

**Domestic Intelligence Agencies:  
The Mixed Record of the UK's MI5**

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**Introduction**

Recently, some have suggested that the U.S., to better respond to terrorist threats, should create a separate domestic intelligence agency modeled after Britain's Security Service (MI5). In contrast to the FBI, which combines both intelligence and law enforcement powers, MI5 is an intelligence agency with no police powers. It is a collection and analysis agency, expected to hand off information to the police when arrest is appropriate.

MI5 has had important successes in preventing terrorism, but a review of press reports on its recent history and current operations indicates that such an agency is no panacea for avoiding intelligence failures or protecting constitutional rights. In the past, MI5 has engaged in "dirty tricks" campaigns and pursued political figures and union leaders in ways reminiscent of the FBI's investigations of Martin Luther King. More recently, MI5 neglected to follow up on forewarnings it received relating to terrorist attacks and allegedly abused its power while investigating Muslim groups.

Regardless of how a country structures its anti-terrorism forces, a crucial challenge is ensuring the effective sharing and analysis of information. The FBI has been criticized for failing to "connect the dots" before 9/11. Yet Britain also has experienced problems with that same issue, as MI5 has failed to share or act in a timely fashion on information it acquired.

Similarly, regardless of how the intelligence function is structured in relation to the law enforcement, border control, or protective functions, it is necessary to establish statutory and administrative guidelines defining what "intelligence" is, how it can be collected and what standards apply, in order to protect constitutional rights. Domestic "intelligence" operations, whether conducted together with or separately from law enforcement operations, can veer into politically-focused monitoring that chills free speech and sows distrust among the very communities whose cooperation should be sought by counter-terrorism efforts.

## Information Sharing Failures of MI5

- **MI5 Failed to Warn of Bali Attack:** Weeks before the October 2002 terrorist attack in Bali, MI5 possessed reports indicating that terrorists were discussing attacks on U.S. and British interests, particularly against tourists in nightclubs. MI5 failed to upgrade its security threat level from 'significant' to 'high' despite substantial evidence pointing to Bali as a terrorist target. Twenty-four Britons died in the Bali bombing. The Intelligence and Security Committee of Parliament has criticized MI5's failure to warn as a "serious misjudgment."<sup>1</sup>
- **MI5 Failed to Warn of Mombassa, Kenya Attack:** After the attack on an Israeli hotel in Mombassa, Kenya in November 2002, MI5 was criticized for its failure to warn tourists of the potential for attacks in Mombassa.<sup>2</sup>
- **MI5 Failed to Act on Intelligence Regarding the Shoe Bomber:** MI5 monitored phone calls made in late 2000 between shoe bomber Richard Reid and 9/11 hijack suspect Zacarias Moussaoui, but police officials were never informed and Reid, who resided in London a number of months, was neither followed nor questioned prior to his attempted bombing of an airliner.<sup>3</sup>
- **MI5 Ignored al-Qaeda in UK:** Professor Paul Wilkinson, the director of the Centre of Terrorism Studies at St Andrews University, has charged that MI5, preoccupied with Northern Ireland, failed to spot the threat posed by al-Qaeda terrorists. Cells of Islamic extremists gathering around mosques were written off by MI5 as self-promoters who did not pose a serious threat, according to Wilkinson in a report to the House of Commons' Foreign Affairs Committee last June.<sup>4</sup>
- **MI5 Failed to Pass on Intelligence of Israeli Embassy Bombing:** Former MI5 officer David Shayler has made a number of sensational allegations about MI5 misdeeds and failures. Shayler has been convicted of violating the Official Secrets Act and Britain's censorship laws have prevented the mainstream press from reporting

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<sup>1</sup> Alfred Lee, *British Spies Slammed over Bali Error*, The Straits Times, December 13, 2002; Patrick Wintour and Richard Norton-Taylor, *Straw admits MI5's Bali blunder, Minister agrees with MPs that terror threat was misjudged*, The Guardian, December 12, 2002, <http://www.guardian.co.uk/indonesia/Story/0,2763,858343,00.html>

<sup>2</sup> Christopher Adams and Jean Eaglesham, *Diplomats Face Shift from Cosy Circuit to Rapid Reaction Force*, The Financial Times, January 7, 2003, at National News 2.

