



Private & Confidential

Harassment Investigation Report

February 2000

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1. Introduction

Under the Bank's Harassment policy, an investigation was conducted, as is required for all formal complaints of harassment.

In this case, the complainant is Graham Milne, (GM), Audit Manager; the alleged harasser is Kris Dolinski (KD), Head of Information Security; one witness was called: Andrew Billinge (AB), Senior Manager, Group Audit. AB is GM's line manager.

GM was recruited in January 1998 as a member of the IT audit team attached to Treasury division. The Treasury division audit team were originally employees of Treasury division but were transferred to Group Audit in January 1998. (Although the audit team were still referring to Treasury HR for their personnel support).

GM and other members of the IT audit team were located in Faryners House, on the same floor as the Data Security department, where KD was also based. In June 1998, GM was assigned an audit of the Data Security department. This audit was completed around March 1999.

From the commencement of the Audit in the Data Security department, GM's complaint is that he has been subjected to harassment in the form of bullying by KD and that the harassment has continued to this day, albeit in a slightly different form as time went on. Initially, the alleged bullying took the form of rudeness, obstructiveness, public humiliation and intimidation through aggressive behaviour, swearing, threatening with disciplinary action, belittling actions and denigrating comments to later, on being sent to Coventry / being ignored completely.

Initially, an informal resolution of the harassment complained of was sought. GM and his line manager, AB met with John Johnstone, Head of HR Treasury to seek guidance and to agree a way forward. Following this meeting Jeremy Pletts, Operations Director (JP is KD's line manager) told KD that an anonymous complaint had been made about KD's behaviour being inappropriate. Other meetings between AB and KD: GM and Jon Gray, Senior Manager, WM & IB Audit; GM and Gary Wootton, Senior Manager, IT Audit have also taken place in an attempt to resolve the situation. GM has also received Confidential Care Counselling support from the Bank

In GM's view the various discussions/meetings did not resolve the situation. The aggressive behaviour he was initially subjected to was transformed to him being sent to Coventry and being excluded from an ongoing auditor – auditee relationship.

GM lodged a formal complaint of harassment on 4th January 2000.

2. Methodology

- ◆ **As part of the Bank's procedures for conducting harassment investigations, a trained harassment investigator was called upon to (i.e. to determine the facts and report these). A representative from the complainant's line management was also present in all the investigatory interviews.**

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| Investigator: | Kal Sandhu (KS) |
| Representative from line management: | Gary Wootton (GW) |

- ◆ **All interviews for this investigation were conducted at the Bank premises in Lombard Street between the 11th and 26th January 2000.**
- ◆ **All interviews were conducted in a private room to ensure confidentiality.**
- ◆ **The complainant, alleged harasser and witness were interviewed individually and in that order.**
- ◆ **Only the complainant chose to be accompanied at the interview by a member of the Union (LTU).**
- ◆ **The statements produced by the complainant and the witness are attached.**
- ◆ **All notes taken during all three interviews have been held on the central case file.**
- ◆ **Confidentiality was stressed to the complainant, alleged harasser and witness at the interviews.**
- ◆ **Managers receiving the report are now reminded of the confidential nature of this report. Please ensure that the information included is not discussed with anyone other than your human resources representative and your direct report involved in this investigation.**

3. Summary of Allegations, made by Graham Milne

GM admits that he had preconceived ideas about what KD was like prior to conducting an audit of KD's area. GM states that he was "aware he was a difficult person to deal with" and as a result he approached the audit in a professional manner, expecting others to respond in a like manner.

No dates of incidences have been provided by GM, as he states that:

1. "It all happened quite along time ago
2. The process went on for months and months
3. And in many cases the instances happened over and over again".

KD's obstructive behaviour was initially apparent to GM, when KD told him he would not be able to see him for 3 months. This obviously concerned GM, as it would delay his work.

GM feels there was deliberate rudeness in KD's conduct towards him, in that KD would frequently ignore him in public areas of the office when GM said "good morning" to him. GM recalls only one occasion when KD did respond and GM noted this, as it was so unusual. The ignoring behaviour was further evidenced by GM when he states, "I was sent to Coventry for months on end" when KD guessed who had made the complaint about his conduct. This behaviour was experienced further when on one occasion GM was accompanied by AB in the entrance of 10 Eastcheap, and KD deliberately made a point of taking the lift as GM and AB were taking the stairs.

GM was publicly humiliated and intimidated by KD when on numerous occasions, KD would come to GM's desk where he would be sitting and would address him in a highly aggressive and rude manner. GM felt that on these occasions, KD gave the impression of someone who was in danger of "losing his rag completely". On some of these occasions GM was extremely upset and would have to take the rest of the day off work. GM could not remember whether KD had apologised after one of these public incidences, but remarked "It's quite possible. In my view, he certainly doesn't generally tend to apologise if he does something wrong. It just illustrates the volatile nature of his character, one minute swearing, the next apologising".

