

Coroner's Inquests into the London Bombings of 7 July 2005
Hearing transcripts - 23 February 2011 - Afternoon session

1 (2.05 pm)

2 LADY JUSTICE HALLETT: Witness G, just before Mr O'Connor
3 asks you the questions about resources, could I ask you
4 a question, please, about, whether or not one uses the
5 names "desirable", "essential", whatever, the fact is
6 that, when you came to prioritise targets D and E, they
7 weren't targeted as immediate attack planners; they were
8 in a different category?

9 A. That's correct.

10 LADY JUSTICE HALLETT: Now, several times during the course
11 of his examination, Mr O'Connor has put to you that they
12 were considered to be minor criminals, car thieves and
13 the like. Now, I understand the difference between
14 somebody who's involved in immediate attack planning,
15 but I don't see how you go from somebody who might be
16 involved in facilitation -- which is providing the funds
17 for attacks -- to just dismissing them as car thieves.

18 A. No, I mean, I think it's fair to say that the phrase we
19 used, when we talked about petty fraudsters, what could
20 we have been confident of at the time? We could have
21 been confident they were involved in fraud. Did we know
22 whether that was fraud for extremist or criminal
23 purposes? No. And many extremists actually kind of do
24 criminal fraud as well. You know, as we've looked at
25 the picture more clearly, it's become clear that --

1 well, that's still too strong. It is likely that that
2 fraud was for extremist purposes, it might also have
3 been for criminal purposes, but it was likely for
4 extremist purposes as well.

5 LADY JUSTICE HALLETT: So are you saying that, at the time,
6 before 7/7, the Security Services did not consider that
7 D and E came into the category of possible facilitators
8 of an attack?

9 A. Yes, I think that's fair.

10 LADY JUSTICE HALLETT: They didn't?

11 A. They didn't come into that category.

12 LADY JUSTICE HALLETT: Mr O'Connor?

13 MR PATRICK O'CONNOR: Two thoughts come to mind, my Lady,
14 just out of that, if I may.

15 LADY JUSTICE HALLETT: Of course.

16 MR PATRICK O'CONNOR: And only two, really, examples of the
17 overt financial -- fraudulent financial joint activity
18 on the four contacts. Do you follow? One comes to mind
19 which is fairly graphic, and that is the touring round
20 the builders' merchants with an overheard attempt to
21 open accounts being explored.

22 Omar Khyam is there, isn't he?

23 A. Yes, he is.

24 Q. Present. And if one is involved in pure fraudulent
25 crime -- there's plenty of pure fraudulent crime goes on

1 in the north of England, isn't there?

2 A. Yes, it does.

3 Q. There is plenty of overheard talk of Omar Khyam talking
4 about sending kit over to Pakistan, isn't there, and
5 sending money to the brothers?

6 A. Yes, there is.

7 Q. His priorities were plainly fraud for Islamic Jihadi
8 purposes?

9 A. I mean, I've not really reviewed this in detail in terms
10 of what we thought contemporaneously, but I do think
11 that's a fair summary. Most of his fraudulent
12 activities appear to be for extremist purposes.

13 Q. You see, really, it's only sensible, isn't it, to allow
14 that dominant feature of his fraudulent activity to
15 colour the interpretation of the involvement of the
16 visitors in fraud as well, isn't it?

17 A. I think it colours it --

18 Q. Yes.

19 A. -- but I don't think that makes it linear. A number of
20 extremist targets do have contacts with what I would
21 describe as ordinary criminals, rather than
22 extremist-related criminals.

23 Q. Right, I'm not going to put -- I promised a second one
24 and I don't pursue it, but the second one obviously was
25 the discussion on the evening of 23 March, which

1 involved quite a lot of detail about car fraud and phone
2 fraud and credit cards.

3 There was a big interaction, wasn't there, between
4 the visitors and Omar Khyam and his group about
5 different kinds of fraud?

6 A. There was certainly instruction from Omar Khyam, yes.

7 Q. That's right. Now, may I ask you about resources and
8 specifically -- I'm very sorry, there's a frog in my
9 throat -- the perceived emergence of the threat of
10 terrorism from UK-born citizens; do you understand?

11 A. (Witness nods).

12 Q. That can be divided into two, can't it? Such a threat
13 to targets within the United Kingdom and such a threat
14 to targets outside the United Kingdom?

15 A. Yes.

16 Q. And you will want us to bear that in mind. I'm going to
17 try to just pursue the examples through in terms of time
18 order and I suggest the first in time actually is
19 a domestic one, but the others are not.

20 In broad terms, can you confirm that, in July 2000,
21 the Security Service in something called Operation Large
22 intercepted, in the metaphorical sense, an Islamist bomb
23 factory in Birmingham?

24 A. I can.

25 Q. That is, granted its location, quite likely, though not

1 certainly, to have been aimed at United Kingdom targets?

2 A. That's what we believed, but we don't know.

3 Q. Thank you. Now, the others are either UK citizens or
4 UK-connected people at targets abroad, and going through
5 them in terms of time, the very famous Richard Reid, the
6 infamous Richard Reid, the shoe bomber who attempted,
7 thankfully incompetently, to blow up
8 a Transatlantic Airline. Now, he had many years of
9 connections with south London, didn't he?

10 A. Oh, yes.

11 Q. And, indeed, with extremist Islamic elements in south
12 London?

13 A. Yes, though most of this only became clear after his
14 attempt to blow himself up.

15 Q. Yes, I understand. But that is December 2001?

16 A. It is.

17 Q. Then, thirdly, in January 2002, was there a terrible
18 event in Pakistan, the kidnapping and execution of
19 a United States journalist called Daniel Pearl?

20 A. I'm not quite sure when he was executed, but, yes, he
21 was kidnapped around --

22 Q. At around about that time? In fact, although many
23 people may well have been involved, was there a person
24 in an organising role in that terrible incident called
25 Ahmed Omar Saeed Sheikh?

1 A. He doesn't ring a bell with me, but I'm sure that's
2 true.

3 Q. All right, he had gone to school and university here and
4 in Pakistan. But fourthly, and perhaps more clearly,
5 again targeted at abroad, in April/May 2003, do you
6 remember a terrorist attack in Israel carried out by two
7 people, whose names perhaps don't matter, but they were
8 British passport holders, were they not?

9 A. Yes, the two called Hasib Hussain and Omar Sharif.

10 Q. Yes. Were they nominally British passport holders or
11 had they grown up here, they had a lot of connections
12 here?

13 A. No, they'd grown up in the UK.

14 Q. Yes, exactly. So we see clearly -- tip of the iceberg,
15 of course, in terms of intentions and motives, but we
16 see plainly clear examples, early in the last decade, of
17 UK-born citizens presenting a very serious threat
18 internationally and, in terms of one example,
19 domestically as well?

20 A. Yes.

21 Q. Was there, in hindsight, a delay in recognising the size
22 of the threat of home-grown terrorism to this country?

23 A. By my Service?

24 Q. Yes.

25 A. Yes, I think we took longer to work this through than we

1 might have.

2 Q. Can I put to you a quote -- and it's only in fairness
3 that I put it to you, because I'll be putting it to
4 Deputy Assistant Commissioner Clarke who will be giving
5 evidence, because it's a quote from him from a lecture,
6 and it's fair to put it to you because you can then
7 accept or comment on it, or reject it.

8 It goes as follows:

9 "In 2002, the perception was that, if there was
10 a threat to the United Kingdom, its origins were
11 overseas. The spectre of a home-grown terrorist threat
12 was not yet with us."

13 Is that fair?

14 A. I think that's entirely fair.

15 Q. Now, is this the reason, perhaps, why you gave your
16 answers yesterday about the budget bid in 2004 which --
17 may I just add to it, as I understand it, summarise
18 it -- would have taken perhaps nine months to feed
19 through and would have led to a budget increase in
20 2005/2006?

21 A. Is your question: was it the slowness of our
22 appreciation of the home-grown threat? No, I think not,
23 really. You know, after 9/11, we obviously appreciated
24 the significance of the Islamist threat in general, and
25 we needed some time to think through what that meant for

1 us in terms of increase in size. I don't think it was
2 that significant in terms of the budget increase,
3 because we, of course, are responsible for looking at
4 threats to the UK from terrorism wherever they come
5 from, not just from within the UK.

6 Q. Yes, yes. I understand that. Could I ask you to look,
7 please, at the first ISC report which is at our tab 50
8 in the core bundle and is INQ8304 at page 37 [INQ8304-37], [INQ8304-38].

It's my

9 page 33 -- I'm very sorry -- and it's system page 37.

10 Paragraph 120, yes?

11 A. Yes.

12 Q. "Spending review bid."

13 The ISC first report was, of course, in May 2006.

14 A. It was.

15 Q. Paragraph 120:

16 "The ... spending review settlement [2004] which set
17 agency funding for the years 2005-2008, went some way to
18 easing the pressures arising from the need to reallocate
19 resources away from other work and on to
20 counter-terrorism. In October 2003, at a ...
21 subcommittee on public services and ... expenditure, the
22 argument was put that a step change in the size of the
23 community's counter-terrorism effort was needed in order
24 to respond to the scale of the challenge posed by the
25 Islamist terrorist threat.

1 "This argument was successfully repeated in the ...
2 '04 bid and led to a significantly increased single
3 intelligence account allocation ..."

4 So do we take it from that that the argument that
5 was put in 2003 was not successful or not entirely
6 successful?

7 A. No, I think -- and I'm afraid I'd have to check back for
8 the details at the time -- this is the reflection of how
9 Government funding develops, rather than it was rejected
10 specifically in 2003.

11 Q. Oh, I see, well, it may actually be, in fairness,
12 that October 2003 would be between the 2003 spending
13 review and the 2004 spending review?

14 A. Quite so.

15 Q. That's right.

16 A. As I say, I would have to pursue the time -- the
17 detailed timetable to be sure.

18 Q. Let's take it that way. On page 48, conclusion Q, so it
19 is page 48 [INQ8304-48], I hope, to the report:

20 "It could be argued (but it would be largely with
21 hindsight) that better appreciation of the speed and
22 scale with which the threat against the UK could develop
23 might have led the Services to achieve a step change in
24 capacity earlier, despite the risks involved in rapid
25 expansion. The story of what was known about the 7 July

1 group prior to July indicates that, if more resources
2 had been in place sooner, the chances of preventing
3 the July attacks could have increased. Greater coverage
4 in Pakistan, or more resources generally in the UK,
5 might have alerted the agencies to the intentions of the
6 7 July group."

7 Now, do you accept that?

8 A. Yes, I mean, as that notes, there's quite a lot of
9 coulds and mights in there, but I accept it in that
10 context.

11 Q. We can look at it again, if you wish. You said this
12 yesterday. It's paragraph 140 of your main witness
13 statement, page 87. That is [SYS11005-87], paragraph 140:

14 "The expansion of the Service and its capabilities
15 was planned from 2003 but, given the length of time
16 required to implement such a plan fully, changes
17 continued to be made for several years."

18 There's a slight element of ambiguity in that.

19 Can I try to remove it? By "planned from 2003", do you
20 mean that the planning took place from 2003, not that
21 there was an earlier planning of an expansion which took
22 place in 2003?

23 A. Again, I'd have to double-check, but I think it's the
24 former rather than the latter.

25 Q. That's right, that's certainly how I took it. Now, I do

1 hope the page numbers came through to you.

2 A. They did, thank you, yes.

3 Q. Thankfully, very few from which I just want to ask you
4 a question or two.

5 My Lady, I hope, was given a copy of this when it
6 was handed up.

7 LADY JUSTICE HALLETT: I was, thank you.

8 MR PATRICK O'CONNOR: The Intelligence and Security
9 Committee annual report 2004 to 2005. I'm looking at
10 page 11 of that.

11 Paragraph 20:

12 "In the spending review 2004, the Government
13 significantly increased the funding available to the
14 agencies in recognition of the priority it attaches to
15 the fight against international terrorism. The bulk,
16 73 per cent, of the additional funds will fund the
17 planned stepped increase in Security Service strength
18 and represents a real term average increase of
19 66 per cent in the Security Service's baseline.
20 21 per cent will go to additional counter-terrorism
21 effort, in particular covert action."

