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MINISTER OF STATE FOR
THE ARMED FORCES

D/MIN(AF)/AH/12/1

3 January 1991

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Prime Minister

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Dear Charles,

IRAQ/KUWAIT: SECURITY BREACH

The Prime Minister was briefed before Christmas about the serious breach of security which occurred on 17 December, when highly classified documents and a laptop computer were stolen from the UK Joint Commander's staff car. The documents were recovered very soon but the laptop computer is still missing.

It was initially decided not to inform the Americans, but when it became apparent on 29 December that the Press knew about the incident the Vice Chief of the Defence Staff spoke to the Chairman of the US Joint Chiefs of Staff (General Powell). The latter has now asked for further information about the material stored on the hard disc of the laptop computer and, in particular, whether it contained any information concerning plans for operations against Iraq which would require changes to current plans.

In our investigation of this incident particular concern has centred on the material which may be stored on the hard disc. Initial analysis, based on the content of two floppy discs recovered with the stolen documents, suggested that very sensitive and highly classified information about plans for offensive operations against Iraq might be stored on the hard disc. Further analysis and enquiries have, however, established that this information cannot be stored on the hard disc after all. The hard disc does nevertheless contain classified information, some relating to the Gulf, the unauthorised disclosure of which would be damaging and embarrassing to our relations with the US and Saudi Arabia (though some of the more sensitive material may not be readily accessible to a general user). It remains important that the laptop computer is recovered and that, if possible, no reference to its loss is made in the media: the UK media have been made aware that its loss is covered by a D-Notice and to date have been co-operative. But its loss and the D-Notice aspect have been reported in the Dublin

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edition of today's Irish Times. Despite that, we consider it still appropriate to maintain the D Notice advice for as long as possible, while recognising that it may not hold for very long. Legal procedures are available to seek to prevent publication in the UK, but we regard it as likely to be unproductive to use these other than to prevent publication of the contents of the hard disc, if that possibility arose.

In the Defence Secretary's absence, Mr Hamilton has discussed this matter with the Chief of the Defence Staff, the Permanent Under Secretary of State and the Joint Commander. He thinks it important that we should be as open as possible with the Americans to limit the damage to US/UK relations. We should not underplay the seriousness of the breach, but we can reassure the Americans that plans for operations against Iraq have not been compromised and emphasise that, in any case, the chances of the contents of the hard disc falling into hostile hands are remote.

I enclose the text of a letter which Mr Hamilton has authorised the Chief of the Defence Staff to send to General Powell. The Joint Commander is visiting Riyadh today to give his personal reassurance to General Schwarzkopf and will be able to answer any further questions which the Americans may have when he is in Washington on Monday.

I am copying this letter to Richard Gozney and to Sir Robin Butler.

Yours sincerely,
J A Miller
J A Miller
Private Secretary

Sir Charles Powell KCMG
No 10 Downing Street

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DRAFT LETTER FROM CDS TO CHAIRMAN, JCS

OPERATION DESERT SHIELD/GRANBY: SECURITY BREACH

Dick Vincent spoke to you last week about the serious breach of security we have suffered in relation to this operation. I understand that you have asked for further information.

As he explained, highly classified documents and other material were stolen from the locked boot of Air Chief Marshal Sir Patrick Hine's staff car while in the custody of his personal staff officer. The written material was recovered very soon after the theft: we are satisfied that it was recovered complete and there is no evidence that it had been photocopied or otherwise tampered with. The other material stolen included cash, a portable television, a car telephone, a dictaphone (not used for sensitive material) and a laptop computer; these items have not been recovered.

The police assessment, which we share, is that this was an opportunity attack by a sneak thief, not a premeditated attempt to seize classified material: the recovery of the documents reinforces this view. Nevertheless, it is a matter of serious concern that the laptop computer has not been recovered, since it was used for processing classified material, which must be assumed to be stored on its hard disk.

We have identified, so far as we can, the material likely to be stored on the hard disk. For technical reasons not all of it

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will be readily accessible, but it would be prudent to assume that an expert (though not necessarily a general user) could secure access to it all. Some of the material is classified (including some relating to the Gulf) and its disclosure would undoubtedly be damaging. I am, however, entirely satisfied that the material at risk does not include sensitive information relating to operational planning for Desert Shield/Granby and that there is no cause to reassess current plans on grounds of possible compromise.

Nevertheless, I regard this as a particularly serious incident. The police are urgently seeking to recover the laptop computer. It is worth my adding, however, that there is no evidence that anyone has yet secured access to the material stored on the hard disk: they may never do so. Certainly the chances of the material falling into hostile hands must be regarded as remote.

For obvious reasons, Air Chief Marshal Hine has a deep personal interest in this matter. He has flown to Riyadh today to provide reassurance to Norman Schwarzkopf; and he will be in Washington on Monday 7 January for a meeting with Paul Wolfowitz and would be available that morning if there is any further information you wish to have.

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Nevertheless, I regard this as a particularly serious incident. The police are urgently seeking to recover the computer. It is worth my adding, however, that there is no evidence that anyone has yet secured access to the material stored on the hard disk: they may never do so. Certainly the chances of the material falling into hostile hands must be regarded as remote.

For obvious reasons, Air Chief Marshal Nine has a deep personal interest in this matter. He has flown to Riyadh today to provide reassurance to Norman Schwarzkopf, and he will be in Washington on Monday 7 January for a meeting with Paul Wolfowitz and would be available that evening if there is any further information you wish to have.

