

**AN INTELLIGENCE ANALYSIS AND  
AUTHENTICATION OF  
CIA RESEARCH PAPER SW91-  
10076X  
'PROJECT BABYLON: THE IRAQI  
SUPERGUN' (1991)**

**1. Aim.** The aim of this paper is to examine the authenticity of a copy of an alleged CIA document of 1991 on the Iraqi ‘Supergun’ project.

**2. Standards.** This examination follows – apart from the caveats in the report - the practices and standards of the American Society for Testing and Materials (ASTMI) the accepted international standards organisation.

### **Reliability and Authenticity.**

**3. CIA Policy:** The document presented fits the known policy on US CIA declassification procedures.

**a. US Legal Framework for Public Release.** These are laid out in the automatic declassification provisions of Executive Order 13256 (formerly EO 12958) of 1995, which require the declassification of CIA non-exempt historically valuable records 25 years or older. The EO established the 31st December 2006 as the deadline for subsequent automatic declassification of CIA documents under the programme.

b. The document under scrutiny does not fit this 25 year time bar. However, no declassification date appears on the document.

### **Possibility of Forgery.**

**a. The Dangers of Advanced I.T.** Forgery is however always a possibility, and modern computer and digital technology make forgeries both more convincing and thus more likely. There have been several high profile examples recently which highlight the danger of misinformation and error even by major organisations.

b. **An Example of Forgery.** For example, in 2004 controversy involved six so-called ‘Killian documents’, named after the supposed signatory, highly critical of President George W. Bush's service in the USAF Air National Guard in 1972–73. Four of these documents were presented as authentic in a ‘60 Minutes’ broadcast nationally in the

USA by CBS on 8 September 2004, just two months before the 2004 US Presidential Election.

c. However, it was later confirmed that CBS had failed to authenticate the documents properly. Document analysis proved that they were modern PC generated forgeries designed to blacken George W. Bush's reputation.<sup>1</sup>

Forgery in the document under analysis cannot be completely ruled out without full forensic examination of the original, especially of the paper. This is unlikely to be possible at present.

**5. Description of Document.** The document looks like an authentic 1991 CIA standard report.

**a. Size.** It consists of 25 pages of an A4 copy.

**b. Layout.** The squared reduced layout on the A4 pages is consistent with a photocopied format of the standard US 'letter' size paper. (8.5"x11")

**c. Quality.** The A4 document is poorly photocopied and the black and white (not greyscale) illustrations are difficult to see clearly.

**d. Notations and symbols.** The document has what appear to be genuine US official stamps on the front cover page, including unidentified two Israeli stamps.

**e. Classification Markings.** These are correct for the CIA, the time and the type of document: SECRET; NOFORN ("NO FOREIGN DISSEMINATION" and ORCON ("ORIGINATOR CONTROLLED"))

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<sup>1</sup> See "Bush Guard papers 'forged'". *The Washington Times*. September 12, 2004. <http://www.washtimes.com/national/20040922-101433-4296r.htm>.

**f. Content.** The document has a 21 page technical description and history of the Iraqi Supergun project with illustrations and technical charts, followed by a 3 page **Intelligence Summary**. This summary has been totally redacted from the public release FOIA copy on the web. (See para 8.a. below.)

**6. Provenance.** The document was allegedly first seen by an Israeli source in the US, but in a heavily redacted form. According to the source, on request an unredacted copy was later acquired supposedly from Mossad, which was subsequently forwarded to the present owner. This explanation appears to match the document's appearance and notations.

**7. Credibility.** There is no valid reason to doubt this explanation of the document's provenance - despite the Mossad's (well deserved) reputation for deception and false flag operations – as there is little obvious benefit to the state of Israel or its US partner from such a forgery. On balance the document appears credible.

**8. Similarity and Comparison with Existing Documents.** The document under analysis is available online at:

<PROJECT BABYLON: THE IRAQI SUPERGUN  
CIAFOIAwww.foia.cia.gov/docs/DOC\_0000266049/DOC\_0000266049.pdf >

**a. Differences.** However, this on line version of the CIA document has been heavily redacted, presumably by the declassifying authority.

**b. Does the Analysis Copy Match the Public Release Copy?** The copy of the unredacted document under analysis appears to match the characteristics of both the online document and other known CIA standard documents of 1991.

**c. Comparison with Contemporary Documents.** For a comparison with other known authentic CIA documents, see the example at **Annex A. Comment:** They appear to match.