GM stated that KD was abusive towards him and that he "certainly used swear words in dealing with him and also AB" furthermore "he is difficult and when he loses his rag, he starts swearing".

GM highlight's that as a way of harassing him, KD threatened him with disciplinary action, if GM failed to advise KD of any IT weaknesses he uncovered. GM believed this threat to be real and discussed it with his line manager, who tried to allay his fears.

A further incident that affected GM significantly was when during a meeting with KD he was shouted at (in full hearing of KD's staff), sworn at and told to leave his office. GM

stated "He shouted at me, "Get out of my room". There were f-words used as well. He is liable to suddenly fly off the handle and react in this type of way". As the door was open, GM felt others outside KD's office got the impression that he "was being given a hard time and being blown-out", "its our boss having a go".

GM also complains of indirect harassment:

- "When someone else makes it clear to the rest of the world that they consider you so low they wipe their backside with your work, what can one say?" This relates to a meeting between AB and KD, whereby KD made an action of wiping his backside with a document that GM had prepared.
- The Customer Service Questionnaire (CSQ) (completed by KD and endorsed by his line manager, Jeremy Pletts) at the end of the audit, was according to GM a personal criticism of him. In GM's view the CSQ " said I didn't understand what I was talking about". (CSQ attached see appendix 3).
- "Kris criticised me to all my colleagues from Lombard Street. He made comments about the relationship between Treasury and Audit, which I took to be a direct criticism of me".

Finally having completed the audit, GM recalls that one of the agreed action points from the audit report was that KD would let Audit have a copy of the monthly progress reports. He states that "Kris sent these documents to AB and it was quite clear that he was trying to cut me out of the process completely. In view of his behaviour I found it extremely difficult, but wanted to try and resolve the situation so that I was involved in the process. He was trying to cut me out of the follow-up work that I would normally be involved in". Furthermore, GM feels his exclusion (from the project resulting from his audit) is a "direct practical result of this problem".

4. Summary of Responses, made by Kris Dolinski

KD's response to the various allegations made by GM is "Quite frankly, I would totally refute those. I don't believe there is anything written formally or any of my line management have ever informally had to suggest there is a problem".

With regards to the incident where GM stated he had been thrown out of KD's office, KD remarks that GM had said "the people that have to work here are irrelevant, you have to just get it all done and that you've got people is a problem that you have to deal with and is an issue which is irrelevant to the audit". At that stage KD recalls that he didn't throw GM out of his office, he asked him to leave. KD reiterates repeatedly that he did ask him to leave his office, and states "I didn't throw a tantrum at that point". KD further explains that he asked GM to leave because "I felt that if it went any further, I might lose my temper again". "I might have thrown him out albeit later and I was mindful of not doing so." KD doesn't believe he shouted at GM on this occasion.

In response to the GM's allegation of being publicly humiliated, KD states "there was an occasion when he was sitting at his desk, I did go and ask him a question and during the course of the conversation, I did swear at him in public, amongst the staff there. I did return within the hour and I apologised for the manner in which I behaved at that stage. Whilst I disagreed with his view, the manner in which I made my case was incorrect and would he accept my apology, which he did". KD acknowledges "I realised I had gone over the top".

In response to the point in GM's statement that "KD gave the impression of someone who was in danger of losing his rag completely" KD responded "Yes, I have lost my temper occasionally with staff, I think we all do. But I have never yet been asked or been reprimanded or had it noted that I was unduly out of control or close to being out of control its never been stated that I have had that situation".

In response to the allegation that GM felt KD would ignore him (in front of other people) when he said good morning to him, KD states "That's quite possible I am deaf in one ear and if you ask anybody in Treasury I could walk past and they would say something, I'm sorry I do that quite frequently". As for the sending to Coventry allegation, KD stated that after the audit "I just had no cause or reason to speak to him".

With regards to GM's complaint about KD's obstructiveness, KD states that he may have said to GM that he was busy in view of staff holidays etc. and that in fact he did see him within the three months so it may just have been said in jest.

KD admits that "the one occasion when I did lose my temper (and as I said it was in public) I did go back and apologise and I did go and advise Jon Gray that I had done so. First of all that I actually lost my temper and that I had apologised. I think in the conversation I did reiterate to him, however difficult I am finding working with Graham personally, I was not going to obstruct and I was going to ensure that we did the best job as a unit".

Furthermore, KD responds that " I think he perhaps resented that at times when trying to make a point I tend to slow down. Whether he took that as being belittling or something I don't know".

In response to GM's allegation that KD swears at him and others (e.g. AB) quite frequently, KD states that "it is unusual for me to swear, although I have occasionally sworn". Although he admits later "I admit that when I spoke to him in public I swore at him and used an expression".

KD felt that the manner in which GM undertook the system tests, i.e. without asking for authorisation or making it known that he would be doing the testing, could be misconstrued as potential disciplinary action, which is what he told GM. KD believed that GM "had the right to do it (the testing) but he should have had the courtesy to tell us he was doing it".

