THE WATCHERS: DAY 2

Following the conviction on Monday of Michael Bettaney on spying charges there have been numerous demands for a detailed examination of the working of MI5, the internal security service. How, it has been asked, could a man like Bettaney have passed so easily through the original vetting procedure and failed to set off any alarm signals while he was working with MI5? Yesterday the Guardian examined the structure and roles of the security service and the police Special Branches. We concentrated not on the service's legitimate and widely accepted operations against the Soviet block and terrorism both Irish and international, but on its large and growing and sometimes illegal surveillance of domestic targets. This covers political groupings of left and right, peace and trade union activity, and involves the covert gathering of information on law-abiding citizens. Today NICK DAVIES and IAN BLACK examine the methods employed to acquire that information.

BEHIND THE FRONT: Ray Dowd (circled), a London Special Branch officer, who has been keeping an eye on the National Front for nearly ten years. NF members know him well, and took these photographs of him at their public meetings and rallies. "He is the ideal pub companion," acording to the Front's deputy chairman, Ian Anderson, "happy and chatty, always has a smile for you and stops and chats, talks about girl friends. If people get hostile with him, he just smiles and moves away. Everyone knows he is a policeman so no one is going to finger him."

Techniques for eavesdropping on the public

1 Tapping phones, opening mail

BRITISH citizens can have their telephones tapped and their mail opened by the Security Service, the Special Branch, Customs and Excise, and regular police units. The raw material which is gathered from the taps is known in MI5's office jargon as Source Towrope. The mail intercepts are called Source Phidias.

There is no sound legal basis for Towrope or Phidias — a fact which has been underlined in judgments by the High Court and the European Commission and which has now forced the Government to draft new law. Those who believe they have been targetted have no right to confirm their suspicions and no right of appeal.

Both operations are supposed to be controlled by the issue of Home Office warrants. But there is evidence which suggests that warrants may be issued too often and that some interception takes place without any warrant at all.

According to the warrant system, outlined in Government White Papers, an intelligence officer in MI5 who wanted to use Towrope or Phidias has to submit a written request which is filtered through his section chief, his branch director, the Deputy Director General, up to the Home Office where it would be vetted by the Permanent Under Secretary before finally being signed or rejected by the Home Secretary. Special Branch have a similar procedure.

A warrant is not supposed to be issued to MI5, according to a 1980 white paper, unless there is "a major subversive, terrorist or espionage activity that is likely to injure the national interest". For a Special Branch warrant, there must be "a really serious offence" a term which used to mean "punishable with at least three years in prison" but which now includes "an offence of lesser gravity in which either a large number of people is involved or there is good reason to apprehend the use of violence".

The participants in the warrant process to whom we have spoken — throughout the Home Office — all betray a striking nervousness about the consequences of someone being caught by the intercepting without a warrant or using a warrant for a "soft" target. They add that taps absorb such a lot of time and labour that they are not worth the risk. "Taps are not misused," said one senior political source. "No way."

But there are problems with this view. Firstly, there are those who say they are profoundly worried about the "effortless ease" with which old warrants are renewed and new warrants issued on the basis of information which is not objectively tested at any point in the procedure.

They also point to loopholes, particularly in Towrope: tapping a whole organisation by getting a warrant for one particularly militant member; tapping all the members of an organisation by getting a warrant for its headquarters; planting a listening device — which requires no warrant at all; using the satellites run by GCHQ to eavesdrop on international calls; getting an "any name" warrant to open all mail posted to an organisation.

Unless such loopholes are being exploited it is hard to understand how many of Britain's intercepts can legally take place.

● Greenpeace, the environmental group, planned last September to row across the Thames, climb Big Ben and unfurl a banner at the top. The arranged the protest at short notice over the phone and arrived at the river to find police everywhere. Two months later, their diver tried to block the discharge pipe at Sellafield nuclear plant, only to find that the pipe's end had been reshaped to stop them.

