

ANNIE MACHON - FORMER MI5 OFFICER



Spies, Lies & Whistleblowers

MI5, MI6 AND THE SHAYLER AFFAIR

CAN WE TRUST THE SECRET STATE?

David Shayler and Annie Machon worked for MI5's political and counter-terrorism departments in the 1990s. They were so disgusted by its crimes and incompetence that they left and David went on the record about the service's failings. Ministers refused to hear his evidence. Instead, they have used the Official Secrets Act and injunctions to stop journalists from investigating his disclosures. This has led to a life on the run, exile in Paris, a 2-year court case and two spells in prison.

Here, for the first time, Annie writes about her experiences at the heart of the secret state and what happens when you stand up to it. Her revelations about illegal intelligence operations, cover-ups to ministers, and MI6 funding of Al Qaeda operations will shock all of us who like to think that our security services are doing everything in their power to fight terrorism.

In a world where our country is taken into an illegal war on flawed evidence, where people in the UK can be imprisoned without trial on the word of the intelligence services, and where the threat of terrorist attack is a daily fear, we need to know that those responsible for Britain's security are really doing all they can to protect us. It's time for those in power to pull their heads out of the sand and listen to the evidence - and give MI5 and MI6 a radical overhaul.

The Book Guild Ltd

Temple House
25 High Street
Lewes
East Sussex
BN7 2LU

ISBN 1 85776 952 X

£17.95

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Annie Machon

The Book Guild Ltd
Sussex, England

First published in Great Britain in 2005 by
The Book Guild Ltd
25 High Street
Lewes, East Sussex
BN7 2LU

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Second printing 2005

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Typesetting in Times by
Keyboard Services, Luton, Bedfordshire

Printed in Great Britain by
CPI Bath

A catalogue record for this book is available from the
British Library

ISBN 1 85776 952 X

*I dedicate this book to
Herbie Machon (1919–2004),
a man who fought for this country,
and to
Amy Shayler
May her world be safe*

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Acknowledgements

It is difficult to know where to begin. I owe a debt of gratitude to so many people who have helped me survive the tumultuous seven years since we went on the record.

First of all, the Shayler and Machon families. Without their practical and emotional help, I doubt we would have survived. Phil and Nick have both been on the receiving end of the authorities' bully-boy tactics, but they have given us rock-solid help and support; Michèle, Ron, Anne, and Jem, who between them have helped me move home when Dave was 'unavailable', not once but twice; Becky, for allowing us to live in hers; and Rich and Juliet, for moral support. I must not forget Etienne for his help in Paris. Thanks also to Jeremy and Annu for their support, letting me stay at their house, for Jeremy's work as The Webmaster, and for the cats.

I must also thank our lawyers, particularly John Wadham and Gareth Peirce and the barristers in England, and Anne-Sophie Levy and Willy Bourdon in France. They all worked above and beyond the call of duty.

Many journalists deserve honourable mention for their dedication to the pursuit of the truth: Mark Hollingsworth, who has been a rock over the last seven years; Martin Bright and James Steen, who have both felt the full force of the law because of David's case; Richard Norton-Taylor; Mark Urban; Francis When; Nick Cohen; Nick Davies; Mark Lloyd; Mark Thomas; Ben Ando; Paul Brennan; Yosri Fouda; Christophe

Deloire; Mark Skipworth, Chris Anderson and Michael Smith. My thanks also go to those in the National Union of Journalists who have supported us, particularly Barry White, Tim Gopsill, Jeremy Dear and Tim Lezard.

Finally, I should like to thank The Book Guild. Without the vision and courage of Carol Biss and her team, the facts in this book would have remained shrouded behind a veil of secrecy, spin and lies. We all owe a great debt to Tom Paine.

Other friends and supporters would prefer not to be named in this book. You know who you are – thank you.

‘You work yourself into the ground to protect national security the best you can. But everywhere you turn, there are bureaucrats trying to stop you.’

The words of Glyn Michaels, a friend, a colleague, David’s mentor, my boss and one of the most capable MI5 officers we ever came across, July 1997

‘How can ministers assert that the services operate within the law, if they simply ignore evidence that they do not?’

David Shayler, on many occasions

‘[The law/UN diplomacy] offers the best foundation for resolving prolonged conflicts – in the Middle East, in Iraq, and around the world. Those who seek to bestow legitimacy must themselves embody it, and those who invoke international law must themselves submit to it.’

UN Secretary General Kofi Annan, address to the UN, 21 September 2004

‘We know that dictators are quick to choose aggression, while free nations strive to resolve differences in peace. We know that oppressive governments support terror, while free governments fight the terrorists in their midst.’

US President George Bush, address to the UN, 21 September 2004

Introduction

- Q: Which organisation out of MI6, Gaddafi's External Security Organisation and Saddam's Mukharabat (secret police) has the most recent record of sponsoring international terrorism?
- A: MI6, when it funded the plot to assassinate Colonel Gaddafi in 1995/96.
- Q: Which organisation out of the Provisional IRA, the Loyalist paramilitaries and Army intelligence targeted civilians for murder, and tortured and executed effective IRA informants?
- A: The Loyalist paramilitaries and Army intelligence, and their agent Stakeknife.
- Q: Which state funds the security forces of a certain Middle Eastern country, which has the worst record for the terrorist murder of innocent civilians?
- A: The USA. It gives Israel \$3 billion annual military aid, which allows it to carry out its 'pinpoint prevention' policy and which has led to the deaths of innocent Palestinian civilians.