**9. Forensic Analysis.** A full forensic analysis has *not* been done. This would normally involve tests on the original paper, identification of the typeface, or fonts and comparison with known fonts, as well as detailed checks on typewriters, photocopiers, laser printers, ink jet printers, fax machines and printing processes. **Comment:** Without the original document such effort and expense would be a waste.

**a. Handwriting.** There are no visible marks of handwriting (cursive or printing) or signatures.

**b. Written Markings.** There are no other ink or pencil marks on the document.

**c. Alterations.** There are no obvious alterations, additions, erasures, or obliterations.

**10. Anomalies.** There is one obvious anomaly in the document as presented: if the CIA's 25 year declassification programme began in 1986, how is this 1991 document in circulation before 25 years have elapsed? There appear to be two reasons:

**a.** The original appears to have been released to the Mossad at the time of its drafting in "Nov 1991" - the copy released in the US under a FOIA request has had all reference to Mossad redacted.

**b.** The document under analysis appears to be a copy taken from the Israeli copy released in 1991. **Comment:** This conclusion fits the known facts.

## **Content**

**11. Technical Background.** The first 21 pages are mainly historical and technical information about the Iraqi supergun project of the late 1980s. This content is accurate from information available nowadays in open source material and is confirmed by multiple other sources.

**12. Intelligence Summary.** However the final four pages (the “Intelligence Summary”) are much more sensitive and controversial. They outline the use of publicity about Saddam’s Supergun as a diversion to distract public attention away from the fact of US and UK illegal covert arms trading with the Iraqi regime in defiance of UN sanctions.<sup>2</sup>

**13.** This Intelligence Summary outlines the background and sensitivity of the undercover various arms deals from 1983 onwards, stating that a joint British Secret Intelligence Service (SIS, sometimes called “MI6”) and CIA front company called Allivane International had been set up to channel arms to Saddam Hussein. Allivane was controlled by a Chilean intermediary and the document confirms that it was closely linked with a UK based pyrotechnics company called ASTRA.

**14.** All these claims in the document are classified paragraph by paragraph as (*‘Secret, No Foreign Release’*) and would have been highly sensitive at the time. They still are.

**15.** The document claims that a well known public CIA and UK Cold War activist called Brian Crozier<sup>3</sup> set up an office in UK to help coordinate Astra’s “projected covert deals.” Despite PM Thatcher’s denials in the British House of Commons, a sophisticated secret arms trading ring was set up between 1984 and 1987 on behalf of the British government which included Allivane, Astra, BMARC and Matrix Churchill.

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<sup>2</sup> Officially, during the period of the Iran-Iraq war, Britain joined a United Nations embargo and banned the sale of weapons to either side. Government guidelines issued in 1984 said: "We should not in future approve orders for any defence equipment which in our view would significantly enhance the capability of either side to prolong or exacerbate the conflict." That was changed in 1988 to: "We should not approve orders in future for any defence equipment which in our view would be of direct and significant assistance to either country in the conduct of offensive operations." The guidelines were backed by parliamentary legislation. Under the Export Control Act it is illegal to ship weapons abroad without first obtaining an export licence from the Department of Trade and Industry.

<sup>3</sup> Crozier was the director of Forum World Features, a 1966 CIA front set up by the Congress for Cultural Freedom. In 1970, Crozier founded The Institute For The Study Of Conflict, a London-based group that studied insurgencies and terrorism with help from the CIA. Crozier later admitted providing advice on a broad range of security topics to the British SIS, the Information Research Department of the British Foreign Office, and the CIA.

**16.** The document names an Iraqi, one Kamel al Majid as “our mole in Baghdad” and claims that Iraq became a major customer for the UK undercover arms trade. It also names one Stephan Kock, an identified SIS agent, as being infiltrated into Astra Pyrotechnics company at Sandwich in Kent, UK, to organise and coordinate a cover plan to conceal the illicit arms deals.

**17.** Dr Gerald Bull is confirmed as designing and beginning to build the Iraqi supergun through contracts with UK companies, Sheffield Forgemasters and Walter Somers. The British government were aware of these deals.

**18.** The document claims that Astra acquired a company called BMARC (from Oerlikon, the Swiss defence contractor) without being aware of BMARC’s secret role in supplying arms to Iraq.

**19.** This acquisition threatened Kock’s secret position in Astra with exposure when one Gerald James, Astra’s CEO, became aware of some of the illegal arms deals. The document claims that Kock then asked PM Thatcher’s Conservative Party lawyers to advise on strategies to shield Astra’s covert deals and to dispose of Gerald James from the board..