● The El Salvador Human Rights Campaign discovere at one o'clock one day that Henry Kissinger was due to pay a flying visit to London. At three o'clock they decided to organise a picket by phone. At five o'clock they turned up to find the police waiting for them.

● Repeated signs of tapping — from police foreknowledge of plans and unofficial tip-offs to the sound of their own voices being played back — have been experienced by numerous CND activists, Plaid Cymru, Women for Life on Earth, Trades Councils, the local, district, and national offices of trade unions, left-wing groups, right-wing groups, The Operation Countryman inquiry into police corruption, and the National Council of Civil Liberties.

● David Norman, general treasurer of the POEU, whose members execute the tapping, said: "To our certain knowledge, the process of tapping telephones is systematic and widespread, far more widespread than we are led to believe by official statements."

Towrope is provided by Post Office workers in a system disclosed by Duncan Campbell in the New Statesman in 1980: the headquarters in Ebury Bridge Road, Chelsea, known as Tinkerbell, with the capacity to monitor 1,000 lines at once; the British Telecom vans—distinguished by having no home area marked on their door—which visit exchanges at night to place the taps.

Towrope is relayed on to MI5's Curzon Street office where A Branch has its own transcribers to handle the material. Then it is passed on—the Russian material to K Branch, the domestic material to F Branch—for analysis and logging. An M15 warrant lasts for up to two months, but is renewable.

Police material is similarly passed to the "client unit" for transcription. Their warrants are also issued for two months: they are supposed to be renewed for up to a month, but Special Branch is known to be granted longer renewals on request.

Letters are taken from sorting offices to the local Post Office Investigation Branch—Union House in St Martin's-le-Grand near St Paul's in London's case — where specialists still use a hot needle in the steam from a kettle to ease them open, cutting them only as a last resort.

They are trained to take special care to replace any loose hairs under the envelope flaps and generally to watch for other traps set to reveal their work. The contents are photocopied and passed to the clients.

2 Cinnamon, Azure, Still Life: the language of surveillance

THE MOST common way in which the Security Service and the Special Branch collude to break the law is in gathering information by three known methods called in the jargon as Cinnamon, Azure, and Still Life. All three involve breaking and entering.

Cinnamon, also known as SF — special facility — covers material gathered by microphones placed inside telephones or junction boxes to pick up conversations on the telephone line itself and also in the immediate vicinity.

Azure covers material gathered from conventional bugs — microphones hidden inside someone's room — and from the newer "probe microphones" which can be pushed through a tiny hole from a neighbouring property to pick up conversations in the house next door.

Still Life is simply the membership lists of any targetted organisations — described by one observer as "the most valuable single source on subversives."

Bugs can sometimes be placed without breaking and entering. In placing a Cinnamon microphone, a common ploy is to arrange for the target's telephone to go dead and then send round a field officer to mend it. He can plant the bug and then arrange for the target to be sent a bill for the "repair."

An Azure bug might be placed by someone posing as a plumber or a meter reader. Membership records for Still Life can often be obtained by an infiltrator with a camera, who will have no need to break and enter to gain access to the documents.

But there are other occasions with all three methods, where through pressure of time or the suspicions of the target or the absence of an informer, burglary is the only available tactic and MI5 trains officers in a section of A Branch known as A1 (technical operations) to make these "clandestine entries."

Where a target is particularly sensitive or secret, an A1 field officer is likely to carry out the break-in alone. But normally the operation is carried out with the help of the local Special Branch.

There is considerable concern that one day sooner or later an officer is going to be caught red-handed. In the meantime the operation is carried out with extreme caution and a paradoxical deference to the law. This means that officers are instructed not to steal anything, even if that means the break-in is instantly suspicious to the target who can see that he has had a burglar but can find no valuables missing.

It also means that in the rare cases where it is operationally essential to steal, a Special Branch officer is on hand to play the part of the thief — physically pocketing the item because he is (a) more likely to be able to claim he had a warrant to gather evidence and (b) more able to sort out any theft charge with the local police force.