22 Now, can I -- you recognise this, do you?

23 A. I did.

24 Q. That's fine, good. Paragraph 21 I want to ask you
25 about, though:

1 "In previous years, we have reported that the
2 agencies did not spend their full allocation and they
3 have consequently rolled the funding over as end of year
4 flexibility. To manage this underspend, a block
5 adjustment of [a redacted amount of money] has been made
6 to reflect an assumption that it will be possible to
7 identify an X amount of money in each of the years 2004
8 to 2008 that can be reallocated within the ..."
9 That's the single intelligence account, is it, or
10 what?
11 A. Yes, that's right.
12 Q. Good, I guessed:
13 "This has allowed the bids presented by the agencies
14 to the relevant committee to be funded. There is a risk
15 that these underspends may not occur, but the Chief
16 Secretary to the Treasury has agreed to look again at
17 the funding should the underlying assumption prove
18 incorrect. In the current year, a redacted amount of
19 money has been drawn down from the end-year flexibility
20 Reserve for the agencies."
21 First of all, was there then, in fact, an underspend
22 on the Security Service budget in the years leading up
23 to 2004?
24 A. I don't know, but I could easily check.
25 Q. Why would that be? I mean, if the Security Service

1 was -- why would it not be using the available
2 resources?

3 A. I'm afraid we're getting into technical accountancy
4 land.

5 Q. All right.

6 A. But fundamentally, there are two different types of
7 budget here: capital and resource. So we might, for
8 instance -- and this is all hypothesis, Mr O'Connor,
9 I don't know the details -- but we might, for instance,
10 have said that we were going to purchase a new building
11 in a particular year, but, you know, we didn't purchase
12 it until the next year or an IT system. Or something
13 like that. But I don't know the details of that.

14 Q. This might be a bit technical.

15 A. I think that's likely, but I don't know.

16 Q. Can I ask you about the partial function of the
17 Security Service in supporting the investigation of
18 serious crime?

19 In 1996, the Security Service Act 1989 was amended
20 so that the Security Service had power to assist in that
21 respect.

22 A. That's correct.

23 Q. You refer to that, I think, in your statement. My Lady,
24 just for your note --

25 MR KEITH: It was established in the course of evidence on

1 Monday.

2 MR PATRICK O'CONNOR: I'm very grateful. It's section 1(4)
3 of the Act.

4 Now, what proportion of the Security Service
5 resources was used in 2004/2005 for the investigation of
6 serious crime, non-terrorism?

7 A. I don't have the exact figure. I'm confident that the
8 proportion was very small, I would estimate somewhere
9 around 1 per cent or 2 per cent.

10 Q. Oh, that small?

11 A. Yes.

12 Q. Right. So that did not significantly interfere with the
13 resources available for counter-terrorism?

14 A. It did not.

15 Q. Right. Now, you suggested in parts of your evidence
16 yesterday that just getting extra resources wasn't the
17 immediate answer because the effective administration,
18 deployment of extra resources and absorption of extra
19 resources took time?

20 A. And here by "resources" I really mean specialist
21 personnel.

22 Q. Yes. If we look again at the ISC report, the first
23 report, so again, INQ8304, our tab 50, paragraph 124, so
24 it's page 34 in the hard copy, page 38 [INQ8304-38] it should be in
25 the system copy.

1 Looking at paragraph 124, if you have it --
2 A. I do.
3 Q. -- it reads:
4 "The July attacks have confirmed the need to
5 increase coverage of the threat at home and overseas.
6 Existing expansion plans have been validated but, in
7 bringing into sharper relief how much was unknown, the
8 attacks have highlighted the need for these plans to be
9 accelerated and, where possible, increased. In the
10 words of the Chief of the ..."
11 This is MI6, the Secret Intelligence Service?
12 A. Correct.
13 Q. "... 'We need to do more of what we were planning to do
14 anyway and we need to do it faster'."
15 Paragraphs 139 to 142, "Resourcing increases in
16 coverage", so page 38, or page 42 [INQ8304-42] on the system:
17 "We have considered whether there was any failure on
18 the part of the agencies in not having sought a greater
19 funding increase to expand their coverage ... sooner,
20 for example, in [spending review] 04 or before. We
21 found that they sought, and were given, additional
22 funding immediately after the 11 September attacks via
23 a claim on the Reserve [with] an additional £54 million
24 [being given] for 2001/02 and ... 2002/03.
25 "As for whether a greater increase should have been

1 sought in [spending review] 04. The Agency heads
2 insisted that they had asked at the time for the maximum
3 by which they thought they could grow."

4 The head of MI6 said:

5 "If you try to bring in more than a certain number
6 of new people ... you can literally bust the
7 system ... you can only tolerate a certain number of
8 inexperienced people dealing with very sensitive
9 subjects."

10 The Director General of the Security Service said:

11 "What we are trying to do is the maximum we think we
12 can bear in terms of recruitment ... it is a very
13 challenging programme."

14 Now, those are the arguments put, the evidence put
15 to the first ISC report, and paragraph 142, over the
16 page [INQ8304-43], doesn't entirely accept that argument, I suggest.
17 If you can just read it and then I'll read the last
18 sentence. If you glance your eye down.

19 "Recent actions - including the establishment of new
20 stations at home and overseas - do, however, show that
21 there had been room to do more, and to do it more
22 quickly, than had been thought possible at the time."

23 So it's a qualified acceptance, isn't it, of the
24 arguments advanced?

25 A. Yes.

1 Q. Covert infiltration is potentially one of the
2 investigative resources available in any aspect of
3 counter-terrorism?
4 A. By which you mean agent sources?
5 Q. Yes.
6 A. Do you mean just that?
7 Q. Yes --
8 A. Yes.
9 Q. -- for the moment. Because I'm thinking in parallel
10 with recent news stories, which you will have read,
11 about very long-term, covert infiltration, of
12 environmental activist groups. You know the stories I'm
13 talking about?
14 A. I do.
15 Q. By "very long-term" I think really from the early 2000s.
16 A. In that particular case, going on the media reporting --
17 and I only have media reporting on that.
18 Q. Yes. Now, quite obviously, the threat of Islamist
19 terrorism is in a different league from such threat as
20 is posed by environmental activists, isn't it?
21 A. Absolutely.
22 Q. I'm aware this is sensitive, so may I phrase the
23 question carefully and then pause?
24 If you had wished, in 2004 and 2005, to use covert
25 infiltration into suspected Islamist terrorist groups in

1 those two years, did you have the resources to be able
2 to do so?

3 A. At a general level, yes.

4 Q. You did. I feel that if I was to ask -- it would be
5 very interesting to ask more questions, but I feel
6 I will immediately be treading upon sensitive toes and
7 so I don't go there.

8 Do you agree -- and I can give you the references --
9 that the single most potent criticism of the
10 Security Service in the second ISC report is on the
11 question of record-keeping?

12 A. I do.

13 Q. This is slightly shorthand to ensure that you've had
14 a chance to think about this. You may, or may not, have
15 seen our skeleton argument advanced on the scope ruling
16 which went through this report and put together
17 arguments and listed a lot of references in the report
18 about that criticism. Were they fair criticisms?

19 A. I think the way they have been reported isn't
20 necessarily the way that was intended. The key thing in
21 the ISC report that to my mind it identifies is the
22 difficulty we had retrieving all the information that
23 they required to that very high level of precision that
24 rightly we have pursued in this case, rather than
25 a suggestion that we were not keeping the material in

1 the first place.

2 Q. I agree. I mean, if you're not keeping the material in
3 the first place, no question of sort of quality of
4 record-keeping and retrieval of information arises.

5 It's not so much what is kept, although we've touched on
6 that in relation to assessments. It's accessibility to
7 what you do have. That's the point of the criticisms in
8 the ISC2 report, isn't it?

9 A. Yes, I think that's fair.

10 Q. And they saw potent examples of it and record them
11 through their report.

12 Now, there isn't a complete divide between
13 record-keeping and the performance of your important
14 functions, is there?

15 A. No.

16 Q. Defective record-keeping can adversely affect your
17 performance?

18 A. "Defective" is a strong word. But, yes, if our
19 record-keeping was defective -- which we would not
20 believe and I don't think the ISC suggest -- that would
21 adversely affect performance.

22 Q. Well, I think we're not -- I really -- I'm trying to
23 keep to a time. I'm not going to argue over the meaning
24 of whether defective. They had repeated and, for the
25 ISC, fairly strong criticisms of your record-keeping,

1 didn't they?

2 A. Yes.

3 Q. Let me just ask you this: in a sense, you've had
4 a similar exercise for the purposes of this inquest?

5 A. We have.

6 Q. I'm the least person to be in a position to judge at
7 all, but do you say that your performance in retrieving
8 records and producing them for this inquest gives an
9 insight into the current state of your record-keeping in
10 terms of being able to retrieve information?

11 A. In some ways, yes, but in other ways, we are developing
12 new systems all the time, which have material, modern
13 material, on, which is accessible in a different way to
14 historical material of this kind.

15 Q. From the chosen pages, a second aspect of the 2004/2005
16 report to ask you about, please, and it's paragraph 24
17 on page 13 of the 2004/2005 general ISC report.

18 I should make it clear this is an annual report which
19 the ISC routinely gives every year as part of its
20 statutory function. The reports we've most often been
21 referring to are the issue-specific reports into the
22 7 July bombing. So this is one of these regular annual
23 reports, and paragraph 24 reports, doesn't it, that at
24 that time the Security Service was part way through
25 a project to renew its IT infrastructure, and it gives

1 a redacted cost.

2 "This project has given rise to a number of problems
3 over the past couple of years and the management team
4 within the Security Service has been changed. We have
5 been told that the project will now deliver less
6 capability than previously planned and it will cost at
7 least 50 per cent more than originally estimated, but it
8 will be operational earlier than originally projected."

9 Paragraph 25:

10 "We are concerned that the Security Service does not
11 yet have sufficient project managers or expertise to
12 manage all their IT and capital projects at the same
13 time. We have raised these concerns with the
14 Director General, who has assured us that she is
15 conscious of the problems and is taking steps to address
16 them. We will continue to monitor this."

17 So that is really an expression of concern by the
18 ISC about progress being made on this, isn't it?

19 A. It is. I think it might be helpful if I explained
20 a little bit more what's been referred to in
21 paragraph 24.

22 Q. Certainly, please.

23 A. I'm sorry, again, this is quite a boring, technical
24 point, but our IT infrastructure is not the sort of
25 systems we've been talking about today, it's not the

1 search and retrieval systems, it's not
2 intelligence-based systems. Our IT infrastructure is
3 the underlying stuff which allows those systems to be
4 run, rather than those systems themselves, and also
5 allows some basic functions like word processing and
6 messaging rather than searching.

7 Q. I can see we're on home territory for you, Mr G. You're
8 getting quite keen and animated. Thank you for that.

9 Do you say that the changes in the methods of
10 assessment mentioned in the second ISC report have been
11 completely put in place?

12 A. Are you referring specifically to the Legacy Review
13 team?

14 Q. No, and I should have made it clear. That's the second
15 of two changes mentioned in the ISC2 report.

16 A. Okay.

17 Q. The first is the change in the method of assessment of
18 suspects from looking at individuals to looking at them
19 as groups.

20 A. Yes.

21 Q. Do you remember that?

22 A. Yes, absolutely.

23 Q. Now, has that one entirely been implemented?

24 A. It has.

25 Q. On the question of assessment of risk, a task we've

1 agreed is very important and difficult, you could
2 describe the words "threat assessment" as "risk
3 assessment", couldn't you? It's a similar --

4 A. No, I'm afraid, in our world, they are two very
5 different things.

6 Q. Right, what is "risk" as opposed to "threat", then?

7 A. So -- I'm afraid there are also lots of very different
8 definitions of this as well.

9 Q. Oh, yes?

10 A. But for us, "risk" looks at both a threat posed and the
11 vulnerability of the target of it --

12 Q. Ah.

13 A. -- as opposed to a threat, which is, you know, the mere
14 fact that an individual might have both an intention and
15 a capability to do something, not taking into account
16 that target's ability to defend itself.

17 Q. Right. Now, in fact, that happens to be exactly the
18 point I was going to raise with you because "risk"
19 involves assessing the threat, in terms of the intention
20 and capability, on the one hand, and, as you said, the
21 vulnerability of the target. In other words, the
22 likelihood of implementation of the attack and the
23 seriousness of the consequences.

24 A. The seriousness of the consequences can be a different
25 bit, but, yes, certainly the likelihood of the --

1 Q. I agree. Now, this skirts around -- that's all we can
2 do, I'm going to move on, but this skirts around
3 increasing interest, academically, about risk theory,
4 the assessment of risk, understanding really what risk
5 is about as you've just defined it.