KD was unable to recall the incident of indirect harassment mentioned by GM, concerning the actions taken with documents produced by GM – i.e. wiping his backside. Although he did state that "if somebody was to truthfully say he had done it, its quite possible I have done it. It is out of character".

Finally, KD was concerned that GM had "in six months developed pretty powerful arguments that I was not a fit manager of people, could not implement change and that I was a highly volatile character".

5. Summary of Witness Statement, made by Andrew Billinge

AB states that GM and KD do not like each other's company. He states that "KD is a difficult customer and has his own views on how to audit" furthermore he is "known to be a difficult character and can be domineering".

AB corroborates that KD was obstructive recalling that KD had acted irritated and said that he was short staffed and therefore couldn't see audit for 4 weeks. AB did however, intervene to prevent any delays being incurred.

AB witnessed once or twice, GM saying "Good morning" to KD and being ignored. AB remarks "KD cannot stand being in the same area as GM". Furthermore, he recalls the incident in the lobby, when KD brushed past AB and GM to use the lift, deliberately ignoring them. AB corroborates that KD had avoided any acknowledgement of their presence.

In relation to the office incident, AB recollects that GM told him that KD had angrily demanded that GM leave his office. AB stated "volatile is a word you could use about KD". AB did not however, hear any shouting from KD's office at the time of this incident, which he may have done given the location of his and KD's office.

AB witnessed the incident when KD "blew a fuse" in public, when GM felt he had been humiliated in public. "KD's manner was loud, highly aggressive and involved using swear words". He recalls that on least one occasion KD apologised and that he "was not in control of himself". Furthermore, AB's recollection is that the apology KD made was for swearing – not that he was wrong for shouting at GM in public.

AB states "One incident KD came out of his office waving a piece of paper to GM shouting about it in front of other staff". AB's view is that KD needed his displays to be in public not behind closed doors. After one of these incidents, AB went to see KD and asked that he stop the verbal abuse. KD was unable to provide any assurance to that effect.

AB further corroborates GM's statement that KD threatened GM with disciplinary action when GM demonstrated IT weaknesses he had discovered in Treasury.

With regards to GM's complaint of indirect harassment by KD, AB recalled the incident when KD walked into his office waving an Issue Sheet (which GM had prepared). KD told AB exactly what he thought of it and then wiped his backside with it. AB does not think anyone else saw this, although his office door was open at the time.

AB confirms that on several occasions following various incidents between KD and GM, GM would not appear for work the next day. The reasons given for his absence would be stress related. AB notes that he was concerned about the impact the audit was having on GM's health, so he had asked GM if he wanted to be taken off the audit, GM did not.

In relation to the Customer Service Questionnaire, AB endorses GM's view that a number of unfavourable ratings had been given and that GM felt these reflected badly on him. AB took further action by discussing the comments made with KD's line manager and also writing to the Head of Wholesale Markets & International Banking Audit. (Please see appendix 4).

AB confirms GM's view that it would not have been too difficult for KD to work out who had made the complaint against him and that he did not notice any more extreme incidents after KD had been spoken to by his line manager. Although GM had told him that he had been sent to "Coventry".

Following completion of the audit, AB had discussions with GM with regards to the process for monitoring progress against agreed actions in Treasury. It was decided that GM would not be undertaking this work due largely to the fact that GM was still not comfortable dealing with KD and also because AB felt, further involvement by GM would adversely affect GM's health.

Finally, AB confirms that KD treated GM badly and that GM had finally decided that KD's behaviour was unacceptable. AB had witnessed a number of incidents himself which he believed amounted to bullying.

6. Overall Summary

Addressing each of the allegations made by GM:

Deliberate rudeness / Ignoring – Despite the fact that KD is hard of hearing, he would have heard and seen GM saying “good morning” to him on more than the one occasion when he did respond. AB corroborated the ignoring behaviour by the incident in the lobby of Eastcheap offices.

The working relationship between KD and GM had broken down to such a degree, that GM felt that KD would have instantly known who had made the complaint against him, yet KD states that he was totally “gobsmacked” when he was told to alter his behaviour by management. AB corroborates that it would have been very easy for KD to work out who had made the complaint against him, and that this would explain the cessation of extreme incidents and the sending to Coventry behaviour.

Obstructiveness – GM states that KD stated that he would not see him for 3 months at the outset of the audit. KD recalled that he may have said this in jest but he did in fact see GM within the 3 months so clearly he did not mean it. AB’s account highlights that his intervention assisted the progress of the audit.

Public humiliation / Intimidation – KD’s highly aggressive behaviour was totally inappropriate and unacceptable with regards to the incident mentioned. KD admits that he was angry, he had sworn at GM in public and used the wrong tone to make a point. GM does not however, recall KD apologising, but states that it is possible that he would have done so. Incidents such as these were very upsetting for GM who was on occasion not able to continue working for the remainder of the day.