**20.** The document claims that it was the SIS and CIA who arranged the sale of *Poudreries Réunies de Belgique* (PRB) to Astra, effectively giving Kock control over PRB.<sup>4</sup>

**21.** The propellant for the supergun project was flown out to Iraq disguised as chocolate destined for packaging for an Asil Nadir controlled company called UNIPAC, based in Cyprus.

**22.** Dr Bull, the genius behind the supergun, fell foul of the British government by continuing to push for the components for an Iraqi missile. Israel and the US objected strongly to anything that might aid an Iraqi WMD programme and, according to the CIA account, Dr Bull only

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<sup>4</sup> PRB was later exposed as the supplier of propellant to Iraq for the supergun. See also the Appendices to the UK House of Commons Inquiry into the Export of Defence Goods to Iraq, Vol 3, Section F, Ch 3, ASTRA Holdings plc, of 15 February 1996.

stopped pushing following an explicit threat on his life from the British government. However Bull then began to investigate the intelligence links between the UK government and the secret deal to sell PRB to Astra.

**23.** The Intelligence Summary outlines the events which led to the increasing pressure on both the UK government and the threat of exposure to their secret arms deals. It claims that the later arrest of various businessmen was designed to prevent exposure.<sup>5</sup>

**24.** The summary then claims that Sir John Cuckney, an ex-British Security Service (“MI5”) operator, manipulated the board of Astra with Kock to force Gerald James to resign and to remove all the directors who had voiced suspicions about the Astra-Unipac-PRB links.

**25.** Christopher Gumbley, now an ex-director of Astra, later met Dr Bull and they jointly planned a lawsuit exposing the British government’s covert illegal arms deals with Iraq. The document claims that retired SAS colonel Ian Jack and one Terry Hardy were then hired to eliminate Bull.<sup>6</sup> It goes on to state explicitly that Gumbley was later arrested and sent to prison on “fabricated corruption charges.”

**26.** The summary then claims that nuclear equipment shipped from the US by Euromac for Iraq was seized at Heathrow in a joint SIS-CIA operation and that two people were arrested.

**27.** Meantime a well known defence journalist, Jonathan Moyle, discovered evidence of the covert UK arms deals. According to the

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<sup>5</sup> Three senior executives of Matrix Churchill were later charged in 1991 with deceiving the Government over the intended use of the machine tools when they applied for export licences. They defended themselves on the basis that the Government knew exactly what Matrix Churchill was up to: not least because its managing director, Paul Henderson, had been supplying information about Iraq to the British intelligence agencies on a regular basis.

<sup>6</sup> Kock was in Brussels on the three days immediately prior to Bull's murder on 22nd March 1990. On 19, 20, and 21st March 1990 he was there in the company of two special forces Colonels Hardy and Jack, and with an SIS/MI6 officer called Blane. (Witness statement of Gerald James, to his FOIA appeal, 2007.



document, “Kock and Holdness (another SIS operator) eliminated him (Moyle) in Santiago Chile.”<sup>7</sup>

**28.** The summary then claims that Kock deliberately manipulated the supergun case to divert media attention from the covert arms deals by tipping off UK Customs about the steel tubes under manufacture. The media “leapt at the supergun story” and Nicholas Ridley, the minister, later claimed to Parliament that the UK had only just become aware of the supergun project.<sup>8</sup>

**29. Links With Asil Nadir Case.** The most explosive claims are made in the penultimate paragraph of the summary. After describing the well known arrests of the supergun UK contractors and the BMARC directors – except for one undercover SIS ‘director’, the document states, “Subsequently Kock arranged the arrest of UNIPAC CEO Asil Nadir, via the UK Serious Fraud Office.”

**30.** The final paragraph claims that Kock masterminded the elimination of two more individuals who were asking too many questions and then the shutting down of the secret illegal undercover arms sales organisation.<sup>9</sup> It closes by quoting Margaret Thatcher’s successor as PM telling Parliament that the 1985 policy on arms sales to Iraq “was adhered to, both in the spirit and the letter”

## **Conclusions**

**31.** The document appears to be genuine. Although forgery cannot be ruled out completely without a thorough forensic examination of the original document, the balance of evidence and the known supporting facts, or ‘collateral’, support this conclusion.

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<sup>7</sup> On 31 March, 1990, Jonathan Moyle, the editor of the magazine 'Defence Helicopter World', was found dead in suspicious circumstances in room 1406 of Santiago's *Hotel Carrera*.

