

THE TIMES

Kroll trio launch rival City intelligence firm

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THREE former executives of Kroll, the financial investigator, have set up their own agency in competition with their former employer.

The principals of Grayson Pender Wordsworth (GPW) say their move recognised the City's increased demand for business intelligence and corporate investigations. They would not disclose whether Kroll's \$1.9 billion (£1.1 billion) takeover in May by Marsh & McLennan, the insurance company, had triggered their action.

Peter Pender-Cudlip and Andrew Wordsworth, two of GPW's principals, resigned from Kroll a month ago. Patrick Grayson set up Kroll's London office in 1986 but later left to branch out on his own.

There has been scepticism about how well Marsh & McLennan will be able to integrate Kroll.

Mr Pender-Cudlip said: "We see a great opportunity for an independent firm specializing in business intelligence."

He said that GPW would stick to business intelligence and not offer services as diverse as "guarding in Iraq".

GPW opens for business today and, although Mr Pender-Cudlip said it had no clients, he was confident the phones would ring.

The City profile of financial investigators, long regarded as shadowy and devious, has been raised this year.

Kroll is the biggest agency in the City, with a client list that includes Abbey and Goldman Sachs.

A Kroll team is reported to have spent last weekend in Madrid examining the background of Santander Central Hispano, the Spanish bank that has made an offer for Abbey.

The investigations are likely to include background checks on Santander's key personnel as well as a search for unresolved disputes that could affect the Abbey union.

Abbey is an existing Kroll client. The investigator was called in by the bank earlier this year to find the source of an anonymous document that criticised senior management. The document alleged that there had been a scandal over bank contracts involving sex and corruption.

Richard Chang, 48, an Abbey employee, fell to his death from the bank's London headquarters in July, soon after he was interviewed by investigators from Kroll.

In May the firm was accused of employing investigators in Geneva to spy on a Swiss lawyer and chairman of a tribunal adjudicating the disputed ownership of a Russian mobile phone company. The judge, Bernard Meyer-Hauser, complained to the Swiss police that he was followed, his rubbish was searched and an impersonator tried to get details of his bank account.

Kroll was also in the thick of the action during Philip Green's unsuccessful takeover bid for Marks & Spencer.

Although Mr Green, the retail entrepreneur, denied hiring private detectives as part of his takeover battle, it is thought that Goldman Sachs, his advisers, engaged Kroll.