The answers to the above questions may seem shocking but they are absolutely true. And they are not isolated examples. The US/UK intelligence establishment is responsible for creating

more threats to world security than it prevents. The reason Saddam could invade Kuwait in 1991 was precisely because he had been funded by the UK and the US in the Iran–Iraq war. The reason that Al Qaeda is such an effective terrorist grouping is because the CIA and MI6 funded and trained the Mujahadeen in the Soviet–Afghan War. Veterans of that are now using that knowledge to cause murder and mayhem across the world.

As a result of the intelligence-led UK/US invasion of Iraq, we only have to watch the nightly news footage detailing endless murders and kidnappings in Iraq – largely carried out by Al Qaeda affiliates – to see the dangers of upsetting the equilibrium of a region. Saddam Hussein was a dictator but, having been in power for 40 years, he did provide a certain amount of stability to the region, in the same way that Libyan leader, Colonel Gaddafi, continues to provide stability to North Africa. It is also true that by the standards of the region, they could in some ways be considered liberals, as they provided education and health care programmes to their people, unlike western allied states such as Saudi Arabia.

Although Tony Blair has claimed that Libya renounced its support for terrorism and its weapons of mass destruction (WMD) programmes because of the invasion of Iraq, the reality is rather different. Gaddafi had been trying to come back into the diplomatic fold since the mid-1990s, when I worked in MI5's G Branch, the section responsible for investigating international terrorism. It proved to be rather easy for Gaddafi to give up his WMD programmes, as, like Saddam Hussein, he did not actually have any weapons, or indeed programmes, to give up.¹

It is no good Blair claiming that other Western intelligence agencies shared the same assessment of Iraq. The truth is they did not. The US relied heavily on British intelligence and

¹Although the Butler inquiry praised MI6's 'success' in countering the Libyan WMD threat, the UN International Atomic Energy Authority, which sees all the intelligence, did not share the British assessment that Gaddafi's programmes existed.

analysis to justify the war in Iraq, and Bush's motives were different. He unashamedly called for 'regime change', while Blair insisted the war was necessary because of Saddam's supposed WMD. The French and Germans opposed the war, partly because their assessed intelligence did not justify it.

Although Iraq and Libya have both in the past posed threats to the lives and security of the British people, the contrast between the two could now hardly be starker. As a result of the invasion of Iraq in 2003, hundreds of US and UK servicemen, and tens of thousands of civilians, have been murdered and maimed, and many more live in fear of their lives. The ensuing chaos has created the ideal breeding ground for Al Qaeda in Iraq. At the same time, the illegal invasion has radicalised otherwise moderate Arabs, fuelling a conflict that will last for at least a generation. Even though Iraq has a new government, insurgent activity is on the increase, and its future hangs in the balance. The only guarantee that the country will not ultimately fall into the hands of Al Qaeda, in the same way that Vietnam fell into the hands of the Viet Cong, is the US has a need for its oil.

The occupation could, though, ultimately cost the USA trillions, while stretching its forces to breaking point as it tries to cope with the world-wide threat from Al Qaeda.

Violence always begets more violence. The UK-aided US bombing of Tripoli in 1986 prompted the murder of 270 people, most of them British and American, when Libya took its revenge by bombing Flight PA103 over Lockerbie. Contrast that with Libya now. Diplomacy has given us an ally with which we can trade and conduct cordial diplomatic relations. More crucially, Colonel Gaddafi is an ally in the war against Al Qaeda. In five years' time Libya will almost certainly be a more stable and liberal country than Iraq.

Anyone with knowledge of counter-terrorism work knew the risks of invading Iraq. The Joint Intelligence Committee (JIC) even warned Blair that it could lead to an increase in terrorist activity. David and I have been active in the Stop the War Coalition for precisely these reasons.

The role of the spies

To counter the increasing terrorism threat, the UK has three primary intelligence agencies:

- The Security Service (MI5) is the domestic agency responsible for identifying, investigating and assessing threats to our national security. For the bulk of its ninety-five-year history it primarily investigated espionage and political subversion. For the last fifteen years it has moved into what were traditional areas of police work – terrorism, organised crime and proliferation of WMD.
- The Secret Intelligence Service (SIS or MI6) is responsible for gathering intelligence abroad on terrorist, political, economic, and organised crime targets.
- The Government Communications Headquarters (GCHQ) is responsible for intercepting communications. It shares its product (intelligence) with its American sister organisation, the National Security Agency (NSA).

In addition to these, there is a plethora of smaller intelligence outfits in the UK. Each police force has its own Special Branch (SB). The Northern Ireland Police Service (formerly the RUC) gathers intelligence. The armed forces have a Military Intelligence wing, and HM Customs and Excise (HMCE) has its own Investigations Department. All these competing organisations, working to their own agendas, leads to duplication of work and obfuscation.