Another example of GM’s complaint that he was publicly humiliated refers to him being thrown out of KD’s office. GM’s account, was that whilst he was in a meeting with KD he was shouted at and told to get out of his office. KD’s response is that he did ask GM to leave his office, following a comment GM had made about people management. GM reiterates “I was not asked to leave, I was told to get out”. KD thinks he did this calmly before he did lose his temper. As the office door was open, GM believes that other staff would have heard the shouting, which would have resulted in his public humiliation. (AB is aware of the incident, as GM had told him about it at the time that it took place).

Swearing – In response to KD’s statement that it was “unusual” for him to swear, it must be noted that AB’s and GM’s statements point to the contrary. He himself admits to having sworn on various occasions when he has become angry or lost his temper.

GM states that “he (KD) is liable to blow-up at any moment. He doesn’t do that with senior staff, people like Jeremy Pletts do not see that side of him”. AB also corroborates that “KD can be a charmer and puts on his best behaviour in front of senior staff”.

In addition after AB went to see KD about his unacceptable verbal abuse, AB has confirmed that KD was not able to give him his assurance that it would not happen again or that he would stop swearing.

Threatened with disciplinary action – when GM undertook system tests of IT security, KD stated that he was not aware that GM was still doing the audit, due to the length of time that had elapsed. KD admitted that GM had the right to conduct the tests but that he should have had the courtesy to tell him that he would be doing so. KD stated “I said look if you knowingly go and test systems without asking authority or making it known it can be construed you are not doing it properly and with any other staff it would be regarded as a potential disciplinary offence”. GM believed the threat of disciplinary action made by KD to be real enough that he went and discussed this with his line manager, who in turn tried to allay his fears. GM’s line manager corroborates this.

Indirect harassment – According to GM the Customer Service Questionnaire (CSQ) reflected badly on him as it was rated unfairly in a number of areas. AB corroborates that the CSQ made it look like GM had not done what was intended. KD felt that he had completed the CSQ and that it reflected the situation as far as Treasury was concerned and that his line manager had endorsed his comments. In view of GM’s comments, AB undertook further action by meeting with KD’s line manager and writing to the Head of Wholesale Markets and International Banking Audit. (Please refer to appendix 4)

GM recalls another incident of indirect harassment that he has been subjected to by KD. AB has confirmed that KD walked into his office waving an Issue Sheet, which GM had written and KD told him exactly what he thought of it and then wiped his backside with it. AB does not recall whether anyone else saw it, although they could have done, as the office door was open. AB remarked about KD “He probably swore” as well. KD does not recall this incident but adds, “if somebody was to truthfully say I done it, it’s quite possible I have done it”.

Finally, as a result of the breakdown in communications between KD and GM, GM feels further aggrieved by his exclusion from on-going progress monitoring of agreed audit recommendations. Especially, as his work (in his view) has resulted in a “project”. AB has stated that he had made the decision that GM no longer be involved in Treasury due to the affect this was having on GM’s health. GM is being somewhat sensitive regarding the “project” as KD has stated that there is no project only audit recommendations which have been incorporated into work in his area. Furthermore, KD has kept audit informed of the progress via AB and it was for audit to decide whether they wanted to make a greater input into what Treasury were doing.

7. Conclusion

Taking all the facts of the case into account, KD's inappropriate and unacceptable behaviour towards GM constitutes bullying and has significantly affected the way in which GM has been able to undertake his work responsibilities. Therefore there is a case to answer.

KD has stated that the allegations made against him are entirely out of character. However the witness statement endorses the complainant's view in respect of KD's behaviour. If appropriate, character statements could therefore be explored further in mitigation, should disciplinary proceedings need to be invoked as a result of this investigation.

8. Recommendations

Taking all the evidence into account, the inappropriate and unacceptable behaviour exhibited by Kris Dolinski should be addressed by the Bank's disciplinary procedures. Training in relation to Management of People should also be provided to Kris, together with careful management by his line management. Finally, the situation should be reviewed on a quarterly basis to ensure that effective action is being taken.

Name: Kal Sandhu
Job Title: HR Consultant
Signature: 
Date: 9/2/2006

Appendix

1. **Graham Milne's (complainant's) statement**
2. **Andrew Billinge's (witness) statement**
3. **Customer Services Questionnaire**
4. **Letter to Head of Wholesale Markets & International Banking Audit**