6 Are our Security Service's officers trained in risk
7 theory?

8 A. Well, there are two different parts here --

9 MR KEITH: My Lady, I'm sorry to rise to my feet. I'm sure
10 the fault is entirely my own, but I'm bound to say that
11 I'm not entirely sure of what the link is between this
12 issue and the issues that my Lady has determined are
13 within scope.

14 LADY JUSTICE HALLETT: I was hoping it would become clear
15 quite shortly, Mr O'Connor, because I'm in the same boat
16 as Mr Keith.

17 MR PATRICK O'CONNOR: It's rule 43 and --

18 LADY JUSTICE HALLETT: So we're talking about assessment of
19 threat posed by particular targets; is that what you
20 mean?

21 MR PATRICK O'CONNOR: Yes.

22 LADY JUSTICE HALLETT: Is that what you're talking about,
23 Witness G?

24 A. I'll have to make a definition again, I'm sorry, in
25 nerdy terms, between "risk" and "threat".

1 LADY JUSTICE HALLETT: That's why I think we need -- in
2 layman's language, we're looking at the threat posed by
3 individual A to the population -- the travelling
4 population of London, say.

5 A. Yes, and when we discuss "threat" where there is much
6 less academic work going on than "risk", there is little
7 academically-based training on threat assessment, that
8 is much more based around our own experience, our
9 experience of our partners, the police and others, and
10 other foreign intelligence services and looking back on
11 cases we've been involved in before.

12 When we are discussing "risk", which is a separate
13 part of our organisation, protective security work, yes,
14 there are high levels of, you know, very, very deep
15 specialists in this area, who I'm sure would be willing
16 to -- willing and able to talk about risk theory for
17 a considerable period of time.

18 MR PATRICK O'CONNOR: Even longer than we've just been
19 talking about it.

20 So in other words, to put it in, I hope, ordinary
21 language, the Security Service, do you say, is keeping
22 pace with developments in the outside world in the area
23 of risk assessment, which affects big companies, it
24 affects Government, it doesn't just affect the
25 Security Services, does it?

1 A. I'm not a risk assessment specialist, but I believe that
2 to be so.

3 Q. That was my point, and I understand my learned friend's
4 query, but I don't think it was entirely off-beam. It's
5 rule 43 and seeing what the current state of play is,
6 that's all, Mr G.

7 Let me put these final two propositions to you,
8 then, for your comment.

9 Putting resources to one side, if proper assessments
10 had been made of men D and E that they were more than
11 small-time fraudsters and, for example, might have been
12 potentially the second, third or fourth team referred to
13 by Omar Khyam, then I suggest greater measures could,
14 and should, have been taken against, particularly,
15 Mohammed Sidique Khan, including monitoring his travel
16 and taking possibly intrusive authorised intelligence
17 measures against him after his return from Pakistan and
18 successfully thwarting the 7/7 bombings in 2005.

19 Can you comment on that, please?

20 A. I believe that proper assessments were made. I continue
21 to judge that there is no evidence or intelligence. An
22 enormous amount of work has been done for both the
23 Crevice plotters and the 7/7 plotters, no evidence or
24 intelligence to suggest they were or were even
25 aspirationally considering involvement in the Crevice

1 plan in 2004.

2 Q. Secondly, on a systemic level, if earlier action had
3 been taken with an earlier perception of the home-grown
4 risk of terrorism to the United Kingdom, then as to some
5 extent endorsed by the first ISC report, that might have
6 made a difference to your capacity to intercept and
7 prevent 7 July 2005?

8 A. It might have done.

9 Q. In terms of systems, if you had had a structured system
10 of assessment, that might have led to the kind of
11 assessment which we suggest should have been made
12 accurately about men D and E in 2004?

13 A. No, I do not believe that, because I believe the correct
14 assessment was made.

15 MR PATRICK O'CONNOR: There's nothing like bathos, my Lady,
16 I've been passed a note and one of the points here is
17 one I feel I should ask about, and it is the true
18 definition of bathos. It's a very, very small point,
19 but if I may just ask it and then I will have finished,
20 because I wanted to finish with those two rather overall
21 questions.

22 Mr G, are you aware of anything by way of a missing
23 fax, a communication between the Security Service and
24 a police force -- possibly West Yorkshire Police -- in
25 the course of the early stages of Operation Crevice?

1 A. No, I'm afraid not.

2 MR PATRICK O'CONNOR: You're not? Thank you very much.

3 LADY JUSTICE HALLETT: Does anybody have any questions
4 before Mr Eadie? Mr Taylor doesn't seem to be here.
5 I know he has problems tomorrow. I wasn't aware that he
6 had problems today. We haven't heard anything,
7 Mr Smith?
8 Nobody can assist me as to whether he's left any
9 instructions? As far as we are aware, he is not in the
10 family annex.

11 MS SHEFF: My Lady, I did speak to him yesterday. He did
12 tell me that his wife was away and that she was taking
13 a rest and he did mention that he was feeling a little
14 bit tired himself, so perhaps he decided to join her.

15 LADY JUSTICE HALLETT: I understand. Thank you very much,
16 Ms Sheff.
17 Right, is it Mr Eadie now?

18 MR KEITH: My Lady, it is. I don't know whether or not this
19 might not be the appropriate time to resolve the
20 application that he made yesterday because that may
21 impact upon the time that he wishes to carry out his own
22 examination of Witness G. Of course, it's entirely
23 a matter for my Lady.

24 LADY JUSTICE HALLETT: I'm entirely happy if it's thought
25 suitable.

1 Now, Mr Eadie made his application. I don't think
2 I've heard from you yet, Mr Keith.

3 MR KEITH: That's quite right, my Lady. It wasn't a covert
4 attempt to be heard on this matter, but plainly it was
5 of importance to Mr Eadie.

6 Submissions re adducing of statement into evidence
7 May I make some very short observations, and I don't
8 think that the witness is obligated to withdraw while
9 I make them because I won't be long.

10 There are I think three applications being made.
11 One is for my Lady to adopt G's witness statement into
12 evidence as a matter of principle.

13 Secondly, that the statement should be published on
14 my Lady's public-facing website.

15 And thirdly, I think the application was made that
16 in some way my Lady should lend my Lady's legal
17 imprimatur to the publication of that statement on the
18 Security Service's own website or by some other means.

19 In relation to the first application, we have very
20 grave concerns about the propriety of that application
21 because, if the purpose is to simply ensure that the
22 statement covered -- or the adoption of the statement
23 were to cover all the areas that were anticipated to be
24 covered in oral evidence, then, when the application was
25 made -- which was yesterday -- it was premature. One

1 cannot ascertain the utility of the application until
2 the oral evidence is heard.
3 If, by contrast, the application is considered now,
4 then it is misconceived, because it would be quite wrong
5 to try to put into evidence a written statement prepared
6 for these proceedings without paying regard to the
7 evidence that has actually been heard.
8 In some ways, G's evidence, orally, has gone far
9 beyond certain aspects of his written statement. In
10 some areas, it hasn't. But what matters is the evidence
11 that my Lady has heard in the course of these
12 proceedings, subject to scrutiny, thorough scrutiny, by
13 the advocates concerned in the case.
14 It would be quite wrong, by way of analogy, at the
15 end of civil proceedings to try to adopt in limine
16 a statement in its entirety at the end of the evidence
17 in order to try to add to the sum of the evidence before
18 the tribunal.
19 By way of another analogy, in criminal proceedings,
20 my Lady, if, at the end of a long, contentious
21 cross-examination of the officer in the case, the
22 prosecutor made an application that the officer's
23 witness statement should simply be put before the jury
24 by way of adoption into evidence, no court would accede
25 to such an application.

1 The proper approach is that, if there are areas
2 which the representatives of the organisation of which G
3 is part feel that there are areas that need to be
4 covered, then it is supremely the role of their
5 representative to examine further into those areas.
6 Alternatively, if my Lady feels that there are areas
7 which require further exploration, then of course
8 my Lady will naturally pursue them.

9 It's no answer for my learned friend, with respect,
10 to say he has the right to ask the witness to go through
11 the statement paragraph by paragraph so as to ensure
12 that the content of the statement is adduced into
13 evidence in any event, because these are not adversarial
14 proceedings, they are inquisitorial, and my Lady has the
15 judicial power, indeed obligation, to ensure that the
16 course of the proceedings best reflects the issues that
17 my Lady feels are important, and I don't suppose for one
18 moment that my Lady would allow my learned friend to
19 simply spend four hours going through each paragraph of
20 G's statement.

21 Finally, it may lead also to an inconsistent
22 approach, because no other organisation has either
23 sought formally, or been granted, my Lady's leave to
24 have their own corporate witness statements inserted
25 into evidence at the conclusion of the evidence given by

1 the relevant witnesses.
2 In relation to my learned friend
3 Mr Patrick O'Connor's point concerning rule 37, it has
4 no application at all to this argument because rule 37
5 is concerned with, under 37(1), the admission of
6 documentary evidence which is unlikely to be disputed,
7 and there is no question but that the statement of G is
8 disputed. It is why he has given oral evidence.
9 Under rule 37(2), my Lady may admit documentary
10 evidence if the maker is unable to give oral evidence.
11 Of course the maker is able to give oral evidence,
12 the maker is G. So rule 37 has no application.
13 So, my Lady, we would invite you not to accede to
14 the application to have the statement adopted whole into
15 evidence.
16 In relation to the second application, which is
17 publishing on my Lady's website, my learned friend
18 Mr Eadie will know that this point arose in the course
19 of these proceedings, has arisen frequently, in fact, in
20 the course of these proceedings, because my Lady heard
21 arguments earlier in the year about whether or not
22 particular documents could go on to the public website.
23 I think all the parties agreed, after going round
24 the houses several times, that there was no principle of
25 law that obligated such a conclusion. It is a matter

1 entirely for my Lady's discretion as to whether or not
2 documents may be put on to the website.
3 In view of my earlier submissions, which is that it
4 would not be appropriate for the statement to be adopted
5 into evidence, we would suggest that such discretionary
6 factors as are relevant dictate against putting the
7 statement on to the website either.
8 Lastly, in relation to my learned friend's
9 application to seek some sort of approval for the
10 publication of the statement on the Security Service's
11 own website or by some other means, my Lady, that issue
12 falls entirely outwith the scope of my Lady's powers.
13 All parties are free to do as they wish, at the
14 conclusion of evidence, with the materials prepared for
15 the course of these proceedings, but it would, in our
16 submission, be inappropriate to try to seek my Lady's
17 approval or legal imprimatur for such steps because what
18 they are in essence seeking to do is to seek to get
19 my Lady's approval for a battle which is quite
20 unconnected to these legal proceedings: namely, the
21 battle for public opinion falling outside this
22 courtroom.
23 By way of an example, the material to which my Lady
24 referred yesterday -- namely, the press report prepared
25 by another organisation -- stated on its terms that the

1 reason for the preparation of the press report was that
2 that organisation was keen to ensure there is no
3 factually incorrect reporting that could be harmful to
4 the overall inquest process.

5 That was, if they will forgive me, a specious claim
6 because this is a document which bore no relation to the
7 oral evidence at all. Indeed, it was plainly prepared
8 subject to an embargo and was not going to be altered in
9 the light of subsequent oral evidence.

10 So to suggest that it is an important step, an
11 important process, to assist my Lady's process is quite
12 wrong.

13 LADY JUSTICE HALLETT: It was also presumptuous.

14 MR KEITH: It was presumptuous, my Lady, and on any view
15 counterproductive, because it doesn't accurately reflect
16 the oral evidence so it cannot be of assistance to
17 my Lady's process.

18 So for all those reasons, we would also invite
19 my Lady not to express any view as to the publication of
20 material on organisations' own sites, other than to
21 adhere to my Lady's current position, which is that it
22 is discourteous to try to do so whilst my Lady's
23 proceedings are still current.

