

PARELLIC

Brief for [REDACTED]
O.G.



[REDACTED]
Document shown to
O.G. [REDACTED] or [REDACTED]
19/8/92 - 15/9/92
+ map.
[REDACTED]
14/8/92

PARELLIC was arrested on 8 August 1992.

2. During the search of his home address at Kingston-on-Thames the following items of tradecraft interest were found:

- i) £2,000 cash in £50 notes, many of them in sequential order.
- ii) A note from "Williams" to Dear Mike, envelope postmarked 24 September 1990, possibly suggesting that PARELLIC recontacted the SVR in 1990. Appendix 1.
- iii) Jottings by PARELLIC believed to deal with meeting arrangements. Appendix 2.
- NB. a) Tennis locations. PARELLIC used to play tennis; three tennis rackets were found at home address;
- b) HORSENDEN HILL is close to his GEC Wembley workplace;
- c) Parliament Hill is convenient to Highgate and the STD.
- iv) Jottings by PARELLIC believed to deal with meeting arrangements and tasking by "Homebase" (pres. Centre). Appendix 3.
 - a) Station Road Teddington is convenient to PARELLIC's Kingston home address.
 - b) Presume "REC" refers to recognition signal in this instance and not "REC" as in ROXETH recreation ground (later notes).
- v) Jottings by PARELLIC believed to cover meeting arrangements. Appendix 4.
- NB. a) ROXETH RECREATION GROUND is presumably the "Recreation" referred to by "Williams". It is convenient to PARELLIC's workplace.
- b) Perivale and Sudbury Town stations are convenient for HORSENDEN HILL or, at a distance, Roxeth.
- vi) Jottings by PARELLIC believed to deal with meeting arrangements. Appendix 5.

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- NB.
- a) KARL GEHRING is a former office colleague who was recently made redundant;
 - b) The references to "elm tree" etc are believed to connect with "6 Aug" (1992) and a meeting at Church Hill, with a fall back at Horsenden Hill or, possibly, Abbotsbury Road, Melbury Road (near to KPG); see e) below;
 - c) The  diagram is believed to represent a fire hydrant on which could be placed the ") DANGER "ON" — COME NEXT DAY TO AGREED PLACE" signals. No signal on the hydrant would presumably (?) mean meeting to proceed as agreed.
 - d) The  diagram is believed to represent the spire of the church in Church Hill.
 - e) The Coke can "at bollard" is believed to represent a visual signal put out by the SVR or perhaps PARELLIC.
 - f) The references to project notes etc are explained in Section vii).
- vii) Five handwritten (printed) reports found in the boot of his car apparently intended for delivery to a case officer, or to be photographed and then passed on. Appendices 6 A-E.
- a) RUGATE FILTERS FOR SDI.
 - b) QUASI OPTICAL CAR RADAR.
 - c) MICRO MACHINE PROJECT.
 - d) OLFACTORY RESEARCH PROJECT.
 - e) MICRON VALVE PROJECT.

3. Under interrogation, and to explain away the cash, PARELLIC invented the story of "Harry". Allegedly "Harry" telephoned PARELLIC at work and arranged to meet him at a pub nearby to discuss a matter of mutual interest. PARELLIC duly agreed to pass "Harry" commercial (non-classified) information in return for money. They were in contact between February 1990 and February 1992, during which period PARELLIC received about £12,000 for documents delivered. "Harry" was allegedly British with a SE London accent; aged about 50; stocky; 5'6"; grey, brown hair receding; dimpled chin; always wore a flecked grey suit. They met at Sudbury Town, Harrow shopping centre, Honeypot Lane, Preston Road, and Greenford, near Tesco's - all locations near PARELLIC's workplace.

4. At Appendix 7 is a copy of a map of Oporto marked

by PARELLIC with various crosses and arrows which may indicate telephone kiosks. Appendix 7a is a tourist document from Oporto Tours which places the activity in 1977.

5. At Appendix 8 is a map of Downtown Chicago which PARELLIC has marked with circles and numbers. It is believed they date from a visit to the USA by him in 1976.

6. We believe that PARELLIC had an arrangement to meet an SVR case officer on 6/7 August 1992 and that the jottings strongly suggest a pattern of meetings at various other dates and locations. Source's detailed comments on all aspects of the recovered material would be greatly appreciated and particularly on the "Harry" story.

7. PARELLIC's wife was also arrested but, after questioning, she was released on Police bail. Although she made no admissions and represented herself as the woman wronged, we believed it would have been impossible for her not to have known about his espionage on behalf of the SVR in 1990-92, even if she was not aware of his KGB activities in 1975-78.

