that proposal, was actually used to help the leave cause³⁴. I am assured that no payment was made to either SCL or to CA by or on behalf of Leave.EU.

³⁴ An article in Campaign magazine dated 10 February 2016 reported an alleged quotation from Nix saying that SCLCA had "supercharged" the Leave.EU social media campaign. This was written by a junior PR member of staff who had wrongly assumed that SCL/CA had been successful in getting a contract for Leave.EU. SCL/CA quickly and subsequently repeatedly retracted this puff.

51. SCL's proposal was limited in scope and it only focused on the then challenge facing Leave.EU in seeking to be chosen as the leader of the official leave campaign. The proposal set out the following: "*Over the coming months, our primary objective will be to ensure that Leave.EU is selected by the Electoral Commission as the official campaign on the 'No to EU' side.*" The proposal further stated: "*This proposal focuses on the steps necessary to achieve Electoral Commission selection and does not deal with workstreams(sic) during the general campaign....*".
52. After the above four meetings, Leave.EU chose *not* to retain the services of SCL. In the event, on the 13 April 2016, the Electoral Commission chose Vote Leave, as the official leave campaign organization.
53. SCL's involvement in the leave campaign was the limited one described above. The assertion that SCL worked indirectly for Vote Leave (the campaign group that did receive the designation) through a third party Canadian company called AggregateIQ, is wrong. AggregateIQ did work for Vote Leave. Work had previously been done with AggregateIQ on other matters in 2014 and 2015 (nothing to do with the EU referendum campaign). Given the above connections, journalists have speculated that SCL worked with AggregateIQ on behalf of Vote Leave. But this is not the case. It should be added, that both Co-Founders of Leave.EU (Richard Tice and Arron Banks) have made it publicly clear that, apart from pitching for a contract with Leave.EU, SCL/CA did not involve itself in the leave campaign. Richard Tice rejects the idea that CA influenced the Brexit vote. He said "*It's complete mischief-making, the idea that 17.4 million changed their*

decisions because of some profiling, using Facebook or other stuff, it's just demeaning to our intelligence."³⁵

54. I have considered Arron Banks' letter to the Chair of the Parliamentary Select Committee dated 7 March 2018, in which he refers to the above four meetings as the sum total of the meetings that took place between SCL and Leave.EU. This differs from Kaiser's estimate of "at least 6 or 7 meetings". In his letter, Banks agrees that SCL was only involved with leave.EU at the tendering stage. He stated that: "*The Go Movement campaign did not win the designation to be lead leave campaigner and therefore those services were not provided. Cambridge Analytica's activity was limited to pitching how they could help the campaign if the designation was secured.*" Banks further confirmed that Leave.EU devised and implemented its own social media strategy without any input from SCL/CA.

55. Furthermore, there is no evidence whatsoever of any gratuitous aid by SCL in respect of the leave campaign. In any event, I can see no reason for a commercial company, following rejection of its tender, to provide its services on a complimentary basis to anybody in the leave campaign (or for that matter, to the Remain campaign³⁶). SCL is a commercial company offering services for money. It is not a charitable campaigning organization with some kind of mission. SCL is the modern version of the traditional printer, happy to print every parties' manifestos if it

³⁵ ITV report 24/3/2018: <http://www.itv.com/news/2018-03-24/leave-brexite-cambridge-analytica/>

³⁶ As is noted elsewhere, the SCL staff would have liked to work for the Remain campaign. I was told that SCL/CA had preliminary and informal talks with the Remain campaign to try and get a contract but the response was that Remain did not need any help from the kind of social media/internet based electoral campaign offered by SCL/CA.

could secure all their contracts, with the additional service of advising what those manifestos should contain.

56. The traditional media's³⁷ suggestion is that SCL (by implication, secretly) influenced the result of the EU referendum. I have found no evidence to support this claim.³⁸

12. Elections in countries other than the USA or UK.

57. Grave allegations have been made against SCL, following the ITN Channel 4 broadcast, asserting that its involvement in foreign elections actively undermined their democratic processes. SCL is said to have been involved in the 2013 and 2017 Kenyan elections, acting for Uhuru Kenyatta, and in the Nigerian presidential campaign in 2015, acting on behalf of Goodluck Jonathan and against Muhammadu Buhari, and in several Indian elections since 2010. Some of these elections took place more than 5 years ago. Obviously SCL staff changes over time. These elections were all overseas. Presumably, many relevant documents remain overseas. The availability and quality of the evidence concerning these elections is obviously, therefore, below that available to me in connection with the other allegations, such as the Facebook data and EU referendum allegations. My findings below therefore are of a more preliminary rather than final nature.

12.1 India

³⁷ Based in London.

³⁸ For reasons not entirely clear to the writer, though perhaps with the intention of hyping its effectiveness, Leave.EU in February 2017, (by its then Communications Director) did suggest to a newspaper, but wrongly, that it had worked for free, with CA on the leave campaign. He later confirmed that he had been mistaken.

58. SCL makes no secret of its involvement in the 2010 Bihar Assembly Elections as can be seen from the following passage, on its website: *“CA was contracted to undertake an in-depth electorate analysis for the Bihar Assembly Election in 2010. The core challenge was to identify the floating/swing voters for each of the parties and to measure their levels electoral apathy, a result of the poor and unchanging condition of the state after 15 years of incumbent rule. In addition to the research phase, CA were tasked to organize the party base at the village level by creating a communication hierarchy to increase supporter motivation.”*
59. SCL does indeed undertake work in foreign elections. However, staff told me that these contracts are projects carried out on behalf of clients with methodologies that can be created by any consultancy firm, anywhere in the world, given the necessary funding, expertise and motivation. As far as data derived from GSR is concerned, I am satisfied that neither SCL nor CA nor any of its staff, affiliates or subsidiaries have used such data to influence any electoral processes in India.