24 LADY JUSTICE HALLETT: Thank you.

25 Mr Eadie?

1 MR EADIE: My Lady, can I make it absolutely clear? I was
2 informing in relation to the third purported
3 application -- I didn't make an application -- you will,
4 I hope, have appreciated that the last time I raised
5 this issue, I raised it with my Lady as a matter of
6 courtesy and, frankly, just as well I did, given the
7 reaction to another organisation's decision to put such
8 material into the public domain. That was the basis on
9 which the Security Service raised the matter with
10 my Lady. We didn't want to be taking any step, whatever
11 our legal entitlement to do so --

12 LADY JUSTICE HALLETT: I didn't understand you'd made an
13 application for me, number 3?

14 MR EADIE: I hadn't, but it's now being presented on the
15 basis that I had, and I hadn't. We don't need my Lady's
16 permission to do it, but what we don't want to do is to
17 take a step which maybe would be regarded as unhelpful
18 in the pursuit of the judicial function you are now
19 performing. So I hope that bit of it is clear.

20 My Lady, a number of points, if I may, by way of
21 reply.

22 Firstly, no one says that any part of the three
23 witness statements that G has produced are irrelevant.
24 On the contrary, all concerned accept that all parts of
25 those statements are relevant to these proceedings.

1 It is, with respect, extraordinarily difficult to
2 conceive of any reason, assuming that there is some part
3 of those written statements -- and we submit that there
4 is -- which has not yet been covered or covered fully or
5 adequately in the evidence, why my Lady would wish
6 positively to preclude relevant evidence from coming
7 before you so that you can take it into account for the
8 purpose of your decision.

9 Thirdly -- and I mention it only to remind
10 my Lady -- Witness G is a corporate witness and the
11 evidence which he gives is of the nature that
12 I described yesterday.

13 There is a certain irony, with respect to Mr Keith,
14 in the position having been reached where months and
15 months have been spent trying to strike the right
16 balance between informing the public to the maximum
17 extent possible whilst not trespassing on
18 security-sensitive toes and for the position now to be
19 that Mr Keith is positively inviting you to exclude from
20 your consideration the product of that work.

21 The sole point, as I understand it, in terms of
22 a substantive objection, perhaps two points he makes,
23 first of all, underlying his submissions is the
24 proposition that he himself has already brought out all
25 that needs to be brought out from those witness

1 statements and that, therefore, there really is no need
2 to introduce them into evidence.

3 We, with respect, simply do not agree with that
4 proposition. We respectfully submit that there is
5 material in those other statements which it would be
6 thoroughly laborious and time-wasting to go through in
7 detail, but I will, if necessary. We say the
8 appropriate course is to simply admit those statements
9 into evidence now.

10 We also, with respect, strongly object to the second
11 objection which my learned friend has raised today,
12 which is that it is now too late in the process to start
13 raising this, which appeared to be at the core of his
14 submissions today.

15 We raised this issue last week after meetings in
16 which it had been raised on a number of occasions before
17 that, and I hope I'm right in saying -- and I've checked
18 with my instructing solicitor, but I hope I'm right in
19 saying that the message that we got from the Inquiry
20 team, from the Inquest team, was "Well, hang on
21 a second, don't do it yet because it may be you won't
22 need to because Mr Keith will bring out everything
23 that's been brought out".

24 LADY JUSTICE HALLETT: Mr Eadie, pause there. I've written
25 down that Mr Keith was arguing it was premature, not too

1 late.

2 MR EADIE: Well, he was arguing both, in fairness, he was
3 doing the usual judicial review argument, which is it's
4 both premature and too late. So he says: it's premature
5 to do it beforehand; it's too late to do it afterwards.

6 LADY JUSTICE HALLETT: You certainly alerted the Inquest
7 team to the idea of doing similar -- not exactly the
8 same as West Yorkshire Police have attempted to do, but
9 something similar, but without worrying about whether
10 you feel you are being unfairly criticised, at the
11 moment, what's concerning me is that, as you know, if it
12 would save time and lead to a full -- a better, fuller
13 and fairer investigation, then I am all for that kind of
14 solution.

15 I think the difficulty that I now feel, having heard
16 Witness G is this -- and this is the one matter that
17 still is causing me concern, if you'd like to deal with
18 it -- and that is that, for obvious reasons, the witness
19 statements are very argumentative, and I don't mean that
20 in a pejorative way, I understand all the sensitivities,
21 both not just for the bereaved families, but the
22 sensitivities within organisations who don't wish to be,
23 as they see it, unfairly criticised. But that does mean
24 that, as far as witness statements go, throughout my
25 judicial experience, they are obviously argumentative.

1 Now, Witness G has been cross-examined very
2 carefully by both Mr Keith and Mr O'Connor, and certain
3 nuances have crept in because Witness G has been very
4 careful in his answers.

5 What worries me is that, if I now adduce in evidence
6 these witness statements, we return, as it were, to what
7 Witness G said originally without the nuances which, to
8 my mind, are now the evidence before me.

9 MR EADIE: My Lady, I'm not seeking to impinge on that
10 principle. It's to some extent the same point that my
11 learned friend Mr O'Connor entirely fairly made
12 yesterday. It is: well, which is going to trump?
13 But the answer to that is the absolutely standard
14 one, if one is within any civil process, and by and
15 large, nowadays, all civil processes operate by this
16 system, which is that you admit the written statement
17 taking it as the evidence, but it is, of course, subject
18 to the live evidence which then follows.

19 I shall not be submitting to my Lady -- assuming we
20 ever get to the point of making submissions about these
21 things -- that you should, as it were, prefer any part
22 of the written statements as compared to the oral
23 answers that he has given.

24 So if you are concerned about quite how one goes
25 about doing that, the answer is: take his oral evidence.

1 But I want to introduce the statements because, as I've
2 indicated on a number of occasions now, they contain, as
3 it were, the entire universe of what can properly be put
4 into the public domain.

5 The answer to my Lady's concern is you simply
6 operate in that respect, where you've got any doubt
7 about which to prefer, on the basis of the oral evidence
8 and, my Lady, just by way of -- I know it's not a point
9 of substance for you, but you described the witness
10 statements as argumentative. To some extent -- I hope
11 you will forgive this -- that is because they were
12 specifically designed to address the provisional issues
13 that my Lady had identified which were premised on
14 questions about whether or not there had been failure.

15 LADY JUSTICE HALLETT: Indeed, Mr Eadie. I said I wasn't
16 using the word in a pejorative sense at all, but it's
17 not a factual recitation of "This happened on this day",
18 that's all I meant by it. So please don't be overly
19 sensitive to the use of such language.

20 The problem is, if this statement is admitted in
21 evidence, it is evidence.

22 MR EADIE: It is evidence, but I'm perfectly happy to make
23 the application subject to the oral answers that he's
24 given. What I was planning to do, if we need it, is to
25 go through those parts of it and say, "Well, there you

1 are, you've dealt with the evidence or this part of the
2 evidence in these bits of your statement, subject to the
3 answers that you've given, is that your evidence?". So
4 one sweeps it up that way. But that isn't a principled
5 reason for declining to admit the statements in the
6 first place. It is simply something which leads to
7 a choice to be made about which part of the evidence you
8 prefer at the end of it, and that is bound to be the
9 oral answers.

10 But this happens all the time in all civil
11 proceedings. Witness statements go in as a convenient
12 mechanism to prevent advocates standing up and saying
13 "Here we are, here's the evidence, let's work through
14 it, I'll read it all out", and so on.

15 LADY JUSTICE HALLETT: I'm well aware of that, but in those
16 circumstances, they usually go in as the evidence in
17 chief and they are adversarial proceedings. These are
18 not adversarial proceedings and everybody is examining,
19 they're not meant to be cross-examining, they're all
20 meant to be examining, albeit with the use of leading
21 questions.

22 MR EADIE: I understand that, but we're all trying very hard
23 to get as much information as can possibly be got before
24 my Lady, and this, in my respectful submission, is by
25 far the best way of doing that.

1 LADY JUSTICE HALLETT: Well, Mr Eadie, what I would prefer
2 to do, if I may, is for to you commence your examination
3 of the witness, if necessary, putting up on the screen
4 the witness statement so that he can refresh his memory,
5 because I agree it shouldn't be a memory-refreshing
6 document, and we can use the statement as a base for you
7 to, as it were, go to the areas where you think Mr Keith
8 and Mr O'Connor haven't covered them sufficiently, and
9 I'm happy to do it that way, but I am not prepared at
10 present, until I've heard the nature of your
11 examination, to say that it would be admitted in
12 evidence.

13 It can be used at the moment for him to refresh his
14 memory up on screen. I will return to the question of
15 whether or not it actually can be admitted in evidence
16 when I've seen the extent of the material that you say
17 has not been covered.

18 MR EADIE: My Lady, is there any objection -- I don't want
19 to take a course which my Lady will find unhelpful, but
20 I was proposing, in those circumstances, to start with
21 Witness G by asking him to identify the three
22 statements, to confirm that they are true, to the best
23 of his knowledge and belief and, when we come to each
24 area, I was going to invite, if we need to do it, those
25 paragraphs from his statements that have been put to the

1 Inquiry, that everyone else has seen, that he's been
2 cross-examined on and that have been referred to
3 repeatedly day after day in his examination, up on the
4 screen.

5 LADY JUSTICE HALLETT: Well, it may well that be, after that
6 process, there could be no objection to the whole
7 statement going in so it can all be seen in context
8 under similar rules in other jurisdictions. But let's
9 see how we go.

10 MR EADIE: If it my Lady wants me to do it that way, I am
11 entirely content to do it that way. It's a rather more
12 laborious way of doing it. But if we want to do it that
13 way, we'll do it that way.

14 Questions by MR EADIE

15 MR EADIE: Witness G, have you made three statements in
16 these proceedings?

17 A. I have.

18 Q. Are they true, to the best of your knowledge and belief?

19 A. They are.

20 Q. Were they the product of work and, if so, can you give
21 an indication, a very broad indication -- I'm going to
22 come back to this -- as to the amount of work that led
23 to the production of those statements?

24 A. They were the product of work, both by myself and a team
25 of researchers who were assisting me. That work is

1 equivalent to months' worth of work.

2 LADY JUSTICE HALLETT: I'm sorry, Mr Eadie, can I interrupt,
3 there's something I meant to ask before Mr Eadie
4 started.

5 On that point -- the number of people you have
6 spoken to -- as you know, some people were concerned as
7 to whether I should have a corporate witness or have
8 a whole series of operational -- or one or two
9 operational witnesses. How many witnesses would I have
10 had to call to give me the information that you've given
11 me?

12 A. It would depend on how far you wanted to break it down,
13 my Lady. I mean, if you wished to examine all of them
14 in detail, I think you would have had to call at least
15 ten, some of whom are no longer members of my
16 organisation.

17 LADY JUSTICE HALLETT: In giving your evidence, you have
18 spoken to those who are still available?

19 A. I have spoken to those, both within and without my
20 organisation, who are most significant, yes.

21 LADY JUSTICE HALLETT: And considered the material that they
22 themselves would be relying on going back to the period?

23 A. Well, clearly this is particularly difficult with
24 individuals who are without the organisation, because
25 I can't now share with them material that's within the

1 secret system, if you like, but, yes, as far as is
2 possible.

3 LADY JUSTICE HALLETT: I'm sorry, Mr Eadie.

4 MR PATRICK O'CONNOR: My Lady, on that, I hope it's helpful
5 because I communicated this to my learned friend
6 Mr Keith and my learned friend Mr Eadie as well before
7 lunch, the view we had formed as soon as I could, and
8 I should tell my Lady, that we have reached the clear
9 view that we will not be making any application for any
10 further witness to be needed, and the core reason for
11 that is that the witness has given a very great deal of
12 detail and has really, I suggest, satisfied my Lady
13 that, even if we were to call any other witnesses, we're
14 not actually going to get any significant further
15 information. I thought I should make that clear.

16 LADY JUSTICE HALLETT: That's very helpful, thank you, and
17 I'm glad we cleared that up before Mr Eadie embarked on
18 his examination.

19 MR EADIE: Are those statements also the result of
20 considerable research of the Security Service's records?

21 A. They are.

22 Q. Are they also the product of an equally considerable
23 amount of work to ensure that as much as possible about
24 the Security Service's involvement in these issues as
25 can be put into the public domain without breaching

1 security is put into the public domain without breaching
2 security?

3 A. Yes.

4 Q. Have there, in that respect, been a large number of
5 applications before my Lady to ensure that that balance
6 is properly struck and is properly reflected in your
7 witness statements?