Statement made in accordance with section 1.10 of the Staff Manual

Strictly private and confidential

1. This document is a formal statement which records, to the best of my knowledge and belief, the background to and history of a deliberate and sustained campaign of harassment waged against me by Kris Dolinski, Data Security Manager (now Head of Information Security) within Treasury Division, London.
2. This statement is an amended version of a statement dated 10 January. The amendments have been made following discussions with Kal Sandhu and have resulted in the removal of certain paragraphs which dealt with matters which she did not consider directly relevant to the complaint against Kris Dolinski. I agreed to make these amendments on the understanding that the original document remains on file as an official document in this enquiry and that it will be referred to in the appropriate circumstances.
3. I joined Lloyds TSB in January 1998 as an IT Audit Manager attached to Treasury Division. The Treasury Division audit team had been employees of Treasury Division but were transferred to Group Audit, Lombard Street, in the week in which I joined.
4. The Treasury Division audit team, which consists of both IT and general audit staff was, and continues to be, based in an open plan office on the first floor of 10 Eastcheap, next to Faryners House. We shared this office with the then Data Security Department (now the Information Security Unit) until that department moved to Faryners House in October 1999. I was allocated a desk, which I still occupy, in the main open area towards the rear or Faryners House end of the office. My line manager, Andrew Billinge, occupies an office cubicle within easy hearing distance of my desk. Until October 1999 Kris Dolinski occupied a similar, but slightly larger, cubicle at the other end of the office area near to the entrance. The doors of these office cubicles are normally left open.
5. Between January 1998 and June 1998 my contacts with Kris Dolinski were limited. I was aware that he was considered to be a very difficult person to deal with and that most of the other IT auditors tended to avoid him as far as possible, since his behaviour was unpredictable and he was liable to become hostile and aggressive. I was also aware that Kris Dolinski had been the head of internal audit in Treasury Division and had been moved from that position at the recommendation of our external auditors, Price Waterhouse, on the basis that it was not appropriate for someone with no formal audit qualification to hold such a position. As a result, I was told, Kris Dolinski had a substantial chip on his shoulder which resulted in animosity towards internal audit. My most sustained contact with Kris Dolinski was during the week-long Treasury introductory course that he ran. I was quite impressed with the way that Kris Dolinski ran this course and he seemed capable of being friendly enough, in a general social sense.
6. In, I believe, late May or early June 1998 I returned from holiday and was asked by Andrew Billinge if I would be happy to carry out an audit of Data Security, essentially an audit of the Data Security Department. This audit resulted from concerns relating to IT security identified as a result of a review carried out by the Traded Markets Team of the Bank of England. Following this review, the Managing Director of Treasury Division, Brian Milne, had written to the Bank of England confirming that an audit would be carried out in the first half of 1998, that is by June 30.
7. It is my view that one of the reasons that I was asked to do this audit was that I was perceived to have the necessary 'stature' to carry it off. That is, because of my age, experience, technical

knowledge and bearing I would command a degree of respect that would minimise the likelihood of any awkwardness from Kris Dolinski. I should say that my own attitude in agreeing to carry out the audit was that I expected it to be conducted in a professional manner on both sides. That is, I would deal with the matter on a professional basis and I expected others to respond in a like manner.

8. It is relevant to record here that since joining Treasury Division I had become aware there were serious problems with IT security in the division, to such an extent as to potentially compromise the 'books' (that is, primary accounting records) of the bank. I was surprised that such a state of affairs should be allowed to arise (and, even worse, knowingly be allowed to persist) in a bank such as Lloyds TSB. However, the problems with IT security were part of a larger picture involving some fundamental problems with IT generally in Treasury Division, such as the lack of a systems development methodology, a widespread 'culture of non-compliance' with the FIEC Rules and so on. Internal audit had had very limited success in addressing these problems.
9. It is also relevant to record that although I was impressed by Kris Dolinski's knowledge and experience of the business, I considered his technical knowledge of IT security to be limited and I was not impressed either by his abilities as a people manager or as an effective implementer of change. Nonetheless, I had no particular personal feelings towards Kris Dolinski one way or the other. I was determined, as I have said above, to conduct the audit in an entirely professional manner, as I always try to do. I was also very keen to approach the audit in a co-operative manner, that is on the basis that my function, as auditor, was to help Kris Dolinski in his job and that, through my report, I would be able to help to ensure that his problems were highlighted and that the appropriate steps were taken and the resources made available to help him to address these problems. I took great trouble to explain this approach to Kris Dolinski, for obvious reasons.
10. I started the audit in late June 1998. It was clear to me from the start that an audit of the functions carried out by the Data Security Department would be of limited use since most of the problems with IT security in Treasury Division lay not in what they did but in what they didn't do, such as servers and databases that were administered, contrary to the FIEC Rules, by operations staff. Although I was aware that there were some problems within the Data Security Department itself, it was clear that the greater degree of risk lay outside the department and that our audit effort should therefore be concentrated in these areas. I was broadly satisfied that those systems that were administered by Data Security were reasonably well looked after. As a result of this assessment, it was necessary, in my view, to carry out an extensive and wide-ranging review of all areas of IT security within Treasury Division, including the Data Security Department. As a result, the amount of work involved in the audit was increased by a factor of at least 10 from that originally envisaged. In order to devise an appropriate audit programme, it was necessary for me to conduct an extensive review of relevant IT security-related documentation, both internal and external - IT security is not an area where you can afford to overlook anything. This resulted in an expansion in the number of audit tests from about 30 in the previous audit to over 300. The preparation of the audit programme, together with the work involved in carrying out the tests and the obstructive attitude adopted by Kris Dolinski, as well as other audit commitments (notably EMU) meant that the audit was not finished until early 1999. It is important to appreciate that the harassment of which I am complaining continued throughout this period, has continued since then (although in a different form, as I explain below) and that the effects of it on me personally and on my ability to do my job are continuing to this day.