NOTE FOR FILE

CHRONOLOGY DEVISED FROM INTERPRETATION
OF SMITH'S TRADecraft NOTES

Early/Mid 1990 Recontacted?
"Harry" February 1990. Meeting?

29 March 1990 Diary entry. "Audio, Harrow"
NB. Admitted to meeting "Harry"
outside a Harrow TV shop.

24 Sept 1990 Letter from "William". Meet at Recreation
in October.
Response to recontacting by SMITH?

20 Oct 1990 Personal diary. 22.10.90 marked 'R' -
Recreation?

Late 1990 Note on old paper. Contact arrangements
for 1991.

Late 1990 Note about first meeting in 1991.

January 1991 Meeting. SMITH received at least £4,000
in cash. He purchased a £10,000 computer,
£4,800 of which he paid in cash. Regular
cash payments (£200/£300) began into his
Abbey National Building Society (ANBS)
account.

April 1991 Another meeting presumed. Payments into
ANBS account continued.

July 1991 No cash payment. Problem with case officer
or the agent. Former London case officer
(OSHCHENKO) asked to visit the Centre to
discuss while on leave.

3 August 1991 Cash payment of £100 only, followed by
£200 on 17 August 1991. Former London
case officer (OSHCHENKO) asked to arrange
a meeting with SMITH in France in September
1991. He did not do so. Problems
continued?

25 Sept 1991 Meeting at Horsendon Hill. £300 cash credit
at ANBS on 28 September 1991.

January 1992 Another meeting?

2/3 April 1992 Meeting at "Roxeth Rec" at 12.45 pm.
Received £2,000 cash in £50 notes, many
sequential. Money allegedly kept at work

until SMITH declared redundant in July 1992.

6 August 1992

Meeting arranged at Church Hill, Harrow-on-the-Hill. SMITH admitted being in the area at lunchtime: to buy a computer magazine from W H Smith, Harrow. It is believed that notes found in SMITH's car were to be handed over at this meeting. Conceivably the SVR did not show because of the defection of V A OSHCHENKO, SMITH's first case officer. Signal on hydrant?

7 August 1992



Possible fall-back meeting. There was an arrangement for SMITH to go to the seaside with his wife which he tried, unsuccessfully, to break.

8 August 1992

Responded without suspicion to a contrived telephone call.

September 1992

A meeting appears to have been planned.



19 August 1992

NOTE FOR FILE

69
LBIENSKY
9)

[REDACTED] s views on the Tradecraft of the Michael SMITH Case

At [REDACTED] request [REDACTED] invited [REDACTED] to visit [REDACTED] on the afternoon of 19 August 1992 so that his comments could be obtained on the tradecraft aspects of the SMITH case - and, if possible, his agreement secured to appear in court as an expert witness. Present were [REDACTED]

2. [REDACTED] introduced the case and invited [REDACTED] to comment. One of his first remarks on scanning the documentary material set before him was: "You don't need me to tell you about this." He added that the handwritten jottings by SMITH were "Typical notes of an agent listening to his case officer". The scene having been set, [REDACTED] commented on the various items individually.

The "WILLIAMS" Letter of 24.9.90

3. [REDACTED] was not surprised that the SVR had posted an unequivocal (in tradecraft terms) letter to SMITH's home address because, after years of success with the case, they were confident there was no possibility of suspicion or control by the special services. Even the fact that SMITH was a former Communist would not have influenced them negatively. [REDACTED] believed that the letter was written by someone taught to write in Cyrillic and whose command of English grammar and syntax was less than perfect. In [REDACTED] s view the wording suggested an attempt by the KGB to restore contact; "our latest appointment" could have meant years ago, he said.

4. Told of our working scenario that SMITH had spied actively from 1976-84/85 and then again from 1990-92, [REDACTED] agreed it was more than possible the agent had been "put on ice" from 1985-90. Conceivably this was because of concern at the Centre that he [REDACTED] had known about the case and had, on his defection in 1985, disclosed details about it to the British. Contemporary Line X officers would have denied this possibility as there was no master list of cases in the Residency, but the Centre would have erred on the side of caution in assessing possible damage. Eventually, quite possibly after several years, they would have worked out that he could not have known the identifying particulars of SMITH and given the 'all clear' to resume contact with this once important agent (whose importance was underlined in [REDACTED] s opinion by the complicated tradecraft used).

SMITH's Jottings

OG 5. ██████████ considered that the tradecraft was "slightly exaggerated" and with a "bit too much paraphernalia". By comparison with the PR line, which often "pretended" to use tradecraft, Directorate T "liked overdoing it". Their approach was more mechanical than the other KGB Lines; they were acutely conscious that the UK was an unfriendly operational environment and framed their tradecraft accordingly.