<sup>3</sup> Nick Paton Walsh, Kamal Ahmed, and Paul Harris, *MI5 Blunders Over Bomber*, The Observer, December 30, 2001, at [www.observer.co.uk/waronterrorism/story/0,1373,625833,00.html](http://www.observer.co.uk/waronterrorism/story/0,1373,625833,00.html).

<sup>4</sup> Fraser Nelson, *MI5 Accused of Ignoring Al-Qaeda*, The Scotsman, June 20, 2002.

many details of Shayler's allegation, which we have not attempted to sort through. However, among other points, Shayler alleged that MI5 received intelligence of a terrorist attack months before the 1994 bombing of the Israeli embassy, but failed to pass on the information. In 2000, in connection with the appeal by two men convicted of the attack, the prosecution confirmed Shayler's claim regarding MI5's receipt of a report warning of an attack on the embassy.<sup>5</sup>

- **MI5 Failed to Pass on Intelligence of London's Docklands Bombing:** Police sources claimed MI5 ignored coded warnings received an hour before the IRA detonated a bomb at London's Docklands in 1996. Scotland Yard received a "negative assessment" after consulting with MI5 about the warnings. The bomb killed two, injured 100, and caused an estimated 100 million pounds in damages.<sup>6</sup>
- **Inter-agency turf wars.** In January 2003, the Chief Inspectorate of Constabulary issued a report citing organizational tensions in the relationship between police and MI5. While senior officials insist that co-ordination between the two has improved greatly since September 11, the report noted "uncertainties" surrounding the "ownership of joint operations." MI5 is the lead agency in intelligence gathering on terrorist activity, while the police department's Special Branch provides operational support. The report says: "There are occasional mismatches of expectations on both sides."<sup>7</sup>

### Investigative Abuses and "Dirty Tricks" of MI5

- **Iraqis and Palestinians Wrongly Accused:** During the Gulf War, 91 Arabs were either detained or threatened with deportation on national security grounds, based on an MI5 list of potential terrorists. The Home Secretary later ordered the release of all 91 after discovering the list was based on outdated files and erroneous information.<sup>8</sup>

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<sup>5</sup> Martin Bright and Pete Sawyer, *Dramatic New Link to Israeli Embassy Bomb: Fresh suspect revealed on final day of students' appeal against conviction*, The Observer, October 29, 2000, at News Pages 4. See also *News Analysis: We Know They Didn't Carry out the Attack*, UK NewsQuest Regional Press – This is Local London, March 28, 2002 at News Section.

<sup>6</sup> Geraint Smith, *MI5 Chiefs Dismissed IRA Bomb Warnings*, Evening Standard, March 6, 1996 at 2.

<sup>7</sup> Jimmy Burns, *Ministers may order shake-up in anti-terror police network*, Financial Times (London) January 24, 2003. Inter-agency turf wars and information sharing failures have long been seen as hindrances to MI5's success. See Richard Norton Taylor, *Stumbles in the Shadows of Terror*, The Guardian, July 4, 1990.

<sup>8</sup> Nick Cohen, *Baker Frees Remaining Gulf War Detainees*, The Independent, March 9, 1991 at 2. For more recent allegations of overreaching in the detaining of Arabs on flimsy