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11. In spite of my efforts (see above), Kris Dolinski's attitude to me was obstructive and rapidly became positively hostile. This is evidenced by:

- **General deliberate rudeness** in his conduct towards me, such as not responding when I greeted him in public areas of the office e.g. when I said 'Good morning'. This happened frequently.
- Saying on one occasion near the beginning of the audit that he would be unable to see me for three months. This was pure **obstructiveness**.
- **Approaching me on numerous occasions** when I was sitting at my desk and addressing me in public in a highly aggressive and rude manner. These occasions amounted to **public humiliation and intimidation** and on at least one occasion I found it necessary to leave the office. Generally, on these occasions, Kris Dolinski gave the impression of someone who was in danger of 'losing his rag completely'. For this reason I tried, as far as possible, to respond in a calm, measured and non-inflammatory manner, that is I didn't 'react'.
- **Using swearwords.**
- **Threatening me with disciplinary action** if I failed to report any weaknesses in IT security to him immediately. Note: Although there is a requirement for staff in the general execution of their duties who become aware of such weaknesses, it is clearly ridiculous to try to apply this requirement to an audit, the very purpose of which is to find these weaknesses.
- During a meeting with him in his office, **shouting at me (in full hearing of his own staff), swearing at me and ordering me to leave his office.** I am, by the way, absolutely certain that the other members of the Data Security department were fully aware of what was happening. They seemed to find it very amusing.
- At a meeting (more of a confrontation) with Andrew Billinge, **making an action of wiping his backside with a document which I had prepared.**
- Indirect harassment in the form of **denigrating comments** about me to my line manager and others.

12. I am not able to specify the exact dates on which these incidents occurred but occur they did. This can be verified by others, including my line manager, Andrew Billinge and his line manager, Garry Wootton.

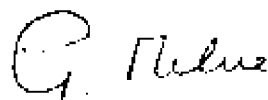
13. It is my view that Kris Dolinski's conduct amounted not only to deliberate and sustained harassment, bullying, intimidation and denigration but that it also amounted, in professional terms, to **severe obstruction of the legitimate audit process**, itself a serious matter. It is important to appreciate that Kris Dolinski attempted to publicly destroy the one thing that in the work environment matters to me more than any other, that is my professionalism. He treated me, and quite deliberately showed others that he was prepared to treat me, like dirt.

14. My line manager, Andrew Billinge, was fully aware of the state of affairs. He either directly witnessed, was on the receiving end of, or was informed by me of all the incidents that occurred. I tried to make it clear to both Andrew Billinge and Jon Gray that I expected action to be taken. Andrew Billinge did speak to Kris Dolinski after the occasion on which the latter threw me out of his office, as it was clear that I simply could not communicate at all with Kris Dolinski if he was going to continue in such a manner. It was decided, after this, that I would have no more meetings with Kris Dolinski but that I would send a written questionnaire for him to answer. This is how the audit was completed.

