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REPORT OF THE SECURITY COMMISSION

FOREWORD

THE PRIME MINISTER

In your letter of 23 June 1980, you asked the Security Commission to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Acts, and upon any related failures of departmental security arrangements or neglect of duty and, in the light of the investigation, to advise whether any change in security arrangements was necessary or desirable.

We have accordingly conducted an investigation and attach our report.

We have been greatly assisted in this investigation by the evidence prepared for us by the Security Service and the Ministry of Defence, and by the Civil Service Department's Central Computer and Telecommunications Agency and Government Communications Headquarters, from whom we sought technical advice. The evidence included interviews with a number of members and former members of staff of the Ministry of Defence. Many of these had been conducted in the initial investigations which led to the charges being brought against Wagstaff. Some further interviews were conducted on our behalf by the Security Service.

Our investigation concerned the possible loss of an indeterminate number of magnetic tapes containing highly classified information from the Ministry of Defence. The charges brought against Wagstaff, which were subsequently withdrawn, involved only a fraction of the number of tapes which are unaccounted for, and our investigation has concentrated on the missing tapes, and the arrangements for their safe keeping, rather than on any part which Wagstaff might have played. We were satisfied that no further information would be

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obtained from Wagstaff other than that which was available from the record of his interviews with the Ministry of Defence Police, and therefore Wagstaff has not been interviewed in the course of our investigation.

Diplock

The Rt Hon Lord Diplock

Bridge of Harwich

The Rt Hon Lord Bridge of Harwich

Greenhill of Harrow

Lord Greenhill of Harrow GCMG OBE

Horace R Law

Admiral Sir Horace Law GCB OBE DSC

Civil Service Department
London SW1

2 April 1981

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SUMMARY OF THE REPORT

In June 1979 it came to light that a number of magnetic tape cassettes, probably between 50 and 120, which had been used in the Ministry of Defence to record highly classified information, were missing.

2. Five of the missing tapes were recovered from Wagstaff, a former member of the Ministry staff, who had had charge of them, and who admitted stealing them for use for his own purposes of recording.
3. The tapes probably disappeared in early 1978. The stale and meagre evidence as to the circumstances did not enable us to determine what became of the remainder, which have never been traced. Most probably they were lost within the Ministry and have since been destroyed or re-used.
4. We accept the considered opinion of the Security Service that any suggestion of espionage involvement is highly unlikely.
5. We find that there were extensive breaches of security regulations in the handling of the tapes.
6. When some employees of the Ministry knew or suspected that the tapes were missing, they failed to report it. We do not find it possible to attribute blame to named individuals other than Wagstaff but in general the case was not pursued by the Ministry with the energy it deserved.
7. The security regulations in force at the material time assimilated the handling of classified tapes to classified documents. This was unsatisfactory and has since been remedied by the promulgation of specific and detailed regulations applicable to the classified recorded material currently in use in the Ministry of Defence.
8. We recommend that the Official Committee on Security should consider what detailed security measures should be applied to the

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handling of classified information recorded by any of the methods currently in use in Government Departments and by any new methods as and when they are introduced.

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The Ministry of Defence War Book Tapes

The Ministry of Defence War Book represents a comprehensive series of instructions designed to enable the Department to move effectively and efficiently, during the period immediately leading up to war, on to a war footing. During the period in question it consisted of two volumes, and there was an accompanying volume, the Book of Briefs, which was designed to provide fuller information about some of the measures outlined in the two War Book volumes.

Individual War Book measures attracted classifications of RESTRICTED, CONFIDENTIAL or SECRET. Volume 1 was given the overall classification SECRET; the Book of Briefs was given the overall classification TOP SECRET. Since the beginning of the period in question it has been the responsibility of Defence Secretariat 12 (DS 12) Division of the Ministry of Defence to organise and effect the distribution of the Ministry of Defence War Book and the Book of Briefs, to ensure that it is kept up-to-date by issuing amendments from time to time when required by operational divisions to do so, and in particular to ensure that it is up-to-date when exercises are held.

2. Prior to November 1975 the War Book had been updated manually. But at this time, for reasons of efficiency and economy, the typing division wanted to switch to a new method of updating which involved the transfer of the information to the then new word processing machines, which employed cassettes of magnetic tape. In the light of this, the Executive Officer in DS12 Division, who carried responsibility at the working level for updating and amending the War Book and the Book of Briefs, decided on the change, and from about November of that year sections and portions of sections were fed in piecemeal to the Special Tape Section of Reproduction Services Division (Rep S(T)) for typing and correction. By about February 1976 Volume 1 of the War Book and the Book of Briefs had been stored on magnetic tape in this way, and the tapes were kept by the responsible Executive Officer in DS12. The

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information was held on the tapes in digital form and could only be played back on an appropriate word processor. When the task was complete, there were probably between 80 and 150 tapes, each in a plastic cassette, and each cassette with a plastic cover.

