

# UK: Guardian suggests Conservative peer Michelle Mone secretly received £29 million from government COVID contract profits

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The ongoing scandal of Conservative Party Baroness Michelle Mone exemplifies the vast scale of profiteering during the pandemic.

It is well established that the government and its connected cronies in big business made a killing from the first days of the pandemic. Tens of billions of pounds in get-rich-quick COVID contracts were handed out from Westminster, with almost £20 billion awarded without any form of tendering. By the end of 2020, a report by the National Audit Office (NAO) into 8,600 pandemic-era contracts found that government officials awarded £17.3 billion worth to private sector firms.

Huge profits ensued, even though vast amounts of the PPE produced was not fit for purpose. Many of the companies had no expertise in manufacturing PPE or even anything to do with public health care.

A *Guardian* newspaper investigation suggests, based on a paper trail uncovered as the result of an internal investigation by HSBC bank, that an offshore trust linked to Mone received £29 million. The funds seem to have originated as profits from more than £200 million in PPE deals she promoted through the government's VIP procurement lane.

The exclusive is verified by the *Financial Times* which has also seen the HSBC report.

The *Guardian* states that "Mone's husband, the Isle of Man-based financier Douglas Barrowman, was paid at least £65m in profits from PPE Medpro, and then distributed the funds through a series of offshore accounts, trusts and companies.

"The ultimate recipients of the funds, the documents indicate, include the Isle of Man trust that was set up to benefit Mone, Barrowman's fiancée at the time, and her children. In October 2020, the documents add, Barrowman transferred to the trust £28.8m originating from PPE Medpro profits."

Mone, who fronted a lingerie company, shot to prominence in the Tory Party when she was appointed "Tsar" for business start-ups in David Cameron's government and then elevated to the House of Lords in 2015. Her first vote in the Lords was against a motion to delay government cuts to tax credits of around £1,300 a year, hitting three million low-income families. Her callous response was that people should "work hard" and not "look for excuses" for being in poverty.

## The paper trail: PPE Medpro's tens of millions of profits

The awarding of a £200 million contract to PPE Medpro has been under investigation for two years.

It is established that the highly connected Mone contacted, on May 8, 2020, then Cabinet Office minister Michael Gove and fellow Tory peer Theodore Agnew, offering to supply PPE. Agnew referred PPE Medpro to the "VIP lane".

At this stage, PPE Medpro did not even formally exist, being incorporated four days later on May 12, 2020. On that day Anthony Page resigned from Mone's MGM Media Ltd and was listed an owner of PPE Medpro. Page was also a director of Knox House Trust, part of the Knox Group of companies founded by Mone's husband.

Once in the VIP lane, things swiftly moved on. As noted by the *Byline Times*, "Firms referred through the VIP lane were 10 times more likely to be awarded a contract than a company processed through normal procurement routes."

In June 2020, PPE Medpro was awarded two PPE deals by the Department of Health—one for £122 million for 25 million sterile surgical gowns and one for £89 million for the supply of 210 million face masks. This was first reported by the *Byline Times* in September 2021, when it revealed, "New documents show that the Department of Health and Social Care (DHSC) granted the multi-million-pound contract to PPE Medpro Limited on 25 June, just 44 days after the firm had been incorporated."

The *Guardian* reports, "Around that time [June 2020], Mone and her then fiancé appear to have been secretly involved in PPE Medpro's business, according to previously leaked documents. Barrowman appears to have been personally involved in setting up PPE Medpro's deals with a supply chain partner, Loudwater Trade and Finance, in which PPE Medpro committed to using its 'extensive network' to seek contracts with the UK government. Barrowman also participated in a meeting between the Cabinet Office, PPE Medpro and Loudwater.

"Meanwhile, Mone appears to have sent a WhatsApp message from a private jet in which she discussed specific details relating to PPE Medpro's contract for sterile gowns."

The HSBC paper trail establishes that in September 2020, Barrowman received at least £65 million in profits from the PPE

deal. These profits were transferred to The Warren Trust, registered in the Isle of Man, with Barrowman the beneficial owner.

The *Guardian* reveals, “From there, transfers totalling £45.8m were made to Barrowman’s personal HSBC Isle of Man bank account. That account, in turn, transferred £28.8m in October 2020 to the Keristal Trust, the beneficiaries of which, bank records indicated, were Mone and her children, the report states.”