Cinnamon bugs are not supposed to be installed without a Home Office warrant and it is implicit in the operation that the bug is placed in a phone inside private property without the owner's knowledge. Yet, Home Office sources deny absolutely that they give authority to break and enter.

Azure bugs require no warrant at all and are covered only by Home Office guidelines which were drawn up in July 1977. "As a general principle, the primary purpose of using equipment for aural or visual surveillance should be to help to confirm or dispel a suspicion of serious crime," they say. They give no guidance on how the bugs are to be installed but acknowledge that this is likely to be without the consent of the owner.

Still Life is not a method which has the supervision of the Home Office in any way, yet it is a routine part of MI5's operation. An officer cannot open a file on a target whom he believes is a member of a subversive political group without producing proof of the target's membership: thousands of MI5's personal files therefore begin with a photograph of a membership card, obtained in many cases by clandestine entry.

3 Files, libraries, government records: the greatest source

THE GREATEST single source of intelligence for MI5 is the rest of Government — the vast reservoirs of personal information stored by central and local authorities and, particularly, by regular police forces.

In many cases, this information is supposed to be confidential. MI5 knows this but nevertheless wants access to it and has, therefore, given a section of A Branch the special responsibility of cultivating unofficial contacts who will be prepared to pass over information without mentioning it to their superiors.

If an MI5 officer is having trouble identifying a domestic target, his first step is to the General Records Office in Southport where there is a central register, provided confidentially, of every person who is on the books of a local general practitioner: name, address, occupation, family.

If those records are incomplete or out of date, his next step is the Department of Health and Social Security computer in Newcastle: a constantly updated alphabetical list of essential details on every British citizen who is in work and paying national insurance, or out of work and claiming benefit. Only a handful of self-sufficient recluses are not recorded in its memory.

Although DHSS sternly warns staff against disclosing such confidential information and backs up the warnings with the Official Secrets Act, there is no doubt that it is passed to MI5 and the Special Branch. The DHSS told the Lindop Committee on Data Protection: "Information may be disclosed without obtaining prior consent . . . when the Department considers that it is in the public interest to do so."

At local government level, some authorities have become so concerned at police access to their records that they have started to try and control it. The London Borough of Hackney last year organised a survey of police requests for information and found the police were routinely receiving personal details of council house tenants, and of council staff.

Police frequently use empty council houses for surveillance operations. One London council recently received a request for a property which could be used to watch an estate as well as details of 150 council tenants in the area.

Libraries have been used to try to trace the ideological interests of targets. One source said: "Special Branch have been known to look at what Iranian and Arab students have been reading. It would be surprising if they weren't in some instances interested in what some foreign students were reading."

In the last ten years, police forces all over the country have established a system of collators — civilian staff who try to interview each officer daily to collect scraps of information which may come together to reveal some new picture. The collators circulate bulletins on their findings round local stations.

Written in bouncy style to persuade officers to read them, leaked bulletins betray a keen interest in low-grade, uncorroborated gossip.

Local Special Branch officers who have targetted an individual have access to the collators' files to gather this sort of "soft"—and not necessarily accurate — intelligence. They also receive routine reports on demonstrations from uniformed officers.

When it was suggested last November that CND protesters who had been arrested in Parliament Square had been questioned about their political beliefs by uniformed officers who had then sent the resulting answers to Special Branch, Scotland Yard replied in writing with a firm denial.

The Home Office also replied in writing and also explained — as the Yard had done — that the information was required for the magistrates court. However, unlike the Yard, they added the most revealing comment: "Special Branch receive a purely factual report of all public order events which take place within the Metropolitan Police District including details of any arrests made."

4 Infiltrating agents of counter-subversion

ONE SUNDAY about five years ago, a Cabinet Minister was sitting down to lunch with his wife and small children while a small group of demonstrators paraded up and down outside shouting slogans and waving placards.

"Hey," shouted the Minister's son, pointing to a long-haired, scruffily dressed man in the middle of the crowd, "there's Uncle Dave. What's he doing out there?" The little boy was right, although his bemused father quickly changed the subject. Dave, one of the Special Branch officers previously assigned to protect the Minister, was doing a spot of routine infiltrating.