12.2 Kenya

60. SCL interviewed 47, 000 Kenyan voters over the space of 3 months with the help of local research groups, in order to identify the needs of voters (e.g. employment, greater access to healthcare and so on) and also to identify their main worries (tribal violence and corruption, as it turned out, not surprisingly). These interviews were carried out both in 2013 and in 2017 by local volunteers each of whom were provided with

an Android tablet and who undertook the interviewing. There was and is no secret about this. SCL's website states: *"CA were contracted by a leading Kenyan political party to conduct a large-scale research project. The aim was to provide the party with a comprehensive plan to shape its election strategy. We worked with a local research partner to train a diverse team of enumerators to ensure regional variations in language and social customs were respected during data collection."*

61. Opinion polling and surveys are a longstanding tradition of electoral campaigns in all democracies and it is a service offered by most, if not all, political consultancies. It is also common for political candidates to employ the services of campaign advisory teams to help with every part of a campaign, from speeches to slogans. There is no evidence that any activity of SCL or CA compromised the integrity of the 2013 and 2017 Kenyan elections. Based upon voter surveys, SCL was able to help in rebranding Mr Uhuru Kenyatta's party and in writing its manifestos.
62. There have also been allegations that SCL or CA actively and knowingly disseminated damaging material about the leader of the opposition, Raila Odinga, with the goal of fanning hysteria and tribal conflict amongst the Kenyan electorate. Most of this material was circulated online in the form of videos and posters depicting violence and torture on "Uhuru for Us" and "The Real Raila". I have seen no evidence to suggest, however, that any such material was provided directly or indirectly by SCL or CA. There was no contractual obligation to supply any video material. In fact, the evidence available to me suggests that these violent videos for the Kenyatta campaigns were created and funded and distributed by another media company which is and is wholly unconnected to SCL or CA. That said and given

the evidential difficulties described above, my conclusions here have to be of a preliminary, rather than final nature.

12.3 Nigeria

63. In Nigeria, SCL and CA face allegations of improper involvement in the 2007 and 2015 elections on behalf of their client through a series of unlawful and unethical manoeuvres. The claims, as far as one can tell from the media sources are:

(a) that SCL and CA aided in 'hacking' or unlawfully gaining access to Muhammadu Buhari's personal data when he was a candidate in the presidential election:

(b) that SCL's and CA's work for the election campaign on behalf of the Peoples' Democratic Party (PDP), broke Nigerian electoral law: and.

(c) that SCL and CA engaged AggregateIQ in the 2015 Nigerian presidential election to produce and publish a video to frighten voters with terrifying images of what would happen if sharia law was imposed by Muhammadu Buhari, if he were to be elected.

64. SCL's contractual involvement in Nigerian elections was to provide advertising, marketing and PR services on behalf of the Goodluck Jonathan campaigns. It is correct that during the 2015 campaign, the SCL team was aware that there was also working for Goodluck Jonathan, entirely separately instructed, an Israeli intelligence gathering

company. SCL did no work with that company. I have found no evidence that SCL broke Nigerian electoral law.³⁹ The allegation that Buhari's personal data was "hacked" is denied by staff at SCL and nor have I been able to find anything specific in the way of "hacked" data concerning Buhari, which was published to his detriment. As to AggregateIQ, that company, which is Canadian and is entirely separate from SCL and CA, may or may not have supplied the Goodluck Jonathan campaign with videos, whether false and scurrilous or not, but I have seen no evidence to support, the Wylie allegation, that SCL and/or CA had anything to do with this. I have to repeat, however, that, given the evidential difficulties described earlier, my conclusions here also have to be of a preliminary, rather than final nature.

13. Working abroad without the correct visas.

65. SCL's and CA's proper compliance with US visa requirements and with electoral law has been questioned in the public domain. There are 2 distinct areas here. First, visitors to the US need a visa to enter the US and the visa must match and permit the activities in the US of the visitor. If that proves not to be the case, there has been a breach of US immigration law. Secondly, in US elections, only those who are US nationals can undertake "strategic roles" in election campaigns. It is suggested that SCL and/or CA has been in breach of both the above.
66. There is no evidence that anybody broke the "strategic role" law. Nix told me that he had never performed a strategic role in any US election

³⁹ Nor is any specific legal provision mentioned.

and that nobody else connected with SLC or CA, who was non US, had done so either.

67. On the other hand, although I have seen no documentary evidence of this, I do think that it is possible that SCL sent one or more persons abroad to help in elections in a non-strategic role, but on incorrect visas. The lack of the correct visa may not have been as a result of the appropriate visa not being obtainable, but because of time pressure. Nevertheless, if that happened, it should obviously not have taken place.

Final comments

I have investigated and dealt in this report with a number of serious allegations against both SCL and CA. It has to be recorded and Nix accepts, that some of the fuel and several of the sparks, which have ignited the fire which has engulfed SCL and CA and kept it burning, were provided by him and Turnbull. However, I have not found those allegations to have been borne out by the facts.

Linda Hudson and I would like to thank Fleur Shire, Eli Belegu and Alberto Cespedes, who have undertaken research which has greatly contributed to this report. However, all faults are entirely mine.

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