<sup>8</sup> This was a lie. Bull had kept the UK informed throughout and the steel tubes and propellant contracts to support the Supergun Project were well known to Whitehall.

<sup>9</sup> The PRB factory at Kaulille in Belgium was damaged in a mysterious explosion on 5 December, 1990. It destroyed one of the columns supporting a specialised propellant press, one of two in the world. SAS experts claim that it had all the hallmarks of a targeted sabotage operation.

32. The document's revelations about Dr Bull's Supergun Project are already in the public arena. They are true.

33. The Intelligence Summary – if confirmed as true – could prove to be potentially extremely damaging to the British and US governments of the day and their intelligence agencies.

34. It reveals details of covert illegal arms deals with Iraq and the individuals, policy and companies involved, in breach of national and international agreements. These deals appear to have made millions for politicians and their families.

35. It identifies UK intelligence agents coordinating illegal activities on government authority.

36. It identifies murders, false arrests and false imprisonment.

37. It exposes UK government lying at the highest levels in Parliament.

38. It explains that Asil Nadir was arrested and his PPI company was brought down using the Serious Fraud Office, because of Astra's links with UNIPAC and the UK government's illegal arms trading with Iraq.

39. It admits that the high profile Supergun affair was used as a deliberate diversion to distract media attention away from the real illegal covert arms trading going on at the time.

40. It matches and confirms many of the queries raised by others over the Supergun affair and its associated activities. **See Annex B.**

#### **ANNEXES:**

A. Confirmed contemporary 1991 CIA report for comparison

B. Some collateral evidence for the claims made in the CIA document.

COMPARISON EXAMPLE OF A CONTEMPORARY CIA REPORT(1991)



Directorate of  
Intelligence

~~Secret~~  
CONTRACT

**Iran-Iraq:  
Renewed Rivalry (U)**

*An Intelligence Assessment*

[REDACTED]  
[REDACTED]  
[REDACTED]

1.5(a)(4)  
1.6(d)(1)(E)

APPROVED FOR RELEASE

NOV 1999

~~Secret~~

July 1991

(Two pages only)

COMPARATIVE CIA DOCUMENT  
- PAGE TWO OF TWO

~~SECRET~~  
~~NOFORN~~  
~~NOCONTRACT~~

**Iran-Iraq:  
Renewed Rivalry (c)**

**Key Judgments**  
*(Information available  
as of 1 July 1991  
was used in this report.)*

The defeat of Iraq and attendant destruction to its military and economic infrastructure by US-led coalition forces have dramatically altered the balance of power between Iran and Iraq. The reduction in size of Iraq's military machine has, at least temporarily, ended its military ascendancy in the Persian Gulf and established a rough strategic parity between Baghdad and Tehran. Iran, formerly isolated and overshadowed by Baghdad's victory in the Iran-Iraq war, now has more room to maneuver and perceives opportunities to regain what it believes is its traditional preeminence in the Persian Gulf. (S, M)

Tehran probably will continue on its growing political influence and employ a primarily diplomatic strategy to consolidate its renewed regional prominence. President Rafsanjani has announced a program aimed at fostering regional security and cooperation and is attempting to expand Iran's ties to the Gulf Arabs and to the West. Iranian leaders probably view President Saddam Husayn as the main threat to their efforts to reshape regional alignments and have embraced the late Ayatollah Khomeini's goal ofousting Saddam from power. With the failure of the Shia and Kurdish revolts in Iraq, Tehran seems increasingly prepared to follow a policy of containing Iraq in hopes that UN economic and diplomatic sanctions will bring Saddam down. (S, M)

Iraq has not abandoned its regional ambitions, but the immediate need to devote its resources to reconstruction, establishing domestic stability, securing its borders, and repairing severed political and economic ties to the international community restricts its policy options. Saddam is likely to employ various tactics—including political accommodation, cooperation, and, as those fail, subversion, violence, and diplomatic pressure—to keep Iran at bay while he works to tip the balance back in his favor. (S, M)

Tehran and Baghdad have dropped almost all pretense of seeking peace, ending the short-lived rapprochement that occurred in the immediate aftermath of Iraq's invasion of Kuwait in August 1990. Disputes stemming from the Iran-Iraq war—most notably sovereignty over the Shatt al Arab waterway—and from the Gulf war—such as Iran's continued impoundment of Iraqi aircraft—remain unresolved and threaten to increase tension between them. (S, M)

~~SECRET~~  
July 1991

1.5(c)(1)  
1.6(a)(1)(6)

**Some Collateral Evidence for Claims Made in the CIA Document.  
(Compiled sources)**

MI6 and CIA infiltration of the government's illegal arms trade was vital so plans go off without a hitch.