8 A. It would strike me it was a large number.

9 Q. Do they deal, those witness statements, with matters of
10 extraordinary concern to the public in your view?

11 A. In my view, yes.

12 Q. That includes, I assume, to the families?

13 A. In my view, yes.

14 Q. Do they deal with matters of extraordinary concern to
15 the Security Service?

16 A. Unquestionably.

17 Q. In reputational terms?

18 A. In reputational terms and also in terms of looking at
19 our future capabilities.

20 Q. Does reputational impact on the Service have some impact
21 at least on its operational capacity and effectiveness?

22 A. It absolutely does.

23 Q. Can I ask you this: do you consider that your evidence
24 to this Inquest would be properly and fairly reflected
25 without the level of detail expressed with the care that

1 it is in those witness statements?

2 A. I think they are key to properly reflecting my evidence.

3 Q. I'm grateful. Can I start with the first topic, which
4 is the work of desk officers and those who worked with
5 them at the time?

6 LADY JUSTICE HALLETT: No more of that, Mr Eadie, please.

7 MR EADIE: Could we have, please, on screen, in terms of
8 that part of it, first of all, the first witness
9 statement, if I may, and can we go, please, to
10 paragraph 14 [SYS11005-10] ? That's the paragraph in which you deal
11 with the functions of the Security Service. Both that
12 paragraph and, I think, paragraph 15 [SYS11005-11] , which is the one
13 that follows.

14 A. Yes.

15 Q. Then in the following paragraphs, as I understand it,
16 that is 16 and 17 that we see on the screen there, and
17 18 through to 22 [SYS11005-12], [SYS11005-13], [SYS11005-14], [SYS11005-
18 15], -- I don't know if you're following it
19 in hard copy, Mr G, are you?

19 A. I am.

20 Q. Do you deal there with the threats that were faced by
21 the Security Service?

22 A. Yes, though mostly in detail on Islamist extremism, some
23 just broader stuff on threats in general.

24 Q. Can we pause there, then? Can I ask you questions about
25 the nature and the scale of the threats, if I may?

1 Firstly, what was the source from which the majority
2 of the threats was coming at that time and by "that
3 time" I mean in the period leading up to July 2005?

4 A. Islamist extremist terrorism.

5 Q. Did it come from other sources also?

6 A. Yes, it did.

7 Q. I want, if I may, to work through with you the best
8 indication you can give as to the scale of threats at
9 the time.

10 Is it possible, if you are seeking properly to
11 understand this topic and fully to appreciate the scale
12 of the threat that was in fact faced at that time, to do
13 so without considering security-sensitive information?

14 A. No.

15 Q. Did the ISC, to which we've had lots of reference, have
16 access to that sort of information as well as publicly
17 available information?

18 A. Yes, it did.

19 Q. And in this forum, we don't have that advantage?

20 A. That's correct.

21 Q. Have you prepared, or caused to be prepared, quarterly
22 summaries of the nature of the threats for the relevant
23 period?

24 A. I have.

25 Q. Do we find those at tab 5 in the core bundle? That's

1 SYS11077 [SYS11077-1], .

2 LADY JUSTICE HALLETT: My tab 5 seems to be empty.

3 A. Yes, at my tab 5.

4 MR EADIE: We had better just make sure my Lady has the

5 quarterlies in her bundle.

6 MR KEITH: My Lady should have had the quarterly gist

7 inserted last Friday because it was the last document to

8 be gisted and inserted into my Lady's bundle.

9 MR EADIE: Does my Lady have a copy? I'm sure we can

10 provide one, if necessary.

11 MR KEITH: Mine is slightly marked.

12 MR EADIE: As long as it's not prejudicially marked, it

13 should be fine.

14 MR KEITH: It says nothing about my learned friend Mr Eadie.

15 MR EADIE: That wasn't what worried me. (Handed).

16 I think I'm right in saying, G, am I, that at least

17 the guts of that summary is probably fairly faithfully

18 recorded, if not exactly reproduced, in your statement

19 in the paragraphs to which we've just made reference.

20 Is that right?

21 A. That's correct.

22 Q. I emphasise those are summaries, are they, rather than

23 being the totality of the document which the

24 Security Service might have had?

25 A. The underlying documents that this is a small gist of

1 are much longer, yes.

2 Q. And contain a great deal more detail about the nature
3 and extent of the threats that were faced?

4 A. About the individual operations and, therefore, the
5 nature and extent of the threats.

6 Q. We see from just the passage which is on the screen, if
7 one takes it by way of example, the numbers and the
8 types of threat with which the Security Service was
9 having to deal at this time. Is that right?

10 A. That's correct.

11 Q. So one has, for example, nine operations which are
12 dealing with the potential development and use of
13 chemical, biological, radiological or nuclear weapons by
14 Islamist extremists?

15 A. That's correct.

16 Q. One has potential suicide bombers in the United Kingdom,
17 five operations in that period?

18 A. That's correct.

19 Q. And terrorist attack planning, ten operations?

20 A. That's correct.

21 Q. I think we established with Mr Keith, when he was
22 examining you, that those figures are not cumulative, so
23 one simply doesn't, as it were, add them up. Is that
24 right?

25 A. That's correct.

1 Q. But equally, you don't simply take the highest number.
2 Is that right?
3 A. That's also right.
4 Q. So they may overlap and they may not?
5 A. That's also right.
6 Q. Is there any indication on the face of this quite how
7 that latter part of it pans out?
8 A. No, there isn't.
9 Q. So you'd need to know the underlying sensitive
10 information in order to drill down to that extent?
11 A. Yes, you would.
12 Q. These threats referred to in the quarterlies, just so we
13 get the clarity of it, they refer only to priority
14 investigations?
15 A. That's correct.
16 Q. They refer only to operations or investigations into
17 Islamist extremists by the international
18 counter-terrorism section?
19 A. That's correct.
20 Q. Is that a point you make at paragraph 18 of your first
21 statement?
22 A. Yes, it is.
23 Q. They only relate to live investigations?
24 A. Live on the day of the summary, yes.
25 Q. I was going to ask you about that. So we see

1 a reference in paragraph 1 to the quarterly summary for
2 28 May. What period is that covering, or is that not
3 the way it works?

4 A. It is effectively a snapshot of material collected over
5 the -- I should think the preceding two or three weeks
6 and so it reflects the matters as they were that
7 particular day, from which you can clearly infer a fair
8 amount about going forward and going backwards. But it
9 is a snapshot for that day.

10 Q. So they are really bare numbers that are current at the
11 time that quarterly is prepared and submitted, is that
12 right?

13 A. That's correct.

14 Q. So, for example, if a threat had been picked up and
15 dealt with already, within the, say, three-month period
16 beforehand, ie the period between the gate posts -- if
17 that's the right way of putting it -- that would not
18 feature?

19 A. It would not appear.

20 Q. That would not be covered as a number?

21 A. That's correct.

22 Q. I'm right in thinking -- I think you've clarified this
23 already, but just to be sure -- these only relate to
24 Islamist extremism as defined; they don't relate to
25 non-Islamist extremism?

1 A. That's correct.

2 Q. If we could have paragraph 18 [SYS11005-12] of your first statement up
3 on screen again, please, SYS11005 , thank you.

4 You make the point there, is this right, at the end
5 of paragraph 18, that these quarterlies are not
6 descriptive even of all the work being done by the ICT
7 section?

8 A. That's correct.

9 Q. So there is a body of work, a quantity of work, which
10 isn't even reflected in the quarterlies?

11 A. That's correct.

12 Q. I'm going to return to this in a moment, but still on
13 the subject of the quarterlies, they give, on their
14 face, no indication of the scale of resource -- I'm
15 using that word in the sense that you used it towards
16 the end of your evidence to me, in "active resources
17 available to the Service to counter these sorts of
18 threats" -- they give no indication of the scale of the
19 resource being devoted to the operations that we see
20 referred to in the quarterlies?

21 A. That's correct.

22 Q. So, therefore, no indication of the resource being
23 devoted to, for example, the most serious of what are
24 a pretty serious looking bunch of operations from the
25 quarterlies?

1 A. That's correct.

2 Q. Nor do the quarterlies, is this right, give any flavour
3 of the operations, in fact, being dealt with within
4 those bare numbers? So they don't give an indication of
5 what was going on within those operations. Is that
6 right?

7 A. The bare numbers do not, no. The underlying documents
8 do.

9 Q. Those are the sensitive -- that's the sensitive part of
10 this in which these are derived?

11 A. That's correct.

12 Q. Nor do they give any indication of the numbers of people
13 who he might be involved in any single one of these
14 operations, the number of targets that the Service was
15 having to deal with. Is that right?

16 A. No, that's correct, though we do give an example in
17 paragraph 4 [SYS11077-2].

18 Q. Sorry, you give an example at?

19 A. Paragraph 4 of the gist.

20 Q. I'm just getting it up on the screen. So that's the
21 number of targets being covered and so on?

22 A. By a single operation.

23 Q. Yes. If we go from there, if we could, to paragraph 20
24 of your statement -- sorry to jump around for the people
25 calling those documents up on screen -- but paragraph 20

1 of the first statement, please, that's the same point
2 that's being made there, pretty much, is it?

3 A. It is.

4 Q. In paragraph 33 [SYS11005-21] of that statement, you give a further
5 example in the context of the operation about which
6 we've heard plenty already, which is Operation Rhyme.
7 Is that right?

8 A. I do.

9 Q. We see the figures there, which are some pretty
10 intense-looking numbers towards the latter part of that
11 paragraph. Yes?

12 A. Correct.

13 Q. And that is a single operation, so that would simply be
14 a number -- one of the number --

15 A. That is a single operation.

16 Q. -- that we see on the quarterlies. We see something
17 similar in relation to Operation Crevice, do we not, at
18 tab 52 of the bundle, which is the summary of
19 Operation Crevice itself?

20 A. We do.

21 Q. It may be attached to your third witness statement,
22 perhaps.

23 A. I have it, Mr Eadie, thank you.

24 Q. I don't know whether my Lady does or whether we have it
25 up on screen. I think it was attached to your third

1 witness statement as -- someone will give me a number in
2 a minute.

3 MR KEITH: SYS11080 [SYS11080-1], , with all the other documents to which
4 my learned friend has made reference, documents that we
5 looked at on Monday.

6 MR EADIE: Thank you very much. If we look at that summary,
7 and if we go to paragraph 13 [SYS11080-3], for example, we see the
8 sorts of level of resource that are devoted to
9 Operation Crevice. Is that right?

10 A. That is correct.

11 Q. I think I'm right in saying, am I, does Crevice feature
12 in the quarterlies that we looked at earlier on?

13 A. No, it doesn't.

14 Q. Because it had effectively reached a conclusion --

15 A. Before the quarterlies given in gist.

16 Q. -- before the first date in '04. Is that right?

17 A. Yes.

18 Q. But we get an indication of the scale, from
19 paragraph 13, of the resources, again, that are devoted
20 or would have been devoted to that single number that
21 might otherwise have featured in the quarterlies; is
22 that right?

23 A. That's correct.

24 Q. Do we get a further flavour of this from the ISC second
25 report?

1 I'm sure -- I'm afraid ours are almost, as a team,
2 unmarked in terms of the unique number. Hugo, can you
3 help with a number for the second report?
4 MR KEITH: The INQ number is 8305 for ISC2.
5 MR EADIE: Thank you.
6 Paragraph 33 [INQ8305-19], again that's Rhyme, is it, in
7 paragraph 33, and the scale of resources?
8 A. It is.
9 Q. I think you worked through with Mr Keith 35, 36 and 37,
10 but those are also, are they, examples of other
11 operations and the sorts of drain on resource that were
12 being called on at that time; is that right?
13 A. Yes, we didn't cover all the operations in 36 and 37,
14 but they are examples.
15 Q. Can I ask you to confirm that paragraph 35 [INQ8305-20] -- we can
16 blow it up on the screen -- can you have a read of
17 paragraph 35, first of all? Is that a fair and accurate
18 summary so far as you're concerned?
19 A. Yes, it is.
20 Q. Can you read paragraph 38 [INQ8305-21] with the same question in
21 mind? I want to know whether that's a fair and accurate
22 summary of the position as it was in 2004/2005?
23 A. Yes, it is.
24 Q. Could we go back to your first statement, please,
25 paragraph 22 [SYS11005-15], [SYS11005-16], ? If you refresh your memory of
that so we

1 can track down to the end of it.

2 A. Yes, I've done so.

3 Q. Is that really a similar way of approaching the same
4 sort of problem, the same sort of point, giving
5 a flavour of the sorts of things that you were up
6 against?