OG 6. In response to a comment that the tradecraft seemed rather dated for 1992, ██████████ replied laughingly that once learned at the Andropov Institute that sort of tradecraft was never forgotten or abandoned. It was particularly in the style of VICTOR LAZIN, who knew London well and may have passed on his modus operandi to SMITH's subsequent case officers.

OG 7. ██████████ commented on SMITH's style of recording his instructions: "He is like a child who is used to obeying".

The Hydrant

OG 8. ██████████ believed that the hydrant depicted in SMITH's notes could have been used to specify personal meetings or DLB requirements. In ██████████'s recollection hydrants had been used before by the KGB in London, notably Line X. ██████████ thought hydrants were too striking, obvious and conspicuous to be really secure operationally and he would never have recommended their use as signal sites to officers of his own Line.

9. Signals, which could be in chalk (water resistant) crayon or even tape, would be used to indicate "meeting conditions" to the agent. They could be put out as late as thirty minutes before the expected arrival of the agent.

OG 10. ██████████ considered it possible that both the 'danger' and 'meet next day' signs could be in place at the same time and that a blank hydrant face probably signified that it was safe to go ahead with the meeting. He would definitely not have expected two signals to be used together with an illegal, who was a professional, but would certainly not rule out the possibility of it happening with an agent.

Shopping List ("Get Old Project Notes" etc)

OG 11. ██████████ believed this was written down by a "dutiful pupil" intent on delivering the goods to his case officer.

Mrs SMITH

OG 12. ██████████ considered it unlikely that Mrs SMITH would have been indoctrinated about the case by the KGB or SVR, unless it was assessed that she was likely to be a "great helper" by, for example, photo-copying material or driving her husband to and from meetings.

13. In the rare instances where spouses of agents were indoctrinated it was usual to buy the couple a nice dinner out

and deliver a formal word of thanks.

[REDACTED]

14.

[REDACTED]

15

The Chronology

OG

16. [REDACTED] had no specific comments to offer. It appeared to him to fit satisfactorily the details set out in the jottings.

OSHCENKO's Recontacting Instructions (1991)

OG

17. [REDACTED] talked about the question of why OSHCHENKO had twice in 1991 been contacted by the Centre about SMITH. The first thing to remember, he said, was that it was psychologically important for the KGB to claim to have a high level agent in London, even if that agent was dormant. The agent may have been "small beer" in terms of current access but he could still have been big in the KGB's eyes. Conceivably, in the 1991 OSHCHENKO instances, the material produced by SMITH had been of little significance and poor value for money. Or the officer and the agent could have quarrelled, possibly due to the officer speaking poor English and making tradecraft mistakes. Alternatively the agent might have complained repeatedly about the way he was being run. More prosaically, there might have been a breakdown in communication. There were numerous possible explanations for the referrals to OSHCHENKO, including the possibility that the KGB wished to induce a defaulting SMITH to attend a control meeting abroad, perhaps with LAZIN or CHERNAYEV.

The Money

OG

*delete or
revisy
point*

18. [REDACTED] thought the money paid to SMITH was generous in relation to the information he had apparently been producing in 1990-92. Perhaps the amounts were a reflection of his former status as the agent who provided the fuse information or possibly the KGB had expectations of better things to come.

"HARRY"

OG

19. [REDACTED] thought it unlikely that the tale of "Harry" had been suggested as a cover story by SMITH's KGB case officers. It was recognised by the RIS that cover stories were more likely to alarm agents than reassure them and also that very few cover stories would be able to withstand more than superficial probing by the security authorities. Complicated cover stories were held to be only tenable for and sustainable by illegals. There was of course a sharp distinction between a "Harry" type cover story and the sort of cover excuse which would be deployed in

SECRET

chance encounters with friends or associates when en route to or from a meeting and which case officers would of course encourage agents to think about.

SMITH Run by a VCO?

OG 20. [REDACTED] did not believe that SMITH would ever have been run by a Visiting Case Officer (VCO) because of the relatively high frequency of meetings, which pointed the finger sharply at the local Line X officers. A VCO might be deployed if an agent needed to be seen only once every six months or so. In any event the advantages were marginal as the VCO would need to be supported by officers of the local Residency. The latter would of course be routinely deployed as counter surveillance in support of a Residency colleague engaged in meeting an agent.

[REDACTED]

The Coke Can Signal

OG 21. Asked about the "coke can at bollard" Abbotsbury Rd/Melbury Rd, (near KPG), [REDACTED] averred that this could only be a signal from an agent to his case officer, probably requesting an urgent unscheduled meeting. The signal would have been read by a case officer or colleague on his normal route to or from work.