In the case of the shipments to Iraq and Iran starting in the early 1980's, Western politicians used numerous agents, but none were more important than MI6 agent Stephan Kock working inside the PPI subsidiary company, Astra.

Former Astra Holdings PLC Chairman, Gerald James, the head of the company used by Western politicians to bypass UN embargoes to get illegal arms to Iraq and Iran, exposed Kock's MI6 cover as a consultant working in Midland Bank's secret arms department, Midland and Industrial Trade Services (MITS), overseeing the financial operations for one of the main lending institutions.

James also had firsthand knowledge that the MITS office was staffed by numerous ex-intelligence officers, MI5 and MI6 agents and government-compromised bankers. At the time of the arms shipments to Iran, Midland and the Bank of Boston were Astra's main bankers and dominated by MI6 and CIA agents.

"Kock was also said to be head of Group 13, the government's assassination and dirty tricks squad according to Richard John Rainey Unwin, a close associate of Kock himself who was a contract MI6 agent and Consultant to Astra. Kock and Unwin, with Martin Laing Construction, negotiated the £2 billion Malaysian defence deal before George Younger, the Defense Secretary even knew about of it," said James about his knowledge of Kock's shady dealings.

Besides James, several other arms deal whistle blowers called attention to Kock's undercover activities, alleging they also had firsthand knowledge during the 1980's he was representing himself as a consultant for Midland Bank.

Although hearsay evidence even from credible sources is often doubted, the following hard evidence should lay to rest any doubts to Kock's role and his assignment to make sure the arms deals went of "quietly and without a hitch," as well as making sure large "kickback commissions" got back to politicians in London and Washington unnoticed.

In a letter dated June 16, 1989, on Midland Bank stationery, sent from Kock to Mohammed Hashemi, a representative of the Iranian Defense Ministry and of Tagell UK Limited, a major company working with Astra in the arms trade to Iraq and Iran, consultant Kock reassures Hashemi high level British officials, including Lord Peter Levene, were "making sure" the CATIC arms contract to the Middle East would "proceed smoothly."

"I am writing to thank you and your colleague, Mr. Dastjerdi, for the splendid hospitality last Tuesday, and to let you know the results of the enquiries I have made on your behalf. Let me assure you that the UK government at the highest possible level regards the contract with CATIC as important and has taken steps to ensure that matters proceed smoothly to completion," wrote Kock in the business letter, a copy of which was leaked to researchers.

"The export license with CATIC as the consignee, reference 1n30.5790/89 will be returned to Tagell UK. My Defence Equipment Finance Department has received the financial documents and the two separate Tagell UK contracts (with CATIC and IMS) from Mr. Dastjerdi. I am in close contact with Peter Levene, who is in charge of procurement at the Ministry of Defence. His advice is that the contract for the initial purchase of the PGS should be with IMS and not the manufacturer, ISC-Ferranti. It appears they will not continue trading.

"I will be in London on Monday 26 June to meet officers from the Defense Export Sales Organization. This should provide an excellent opportunity to discuss some of the other matters you raised on Tuesday and I would be glad if you would join us for lunch. We could meet at my London office at 1pm."

Kock signed the letter as a consultant, citing Lord Levene's sanction of the PGS to China and then to Iran.

In a statement by Sir William Jaffray in 2004, he alleged first hand knowledge that in 1991, Lord Levene authorized the supply of 1500 units of the Precision Guidance System (PGS) to CATIC of the People's Republic of China through a UK company, ISC-Ferranti, which collapsed in 1989. The PGS was an inertial guidance system, which can be fitted to a missile to guide it accurately

However, Sir William Jaffray, the leader of the 'names' (ie. investors) of Lloyds of London put a tidy but yet unsolved seal on the entire arms scandal and cover-up when he said in 2004:

"I am one of a group of persons who believe that the Thatcher government acted unlawfully by supplying large quantities of conventional, chemical and biological weapons to Iraq and by granting export credits to Iraq for the purchase of these weapons, as well as taking commissions from UK companies which participated in the business."

"Documents available include a set of memoranda from the Intelligence Service, internal correspondence between the Ministry of Defense and Foreign Office and commercial papers of the companies involved in supplying Iraq and records of export credits granted by the DTI.