Since the early 1990s, the domestic security service, MI5, and the overseas intelligence agency, MI6, have put an enormous PR effort into trying to convince the public that they have changed since the excesses of the 1950s to the 1980s. They would now have us believe that they are efficient and professional organisations which work calmly *within the law* to protect us from the horrors of terrorism.

The idea that our intelligence services should work within

the law, that they should be accountable to our elected government, is not based on naïve idealism. Nor does it spring from any 'hand-wringing liberalism', as certain sections of our esteemed national press may claim. We live in a western democracy, not a totalitarian regime such as the former Soviet Union, where the KGB had unlimited powers. Checks and balances must exist to ensure that, on the one hand, the intelligence community can work effectively to protect us from today's threats, but on the other, that it does not needlessly infringe our liberties. A whole raft of legislation has been passed by Parliament in an attempt to get this balance right. As I shall demonstrate in this book, I do not think we are there yet.

In comparison with other western democracies, our intelligence services work behind an unprecedented veil of secrecy. There may have been an argument for this in the days of cold war espionage and mole hunts within the services. However, MI5 and MI6 are now primarily involved in work traditionally carried out by police. Why should intelligence officers be any less accountable than police Special Branch officers who do the same work?

When faced with the threat of modern terrorism, nobody would argue against the need for our intelligence services to carry out covert operations, such as bugging telephone lines and property, or secretly searching someone's home when there is a good intelligence case to do so. However, for such operations to be legal, intelligence officers have since 1985 been required to gain the permission of government ministers before going ahead with such intrusive investigations. Additionally, under the 1994 Intelligence Services Act, MI6 has an immunity from prosecution in this country for any illegal acts it carries out abroad, provided it has gained the prior permission of the Foreign Secretary. These laws at least give us a notional democratic oversight, and a degree of protection from violations of our rights.

However, David's and my experiences working at the heart of the intelligence community have shown us that MI5 and MI6 have repeatedly broken these laws.

MI5 when I joined

When I was being recruited in 1990 as part of a new generation of officers, I was told repeatedly that MI5 must work within the law. I was also assured that it only had a lingering interest in 'reds under the bed', and instead its work was increasingly focused on terrorism. My time there proved this claim was, at best, misleading, while also giving me access to files on some of MI5's less savoury activities in the past.

However, I was troubled most by an organisation which would not learn from its mistakes, which lied to government, seemed resistant to change, did not care about getting the best from its staff, and never considered ways of making better use of its resources in its fight to protect us. If MI5 had been a private company, the brighter members of staff would have left to set up their own outfit and blown the old organisation out of the water in any head-on competition.

Add to all this an institutional arrogance, which ignored absolutely any media, Parliamentary or internal criticism, and there is the worst kind of small-minded bureaucracy.

MI5 was founded in 1909 to counter the threat from German spies in the run-up to the First World War. For the next eighty years it worked to its own agenda in the shadows. Its primary function was as a counter-espionage agency. Following the damage caused by the Cambridge spy ring, MI5 further broadened its investigations into extreme left-wing political parties in an attempt to ensure any future Philby, Burgess and Maclean types could not slip through the net. Despite comprehensive coverage of these groups, they were not altogether successful. George Blake operated as a soviet agent for a number of years before his arrest and conviction in the 1960s. A number of other traitors evaded their clutches, and to this day have not been prosecuted.

The 1989 Security Service Act merely enshrined its highly secretive practices. The act did not make any attempt to reform the service, nor did it allow anyone else to assess threats, review MI5's methods and performance, or judge its effectiveness. In

fact, MI5 is the envy of other Whitehall departments. It decides which 'threats' it should investigate, secretly carries out these investigations, and then reports to its political masters on how well it is doing. Politicians may delude themselves that they hold our intelligence services to account, but they are only told what the services think they should know. Within this book are examples of MI5 and MI6 lying to government.

The majority of those promoted rise not on the strength of their performance but on the length of time served and their capacity not to rock the boat. *Open Secret*, former MI5 chief Dame Stella Rimington's breathy, jolly-hockey-sticks account of her years in the service confirms this. She tells us that in her day recruits were chosen because they were reliable – read pliant – rather than for their enquiring intellect or for standing up for what is right:

'I soon realised that people regarded you with suspicion if you asked too many questions so I learnt to keep quiet,' she observes, without ever analysing the drawbacks and pitfalls of such a decision. 'I knew that open protest was not likely to be successful. If one got a reputation as a revolutionary, one would be regarded as suspect and written off.'²

Is that not the very definition of the kind of 'Stalinism' that David referred to when he went on the record in *The Mail on Sunday (MoS)*? To see just how true that is, look at the appointment of John Scarlett as head of MI6.

Open Secret reveals little of the abuses of power which David and I saw during our time in MI5 – the very years when Dame Stella was in charge. That is why my private sub-title for this book is *What Dame Stella didn't tell you*. In fact Rimington is disingenuous when she describes her visit to the post-Soviet Russian intelligence services:

² *Open Secret*, pp. 98, 121.