3. Just after the task had been completed, Mr Wagstaff was moved from his post in the Private Office of the Deputy Under Secretary of State (Policy and Programmes) to succeed as the Executive Officer in DS12 with responsibility for the War Book. There was an exchange of detailed hand-over notes but those were no longer in existence at the time of our investigation. As far as can be ascertained at this stage it would appear most likely that all the magnetic tapes containing the War Book and the Book of Briefs were handed over to Wagstaff intact, although it cannot be ruled out that some of the original tapes may have been returned to Reproduction Services Division.

4. As a result of a decision by Wagstaff, no further use was made of the War Book tapes. Amendments agreed to the War Book in 1976 were typed manually on Wagstaff's instructions by typists allocated to DS12 Division - thus avoiding the use of the word processors. This was accepted by Wagstaff's superior as the best means of keeping an eye on his work which was, in this connection, of an indifferent standard. Indeed, there was some difficulty in producing up-to-date War Books for an exercise which was held at the beginning of 1977, but this was in the end done satisfactorily. It would appear that from the beginning of 1977 no amendments were properly embodied in the War Book until Wagstaff gave up his post.

5. In November 1977, following a management review, it was decided to reorganise DS12 Division, which was heavily loaded. The reorganisation involved a complex switch of responsibilities, but as far as the War Book was concerned, it effectively meant the replacement of the Executive Officer by a Higher Executive Officer, and parallel upgrading of the post of the immediate

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superior. In November a Higher Executive Officer took up post in DS12, but the War Book was only one of the responsibilities allocated to this post, and Wagstaff was retained on the strength of the Division for a few months, partly because it was considered that his experience would be invaluable as the War Book would be required for an exercise early in 1978.

6. At about Christmas 1977 Mrs Wagstaff purchased a cassette recorder from her brother. Wagstaff has subsequently admitted that he took five cassette tapes from among those containing the War Book, and retained them at home for his private use. These were later recovered from his apartment, and had been in the main over-recorded by pop music and, in one instance, by a German lesson.

7. In February 1978 the War Book was needed for an exercise. Wagstaff was by now frequently engaged on other responsibilities outside the office, and the Higher Executive Officer dealt with War Book matters in his absence. Wagstaff was evasive about the whereabouts of an up-to-date version of the Master Copy of the War Book and, in his absence, it became necessary for the Higher Executive Officer manually to re-compile the War Book, including the intervening amendments which had not been incorporated. Divisional typists, under the supervision of the Higher Executive Officer, typed the new edition.

8. At the same time, the Reproduction Services Division had been asking Wagstaff for the return of the tapes, if they were no longer needed, so that they could be used for other work. The tapes were expensive, and in short supply. Despite a number of approaches, including at least one by the Chief Superintendent of Typists, Wagstaff remained evasive on the whereabouts of the tapes. Eventually he returned at least 30 to Rep S(T), but those involved in the Reproduction Services Division seem to have been clear at the time that the number he had returned represented only a fraction of the original number which had been used to record details of the War Book and the Book of Briefs.

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9. It is not clear whether anyone in DS12 except Wagstaff was at this stage aware that there might be any tapes missing, and it appears to have been assumed by those in Reproduction Services Division that the tapes had been mislaid within DS12 and would turn up at some stage. This was despite the fact that Wagstaff insisted that he had returned them all, and that a search was carried out of Wagstaff's cupboard and an accompanying storeroom, revealing no further tapes. The Chief Superintendent of Typists ordered a number of tapes as replacements in order to meet the growing demand, and on 1 June 1978 Wagstaff was transferred to Headquarters BAOR.

10. There the matter rested until the Ministry of Defence Headquarters Security Division was working, in June 1979, on drafting detailed instructions for the handling of classified material on "stand alone" word processors. An officer from Headquarters Security Division sought the views of Reproduction Services Division during the course of this exercise, and a chance remark during an interview with the Chief Superintendent of Typists drew to his attention that some tapes might be missing. His persistent investigation led to the discovery that a large number of highly classified tapes might be missing, and eventually to the recovery of the five tapes which Wagstaff admitted stealing, from his apartment in Germany.

11. Despite a number of interviews with members of the Ministry of Defence Police, Wagstaff has insisted all along that those five were the only tapes he took, and that he has no idea of the whereabouts of any others that may be missing. No evidence has come from any other source, either during the Police investigation or during our investigation, which throws any further light on the whereabouts of any missing tapes.

12. In the light of our investigation we conclude that there are three possible explanations:

- a. A large number of tapes were taken by Wagstaff for his own use, or for the use of others for domestic purposes, or

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Wagstaff knowingly allowed others to take a large number of tapes;

b. The tapes have been lost within the Ministry of Defence, and have presumably by now been destroyed or re-used in ignorance of what was on them;

c. Other than the five tapes which Wagstaff admits stealing, there were none missing; either those involved have become confused, over the considerable passage of time, on the number that there were originally and the number which were returned, or some were returned at an earlier date, perhaps even before Wagstaff arrived in DS12. Either of these possibilities, or a combination of both of them, could account for the missing tapes.