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15. Gary Woolton, Andrew Billinge's line manager was also informed of the situation, as was J. Jawannardi, Gary Woolton's line manager. Gary Woolton offered to take me off the audit and to allow me to work from Lombard Street. I declined this offer, as professional pride demanded that I finish the job. Jon Gray, in charge of general audit in Treasury Division, was also kept informed of the situation.
16. The continued harassment over an extended period effected my health. I became extremely stressed and began to hate coming into the office. The stress made it difficult for me to sleep and I began to take sleeping pills (over an extended period). On occasions the lack of sleep meant that I had to take the following day off or was late for work. The harassment also began to colour my relations with others generally as I became withdrawn and de-motivated. I became reluctant to even leave my desk. I believe that my general health also suffered as tiredness, stress and worry lowered my barriers to infection and disease. Eventually, and at the recommendation of Andrew Billinge, I approached the Confidential Counselling Service and underwent a series of consultations. These were of very limited use, particularly since what I needed was direct and effective action to address the situation at work. It is fair to say that there were other factors effecting me at the time but these were insignificant in comparison to the harassment. I still feel as if I have 'had the stuffing knocked out of me'.
17. The audit report was issued, as far as I can remember, in early March 1999. After that, I believe it was. I approached Andrew Billinge and sought his advice on the matter. I was naturally reluctant to initiate formal complaint procedures but, at the same time, I did not wish any delay to prejudice my right to do so at a later date if the situation did not improve. We agreed that we would refer the matter to the Personnel Department of Treasury Division and had a meeting with John Johnstone as a result. My purpose in seeking this meeting was quite clear and I explained it to Andrew Billinge; it was to 'register' the matter so that any subsequent complaint by me would not be compromised by delay.
18. As a result of our meeting with John Johnstone, I believe that Kris Dolinski had a meeting with Jeremy Pletts, the Head of Operations in Treasury Division. I do not know what was said at this meeting but I believe that Kris Dolinski was told on an informal basis that a complaint had been made against him, though I believe that he was not told who by. Presumably, he was told to amend his conduct.
19. I noticed an immediate change in Kris Dolinski's behaviour towards me after this meeting, to such an extent that I believe that he was perfectly aware, or had guessed, who had made the complaint. Kris Dolinski's response was, quite simply, to send me to Coventry. He hardly acknowledged (or rather pointedly ignored) my existence and was clearly, in my view, avoiding having any contact with me at all. An example of this is one occasion when I was entering the office with Andrew Billinge and took the stairs. Kris Dolinski was in the foyer of 10 Finsbury at the time and pointedly took the lift, something that I had never seen him do before. I commented on this to Andrew Billinge. Also as before, he did not respond when I greeted him. As a result of this behaviour, which I again notified to Andrew Billinge, I was excluded from following up the matters raised in my audit report, which would have been the normal course of events. It is important to appreciate that the audit resulted in a major project to improve security in Treasury Division and that in the normal course of events I would have been very keen to be involved in this project in an on-going basis (as would have been the normal procedure). As a result of Kris Dolinski's behaviour I was excluded from such involvement, which, apart from anything else, would have been excellent experience from a career point of view.
20. I notified Andrew Billinge of the state of affairs and I believe that Kris Dolinski had another meeting with Jeremy Pletts as a result.

21. Kris Dolinski's behaviour has continued in this manner to this day, although the removal of his department to Faryners House has made it less obvious. Nonetheless, I continue to suffer the consequences. It is important to bear in mind that a significant part of each audit that we carry out generally involves looking at access controls. Thus, we would normally expect to have a continuing dialogue with the Data Security department as a result. It is clear that my ability to carry out even my normal daily work has been significantly effected (indeed, almost eliminated in some ways) as a consequence of the matters referred to.



Graham Milne

20/1/2000

Statement by Andrew Billinge in the harassment case brought by Graham Milne against Kris Dolinski.

The following statement covers matters raised during formal interview at Lombard Street, 3.00pm, 26 January 2000.

Graham Milne (GM) joined the Treasury IT audit team in January 1998. He began an audit of Data Security in the summer of 1998 which was completed early in 1999. Kris Dolinski (KD) and GM worked in the same office area from January 1998 until late 1999. As far as I remember, it was early on in the audit that I first became aware that GM and Kris Dolinski (KD) did not get on well together. I do not recall whether GM expressed any concerns about working with KD before the audit began.

During the audit there were several examples of apparent obstruction to the audit process. I remember on at least two occasions GM letting me know that KD had given what seemed like unreasonably delayed dates for GM to see either himself or his staff. On one occasion, I believe GM was told he couldn't see someone for four weeks. I recall on at least one occasion discussing with KD how access could be speeded up.

On one occasion GM and I were talking in the lobby and KD entered the main door and turned away to take the lift to the office. GM commented on this afterwards and said KD usually used the stairs and, in GM's view, KD had deliberately avoided him. I agreed with GM that KD had avoided any acknowledgement of our presence, apparently deliberately. GM was concerned that he had been "sent to Coventry" and that this was handicapping his ability to do his job and that this was having a detrimental effect on his health. I discussed the matter with Graham as I had noticed his health was suffering and hence his ability to do his job.

I recall one occasion where GM came into my office and said that KD had demanded that GM leave KD's office. The meeting had been going on for an hour or two and apparently KD had decided he had had enough and had angrily demanded that GM leave his office. My office was some distance from KD's and I did not hear any of the conversation. I do not recall for what precise reason GM had been asked to leave KD's office. GM was not happy both with his treatment and the impact it had on his ability to do his job.

On at least one occasion, I saw KD publicly berate GM. KD had come out of his office and approached GM at his desk in the open plan area shared by Audit and Data Security staff. His manner towards GM was loud, highly aggressive and involved swearing. On one or more occasions, I have seen KD return in a calmer frame of mind shortly after an outburst and apologise for swearing, but not for any other aspect of his behaviour.

Another example involved KD approaching GM (who was standing just outside my office door in the open plan area) and waving at GM a document GM had produced. I heard KD make some very critical remarks in public about GM's work.

I witnessed a further incident where GM was demonstrating on his PC to KD an aspect of the network security set-up in Treasury. KD threatened GM with disciplinary action, again in the open-plan office.

