

The City's sleuth

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By: Chris Blackhurst

IF PATRICK GRAYSON didn't do what he does for a living, he could be a fine hospital consultant, with the most reassuring, confidence-restoring, bedside manner possible. He's a charmer is Grayson, with twinkly eyes and a lived-in face, combed-back mane of hair, matching tie and a silk handkerchief in his breast pocket, and polished black shoes. Yet he works in what, at first sight, is one of the least courteous industries of all: corporate investigations.

More than works: if anyone could be called a doyen of his profession it's Grayson, 62. But it's also hard to imagine anyone more removed from the stereotype of the private detective. The idea of Grayson, for instance, following someone and rifling through their waste bins and accessing their bank and phone records is quite laughable.

Corporate investigations are different of course, more often based on mountains of public documents and these days involving hours on the internet, but dirty jobs can crop up. Grayson says he won't do them, there are other ways of finding out the same detail that don't involve breaking the law, that rely on a mix of contacts and diplomacy.

"If you try to find out where a chap has their money, you shouldn't hack into their bank accounts, but somewhere there might be another person who knows, who can tell you."

Same with a criminal record. "You've got to break the law to get it. What's the point? If you find people who really know him, they will tell you if he's got a criminal record." He smiles. He knows where I'm coming from, knows what people think of his profession. I think he's telling the truth but I'm not sure - he'd be a devil to play poker with. He built up the UK end of Kroll Associates, the New York firm of white-collar diggers, setting up its London office and developing it into a booming practice. Now, he has launched a new firm, GPW. He is the chairman and he has two other ex-Kroll hands, Peter Pender-Cudlip and Andrew Wordsworth, alongside him. What GPW does, he says, is "pure intelligence".

Other firms, Kroll being the obvious example, have grown like crazy in the past two decades and diversified into other areas, such as political risk analysis and security. GPW, says Grayson, is "100% about gathering business intelligence. That's all we do".

Even though they have bags of experience, GPW is small. But in a phrase that says much about Grayson's military background (he was in the Irish Guards, working as an army intelligence officer in Aden) and explains why he is held in high esteem in the City, where army types and aggression often go hand in hand, he says: "There aren't the hostile M&As any more. The world has moved on - but if one came along, we could tool up from the quartermaster's store if we needed to."

Ah, the hostile takeovers. Those were the days, when the likes of Hanson, White, Goldsmith, Maxwell, Rowland and Weinstock bestrode the commercial universe and their advisers enjoyed rich livings as a result. It was the age of Big Bang and greed made good, and it coincided with Kroll coming to London.

At first, it wasn't easy persuading the City establishment to use Kroll.

"The US bankers had used Kroll in the US. They accepted there was a burning need for hard-won intelligence to cut them a better deal," says Grayson. "Until we came along, intelligence-gathering had been very hush-hush or left to the old boy network. But the old boy network was creaking because you people were in charge. There was a great cultural change taking place."

Kroll defended ICI against Hanson (a discovered that James Hanson's business partner and buddy, Gordon White, was charging his racehorses to shareholder against Jimmy Goldsmith, ConsGold and Minorco. "Mostly we were defensive but always. For example, we worked for BT before it bid for Hawker Siddeley."

As well as the rising PRs, who knew what to do with the material that Grayson and cohorts unearthed, there were the band who paid their fees - in particular George Magan of Morgan Grenfell. "George was master of high-intensity M&A," says Grayson. "He knew how to use all the information at his disposal. He was a terrific general who always had a battle plan."

Magan, recalls Grayson, looked at takeovers in the round: "If he was advising a client on a bid, he asked us to look at the client - to shake out the skeletons from their cupboard, to see what the other side might throw at them." He adds, grinning: "It could be very unsettling for them." Just how unsettling can be judged from the episode when Grayson found that a chief executive had a congenital disease. "He was furious. It wasn't public knowledge. He knew about it but he was a tough bugger - he didn't like us knowing one bit." Nevertheless, the fact that Grayson knew meant it had to be dealt with, and answers rehearsed. "Sure enough, questions were asked about his health but he was able to give a very good, pugnacious response."

Such is Grayson's eminence within corporate sleuthing that if he's stuck and needs to "tool up", he can. He's the sort with people in every port, friends and contacts from the old days, to whom he can turn, to go a little bit further, to obtain a clinching piece of information. After leaving the army, he worked as a tobacco salesman for Imperial, until he had an attack of conscience about flogging products that could kill. Then, he joined Heckler & Koch, selling guns. "I know, I know, there's an irony, but soldiers need guns, and they need high precision ones - people don't need cigarettes."

Then he and an ex-SAS officer, Alistair Morrison, were approached by three bankers from Kleinwort Benson with an idea for a "private military" firm - supplying bodyguards and expertise. One of the tasks of their agency, DSL, was to find guards for US embassies and government buildings. "As events have shown, they were vulnerable," he says. "Even then, they couldn't use members of the US Marine Corps because they would be targets themselves and, as good as the local forces might be, you couldn't guarantee their loyalty. I thought of the Gurkhas. I went to the foothills of the Himalayas and recruited a private army of Gurkhas, 50 strong, and sent them to the Gulf. It was a winning formula; they were ex-British Army, ex-Indian Army, very well-trained, highly professional, intensely loyal and out of work in Nepal."

DSL was asked to help out with the aftermath of a Kuwaiti hijacking. Two US passengers were killed and their lawyers were accusing the airline of negligence for failing to stop the terrorists smuggling their weapons aboard.

Grayson was able to show how the guns got on the plane and submitted a report to the US litigators. The document found its way to Jules Kroll, who was impressed by the Englishman's thoroughness and asked to see him in New York. They hit it off and Grayson was hired to work for the new London branch of Kroll Associates.

He left Kroll after eight years but, typically, still has friends there. He set up a new firm with Michael Oatley - also from Kroll, and the shadowy figure known during his MI6 days and top-secret negotiations with the IRA by the code name Mountain Climber. The firm didn't last.

"We had one year that was happy and one year that wasn't so happy," says Grayson. Now he has another new venture, GPW.

Hostile M&As may have dried up but businesses are just as competitive, just as anxious and determined to put one over the opposition. Other sources of revenue have also come along. There's all the mysterious money flooding in from the East, from the former Soviet Union and, since 9/11 especially, demand for intelligence and security advice has soared.

He has no plans to retire - he's enjoying himself too much. "Did you see that chap in the paper, the one trying to buy a football club?" he asks. "I know for a fact nobody's done any due diligence on him. If they had, they wouldn't take him seriously," he says, raising his eyebrows.

We're interrupted by the photographer entering the room. He greets him thus: "You'd better take a good picture or I'll kill you." Then he laughs.