7 A. It's giving a flavour. Again, particularly 22(a),
8 a description by the then Director General reflected our
9 attempt to express this publicly without damaging
10 national security, which, by its nature, becomes quite
11 a crude process.

12 Q. So if you had you to summarise it in a few words, how,
13 in terms of seriousness and intensity, would you
14 describe the threats that were actually being faced and
15 were having to be dealt with by the Security Service in
16 this period?

17 A. I would say they were as serious as at any time in our,
18 by then, almost 100-year history.

19 MR EADIE: My Lady, will you indicate when it would be
20 a good moment for the break for the stenographers?

21 LADY JUSTICE HALLETT: Certainly. Now would be a convenient
22 moment.

23 (3.25 pm)

24 (A short break)

25 (3.40 pm)

1 LADY JUSTICE HALLETT: Yes, Mr Eadie?

2 MR EADIE: Mr G, some questions, if I may, on the path to
3 extremism.

4 Has the Security Service, in recent years, done work
5 on that subject, the path to extremism?

6 A. It has, yes.

7 Q. Is it, in your view, better placed, with a better
8 understanding of that path as a result of that work now?

9 A. Yes, I believe that to be so.

10 Q. Has one of the matters that's factored into that
11 increased understanding been the experiences of the
12 Service over the years, recent years?

13 A. It has.

14 Q. It was put to you by Mr Keith, I think, that the ISC
15 were concerned, as he put it, that "insufficient regard"
16 had been given by the Security Service to the speed and
17 ease of transformation from facilitation to attack
18 planning. Could I invite you, please, to go to
19 paragraph 178 [INQ8305-56] of the second ISC report?
20 If you could read that.

21 A. Yes, I have.

22 Q. That refers to increased understanding by the
23 Security Service of that. Is there anything in there
24 about insufficient regard having been paid, rather than
25 there being simply a better understanding?

1 A. No, there isn't.

2 Q. You referred in your evidence on a number of occasions
3 to that path not being, as you described it, linear.
4 Could you explain what you meant by that?

5 A. Yes. One can't draw the conclusion that because
6 a person becomes an extremist, that person will then
7 become a facilitator and then that person will then go
8 on to become a terrorist. You can stop at any part on
9 that journey. Some people do and some people turn back.

10 Q. It follows, I think, from that answer, does it, that the
11 lines between those categories -- if one took
12 facilitation and attacking, as it were, as two
13 categories -- the lines between them, are they permeable
14 or impermeable?

15 A. They were permeable.

16 Q. Is there any indication that the Security Service
17 treated them as being, as it were, impermeable?

18 A. No.

19 Q. This may be an obvious question. If you have
20 intelligence about two people and one has been overheard
21 planning bombing and the other hasn't, and the
22 intelligence that you have on him suggests facilitation
23 is what he's engaged in, on to whom do the resources get
24 targeted?

25 A. The person who is planning bombing.

1 Q. Just as a general point following up from the points
2 about path to extremism and increased understanding by
3 the Service, can I ask you this: there have, as
4 I understand your evidence, been a number of changes to
5 the systems of the Service, and to its approaches to
6 various issues?

7 A. There have.

8 Q. Some of those have been as a result, have they, of work
9 done into and as a result of the 7/7 bombings?

10 A. That's correct.

11 Q. For example, Legacy Reviews, which I'll come back to.
12 Is that right?

13 A. Yes, that's a good example.

14 Q. Is the Service constantly striving to improve its
15 methods of operation?

16 A. Yes, it is.

17 Q. So as better to seek to protect the public?

18 A. Correct.

19 Q. Does its understanding of the way that terrorists work
20 in a particular area develop over time?

21 A. It does.

22 Q. Can I ask you this, if it's not too esoteric a question:
23 does a change, in your view, to the methods of working
24 or the systems of the Service imply past failure?

25 A. Not in my view, no.

1 Q. Can I then turn to the limitations on the Service in
2 terms of its ability to meet the various threats that it
3 faces? You dealt with that in your statement, if we
4 could go to the first statement, please, at
5 paragraph 24 [SYS11005-16].

6 There is quite a long section, no doubt it doesn't
7 need to be flicked through physically on the screen, but
8 there is quite a long section in that statement dealing
9 with this issue. It runs, I think, to paragraph 47 of
10 the first statement. In fairness to him, I think
11 Mr Keith did touch on this but touched on parts and
12 parts only of that:

13 Is this, perhaps, one of those areas where it might
14 be of some use to have the totality of those paragraphs,
15 as it were, as a fuller description of the limitations
16 on the Service?

17 A. I would be very happy to -- for that to be so.

18 LADY JUSTICE HALLETT: Well, only if we're going to add to
19 what Mr Keith -- which bits do you say Mr Keith didn't
20 elicit? We certainly had the legal limitations.

21 MR EADIE: My Lady, he touched on each of the topics, but
22 there is then a rather fuller description in those
23 paragraphs of the nature of the constraint. That's all.

24 I don't want it to be said: well, because those
25 paragraphs haven't been omitted or haven't been adopted,

1 as it were, by the witness, then it won't be

2 permissible, if there are additional points of detail,

3 that those shouldn't be available to my Lady.

4 LADY JUSTICE HALLETT: Yes, what are the additional points

5 of detail, Mr Eadie?

6 MR EADIE: My Lady, we haven't done an analysis, line by

7 line, of all of these statements in order to see what is

8 and isn't sufficiently covered. My learned friend

9 Mr Keith dealt with these in answer from the witness,

10 I think, over the course of about three or four pages of

11 transcript, whereas this part of the witness statement

12 actually covers a very considerable --

13 MR KEITH: My Lady, I may be mistaken, but I think we spent

14 quite considerable time addressing the proportionality

15 aspects, the rule of law, the IT and the computer

16 systems available to the Service, and I know that

17 Mr O'Connor has been carefully going through the

18 statement and making sure that all the areas that are

19 raised in it were addressed in the course of oral

20 evidence on Monday and Tuesday, and I can tell you,

21 my Lady, that there's not much that isn't covered in

22 yellow highlighter in his copy.

23 MR EADIE: My Lady, I don't want to get into this sort of

24 debate with my learned friend. This is why it's, with

25 respect to him, not the most helpful way of addressing

1 this sort of problem.

2 LADY JUSTICE HALLETT: Mr Eadie, I was the one who raised
3 the matter. I asked a question. I did ask in advance
4 that somebody, as it were, highlight parts of the
5 statement so I would know which parts had not been
6 elicited in evidence. And I am now asking you, because
7 I'm now going through, reading paragraphs 24 to 47, and
8 at the moment I've yet to find something that has not
9 been covered. Now, if there is a matter that I've
10 missed, then please bring it to my attention.

11 MR EADIE: My Lady, I will try to ensure overnight that we
12 have sidelined each particular subparagraph that hasn't
13 been dealt with by Mr Keith or we say might require
14 fuller dealing with by reference to the statement.

15 LADY JUSTICE HALLETT: Thank you.

16 MR EADIE: Unless my Lady wishes me to try, as it were --
17 I don't want to try to do that on my feet now.

18 LADY JUSTICE HALLETT: No.

19 MR EADIE: Witness G, can we deal with the question of
20 judgments that have to be made by the Service? It ties
21 into the topic of limitations on the ability to meet
22 these sorts of threats. Do you understand?

23 Assume, for the purposes of this analysis, that
24 a piece of intelligence simply comes in to the Service,
25 what is the first judgment that the Service would have

1 to make about that particular -- any individual,
2 hypothetical, piece of evidence?
3 A. Any hypothetical piece, the first judgment would be
4 whether it was of importance at all.
5 Q. Its significance as an individual piece of intelligence?
6 A. Correct.
7 Q. Judgment one, as it were, is it?
8 Could you give some indication, if possible, of the
9 sort of volume of intelligence that comes into the
10 Service on a regular basis? I'm going to start with
11 just as a matter of generality, then we'll work down to
12 operations.
13 A. I think in open I can only say it's enormous.
14 Q. Would that adjective apply in relation even to a single
15 operation?
16 A. It most certainly would.
17 Q. If you combine all the operations in which the Service
18 is engaged at any one time?
19 A. It is a very large volume indeed.
20 Q. Does that intelligence come in in a comprehensible,
21 easily analysable form, if that's the right way of
22 putting it?
23 A. Some pieces do, but most do not.
24 Q. Will the intelligence come to one section or to various
25 different people within one section? How does it work?

1 A. In many cases, it will depend on the intelligence. It
2 will go to different sections, to different individuals
3 within sections, much depends on how clear the
4 intelligence is at the beginning.

5 Q. So far as the volume of intelligence that then comes in
6 is concerned, you make a point -- could we have your
7 third witness statement up on the screen, please? You
8 make a point in paragraph 2 there about both the drawing
9 together of the threads in the core bundle, as it were,
10 and also -- I think, is it a linked point, are 2(a) and
11 2(b) linked?

12 A. They are, yes.

13 Q. Also, 2(a), 2(b) and 2(c), they all interrelate?

14 A. They are indeed.

15 Q. Is the point that is being -- a point that is being made
16 there, at least, is that there is a massive volume that
17 comes in and it's very easy to lose sight, in these
18 sorts of proceedings, of the sheer scale of the
19 surround; is that a fair way of putting it?

20 A. That's correct.

21 Q. So we've dealt with your first judgment in terms of any
22 particular piece of intelligence coming in. You assess
23 it individually for its own significance as an
24 individual item of intelligence.

25 A. (Witness nods).

1 Q. The second level of judgment is then, what? Is it to
2 make links between that and other pieces of intelligence
3 that you have or what?

4 A. Yes, but the second level is actually that, but also to
5 look at that piece of intelligence and try to make
6 a judgment as to whether it's reliable or not.

7 Q. What do you do then? What's the third level of
8 judgment?

9 A. That's when you would begin to try to link the
10 information to other, but it is an organic process. In
11 linking it to other pieces of information, you're
12 helping to judge its reliability.

13 Q. Then, beyond that, once one's done that exercise, there
14 is then presumably the question: well, what action do
15 you take?

16 A. Correct.

17 Q. Is it at that stage that the prioritisation issues cut
18 in?

19 A. Yes, I think that's right.

20 Q. Again, to give a general flavour, how acute were those
21 issues at the time we're talking about?

22 A. Extremely.

23 Q. Were you able to cover all those whom you might have
24 wished to cover?

25 A. No, we were not.

1 Q. There has been reference to "crocodiles nearest the
2 boat". Was there prioritisation amongst even the
3 crocodiles that were close to the boat?

4 A. Even amongst the crocodiles.

5 Q. Could you go to the ISC second report at paragraph 146 [INQ8305-48],
6 please? Those figures are accurate, are they, as far as
7 you're aware?

8 A. As far as I'm aware, yes.

9 Q. If you track back a bit, do you agree with paragraph 143 [INQ8305-47]
10 of the ISC report? Can you go back a page on the
11 screen?

12 A. I do.

13 Q. Is it an organisation of that scale and capacity, even
14 now?

15 A. Yes, I mean, we're still well below the description the
16 ISC made here and I think it's fair to say in
17 a democratic society that is a good thing, not a bad
18 thing.

19 Q. Can I then turn to systems, and two points that were
20 raised by Mr O'Connor in relation to systems?

21 The first point was -- the thrust of it was that, at
22 the time, there were, as it were, unstructured decisions
23 being made about prioritisation. Can I ask you, first
24 of all, about the categorisations, the "essential",
25 "desirable" categorisations? Are those terms and those

1 categories -- "were", perhaps I ought to have put it in
2 the past. Were those terms and categorisations used by
3 the Service at the time in relation to funding
4 decisions?

5 A. They were.

6 Q. So for that purpose, what would they have been used for?

7 A. In order to help inform the Treasury of both additional
8 bids from us and why we needed them, and to help keep
9 track of those funds that we had and what level of
10 overall coverage that was allowing us to have.

11 Q. What form did that take? Did you produce information or
12 schedules of "essential", "desirable", with numbers next
13 door or what?

14 A. We did for the Treasury, yes.

15 Q. Would those have included -- I don't know whether they
16 did or didn't, but would they have included people like
17 MSK or UDM E in one of those categories?

18 A. They would have included people like UDM E.

19 LADY JUSTICE HALLETT: But unidentified, they would have
20 just been numbers, 10 desirable, 20 essential, whatever,
21 they would have just been numbers?

