

PRIME MINISTER



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CC369

Parliamentary Under Secretary of State

The Rt Hon Douglas Hurd CBE MP  
Secretary of State for the Home Department  
50 Queen Anne's Gate  
LONDON  
SW1H 9A1

NAM  
26<sup>th</sup> September 1986

Dear Secretary of State,

ROSKILL

In Tom King's absence on holiday I am responding to your letter of 17 September to Willie Whitelaw.

As Tom said when he wrote to you on 22 July, serious fraud is a problem in Northern Ireland.

WILL REQUEST IF REQUIRED

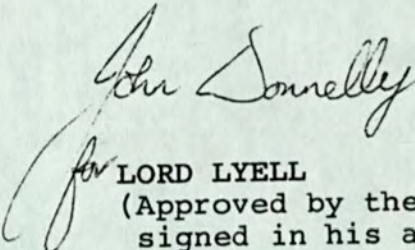
I understand it is intended that the investigatory powers of the SFO may extend throughout the United Kingdom but these powers will not bite on any of the small but growing number of serious and complex Northern Ireland cases. Since, as yet, the RUC have no PACE powers nor any FIG arrangements we clearly face a situation where the gap in statutory powers, and the effectiveness of investigation and prosecution of serious fraud as between Great Britain and Northern Ireland will continue to widen. This situation will not escape the attention of fraudsters, particularly sole traders (outside the scope of Companies Acts investigation), cross-border and international fraudsters and those able to exploit the British Isles dimension of the stock exchange. We are therefore examining various options as to how the measures you are taking might be made available in Northern Ireland.

In any event, if SFO type powers are to be provided for in Northern Ireland we would wish to ensure that Northern Ireland investigators could use these throughout the United Kingdom as well as make enquiries abroad. On the latter point, officials here will be in touch with yours on the question of whether England and Wales provisions alongside Scottish legislation will be sufficient to fully satisfy the international need for United Kingdom reciprocation in mutual assistance matters.

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Since Northern Ireland could continue to be significantly out of step in these matters for some time, we would not wish gratuitously to draw the attention of fraudsters to this readily exploitable situation. Thus we intend, if possible, to avoid comment on these initiatives until we have taken decisions as to the implementation of similar powers in Northern Ireland. I therefore support the terms of the proposed Home Office announcement (amended as proposed by the ~~Lord Chancellor~~ <sup>Min. Sec.</sup>) omitting as it does any clarification of the jurisdictional extent of your proposed measures.

I am copying this letter to the Prime Minister, other Members of H Committee, the Secretary of State for Trade and Industry, the Attorney General and to Sir Robert Armstrong.

  
for LORD LYELL

(Approved by the Minister and signed in his absence)

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