The Keristal Trust bank account, as noted by the newspaper “was opened in May 2020. That was the same month Mone recommended PPE Medpro to Gove and Agnew.”

During the investigation into the PPE Medpro contract, Barrowman’s lawyers stated that Barrowman was never an “investor” in PPE Medpro. Yet, reveals the *Guardian*, “the leaked HSBC report suggests that another Barrowman trust in the Isle of Man made an investment of £3m in PPE Medpro in June 2020, using the reference ‘PPE Transfer’. The £3m capital injection was later repaid into Barrowman’s trust by PPE Medpro, along with interest, the report states.”

### **Political connections: PPE Medpro, Mone and the VIP lane**

In November 2021, *Politico* published a leaked list of 47 firms that won lucrative PPE contracts after being referred to the government by ministers, MPs and officials. It reported, “Health Secretary Matt Hancock helped secure work for four firms; that former Downing Street aide Dominic Cummings helped one; and that prominent MPs Julian Lewis, Steve Brine, Esther McVey and Andrew Percy were among those who submitted referrals to the VIP process.”

The document included Mone’s name as the referrer of the PPE Medpro contract. Only following this leak did the government publish the list of 51 companies who made the VIP lane and who referred them.

The *Financial Times* noted last year, “Companies House records show PPE Medpro’s registered office address is 16 High Holborn, in London. That is also the registered address for not just Knox House Trust, which we have already mentioned, but also ‘Michelle Mone Interiors’, and ‘MMI Global Unlimited’, which Mone is a shareholder and director of, according to Companies House filings.” This was revealed in an FT article headlined, “Just how close is Baroness Mone to PPE Medpro?”. It was published in response to Mone’s claims to the newspaper that she had “no involvement with this company [PPE Medpro] in any capacity”.

A compilation of the *World Socialist Web Site’s* coverage of this global crisis, available in epub and print formats.

Mone’s representatives then issued a qualified statement that she was “neither an investor, director or shareholder in any way associated with PPE Medpro. She has never had any role or function in PPE Medpro, nor in the process by which contracts were awarded to PPE Medpro.”

The PPE Medpro deal is subject to an investigation by the National Crime Agency (NCA), which searched several properties

associated with the company in the Isle of Man and London in April this year. The *Guardian* reported, “The [NCA] officers are understood to have seized documents, computers, phones and other electronic devices from the building.” No arrests have been made as a result of this investigation.

### **Billions spent on PPE not fit for purpose**

PPE Medpro is also in dispute with the government over its £122 million contract to supply 25million sterile surgical gowns. These were found to be unfit for purpose and could not be used in the National Health Service during the pandemic. The Department of Health and Social Care is seeking to recoup money, via a never-ending resolution process, from the contract with PPE Medpro. This is just one of 176 contracts with an aggregate value of £2.6 billion it is seeking to recover funds from.

The *Guardian* reported last week that PPE Medpro director Page or his lawyer refused to answer when asked if they had the millions of pounds required to make the repayment if that is the outcome of the dispute resolution.

This is just one of numerous contracts in which PPE was produced which could not be used. In August 2020 the BBC reported, “50 million face masks bought by the UK government from a different company earlier in the year would not be used in the NHS because of safety concerns.” This was as NHS workers on the frontline were using plastic bin bags as makeshift PPE and tens of millions of people had no regular access to equipment. By July 2021, more than 1,500 healthcare workers had died in the pandemic.

The total losses to the taxpayer as a result of this vast subvention to big business are staggering. Of the £12 billion spent by the DHSC on PPE, it had to write off £9 billion on equipment that “was either substandard, defective, past its use-by date or dramatically overpriced,” reported the *Guardian* this month.

The *Byline Times* said it and another organisation, The Citizens, “calculated that £1 billion in COVID contracts had been awarded to Conservative donors and £2 billion to Conservative associates, with these firms seeing their collective financial position improve by £325.5 million in their latest company accounts. Firms that were awarded COVID contracts have now gone on to donate at least £615,000 back to the Conservative Party, either directly or through their owners and directors.”

In January this year, the government’s operation of a VIP lane during the pandemic was ruled in the High Court to be illegal.



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