Infiltrators and informants are used regularly and extensively by both MI5 and the Special Branch both to obtain information about targets and to influence the course of events. It is relatively easy to do and usually highly effective.

Intelligence officers make a distinction between groups and organisations that are easy to penetrate and those which are more security conscious and carry put their own form of "positive vetting" for new recruits.

"Because organisations are constantly in need of people who are willing to do humdrum work, agents often obtain useful positions at local level and may go on to become full time officials," we were told.

The Socialist Workers Party, for example, handled by MI5's F7 section, has been very heavily infiltrated. So has the Communist Party, although to a lesser extent. One far left organisation has been penetrated so extensively that a small meeting can be attended by more agents than bona fide members.

When an organisation is higly security conscious MI5 will try to "turn" a member, occasionally by using cash inducements or more often an appeal to morality along with "Let's stop this mindless killing" track.

The Special Branches would not normally operate for long periods under deep cover although one SB man from Nottingham was sent to Cornwall in 1980 to live for several weeks with Greenpeace members occupying a proposed nuclear power station site. The infiltrator was known as Midy (because he came from the Midlands) and Greenpeace only discovered the spy when he phoned them to confess after the site had been evacuated.

"He was a terrific lad in his mid-20s," says George Pritchard of Greenpeace. "He had long hair. He lived amongst us, went to the pub, everything. He was just one of the guys. Once we knew who it was everybody said, 'yes, obviously it was him.' He was very shy of the cameras."

"Rick," a standard long-haired, bearded dope-smoking Trotskyist of early-seventies vintage made himself so useful to the Troops Out Movement in 1975 that he became responsible for mailing out minutes and organising committee meetings.

His colleagues became suspicious, however, when his address, which he had been reluctant to give, turned out to be a derelict house. He tried to joint the libertarian Marxist group Big Flame, who went to Somerset House and discovered that "Rick" was using the identity of someone who had been dead for years. When confronted with all this, he claimed he was on the run from the police and then disappeared.

SB attempts to recruit informers are often clumsily handled and misfire. Students at provincial universities have been approached regularly, and in some cases offered cash inducements for information.

Adrian Chandler, a student of conservative views active in Aston University Union three years ago returned to his room one day to find a note asking him to ring a number and speak to Alan or George. They turned out to be Special Branch officers. "What we're interested in," said George, "is left-wing political subversives." Yes, said Alan, "the place is crawling with them." Chandler refused to help and complained to the chief constable, who said that no action would be taken against the officers.

Agents who work for MI5 or the Special Branch are usually "patriotically-minded" people who enjoy the thrill of being taken into confidence to do important work. The Security Service's FX section in the counter-subversion branch handles long-term infiltrators and assigns case officers to handle them.

These officers, known as handlers, are the only ones who know the identity of their agents, and will often buid up a complex psychological support relationship with them. There can be problem of continuity when the handlers move on to other branches.

Subtle pressure and moral blackmail play a role in agent in recruitment. "Sometimes," we were told, "the position is created for a man so that MI5 can come along and help him — a bit like breaking a man's leg so you can offer him a crutch."

The grey area of indefinite legal checks

AN OFFICER in the Security Service has no more legal authority than any other civil servant. He has no special power to search or arrest a suspect, to burgle, trespass, forge, break the speed limit or ignore any other law.

MI5 has no legal status: it was not created by an Act of Parliament; no statue defines its role or duties. It is responsible to the Home Office but not part of it. Its task is to "defend the realm" but it is separate from the Ministry of Defence. It is sealed off from Westminster and the Cabinet by its own stringent security requirements.

The Security Service is governed only by Clement Attlee's 1948 Charter, which instructs it to gather information on subversives of both left and right, and by a directive issued to the Director-General over 30 years ago.