13. We are satisfied with the considered opinion of the Security Service that the evidence is such that any suggestion of espionage involvement must be considered highly unlikely. In our view, the most likely explanation is that the tapes have been lost within the Ministry of Defence, and although the other possibilities cannot be ruled out, we consider them to be remote.

14. The events described above involve a number of serious breaches of existing security regulations on the part of a number of past and present members of staff of the Ministry of Defence apart from Wagstaff. At the material time security regulations applicable to all Government Departments required that "tapes used to record classified material should be treated as classified documents". In addition Ministry of Defence Security Regulations required that "tapes ... used to record classified information must be safeguarded as classified material" and "documents" were defined in the Regulations to include "any form of recorded information". These provisions were clearly intended to ensure that classified tapes should be subject to the same elaborate security procedures as those prescribed for classified documents. These latter provided for the maintenance of

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appropriate registers of documents, for the recording of all their movements, for their appropriate marking and identification, for the recording of their eventual destruction, for periodic checks to ensure that those procedures were being correctly followed, and for losses or suspected losses to be promptly reported and investigated. There are of course physical differences between documents and cassette tapes or other recording media which may make detailed instructions applicable to the former inapplicable without modification to the latter. But it is clear that in relation to the cassette tapes here in question the requirements of the regulations were totally ignored, possibly because those concerned in the first instance failed to appreciate that the rules relating to classified documents ought to be applied to the new type of classified materials which they were handling. Thus the existence of these cassette tapes was never recorded in the Confidential Documents Register of either the Reproduction Services Division or DS12; no movements of the cassettes between Divisions were ever recorded; the cassettes themselves were not marked in such a way as to identify their contents adequately or to indicate their security classification; when such tapes as were eventually returned to Reproduction Services Division were erased or re-used, the destruction of the classified material they had contained was not recorded. These failures had the inevitable consequence that the periodic checks of classified materials, which we have no reason to think were not properly carried out, failed to reveal the loss of the tapes.

15. The most serious aspect of the matter in our view lay in the failure in early 1978 of those who then had at least strong grounds to suspect that a number of tapes containing highly classified material were missing to report what they knew or suspected to their superiors. It would be extremely difficult at this stage to attribute culpability in this respect to named individuals and we have not attempted to do so. The motive for inaction may have been in part the belief that the responsibility for taking action lay elsewhere. But we think almost certainly

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that a contributory factor was that by this time it was appreciated that the way in which the tapes had been handled had involved the breaches of security regulations to which we have drawn attention in the foregoing paragraph and that a proper investigation would result in an embarrassing disclosure of these breaches.

16. In general we do not consider that the case was throughout pursued in the Ministry with the energy that it deserved. This derived in part from a debatable belief at all levels that the information on the missing tapes had diminished in importance through the passage of time.

17. Apart from breaches of security regulations it would appear that Wagstaff, before he was posted to DS12, was noted for a degree of irresponsibility in his work. It was, we think, a mistake that he should have been allowed to take responsibility for handling the War Book materials without adequate supervision.

18. Leaving aside the part played by Wagstaff himself, the major responsibility for the loss of the missing tapes must lie with those concerned in the handling of the tapes who failed to apply to them the relevant provisions of the regulations applicable to the handling of classified documents. We recognise, however, that this failure would have been much less likely if, instead of the generality of the regulations assimilating tapes to documents, there had been regulations prescribing clear and detailed security procedures applicable specifically to this kind of recorded classified material. The need to adopt such special security rules had not been appreciated by the Ministry of Defence at the time of the events to which our investigation has been directed. Before our investigation began, however, a new type of "stand alone" word processor recording on discs had supplanted the apparatus recording on the magnetic tape cassettes with which we have been concerned. In relation to the new apparatus the Ministry has promulgated new regulations prescribing fully detailed and specific security procedures which appear to

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be satisfactory. We are advised, however, that there are a number of new technologies which might provide parallel, but different, security problems; these are described in the annex to this report. We recommend that the Official Committee on Security should institute a study of the special problems involved, with a view to issuing clear inter-departmental guidance on security measures to be applied to classified information stored by any of the means described in the annex, and that that committee should be responsible, on the advice of the Security Service, for issuing further instructions as and when new technologies for the recording of classified information are developed.

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ANNEX

TYPES OF MAGNETIC MEDIA

Media for Analogue Recordings

Audio Tapes

Audio Cassettes

Video Tapes

Video Cassettes

Media for Digital Recordings

Computer Tapes

Cassettes for Computers (including word processors)

Fixed Head Magnetic Discs

Exchangeable Disc Packs

Floppy Discs/Diskettes

Magnetic Drums

Data Cartridges (containing spools of wide magnetic tape)

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