[REDACTED]

The OPORTO and CHICAGO Maps

OG 22. [REDACTED] agreed that the marks could have an intelligence purpose - DLBs, meetings etc - though as they were of vintage 1977 and 1976 respectively the activities were probably in connection with tradecraft training or testing ie SMITH having been cultivated and recruited in 1975/76.

EXPERT WITNESS

OG 23. Told that we were experiencing difficulties in connecting SMITH evidentially with the XN715 fuse, and that we needed expert testimony about the significance of the tradecraft jottings, [REDACTED] readily agreed (when asked by [REDACTED] to become an expert witness for the Prosecution. He said he had volunteered to appear as a witness in the VAN HAARLEM case and would next year be appearing as a witness in a Danish court case, in support of a newspaper faced with allegations of libel.

24. [REDACTED] said that self-evidently a long discussion with the [REDACTED] would be the next step.

OG 25. Attached are the copy documents which were shown to [REDACTED] (to file copy only).

[REDACTED]

25 August 1992

SECRET

Note of comments made to Legal Advisers on 23 November 1992
by Oleg GORDIEVSKI on Exhibits JS/40 - JS/44

D Def Sy (S&T)
11 SEP 2003
1/374

JS/40

1. This looks like a note from a KGB intelligence officer to an established agent. If the recipient was merely a contact in course of cultivation, the KGB would not dare to write a note so suggestive of a clandestine arrangement.

2. The note uses recognisable KGB euphemisms. The second sentence ("I am sure ... future.") indicates that another operational meeting is necessary quite soon. No date is suggested, merely "as previously". This shows the clandestine nature of the arrangement. It is not the practice of the KGB to write notes or letters to its agents, and it would do so only when other, more secure means of communication are not usable or reliable. It would then write in a way which does not reveal too many vital details. The established contact arrangements between a case officer and his agent would mean that the day in the month and the time of meetings would be prearranged; the agent would merely need to be told the month in which the next meeting would occur. He would also need only a brief reference to a prearranged meeting place: here, "the recreation".

JS/41

3. The signals for "Danger" and "Come next day" are typical of those used by the KGB. They are used where a meeting is to take place between the case officer and agent, and are designed to be visible to the agent at a prearranged point on the way to the meeting place. The signal "Come next day" might be used for any number of reasons - for example, the case officer may simply be unable to attend on the prearranged day. The object of diverting the agent is to protect the meeting place, by ensuring that the agent is not seen there, possibly waiting for some time for the case officer to appear. The signal for "danger" is used to indicate that there is a risk of compromise and that the agent should not attend and should take other precautions against discovery - e.g. by destroying or returning incriminating material. Graphic signals of this sort may be given in a variety of ways, one of the most common being chalk lines drawn on the pavement or on an object. They may be left by the case officer or by one of his colleagues. The technique of using such signals was developed by the KGB illegals' department: communications with illegals is often in the form of signals. The KGB signal for danger was typically the one appearing on JS/41 - a single vertical line. It is very recognisable as a KGB signal.

4. The following lines ("25/9 ... each month") are typical of the notes that might be made by an agent receiving contact instructions from his KGB case officer. It would be normal practice for the case officer to specify the date of the first meeting, but to say that if either the case officer or the agent is unable to come, the fall-back arrangement will be a meeting at the same time and place the following week. If contact is for any reason broken, the agent is given further instructions about what to do. Normally provision would be made for a meeting on a particular day in each month. Here, the notes refer to "2/3 Wed each month". It is unclear what this means - it could

mean on the 2nd and 3rd Wednesdays. It would not be normal KGB practice to specify two fall-back dates in one month, but fall-back arrangements are flexible and these may have reflected some unusual aspect of the case. The combination of the signals and the arrangements for meeting and for broken contact is very typical of the arrangements that would be made between a KGB case officer and his agent.

5. It is KGB policy that agents should not make notes relating to meeting and contact arrangements, as this would be insecure. However, in practice the priority of case officers in the field is to ensure that agents attend meetings and remain in contact, so that the flow of intelligence is maintained. In those circumstances, concern for the agent's long-term security takes a lower priority. A case officer might encourage the agent to take notes in order to ensure there is no misunderstanding as to the arrangements.

6. The notes preceding the two signals again look as if they were made under dictation, but they are difficult to interpret and not so striking as the later notes. They may have nothing to do with intelligence matters.