22 A. Yes, but clearly aggregated up from examination in the
23 section of who constituted those.

24 MR EADIE: That's helpful. As I understand it, those set
25 terms -- the formality and rigidity of that

1 categorisation -- was not, in fact, used as such as
2 a day-to-day operational tool or method at the time.

3 A. That's correct.

4 Q. Would they have been, given the limited resources that
5 the Service had, a great deal of use as operational
6 categories?

7 A. No, I don't believe they would have been.

8 Q. Because?

9 A. Because so many of those targets, particularly in the
10 middle and the lower rankings, would have had no
11 resources allocated to them.

12 Q. As a matter of fact, the operational prioritisation
13 decisions that were being taken at the time were, does
14 it follow from that, decisions to be made about who
15 within the "essential" group, if I can use that
16 categorisation, got what resource?

17 A. That's correct.

18 Q. So the operational prioritisation decisions and systems
19 that were in place, were they more nuanced than that
20 "essential", "desirable", et cetera, system, or less?

21 A. They were more nuanced and more flexible.

22 Q. Because, why? They involved finer judgments?

23 A. Finer and more regular judgments.

24 Q. About those who are presented, however conveniently,
25 within those categories in the ISC report?

1 A. Correct.

2 Q. Did that system -- ie, the one, in fact, in operation --
3 enable better judgments, in your view, to be made about
4 who, which targets, were in fact to get the finite
5 resources?

6 A. I believe it did, yes.

7 LADY JUSTICE HALLETT: Mr G, forgive my interrupting, I was
8 looking at the ISC second report, page 27, paragraph 86 [INQ8305-34].

9 A. Sorry, my Lady, which paragraph?

10 LADY JUSTICE HALLETT: Sorry, paragraph 86.

11 A. Yes, I have it.

12 LADY JUSTICE HALLETT: The ISC seems to -- I appreciate they
13 were addressed on resources as well, so we need to be
14 careful as to how people slip into using terminology,
15 but it does seem, by the time they came to do their
16 report, the ISC were giving the impression, or seemed to
17 be under the impression, that the categories were
18 investigative, operational categories, not just resource
19 categories.

20 A. Yes, I think that's fair.

21 LADY JUSTICE HALLETT: Nobody pointed out to them that they
22 really should have rephrased that before drafting it?

23 A. I think it was a reflection of an attempt by the ISC and
24 us to write in a way that was -- would be seen as
25 helpful and accessible.

1 LADY JUSTICE HALLETT: The only problem with that is we
2 actually have definitions of the categories.

3 A. Indeed, and those definitions are an accurate reflection
4 of the definitions as used in the resource planning.

5 MR EADIE: I don't know if you want to pursue that any
6 further?

7 LADY JUSTICE HALLETT: I think we'd all proceeded on the
8 basis that, somehow, these had been categories used
9 operationally, and it's a shame, perhaps, that that
10 impression was left to lie. Never mind, thank you.

11 MR EADIE: Witness G, I will not pursue that any further.
12 It will be for others to judge whether that is a fair
13 and sensible way for the ISC to have done that. I think
14 we have explored the factual basis on which those
15 judgments were made sufficiently, but I do want to
16 explore, if I may -- and it may be more directly
17 relevant to the functions that my Lady is performing --
18 the suggestion now put that there was a systemic
19 weakness at the time in the Service's manner of dealing
20 with prioritisation, because equivalent terms to the
21 terms that are now used are not, or were not, at that
22 time, being used, and I want, if I may, to explore with
23 you in assessing whether it truly was, as my learned
24 friend Mr O'Connor put to you, an unstructured world in
25 which a strong desk officer rules how it was actually

1 done at the time.

2 The quarterlies, first of all. Are the quarterlies
3 a part of this sort of prioritisation decision-making?

4 A. Yes, they are.

5 Q. Could we have paragraph 31 [SYS11005-20] of your first statement,
6 please, up on screen? Is that an accurate reflection of
7 how the quarterlies were used in that respect?

8 A. Yes, it is.

9 Q. The quarterlies -- we touched on them earlier on -- they
10 included, did they, summaries of the various operations
11 that were ongoing prepared by those who were involved in
12 them?

13 A. That's correct.

14 Q. I'm not asking you to give any indication of content
15 here, but would they consider and set out any strategy
16 for the operations that were ongoing at any particular
17 time?

18 A. Some would and some wouldn't.

19 Q. Would that change over time? Would those descriptions,
20 would that strategy, change over time?

21 A. Yes, it would.

22 Q. Would that be because the priority of an operation might
23 rise or might diminish?

24 A. That's correct.

25 Q. And because of targets or not?

1 A. Because of the targets within the operations? Yes, some
2 would become more or less important.

3 Q. As a result of the information in those quarterlies,
4 what, there would then be analysis of what, the priority
5 as between operations?

6 A. Yes, that's right.

7 Q. And also of targets within operations? Did they
8 consider that in the context of the quarterlies or not,
9 or did that come at a stage lower down?

10 A. That's a stage further on.

11 Q. But as between operations, as it were, would there be
12 discussion about which operation was more deserving of
13 attracting a greater number of resources in the light of
14 the quarterlies?

15 A. Yes, that's right.

16 Q. If we go on in your statement to paragraphs 80 to 84 [SYS11005-51],
[SYS11005-52], if

17 we could, please, if we go on in that -- on the screen,
18 if we could scroll down, as it were, I'm really trying
19 to use these paragraphs as an example of an operation
20 and the way in which it fed into the quarterlies
21 analysis.

22 Could you just talk us briefly through what those
23 paragraphs are seeking to do in that context?

24 A. So the description here is of Operation Scraw, which we
25 have already discussed, the operation we established at

1 the end of Operation Crevice to look at those targets
2 that were of most interest to us immediately after
3 Crevice, and we then took action on those twelve targets
4 who were the original ones and Scraw developed over time
5 in different ways.

6 Q. So that's the quarterlies. But we know that the
7 quarterlies only cover the snapshot, as it were, the
8 gate posts, at the quarterly point.

9 A. Correct.

10 Q. In between those quarterlies, and still in terms of
11 working out what systems were in place for prioritising
12 and ensuring that was done in a sensible way, were there
13 weekly bids processes for resource?

14 A. There were weekly discussions, yes.

15 Q. Were they of any formality or did they -- were they just
16 entirely random, as it were?

17 A. They certainly weren't random. I don't believe that
18 they were recorded in detail, in terms of the
19 deliberations at them.

20 Q. Give us a flavour of what might have happened at those
21 weekly bids processes?

22 A. Consideration was taken by the senior management of the
23 relevant section as to where resources should be
24 allocated on that weekly, for that week.

25 Q. So they would involve, would they, desk officers and

1 more senior management?

2 A. They would.

3 Q. And they would involve the various desk officers and
4 management who were involved in all the projects that
5 were ongoing at any particular time?

6 A. They would. Not necessarily all, there would be some
7 self-selection. Some would clearly not be important
8 enough for that week.

9 Q. Quite. And would there be, what, there would then be
10 debate between desks, as it were, or groups of desks as
11 to which operations should attract what resource?

12 A. There would, there would.

13 Q. Were they only to do with surveillance resource or were
14 they to deal with other resources more generally?

15 A. There was a specific process for surveillance reports --
16 for surveillance resources which long predates this.
17 This was a broader issue looking at the significance of
18 each operation.

19 Q. Yes. What would be the critical features in any such
20 discussion, just to list them? The nature of the threat
21 that was posed?

22 A. That would be the most important in all cases.

23 Q. Specific intelligence opportunities?

24 A. Yes.

25 Q. In between those weekly processes -- so we've come down

1 from the quarterly to the weeklies and now we're going
2 day by day, if necessary -- were there also discussions
3 more regularly about allocation of resources and
4 prioritisation within the --

5 A. Yes, there were still opportunities for change, it
6 wasn't a rigid weekly programme, depending on
7 intelligence.

8 Q. Did those discussions involve just the desk officers or
9 desk officers and management? How -- give us a flavour
10 of how it actually worked.

11 A. It would normally include management. Much would depend
12 on how the bidding for resources was going, what the
13 significance of a new bid was.

14 Q. That was a process which -- again, was there any
15 formality to it or did it operate, as it were, more or
16 less constantly?

17 A. Pretty much constantly.

18 Q. With its driving feature, as you've described, as to how
19 best to target, to deal with the worst threat?

20 A. Correct.

21 Q. In your judgment, is that sort of flexibility a virtue
22 or a vice in an organisation of your sort?

23 A. I believe a virtue.

24 Q. Because?

25 A. Because we need to be flexible for two primary reasons.

1 The first is because we don't have enough resources to
2 allocate to all the targets. The second is, because
3 targets are, by their nature, unpredictable, we need to
4 be able to react to them quickly.

5 Q. We know you've now made a series of judgments about
6 a rather more formal system with its gradations as we
7 see in the ISC report. Is that right?

8 A. That's correct.

9 Q. Do you regard the previous system, which is the one that
10 concerns us, as being weak because unstructured?

11 A. No, I don't.

12 Q. There was a second point about keeping of records by the
13 Service, a general point about keeping of records.

14 I want to ask you some questions about that.

15 No doubt your job giving evidence here would be
16 a great deal easier if there were fuller records of
17 decision-making over time?

18 A. It would.

19 Q. We know that the ISC had some things to say about your
20 record-keeping.

21 A. It did.

22 Q. Those have been taken on board and reacted to by the
23 Service. Is that right?

24 A. They have.

25 Q. But at the time, were a series of records, in fact, kept

1 by the Service?

2 A. Yes.

3 Q. What is the nature of the Service? Is it a defensive
4 organisation, is it intelligence-driven? Can you
5 describe the nature of the Service?

6 A. It is an intelligence-driven organisation.

7 Q. Do its systems, and did its systems at the relevant
8 time -- let me ask that question in the past first.

9 Did its systems at the relevant time reflect that
10 nature and, if so, how?

11 A. They did reflect that nature. The purpose of our
12 systems is to be able to draw an intelligence picture on
13 a particular target or operation as quickly as possible
14 to allow 95 per cent confidence that we have all the key
15 information within a very swift amount of time.

16 Q. Some types of record-keeping systems would suit that
17 nature and purpose and others would not.

18 A. Yes, I think that's fair.

19 Q. In considering the design of any systems of
20 record-keeping of this kind, are there any downsides, in
21 your view, in keeping, as it were, records of each
22 individual decision taken and not taken?

23 A. The downsides are not in the technological systems
24 there, but in the resources required to keep track of
25 all those individual decisions.

1 Q. So if you had 40 targets -- I'm still in the past -- if
2 you had 40 targets, for example, and you decided that
3 three were to be the subject of intensive investigation
4 or intrusive surveillance or something, did you prepare
5 a detailed justification for not doing so on the other
6 37 at the time?

7 A. No, we did not.

8 Q. Why didn't you?

9 A. Because it would have been too resource-intensive.

10 Q. Is the working assumption that you're taking action
11 that's, in your judgment, best designed to secure that
12 effectiveness outcome?

13 A. That's correct.

14 LADY JUSTICE HALLETT: Is this like the bobby on the beat
15 argument, that if you've got the policeman on the beat,
16 they're not having to fill in the forms, hundreds of
17 forms, just for every arrest or every questioning?

18 A. That's right, my Lady. Clearly, an officer can only do
19 one thing at one time, and he can either allocate
20 resources to an ongoing operation or he can document why
21 he isn't doing something.

22 MR EADIE: Are there fundamental differences in terms of the
23 nature of your Service and the work that it does as
24 compared to the police?

25 A. Yes, there are.

1 Q. Do those differences, in nature, impact on the issue
2 we're now discussing?

3 A. I believe they do.

4 Q. Because?

5 A. Because from the police's perspective, where almost all,
6 not quite all, but almost all of their work is dedicated
7 towards the production of evidential cases, clearly this
8 degree of recording is more important.

9 For us, in terrorist cases, we always wish to aim
10 for a successful prosecution with our colleagues in the
11 police if we can, but our primary aim is disruption and
12 prevention of the threat rather than prosecution of the
13 individuals involved.

14 Q. If you had to move to a system where you had to keep
15 records of all those sorts of decisions, how significant
16 a change would that have been at the time?

17 A. It is something we have considered over time and it
18 would be a significant change in the resources we were
19 able to devote to our investigative function.

20 Q. Did the system, as it existed at the time, create, in
21 your view, any serious supervision issues?

22 A. No, I don't believe it did.

23 Q. Because?

24 A. Because the work of the sections was managed by senior
25 managers who were able to keep sight of the major

1 operations.