Its independence has been reinforced by post-war developments. Sir Findlater Stewart, who received its functions in 1945, said that the Director-General should be given "the widest discretion in the means he uses and the direction in which he applies them — always provided he does not step outside the law."

The only outside body which monitors the operations of the Security Service—and then only after specific cases have come out into the open—is the Security Commission, at present chaired by Lord Bridge of Harwich. It has a panel of seven members, including Lord Justice Griffiths, Sir Alan Cottrell, Master of Jesus College, Cambridge, Sir Michael Palliser, former Head of the Foreign Office, Lord Allen of Abbeydale, and two former armed forces officers. From these, three are selected to draw up a report when the Commission is asked to investigate a suspected breach of security.

On occasion Commission members visit MI5 headquarters in Curzon Street, Mayfair when carrying out inquiries; officers have advance warning and clear their desks of sensitive material

The Commission has been unusually active over the past two years: in 1982 after allegations that Sir Roger Hollis, former head of MI5, might have been a Soviet spy it published a report recommending a cut in the number of posts subject to positive vetting,

The only constitutional check on the Security Service's operations remains the Security Commission, chaired by Lord Bridge. Commission members pay occasional visits to MI5 headquarters in Curzon Street, Mayfair; officers have advance warning and clear their desks of sensitive material before the visit. The Commission has no brief to examine individual complaints against the service. It has been suggested that when Lord Denning visited the office during his inquiry into the Profumo scandal in 1963 he was shown an impromptu operations room engaged in a fictional operation to impress him.

5 Scrutiny by computer

FIVE HUNDRED thousand people in Britain have personal files stored on the first floor of MI5's headquarters in Mayfair—folders containing photographs and typed records of their political beliefs and activities, their friends and family, jobs and homes, and where applicable their crimes and misdemeanours, and their allegations and suspicions about them.

It is not entirely clear who the 500,000 are. The index is said to be cleaner than that of many other intelligence services. It is known to include records of all 65,000 positively vetted civil servants and 15,000 members of the Communist Party.

An estimated two million people are filed on the Metropolitan Police C Department computer in Putney in South London where Special Branch, Fraud Squad, and other specialist police units hold similar personal histories of their targets.

Around the country, provincial Special Branches hold their own files, often opened on the instructions of MI5 or London Special Branch and supplemented with intelligence from other police computers:

● The Police National Computer which has 800 terminals in police stations around the country and holds the names and addresses of all 30.5 million car owners in Britain as well as lists of suspect cars, wanted people and fingerprints, some of which are programmed as being of interest to Special Branch so that if an officer comes across someone and asks Police National Computer about them a bell will ring in Special Branch headquarters in London to alert them to a find.

● Criminal intelligence computers which store suspicions and unproved allegations. The C Department computer in London is the largest of at least 17 such information banks held by police forces in the UK.

● Command and Control computers which are designed to help forces make the best use of their resources but which also hold street indexes and lists of addresses of special interest to the police.

● Specialised local computers, such as that in the Lothian and Borders force, which store reported crimes, movements of suspects, intelligence on suspects and local background on a "free text retrieval" system so that officers can ask the computer to identify a man who has left-wing views, a Ford car, no work, and a council house and receive a list of possible names to fit.

It is the MI5 Registry which is the heart of the system. The dossiers are the fullest and most systematic record of those who are considered to be a threat to the state. The dossiers are linked to an alphabetical index which is held on a computer called R2.

If an MI5 officer comes across a new name, his first step is to check with R2 to see if the name is known. To do this, he fills out a registry action slip and passes it to the registry staff who are the only ones who have access to R2 and its visual display units.

For each of the 500,000 people on this index, R2 records surname, forenames, date of birth, "recording category"— for example, "member of Communist Party of Great Britain" or "agent of hostile intelligence service"— and, most important of all, a PF number which refers to the personal file held in the first-floor store known as R3.

There are plans now to modify R2 so that as well as giving the computer a particular name, an officer will be able to give a more general instruction — such as an occupation or a nationality — and obtain a list of everyone recorded in that category.

TOMORROW: targets for surveillance