- **Burglary of Mosques:** Reda Hassaine, a former Algerian journalist, has alleged he was blackmailed by MI5 into infiltrating Islamic groups and stealing various documents from London mosques in return for asylum. He claims officers threatened him with expulsion if he didn't cooperate and advised him on defrauding the welfare system in order to supplement his earnings.<sup>9</sup>
- **MI5 Withheld Information of Collusion:** There have been many allegations of MI5 misconduct in connection with efforts to suppress Irish terrorism. One set of allegations concerns the murder of a Belfast solicitor, Pat Finucane. During the initial investigation into the case, MI5 denied knowledge of collusion between security forces and loyalist terrorists. A BBC news program uncovered evidence to the contrary. MI5 only last year turned over crucial evidence of collusion to investigators, 12 years after the murder.<sup>10</sup>
- **Black Propaganda Campaign:** Colin Wallace, a former MI5 information officer, alleged that he was engaged in a covert operation, called Clockwork Orange, without ministerial approval during the 1970s. Wallace claimed the project utilized classified material to spread "disinformation" to the media as part of a dirty tricks campaign designed to denigrate the IRA and Protestant paramilitary groups in Northern Ireland. He claimed the project later targeted leading Labor and Liberal politicians on the mainland. Wallace was fired in 1975, allegedly for leaking secret information. However, Wallace maintained the reason was his refusal to smear elected politicians.<sup>11</sup> The Ministry of Defence denied the existence of Clockwork Orange until papers surfaced in 1990 proving its existence and forcing ministerial confirmation of black propaganda campaigns in Northern Ireland. An inquiry into Wallace's dismissal proved the existence of a cover-up and led to a damage award of 30,000 pounds.<sup>12</sup> A

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evidence, see Nick Cohen, *How British Law Detains the Innocent*, The New Statesman, July 29, 2002.

<sup>9</sup> Jason Burke, *MI5 and Police Ordered Illegal Break-ins at Mosques*, The Observer, February 18, 2001, at [www.observer.co.uk/uk\\_news/story/0,6903,439636,00.html](http://www.observer.co.uk/uk_news/story/0,6903,439636,00.html).

<sup>10</sup> David McKittrick, *MI5 and Army Hindered Finucane Case*, The Independent, June 24, 2002, at [news.independent.co.uk/uk/ulster/story](http://news.independent.co.uk/uk/ulster/story).

<sup>11</sup> Barrie Penrose, *Fact or Fantasy?* Times Newspapers Limited, February 4, 1990, at Features.

<sup>12</sup> Michael Kerr and George Jones, *Inquiry Demand Into Ulster Army Sacking*, The Daily Telegraph, September 14, 1990.

later inquiry into the details of the cover-up was abandoned after the Ministry of Defence claimed the material too sensitive to release.<sup>13</sup>

- **Investigations into Union Leaders:** MI5 engaged in its largest counter-subversion operation against the National Union of Mineworkers (NUM) during the 1984-5 miners' strike. Allegations have included claims that Roger Windsor, NUM's chief executive from 1983-9, was an MI5 mole and that false accusations of embezzlement and corruption made against NUM's president, Arthur Scargill, and vice-president, Peter Heathfield, were orchestrated in part by MI5.<sup>14</sup> The former head of MI5, Stella Rimington, has since confirmed MI5 targeted Scargill and Heathfield, as well as NUM vice-president Mick McGahey because they "had declared that they were using the strike to try to bring down the elected government of Mrs. Thatcher," and because NUM was supported by the Communist Party.<sup>15</sup>
- **Investigations into Nuclear Disarmament Organization Leaders:** Former MI5 intelligence officer Cathy Massiter alleged that MI5 scrutinized a number of leaders from the Campaign for Nuclear Disarmament (CND) during the early eighties. She was asked to pass non-classified information on those leaders' left-wing affiliations to a political body called DS19, in breach of MI5's code stating it should remain free of political influence or bias.<sup>16</sup> Later reports seemed to confirm that Joan Ruddock, former CND leader and current Member of Parliament, was targeted. Ruddock claims DS19 released distorted information regarding her political party affiliations to the media and Tory candidates.<sup>17</sup>
- **Investigations into the National Council for Civil Liberties:** Massiter also alleged that Patricia Hewitt and Harriet Harman were targeted as subversives and Communist sympathizers by MI5 because of their leadership roles with the National

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<sup>13</sup> Richard Norton-Taylor and Alan Travis, *MoD Admits Dirty Tricks Cover-Up: Commons Reply Vindicates Sacked Ulster press officer*, The Guardian (London), January 31, 1990. See also, Michael Evans, *Smear Campaign Claim Vindicated*, Times Newspapers Limited, January 31, 1990, at Home News.

<sup>14</sup> Seumas Milne, *Scargill and the Spooks*, The Guardian, November 19, 1994, at T34.

<sup>15</sup> Michael Smith, *Rimington says MI5 did Spy on Scargill*, The Daily Telegraph, September 11, 2001, at 4.

