

PARELLIC

Brief for [REDACTED]
O.G.



[REDACTED]
Document shown to
O.G. [REDACTED] or [REDACTED]
19/8/92 - 15/10/92
+ 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

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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

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