JS/42

7. This document is again typical of the notes which an agent might make on receiving instructions from his KGB case officer about a proposed meeting. The differences in the writing suggest that the words "STH HARROW 2/3 APRIL ROXETH REC" and the remainder of the note were written on different occasions. The remainder may have been written by the agent during the meeting at Roxeth Rec, on receiving directions to the location of the next meeting.

8. It is significant that the word "suggest", in both places, is underlined. This indicates that, for the case officer, it was important that the suggestion be followed: the underlining emphasises the words and gives it the flavour of an order. A case officer may give his agent instructions as to methods of transport either to enable the agent to be subjected to static surveillance on his way to the meeting, to see whether he is followed, or to ensure the agent arrives at a new location securely and on time. KGB case officers in London study the geography of the capital thoroughly and systematically: they may know the transport system and the footpaths and alleyways of particular areas better than local residents.

9. The words "2/3rd Wednesdays if contact lost. @ 12.45" indicate that the case officer was concerned about the possibility of a break in contact: he again reminds the agent (in terms very similar to those used in JS/41) about the fall-back arrangements. Lunchtime meetings are often more convenient for a working agent than meetings in the evening or at weekends, when family and other commitments may make a regular pattern of meeting times impractical.

10. The last two lines of the document read like an agent's note as to his operational tasking: i.e. as to the intelligence he has been asked to produce at the next meeting with the case officer. The important matters for the agent in relation to any such meeting is to be sure of the contact arrangements and of the intelligence he will be required to supply. If an agent makes notes of his instructions, one would expect them to deal with these matters.

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JS/43

11. One cannot be certain as to the precise meaning of the notes on JS/43, but they look very much like notes by an agent dealing with communications between the agent and his case officer. There is provision for recognition signals to be used: "Green the go", "Rec + Guardian" and "green next day red next Sat". Visual signals of this sort are commonly used by the KGB. The references to colours - green or red - indicate that the case officer will be wearing or carrying something of the appropriate colour. Newspapers are also commonly used by the KGB as recognition signals. Only if the appropriate visual signal is received is verbal contact to be made: hence "Green the go. Answer Michael". The use of such signals here suggests that the agent had not yet been introduced to the case officer. The notes may therefore relate to a hand-over between case officers or to a resumption of contact with a new case officer after a break.

12. The first line suggests that the case officer was about to change or leave the UK, and was giving the agent instructions as to how contact would be restored: in the future, every four months, starting with the period January to April, there would be a signal. If the signal was green, the agent should answer that he was Michael and the meeting would go ahead. The word "Standard" may be a reference to another recognition signal involving the London Standard newspaper.

13. The notes on JS/43 may again have been made on separate occasions, as they appear to refer to two different, but similar, meeting arrangements.

JS/44

14. Again, this document is typical of the notes an agent might make when receiving instructions from his KGB case officer as to their next meeting. At the top are the subjects on which intelligence is required. The reference on the left to Karl Gehring indicates that interest has been shown in Gehring by the case officer: Gehring may have been considered as a potential contact or recruitment target. The agent is asked to obtain his address and telephone number. On the right is a list of hi-tech subjects of the sort that would be of interest to Line X of the KGB. The diagram depicts an object which is at (Elm tree? Elstree?) on which the signals are placed. This object is found "right on way in", and the signals mean "come next day Horsenden". The signals are explained underneath: the vertical line means "Danger" and the horizontal line "Come next day to agreed place". The agreed place was clearly Horsenden. These signals are the same as used in JS/41. They are typical of signals used by the KGB.

15. The subsequent reference to "Coke can at bollard" suggests another form of signal typically used by the RIS. From the mid-1970s the KGB began to change from the use of graphic signals to the use of disposable items as signals - for example, placing orange peel, a banana skin, an empty cigarette packet, or an empty can in a particular location would signify something to the agent. In JS/44 the implication is that the case officer would place a Coke can by a bollard in the vicinity of Abbotsbury Rd/Melbury Rd if the meeting was to go ahead.

16. The last words on the left-hand side indicate a meeting on 6 August: on the right-hand side, it appears that at that meeting the case officer and agent will arrange the next "delivery", which will take place in September. Finally, there is the same provision for a long break in contact as appears in JS/41 and JS/42.

Conclusion

17. As a former KGB officer, having considered documents JS/40-44, I have no doubt that they relate to contacts between a case officer and agent of the KGB or of an organisation working in exactly the same way as the KGB (the GRU, or the Czechs). A Russian businessman or business organisation would certainly not arrange meetings with English contacts in this way, involving typical espionage tradecraft. Even if the business had knowledge of such tradecraft, it would have no need to use it. Above all, it would not wish to run the risk, by using it, of falling under suspicion by the British authorities of being the KGB or of being under the KGB's control.

26 November 1992