On another occasion, KD came into my office with a document produced by GM. He was quite animated, told me in no uncertain terms that the piece of work was rubbish and made a gesture to wipe his backside with the document. The door to my office was open and it is possible that this incident was seen and heard by members of staff in the open plan office through the door.

On several occasions, following various incidents between KD and GM, GM did not come into work the following day. On one occasion, I believe, GM went straight home. He complained of feeling stressed and said he had not been sleeping. GM mentioned he had been taking sleeping tablets. On a number of occasions I discussed with GM the effect on his health and whether he wished to continue the assignment.

Following one incident, I went to see KD in his office and asked that he stop the verbal abuse of GM. KD replied that he could not give such an assurance.

At the completion of the audit, a customer service questionnaire (csq) was completed by KD and/or his line manager, signed by both, and sent to the Director of Group Audit. Unfavourable ratings had been given on two of the four categories. GM told me that he felt the csq had been completed unfairly and that an opportunity had been taken to damage his reputation. I did not understand certain negative comments on the csq and arranged a meeting with KD's line manager to discuss them. I found the meeting unsatisfactory - credit was given for some aspects but specific criticisms could not be pinned down and it was conceded that the low ratings given may have reflected the general "pain" involved in completing the audit. I sent a note with my views of the meeting to the Head of Wholesale Markets & International Banking Audit.

After a discussion between GM, myself and Treasury HR, I was told that KD had been spoken to about his behaviour by Treasury management. I heard that the allegations came as a shock to him. I would not have been surprised if he had been able to guess where they had come from. I noticed that the incidents of aggressive verbal abuse stopped.

Following completion of an audit such as this, with a low rating and containing a number of significant issues, there would normally be a process for Audit to monitor progress against agreed actions. I gave GM the choice as to whether it should be him carrying out this process and we discussed the matter several times in the months following completion of the audit. After some months I took a final decision that GM would not carry out this work. Despite the cessation of incidents of verbal abuse, GM was clearly still not comfortable with the prospect of continuing to work with KD. I was also concerned for his health. In the period from the completion of the audit until the decision was taken, GM told me he was in two minds as to whether he should do the work. On the one hand, he felt he should be involved, that naturally the work should fall to him and that it would feel like a defeat to withdraw. On the other, he was unhappy to continue to be involved with someone he felt had behaved inappropriately to him but had not apologised for his behaviour.

In summary, I have witnessed a number of incidents where I believe KD behaved in a bullying manner towards GM. Due to the public nature of most of these, quite a number of other staff have witnessed these events. I am not aware of any, however, where staff more senior than KD were present.

Signed



Date

19/2/00

| | |
|----------------|--------------------------------|
| GROUP AUDITING | CUSTOMER SERVICE QUESTIONNAIRE |
|----------------|--------------------------------|

Business Unit: Data Security

TRACS Code: 2140

Date of Audit/Inspection: June/July 1998

Issued By: Graham Milne, Audit Manager, Information Systems Audit

(Above details to be completed by Audit/Inspection Team)

Please tick the appropriate box.

| | | | | |
|--|-------------------|-------|----------|----------------------|
| | Strongly Agree | Agree | Disagree | Strongly Disagree |
|--|-------------------|-------|----------|----------------------|

Planning/Communication

The scope and objectives were clearly explained at the outset taking the business's and my own requirements into account. Any delays to anticipated opening/completion dates were adequately advised.

Comments (if any)

Substantial changes to the audit scope were advised, consequent delays to completion of the audit were therefore explained.

Conduct

Sufficient understanding of the issues and risks in the environment was displayed. The review was conducted in a constructive and professional manner.

Comments (if any)

Risks associated with information security were clearly understood and the preparation of the audit working papers was professional. However, the emphases on the provision of a generic information security audit template meant that issues applicable to Treasury Division, in particular, were not reviewed in depth.

Reporting

The report provided an objective and balanced view of risk, accurately reflecting the verbal feedback received during the review. Issues were advised promptly, with practical recommendations made.

Comments (if any)

Issues were not raised as observed, given the generic nature of the audit. Whilst some recommendations were made that provided direction as to how objectives could be achieved within Treasury, recommended actions tended to be the objective of meeting generic risks within the information security environment, rather than how to achieve that objective.



Customer Value

Value was added to my area, by enhancing risk awareness and constructively advising on local controls.

Comments (if any)

The report did highlight the lack of resource and raised senior executive awareness of this issue, within Treasury, resulting in the allocation of resource to the information security unit. With the recommendations primarily reflecting generic objectives, greater value should be derived from future audits by overlaying specific divisional activity against the developed template. This would provide management with independent assurance of risk management controls for information security in Treasury.

Signed:

Date:

23/4/99

Name/position:

Phone No:

Thank you for completing this questionnaire. Your comments are valuable in ensuring that we monitor and, wherever possible, enhance the quality and relevance of our service – please continue overleaf if necessary.

Please return the original to: David Law, Director of Group Audit, Lombard St, Building Code D-01

