

MG ROVER IN FRAUD INVESTIGATION

The Serious Fraud Office is to investigate the circumstances surrounding the demise of Birmingham-based carmaker MG Rover in 2005.

Business Secretary Lord Mandelson will issue a brief written statement to Parliament later confirming the move.

It follows a four-year inquiry into the collapse, which led to 6,000 job cuts.

The four executives in control of MG Rover at the time said there was "no suggestion of improper conduct", calling an investigation "ridiculous".

A spokesman for the MG Rover directors said: "The directors have at all times willingly accounted for their actions, which kept MG Rover alive for five years."

When the MG plant at Longbridge, Birmingham, closed the government announced a £150m support package for those losing their jobs and for the estimated 12,500 people affected in subsidiary firms.

The new investigation comes after the completion of a four-year inquiry under section 432 of the Companies Act by inspectors appointed by the Department for Business, Innovation and Skills.