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Investigation: UK Independence Party (UKIP) You are in the Investigations  
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First published: 18 September 2018 Last updated: 18 September 2018 Overview We have  
looked at whether, during 2015 and 2016, the UK Independence Party (UKIP) took  
donations from impermissible sources. We have concluded that they did not. Summary We  
have finished our investigation into whether the UKIP took impermissible donations  
from a European political party and foundation, namely the Alliance for Direct  
Democracy in Europe (ADDE) and the Initiative for Direct Democracy in Europe (IDDE).  
We looked at this because of a decision by the European Parliament Bureau in December  
2016 that ADDE and IDDE had broken its rules by spending its grant money on polling  
of interest to UKIP. We found that: the polling did look at geographical areas and  
Eurosceptic issues of potential strategic significance to UKIP at the time two ADDE  
contractors who worked on some of the polling also worked as UKIP campaign managers  
during the 2015 general election whilst the polling could have been of benefit to  
UKIP had it been provided, the evidence was insufficient to support a conclusion that  
the purpose of the polling was to be for the benefit of UKIP or that they received  
the polling results We concluded that the polling did not meet the definition of a  
donation to UKIP under UK political finance rules. Should new evidence come to light  
that makes it appropriate for us to look again at this matter, we would do so. We  
recognise that the European Parliament Bureau came to a different conclusion in  
respect of the purpose and ultimate usage of the polling. Our conclusion is based on  
the evidence we got as part of our investigation into specific offences under UK  
political finance law. And it reflects the fact that by law, we are required to be  
satisfied beyond reasonable doubt that an offence has been committed. UKIP is a  
registered political party in Great Britain. It is a member of a European political  
party called the Alliance for Direct Democracy in Europe (ADDE). ADDE has an  
affiliated foundation, the Institute for Direct Democracy in Europe (IDDE). UKIP must  
comply with the UK's political finance rules; ADDE and IDDE are not subject to those  
rules. Further information Who are UKIP, ADDE, and IDDE? UKIP is a registered  
political party in Great Britain (there is a separate registered party called UKIP in  
Northern Ireland). UKIP fought a number of seats across the UK in the 2015 general  
election, and reported spending around £2.8m on its campaign. As a UK registered  
political party, UKIP: cannot accept donations from organisations outside the UK must  
report all its donations of £7,500 or more to us on a quarterly basis must report all  
its campaign spending after each general election ADDE and IDDE are not registered  
political parties in the UK, so these rules do not apply to them. As with other  
European political parties and foundations, ADDE and IDDE received grant funding from  
the European Union. The funding can cover up to 85% of the parties' and foundations'  
eligible spending, and can be used for a range of activity from administrative  
functions through to the campaign costs for European elections. It cannot be used for  
certain purposes, including for the direct or indirect funding of national parties,  
election candidates and political foundations at either the national or European  
level. The donation rules in detail The donation rules for UK political parties are  
set out in the Political Parties, Elections and Referendums Act 2000 (PPERA). They  
say that: a donation means any gift to a party of money or other property,  
sponsorship, payment of subscriptions or fees, money spent on paying any expenses of  
a party or the provision of property, services or facilities not on commercial terms  
only amounts above £500 are viewed as donations under PPERA a registered party cannot  
accept a donation if it is made by a person who, at that time, is not a permissible

donor permissible donors are, broadly, an individual on the electoral register or a company or other entity from within the UK. If a party receives a donation from an impermissible source, it must return the donation within 30 days. If the party does not do this, its treasurer commits an offence. However, the treasurer has a defence to this if he or she took all reasonable steps to verify if the donor was permissible, and as a result he or she believed that the donor was permissible. We enforce these rules using a range of investigatory and sanctioning powers. Further information You can find PPERA on the government's legislation website . The donation rules are in Part IV. Our investigation In December 2016 the European Parliament Bureau (EPB) concluded that €500,616 spent by ADDE, and €33,864 spent by IDDE, in 2015 broke the rules for grants to European parties and foundations. This included spending on polling done within the UK which it concluded was done in the interest of UKIP. We investigated, getting information by issuing legal notices and interviewing key people. This gave us enough evidence to complete our investigation. Investigation evidence What we looked at In December 2016 the European Parliament Bureau (EPB) decided that €500,616 spent by ADDE, and €33,864 spent by IDDE, in 2015 broke the rules for grants to European parties and foundations. The EPB had concluded that some of the grant money had been indirectly used to finance UKIP, which was against its rules. The EPB considered that polling undertaken by the ADDE and IDDE during 2015, showed strong indications that it was undertaken for the interest of UKIP and noted the Eurosceptic nature of its questions and the locations of the polling. The legal framework for the funding of European political parties and