<sup>16</sup> David Hearst, *Kent, Scargill and Gostin 'Targets of MI5,'* The Guardian, February 21, 1985.

<sup>17</sup> Joan Ruddock, *Letter: Lessons from the Warren Affair*, The Independent, June 10, 2002, at 13.

Council for Civil Liberties (NCCL).<sup>18</sup> The NCCL brought suit and the Committee of Ministers ruled the MI5 surveillance a breach of the European Convention on Human Rights.<sup>19</sup>

## Overview of Security and Police Agencies in the UK

**Security Service (MI5):** MI5's purpose is to protect the UK against substantial, covertly organized threats, primarily from terrorism, espionage and subversion. Most recently, since the passing of the Security Service Act 1996, its role has been expanded to provide support to law enforcement agencies in the field of organized crime. MI5 collects information on potential espionage, terrorism, and sabotage, and monitors foreign agents, but has no police power.<sup>20</sup> In 1992, it was given lead responsibility for counter-terrorism intelligence gathering. (Until then, the Metropolitan Police's Special Branch gathered and analyzed terrorism intelligence relating to IRA activity on the mainland.) Police power remains in the hands of the Metropolitan Police.<sup>21</sup>

**Metropolitan Police:** Often referred to as Scotland Yard, the Metropolitan Police is responsible for general policing efforts on the mainland. It also contains a special operations unit called Special Branch (SO12), which handles intelligence gathering, analysis, and dissemination, armed personal protection for government officials threatened by terrorists, and assisting other government agencies with security threats. In 1992, primary control over counter-terrorism intelligence gathering and analysis switched to MI5 due to Special Branch's inability to prevent IRA attacks on the mainland.<sup>22</sup> The Metropolitan Police also contains an Anti-Terrorist Branch (SO13), which investigates terrorist acts and politically motivated crimes.<sup>23</sup> The primary police force for Northern Ireland is called the Police Service of Northern Ireland (PSNI), formerly the Royal Ulster

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<sup>18</sup> Lucy Hodges, *Parliament and Politics: 'Friendly' Legislation Rejected by the NCC*, The Daily Telegraph, December 16, 1988, at 13.

<sup>19</sup> *Caught in the Act*, The Guardian, April 27, 1990.

<sup>20</sup> *Security Service MI5*, FAS Intelligence Resource Program, at [www.fas.org/irp/world/uk/mi5/index.html](http://www.fas.org/irp/world/uk/mi5/index.html).

<sup>21</sup> *Head of Anti-Terrorist Squad Replaced*, The Herald, September 21, 1992, at 3. See also, David Williams, *Police Accuse MI5 in Row over Terror Leak*, Daily Mail, April 23, 1992, at 2.

<sup>22</sup> Metropolitan Police Service: Specialist Operations – Special Branch, at [www.met.police.uk/so/special\\_branch.htm](http://www.met.police.uk/so/special_branch.htm).

<sup>23</sup> Metropolitan Police Service: Specialist Operations – Anti-Terrorism Branch, at [www.met.police.uk/terrorism/index.htm](http://www.met.police.uk/terrorism/index.htm).

Constabulary. It is the second largest police force in the UK, next to the Metropolitan Police, and has its own anti-terrorism unit called Special Branch.<sup>24</sup>

**Secret Intelligence Service (MI6):** MI6 is the UK's equivalent of the CIA – it handles collection of intelligence overseas. James Bond works for MI6, not MI5.

### **Conclusion**

The foregoing is based largely on press reports. Turf-wars, failure to share information, and mistakes of analytic judgment can affect any intelligence structure. But the foregoing does suggest that MI5 is not immune from the very problems that have led to criticism of the FBI and the search in the US for an alternative intelligence structure. Consideration in the US of new domestic intelligence structures must address how problems of turf wars, failures to share, etc will be better resolved through creation of a new agency. It must also address the question of guidelines, both statutory and administrative, in order to ensure that constitutional rights are respected in the conduct of intelligence activities.

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<sup>24</sup> The Royal Ulster Constabulary, at [www.psni.police.uk/museum/text/ruc.htm](http://www.psni.police.uk/museum/text/ruc.htm).