"The UK Attorney General should prosecute the officials responsible for supplying weapons to Iraq. Foremost is Lord Levene of Portsoken who as Peter Levene and in his capacity as Director of Defense Procurement approved much of this unlawful trade."

However, according to whistle blower John Drewe, some of the "telling clues" to the secrets in the Scott Report have already entered the public domain. "Some telling clues did enter the public domain. These were such events as the prosecution in 1992 of the directors of Matrix Churchill for breaching the UK arms embargo on supplying arms to Iraq, as described above," said Drewe. "After government lawyers connived to withhold evidence in several fabricated prosecutions which barely reached the public domain, directors were convicted and imprisoned. All later had their convictions quashed."

"The reports showing that they were acting on government instructions, and that what they had supplied was not in fact embargoed, were withheld from the defense. After these men and women had been convicted and served prison sentences, secret government memoranda came to light showing how their convictions had been secured by fabricating evidence - with the knowledge of prosecuting lawyers, including Alan Moses and Andrew Collins.

It may be significant that lawyers such as Sir Alan Moses and Sir Andrew Collins, who were involved in these trials, were made judges and selected to preside over the trials of those with knowledge of the export of weapons to Iraq and Iran. Moses judged David Shayler (2003). Collins judged Mohammed Hashemi (1999), who organized the supply of Iran with munitions from America and the UK over the period 1979-91."

'Another skirmish which reached public awareness was the "Supergun" affair. Was Gerald Bull killed for giving this sworn statement, among other sensitive inside information he was to reveal?

Further, a sworn affidavit signed by Bull on Jan. 17, 1990, before his death in a bloody fashion, his body found with two or three bullet wounds to the back of the head, revealed how payments were made from the Iranian Defense Dept. to Sir Gordon Reese on behalf of former Prime Minister Margaret Thatcher with U.S. government complicity. Bull wrote:

"In March, 1987, I had two meetings with John Cuckney, one of the advisors to Margaret Thatcher on the Iraqi contracts, personally arranged for the Midland International Trade Services (Defense Equipment Finance Department) to advance the loans for the project? Cuckney told me he had been authorized by the Prime Minister, to whom he reported directly.

"I should explain I was left in no doubt that Thatcher was also being briefed by Gordon Reese, who was advising her on the contracts with both Iran and Iraq?

"Cuckney arranged for Midland to advance SRC, via NM Rothschild and Galverston Securities, 60 percent of the cost of the first stage of Project 839. In November 1988, Midland entered into a contract with Amir Saadi to completely underwrite the purchase of the propellant from PRB for the said project. Herve de Carmoy having personally initiated negotiations. In 1988, de Carmoy moved from his post as Director of the International Banking Division to the Midland Bank to SGB and became Managing Director of Gechem owners of PRB.

"I was given assurance by de Carmoy in January 1989 that SGB would allow SRC to purchase PRB.

"On Aug. 14, 1988, I was informed that Peter Levene, the Director of Defence, had personally intervened to block this acquisition by SRC. I telephoned Cuckney and explained the position. Cuckney assured me that the instructions came from Margaret Thatcher personally, after the United States government had made strong representations.

I had advised Cuckney that he and the Thatcher family had received some of the target payments from the Iraq contracts in order to secure future success of the projects. Cuckney then told me there was a policy reappraisal. He said he would make sure the points I had raised were brought to the attention of the right people and that



in the meantime I should avoid discussing these matters with anyone if I was not to prejudice my opinion."

According to credible UK sources, Lloyd's of London chairman Peter Levene, now Lord Levene of Portspoken, performed a top level and pivotal role in the illegal supply of weaponry to UN embargoed destinations from 1985 until after the first Gulf War. Observers note one unfortunate consequence of these illegal and clandestine arrangements was that the American and British soldiers sent to Gulf War I found themselves being attacked by weaponry made in Birmingham UK and plants across the U.S.

Levene denies the allegations like the other crooked politicians involved in the scheme. However, Sir William Jaffray of London in February of 2004 provided the following documentation, proving there is a reason to believe otherwise.

Jaffray's explosive comments point a strong finger at Lord Levene's role in the illegal arms trade, as well as Levene's role in Lloyd's of London which in turn, was protected against a massive investor fraud suit regarding the devastating outcome of asbestos litigation about to bankrupt the huge insurance carrier without proper investor disclosure.