foundations lays the burden of proof for eligibility of funding on the beneficiary. Polling was undertaken: in North Thanet, Rochester & Strood, Sittingbourne & Sheppey, and South Thanet in February 2015 in Great Grimsby and Thurrock in April 2015 in Cardiff South & Penarth in April 2015 in Merthyr Tydfil & Rhymney in April 2015 across the UK in June/July 2015 across Wales in September 2015 in Scotland and London in November 2015 across the UK in December 2015 across seven EU countries in December 2015 again across the UK in December 2015 The total cost of the polling to the ADDE and IDDE was approximately €321,000. The EFB told us about this in October 2016. It gave us significant evidence to explain its concerns, and after looking at this we opened an investigation. The issues under investigation were: whether any polling or other work paid for by ADDE or IDDE was given to UKIP for its benefit if so, whether this constituted a donation under PPERA if so, whether the UKIP treasurer and UKIP had committed an offence of failing to return an impermissible donation as required by PPERA During the investigation the EFB also said it was concerned that UKIP MEP assistants may have been working for UKIP, and their MEP salaries may therefore have been a donation to UKIP. We looked at the evidence but decided that it did not meet the threshold for adding the issue to our investigation. How we investigated Between December 2016 and May 2017 we issued a series of legal notices requiring documents and information from UKIP and the polling company that did the polling work for ADDE and IDDE. We also sent legal notices to a then director of UKIP and a private individual contracted by the ADDE to lead work on many of the polls whom had previously worked as a UKIP campaign manager. We received a considerable amount of documents and information in response to all these notices, which we examined. We then arranged interviews of key individuals, which ran up to February 2018. This included the lead ADDE contractor who worked on many of the polls, an additional individual contracted by the ADDE to write reports on the polls, the ADDE President, and a founder and former director of ADDE and IDDE. These were all voluntary interviews. The Executive Director of ADDE declined to meet with us but provided a

written response. Our findings While the ADDE and IDDE polling paid for by EFB grant money was on topics relevant to UKIP, we did not conclude that it was done to help UKIP, or that UKIP received any of the outputs from the work. Therefore, the polling work was not a donation to UKIP under UK political finance rules. Our analysis and evidence What our analysis showed We saw that the polling work paid for by EFB grant funding was relevant to UKIP's political position in 2015/6. It was carried out in geographical areas of potential strategic significance to UKIP The questions were about attitudes towards the EU The reports drawn up from the polling partly considered the data from a UKIP point of view But we found insufficient evidence that the polls were commissioned to be for the benefit of UKIP and no evidence that UKIP received or benefitted from any of this work. We saw invoices and emails provided by the polling company which showed that the ADDE commissioned and were invoiced for the polls. Those we interviewed gave the same account. We found no other information from any of the entities we approached to suggest the polls were UKIP's polls. The EFB gave us a letter of 2 November 2016 to the European Parliament by the ADDE, sent to object to the EFB's conclusions. It appeared to acknowledge that two of the polls had been 'UKIP polls' for which the ADDE had received the invoice to pay 'in error'. But this was not consistent with the evidence we saw. The ADDE contractors and the founder of the ADDE told us that ADDE and IDDE commissioned the polls in order to spend EFB grant money as efficiently as possible in order to justify more funding. They said that the polls were not designed to cover issues of importance to UKIP. The contractors running the polls said they were largely unguided by the ADDE and were left to pick the issues that interested them. We found no documentary evidence to suggest that any of the data from the ADDE polls was given to UKIP. We asked the contractors who worked on ADDE polling about this. They were both campaign managers for UKIP candidates during the 2015 general election. This was before their involvement in the ADDE polls which began in June 2015. During the general election they worked in constituencies where the polling during February and April 2015 took place, but said that they did not see the polling data while they worked there. Given their campaign manager roles, they said that it was likely they would have known if UKIP had the data because it would have been of potential interest to them. The evidence we looked at The EFB gave us polling data and reports, contracts, and their analysis, as well as internal ADDE and IDDE documents obtained by them and correspondence with the polling company. By using our legal powers we got information from ADDE contractors and from the polling company. This included invoices and further correspondence between ADDE, the contractors and the polling company. UKIP were not able to provide us with significant information in response to the Notice, because they held no documents relevant to the polling. We also got important evidence from the people we interviewed about the polls. We noted the areas where they gave us a consistent explanation, about the reason for the polls, who was involved in agreeing and organising them, and what happened to the polling reports. Related content about our enforcement work Electoral law is out of date. Find out where we want to see improvements Political parties, campaigners and other groups have to report their finances to us. Find out about campaign spending, donations and loans and annual accounts.