2 Q. Can I ask you about the manner of the investigation that
3 the Security Service has now done for the purpose of
4 seeking to assist my Lady in this inquest? You have
5 trawled your records?

6 A. We have.

7 Q. What was the aim of that?

8 A. The aim was to check again to see whether there was any
9 further material, with the benefit of hindsight, that
10 might be relevant to this Inquest.

11 Q. I'm not asking you to give exact numbers to this next
12 question, but can I ask you this: could you give my Lady
13 as accurate an indication or as good an indication as
14 you can of the time that has been spent by the Service
15 in reacting both to this Inquest and also to the ISC
16 investigation?

17 A. It's the equivalent of years' worth of work.

18 Q. That time has been spent, has it, given the scale of the
19 atrocity --

20 A. Correct.

21 Q. -- and of the tragedy, and a reaction therefore, what,
22 to the event itself?

23 A. Correct.

24 Q. Is there any sensible basis on which even a fraction of
25 that time could have been justified at the time on these

1 particular investigations?

2 A. I don't believe so.

3 Q. In any event, you've now trawled your records and the
4 critical parts of that, the core parts of that, are now
5 contained in the lever arch file that we have been all
6 calling the core bundle. Is that right?

7 A. Yes.

8 Q. I'm not going to go back to it, but you've raised
9 a concern that you have that we saw earlier in your
10 third statement about the concerns that that shouldn't
11 be viewed, as it were, as the entire universe?

12 A. Yes.

13 Q. You've now analysed, have you, that material, or the
14 material that's come up as a result of that trawl?

15 A. I have.

16 Q. In doing so, just to see if I've understood the
17 methodology that you've applied in your statement in
18 seeking to answer the provisional issues that were
19 posed, in relation to each stage or each incident, is
20 the first question: well, what should the
21 Security Service have known?

22 A. Yes.

23 Q. Is that how you've approached it?

24 A. Yes, that is correct.

25 Q. It is perhaps sometimes clear what they did know. It

1 should always be clear what they did know. And
2 sometimes it's equally clear that they couldn't
3 reasonably have known another fact. Is that right?

4 A. That's correct.

5 Q. The ISC concluded, did they, in relation to 21 February
6 that, it fell within that category?

7 A. That we could not have reasonably known it, yes.

8 Q. Sometimes, presumably, it might be possible to know more
9 but, in order to know more, you might have to devote
10 significant resource to finding that out?

11 A. Significant additional resources to do so, yes.

12 Q. That's the first broad set of questions, as it were.
13 The second broad set of questions relates
14 presumably, what, to the range of actions that you might
15 have taken if you had known more?

16 A. Yes, that's correct.

17 Q. Is this the third and final part of the analysis that
18 you sought to conduct in the statement: if you did take
19 that hypothetical action, or if you had done, what,
20 realistically, might or might not have been uncovered?

21 A. That's correct. At a hypothetical level.

22 Q. I'm going to come back to this, but can I ask you two
23 questions at this stage on that analysis?

24 First of all, with the benefit of hindsight -- so
25 using hindsight for this purpose -- when is the first

1 date at which it's assessed the bombers might even have
2 been formulating the plot to bomb London?

3 A. December 2004.

4 Q. Again, with the benefit of hindsight, is there, even
5 now, a single piece of intelligence of them plotting to
6 do so that was in the hands of any of the authorities?

7 A. No, there is not.

8 Q. You went through a number of links to move to
9 a different subject, you went through a number of links
10 with Mr Keith and you've been through some more with
11 Mr O'Connor over the last day, and on a variety of
12 occasions during his questioning he linked together
13 a series of links: you knew about Hasina Patel, Iqra and
14 so on. I want to ask you about those first of all.

15 LADY JUSTICE HALLETT: Mr Eadie, as I say, I can't sit late
16 tonight and I know Witness G has been in the witness-box
17 since 10.00. It's up to you to what extent we go into
18 this detail this evening.

19 MR EADIE: My Lady, I'm very happy to break. That probably
20 is a convenient moment, if it is convenient for you.

21 LADY JUSTICE HALLETT: I can imagine it must be quite a long
22 day.

23 Mr O'Connor?

24 MR PATRICK O'CONNOR: My Lady, to provide a change of air,
25 may I just make a few remarks about my being pulled up,

1 if I may say so, rightly, for using the monitor note
2 this morning?

3 LADY JUSTICE HALLETT: Right, thank you.

4 MR PATRICK O'CONNOR: It will take me two minutes.

5 LADY JUSTICE HALLETT: Right.

6 MR PATRICK O'CONNOR: My Lady, what I should have done
7 plainly is to have conveyed to your team a request for
8 that monitor note to be produced to me explaining its
9 significance in the light of the ELG minute, and I have
10 absolutely no doubt that they would have cooperated very
11 promptly and done so, and that is what I should have
12 done and didn't do and I apologise for that.

13 Plainly, I have come across that from my previous
14 experience in the Crevice trial.

15 That is not the whole picture, though. We, for
16 example, provided an extremely helpful time-line
17 schedule, 20-odd pages long, which was used material
18 with the jury in the Crevice trial for everyone's
19 benefit and it was welcome, quite rightly.

20 So the question, actually, which is impossible to
21 determine, certainly for me, is whether that monitor
22 note was, in the Crevice trial, used or unused material.

23 Granted, that was an 18-month-long trial five years ago,
24 and I do not have the answer to that, I'm afraid.

25 Plainly -- and it's very important that I do say

1 this, actually, because there is some highly sensitive
2 Crevice trial material which has been given and which
3 I keep under extraordinarily strict undertakings and
4 which I observe scrupulously and, of course, the
5 material itself, from its nature, immediately says: this
6 is sensitive. And there could be no question of my
7 treating any such material in this way.
8 This plainly does not remotely fall into that
9 category.
10 Now, if someone is able to ascertain, as I cannot,
11 that that monitor note was in fact, although it didn't
12 matter very much, and isn't at all sensitive, unused
13 material from that trial, then I apologise and I most
14 certainly should have approached the matter in the way
15 in which I've indicated.
16 We would have got to the same result, I dare say.
17 Nobody objected to my questioning. It, I hope, was
18 apparent that it was useful to go to the source of that
19 entry on the ELG minute.
20 My Lady, I hope that might be sufficient by way of
21 explanation and apology.
22 LADY JUSTICE HALLETT: Just a minute, Mr O'Connor. (Pause).
23 The problem that Mr Smith is raising with me,
24 Mr O'Connor, is that the provenance is important because
25 we would normally publish it on the web. Therefore, we

1 need to know that we're entitled to do so. The
2 provenance isn't in any way -- we're not offending any
3 rules relating to the criminal trial.

4 MR PATRICK O'CONNOR: I understand and that's one of the
5 unfortunate ripple effects of the way in which
6 I approached it and I take responsibility for that and
7 I do apologise --

8 MR EADIE: If it sorts that problem, we could no doubt
9 provide a copy in declassified form which would sort
10 that problem.

11 LADY JUSTICE HALLETT: Thank you, Mr Eadie, I think that
12 might be helpful.

13 MR EADIE: I have one further thing I want to deal with very
14 quickly, if I may, with the witness.

15 LADY JUSTICE HALLETT: Oh, of course. I'm sorry, I think
16 Mr O'Connor assumed that -- I think we'd moved on, so --

17 MR EADIE: I thought I had, I have been prodded. I want to
18 tee something up in case we need to do further research
19 overnight.

20 It relates to the line of questioning, Mr G -- if I
21 may, my Lady, just five minutes -- that my learned
22 friend was putting to you about flight manifest, which
23 appears to have excited some press interest.

24 You pointed out in your evidence, is this right,
25 that the FBI records that you were taken to showed

1 travel in June 2003?

2 A. That's correct.

3 Q. And you made the point that there was a reference
4 elsewhere, particularly in the third annex to the
5 document that you appended to your third witness
6 statement, to travel in July --

7 A. That's correct.

8 Q. -- 2003. But that document appended to your third
9 witness statement, is this right, was prepared after
10 7/7?

11 A. That's correct.

12 Q. So you've got at least potentially wrong dates,
13 mismatching dates, is that right, June and July?

14 A. That's right.

15 Q. Secondly, I think, as you also pointed out in evidence,
16 you've got wrong name, if I can put it that way, because
17 you've got Ibrahim and Zubair, on the one hand, and
18 Mohammed Sidique Khan, on the other. Is that right?

19 A. That's correct.

20 Q. Again, I think a point you made in answer to my learned
21 friend.

22 A. That's correct.

23 Q. Thirdly -- again, I think it's a point you made in
24 answer to him -- you have assumptions that underpin his
25 questions about the route which might have been taken in

1 terms of travel.

2 A. That's correct.

3 Q. Because, what, because flights go to Pakistan from
4 England in a variety of different ways?

5 A. That's correct, and it's a regular route for quite
6 a number of flights.

7 Q. Next: do you know whether or not the Security Service is
8 able to access flight manifests routinely, as it were,
9 do you know for how long airlines keep flight manifests?

10 A. I think I'd prefer to answer this question in terms of
11 2004, rather than today.

12 Q. Yes.

13 A. In 2004, we had no such means of access.

14 Q. Because, what, airlines kept them for a very short
15 period or what, do you know?

16 A. I suspect we might be moving into closed, Mr Eadie.

17 Q. All right. I certainly don't want to take you there.
18 It may be we'll have to try to do some research to see
19 if we can put something in open, if this becomes
20 relevant, but flight manifests has a question mark next
21 door to it.

22 Do you also know -- and, again, say if you don't and
23 we can do some further research -- how the information
24 about Mr Akbar's travel was actually acquired by the
25 police?

1 A. I do not, no.

2 Q. You don't know what level of detailed work, diplomatic
3 efforts and mutual legal assistance, treaty requests,
4 had to be made to secure that information?

5 A. I do not, no.

6 Q. No doubt we can find that out overnight as well. But
7 presumably, it would also be, would it, that in relation
8 to the flight manifests and this sort of issue there
9 would also have to be decisions, would there not, about
10 whether or not to devote the level of resource that
11 would be required even to seek to get hold of that sort
12 of information?

13 A. That is correct.

14 Q. At the time that we're concerned with, when there was
15 intelligence from Mr Babar in 2004, the nature of the
16 threat identified or the information -- the intelligence
17 that was coming from him at that date -- what was that
18 in terms of level of seriousness, in terms of Ibrahim
19 and Zubair?

20 A. It wasn't terribly significant at this point.

21 Q. At what date did that change?

22 A. In March 2005, at the point we became aware that they
23 had attended the training camp.

24 Q. So that would have been 18 months, or perhaps even
25 longer, after the relevant date of travel?

1 A. Yes, that would be correct.

2 MR EADIE: I'm grateful. We may have to come back to that
3 tomorrow, but that's helpful.

4 MR PATRICK O'CONNOR: My Lady, one thing that my learned
5 friend just stated is not factually accurate and I'm
6 sure he'd want it to be correct. Yes, the review that
7 we looked at is after 7/7/2005, but that was merely the
8 source for information in March 2005, so four months
9 before the bombings, which recorded Babar's information
10 about the camp being in July 2003.

11 So that information was four months before the
12 bombings, not afterwards. The record that we've
13 accessed, by now is dated after the bombings. But
14 that's irrelevant.

15 MR EADIE: I'm grateful.

16 MR PATRICK O'CONNOR: Thank you.

17 LADY JUSTICE HALLETT: Very well. We'll leave it there.

18 Mr O'Connor, as far as the matter you were raising
19 earlier, I'll leave you to discuss with the others as to
20 what can be done, if anything, about the document. It
21 may be Mr Eadie has the solution. If so, I shall be
22 grateful to him, and those who assist him, and we will
23 return at 10.00 tomorrow.

24 Mr Eadie, would you like to discuss with Mr Smith
25 the extent to which you can talk to Witness G, if you

1 are making further enquiries, because I think it's
2 important that everyone knows that nothing's being done
3 behind closed doors.

4 MR EADIE: Yes, quite. Of course.

5 LADY JUSTICE HALLETT: Unless I hear any objections, as far
6 as I'm concerned, given the nature of Witness G's
7 evidence, it seems to me you should be allowed to talk
8 to him, but if there are any objections, please let me
9 know.

10 (4.27 pm)

11 (The inquests adjourned until 10.00 am the following day)

12