"The evidence that the UK supplied China and Iran with the PGS, and that this transaction was authorized by Peter Levene, has been concealed from the public. There is overwhelming evidence, running to hundreds of pages of documents, which demonstrates how effectively the facts have been hidden. This is exemplified by the Savill memorandum of 22 June 1995, *stating that the MOD and DTI agreed on a policy that no information would be supplied to Parliament on the subject of weapons sold to foreign customers by Astra Defense Systems.*

"Gerald Bull and Terence Byrne have both filed statements specifically alleging that the officials and politicians pocketed large sums of money, listed as 'commissions', on the sale of weapons to Iran and Iraq. One of the named officials is Peter Levene. One named politician is Margaret Thatcher. The allegations are very specific, and are echoed by the Iranians and Iraqis who paid the money into the offshore companies set up by relations of Levene and Thatcher.

"In autumn 2002, Peter Levene was put in charge of Lloyd's, a government appointment. He came equipped with deep knowledge of the arms business, if not the insurance business. After the catastrophe of the black hole arising from the export credit defaults on arms exports, the UK government needed an alternative source of credit to maintain its arms export business.

Indeed, as John Mays (a Lloyd's man in charge of the Equitas reserving project) observed to a Name at Lloyds in 1998, litigation in the British and European courts would be futile.

"In his role as arms procurer during the mass illegal supply of UK weaponry to embargoed countries alone, Peter Levene is indictable for crimes (along with many others). His bringing into the Lloyd's fold, as an individual with no particular insurance expertise, arouses suspicions as to the exploitation of the expertise he does bring."

### **More Proof of High-Level Corruption**

In March 2005, a Netherlands prosecutor reported that a man by the name of Frans van Anraat was a middle man with high-level British and American connections, alleged to have supplied thousands of tons of agents for poison gas to the former Iraqi government in the 1980-88 war with Iran and against its own Kurdish people.

Van Anraat is suspected of having had direct contact with Iraqi authorities and using front companies of British and American origin, working through a Panamanian company based in Lugano, Switzerland, according to the international probe which led to his arrest.

UN weapons inspection agencies have described Van Anraat as one of the most important middlemen in Iraq's acquisition of chemical weapons raw materials.

An article by Richard Norton-Taylor in the Guardian (1999) reports on purchases made by Tagell UK Ltd on behalf of the Islamic Republic of Iran.

Mohammed Hashemi (aka Jamsid Naini) was a director of a UK registered company, located at 12, Roebuck House, Stag Place, London S.W.1. This company, according to Norton-Taylor's article, was set up with the knowledge and consent of the Ministry of Defence to enable the UK to supply covertly defence equipment to Iran with total complicity with the U.S. government.

The report refers to the purchase by the UK of false end-user certificates, and the construction of motor gunboats for the Naval Division of the Iranian revolutionary guard. Hashemi has provided evidence of how the motor gun-boats were tested at Portsmouth by the Royal Navy and how the procurement department at the Ministry of Defense supervised the project.

Regarding the role of high-level officials in London and Washington, the use of MI6 and CIA undercover agents and Lord Levene's role, Jaffray added:

"It was the U.K. which supplied Iran with WMDs and the missile guidance systems to deliver these weapons.

Tagell UK Ltd was the vehicle set up to implement this policy. Kock, a serving member of the SIS, refers specifically to the role of the UK government at the highest possible level. Indeed the memoranda disclosed by the SIS demonstrates Kock's importance to them, and his role in acting for the SIS in the Supergun supplied to Iraq, and as a director of the arms manufacturer, Astra Holdings and Astra Defence Systems (BMARC). The claim that Peter Levene tendered advice regarding the contracts negotiated by Tagell UK Ltd is contained in a body of documentation which includes the trading records of this company.

"It should be noted that these records refer to commission payments to U.K. politicians and officials.

Typically, the money was paid to members of their families for 'consultancy fees.' Although it has been admitted that politicians in France, Germany, and Italy accepted bribes through members of their families, the gagging orders imposed by judges such as Andrew Collins, prevent the information about Tagell UK Ltd from reaching the public domain in the U.K.

"Finally, Hashemi has noted that large quantities of munitions were supplied to Iraq via Saudi Arabia under the Al-Yamamah contract with the United Kingdom. According to Phillip Sales, senior Treasury Counsel, all the details of this contract will remain known to only two people. The intention of officials to deceive the British people is contained in 'document no 7' which speaks for itself.

"It should never be forgotten that corrupt politicians and officials lined their pockets with commissions on weapons exported to embargoed countries in breach of international law. And the British taxpayer continues to be punished with extortionate stealth taxes to make up a loss of between 73 Billion and 120 Billion of U.K. overseas assets dissipated in support of this illegal trade."

PLC documents, listing millions of commissions paid a handsome portion then funnelled down to the crooked politicians on both sides of the Atlantic who originally put the devious arms-sales plan together.

Further in a 28 April 1987 letter from Kock of Midland Bank PLC to the Secretary of State for Defence, George Younger, showing his key role in negotiating a top secret defense deal with Malaysia, arms which would eventually end up in Iran and Iraq.

Kock wrote:

"I have for some months now been in close discussions with the Malaysian Ministry of Defense regarding a major project as yet classified as secret.

"The time has now come where we feel it very necessary to give you details of this major project which in our view hold significant importance, not only for British defense equipment manufacturer's, but strategically and politically too.

"In view of the official visit by the Malaysian Premier and his defense chiefs in June we would ask for a meeting as soon as convenient?

"We are in fact meeting the Chief of staff in London unofficially on the 12th of May as part of an ongoing dialogue. I have personally briefed the Director S.A.S. and he is as yet the only other person informed on the project."

Besides the correspondence explaining Kock's role in the Middle East arms deals, copies of an MI6 internal memo, tracking Kock's every move after his duties were completed, show just how concerned British intelligence was in the early 1990's to keep Kock silent and from talking to the press.

This internal SIS memo depicts, Kock as a longtime reliable agent, but at the time of the writing MI6 officials were concerned that he turned into somewhat of a loose canon.

"Kock has been an enthusiastic and effective agent. But in the last few years or so pressure of work seems to have affected him and he has developed a growing obsession about his personal security. He now seems to clamour for simultaneous contact with SIS and MI5 and his Special Branch and has become somewhat of an intelligence nuisance.

"His main role was a provider of (blacked out) but he also reported on the Defense industry. In addition he was used by the Joint section for Chinese targeting?

"Between September 1987 and January 1990 we met Kock periodically in London. For the most part, this contact was instigated by Kock and entailed him reporting on various arms-related matters. In October 1989 he volunteered information on the involvement of the Belgium company PRB, recently bought by Astra, in the supply of propellants for the Iraqi supergun project.

"This involvement antedated Astra's purchase of the company but we believe it relevant to the DTI inquiry into Astra which is referred to in the press. Elements of

Kock's reporting were included in material about the "supergun circulated to government departments at the time by SIS.

'According to his account, Kock's role in relation to the Astra Holdings/PRB business was creditable?

"In January 1990 Kock was involved in a shooting incident outside his home in Scotland. Since that time we have not initiated contact with him, but we have from time to time seen him, at his insistence, because we seek to keep his goodwill and to pre-empt any other more damaging approaches, for example, to the press.

While, for obvious reasons, we regard his judgment as unsound, we believe we need to keep his goodwill?"

It is obvious from the MI6 internal report that UK policy was to keep a lid on the illegal Iraqi and Iranian arms deals, as well as to conceal millions of hidden commissions on contracts which eventually funnelled back into the pockets of high-level politicians on both sides of the Atlantic.

UK policy, as evidenced in a 1995 internal memorandum written by Hugh Savell close to the arms investigation, also outlined a concerted legal strategy to keep the contents of the Astra papers concealed from Parliament and the press, a strategy that to date has proved successful.

Below is a detailed list (not this copy) of some of the commissions from Astra Holdings PLC, referring to Tagell UK Ltd. and the offshore companies which UK and U.S. politicians have interests and connections. It should be noted that the payee-companies would then secretly funnel some of the money to greedy politicians whose tracks were completely covered by the complexity and location of the overseas companies accepting payment.

For the full story of Astra see Gerald James' book, "In the Public Interest."

'The Astra case and my case reflect much that has been to the fore in recent years in not only scandals around arms companies like Astra, Matrix Churchill, Ordtec, Forgemasters, Walter Somers, Ferranti and companies like Polly Peck, BCCI and Maxwell but also in the Scott Inquiry, the BSE Inquiry and the Lloyds of London affair and other scandals. The underlying problem is secret unaccountable government which bypasses Parliament and how the law is administered in the UK, gives aid and succour to such a state of affairs. The most common device is the concealment of evidence and manipulation of cases.'

"My company Astra gave rise to much of the circumstances which created the Scott Inquiry, the Supergun revelations, the Aitken affair, the murder of Gerald Bull in Brussels and much else. . .