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## Mr. Jim Cormack

*HC Deb 08 February 1988 vol 127 cc162-8*

*Motion made, and Question proposed, That this House do now adjourn.—[Mr. Maclean.]*

**Mr. Frank Cook (Stockton, North)** It is a pity that this matter should be restrained by the time afforded to an Adjournment debate, because its ramifications would justify a three-hour debate. It is the case of Mr. Jim Cormack and his service to the country in exposing a fraud of gigantic proportions in the misappropriation of diesel fuel at Faslane nuclear base in Scotland.

On 6 October 1983, Mr. Cormack went, on the instructions of his employers, to Faslane to pick up a load of sullage. Sullage is waste oil that has been contaminated in some way. In addition to his wages and allowances, Mr. Cormack was to receive a £10 kickback for the job. On loading his tanker in Faslane—he was allowed to enter without any security check and without showing any documents—he discovered that what was going into his tank was not sullage but white diesel with a little water added.

Mr. Cormack was allowed to leave the base without excise documents, without a security check and without certificates to the effect that he was carrying a hazardous cargo. He was required to take the load to Potters Oils in Derbyshire, which turned out to be a derelict yard. On the way, he spoke to other drivers who knew of the practice of collecting oil from Faslane and, becoming suspicious, he decided—in a somewhat foolhardy way—to institute his own investigation. Without reporting the matter to the Ministry of Defence police, because he thought that they must be involved in the fraud, he set out to investigate it himself by making inquiries of other transport undertakings and their drivers. He then reported the matter to the civil police.

The upshot of the inquiries that resulted from his blowing the whistle—his words, not mine — was that several people spent periods in gaol and several hundred thousands pounds were repaid to the Government in compensation for the money that was fraudulently taken from the taxpayer. The prosecutions that resulted from the inquiries were instigated almost piecemeal—one here, one there and one in another place — and were the subject of a High Court injunction which was lifted only on 1 December last year. It was imposed in November 1986 in the Supreme Court by Judge Lord Morrison under section 4(2) of the Contempt of Court Act 1981. That meant that reporting of the incidents has been restricted, and the entire case has received little publicity.

I brought the matter to the attention of the Minister on 20 June last year, and the Minister informed me that he was aware of Mr. Cormack's role in the matter and that it had not been overlooked. On 3 September last year, the Minister clarified that by saying that he had been referring to the fact that Mr. Cormack's role as an informant in the matter had not been overlooked.

Shortly after this assurance from the Minister I received the following letter from Mr. Cormack on 10 October: 'I now find myself in a desperate situation regarding paying my way out of Government supplements ... my search for work as a HGV tanker driver has proved to be nil. I have been offered a job in Germany, and due to my situation, must take the opportunity up. I feel more bitter now that I am forced, in order to pay my way, to work for a country that lost the war! I now wish that I had not brought the Faslane rip-off to light, but that is something I have to live with.' So, Cormack claims that as a direct result of having brought the matter to light, he lost his job, his house worth £48,000—his business, and his wife. His sons now live apart from him. He cannot work because he has been identified as the whistle-blower.

Mr. Cormack's hardship has caused several people to write to him expressing sympathy when his case finally came to light in the press. He received one from a Mrs. McLevey from Paisley; 'Dear Mr. Cormack,' 'I read your story ... and felt I had to write to you. I'm not in the habit of writing to strangers but I feel you have had such a rotten deal and I wanted to thank you for being honest and for standing up to be counted. Please don't feel bitter. I am sure a person of your integrity will find a job soon ... You did the right thing by the millions of ordinary taxpayers in this country.'

What sort of country would this be if we all had little swindles like this on the side? So thank you again from my family. I wish I could enclose more.' That refers to the £2 that the lady enclosed with her letter as a gesture to compensate Mr. Cormack for the service he had done the country.

Shortly after this, I received a letter from the Minister telling me that the outstanding case that had been holding up the release of the High Court injunction had been concluded shortly before, and that active consideration was therefore being given to Mr. Cormack's contribution, in line with agreed policy. Since then, I, too, have received correspondence. I offer one example, as a bona fide of that. It comes from Mrs. Elsmore, of Boon Hill, Stoke-on-Trent, who urges me 'to press the Ministry of Defence for proper payment to this man who saved them a fortune.' That fortune has been estimated by one national newspaper at £6 million, and by Procurement Weekly and the purchasing supply management at a figure as high as £10 million.

On 11 January I received a letter from the Minister telling me that he was pleased to inform me that a payment of £1,000 had been authorised by his Department and that a payable order had been posted to Mr. Cormack. On the same day, I got this letter from Mr. Cormack: 'You have to be in my situation to understand the misery it is causing me, not just losing my £200-£300 a week job, but my detached house, the break-up with my wife after 23 years of marriage, through rows over losing my job and reporting Faslane. She was right, I should have kept my mouth shut and minded my own business and let it go on and it would have gone on probably for another 10 years ... I did not just inform on the matter, I investigated it at the Faslane base and could have reported it there and then to the MOD at the gate house, but I knew they had to be involved as well because the procedure was all wrong. So I carried on to where I had to deliver, staying overnight en route, at South Wood services on the M6, where I knew other drivers of the company I was delivering too would be staying. I was investigating there, talking to the drivers of Potters' Oils, where I was to deliver. They knew what was going on, but kept it quiet, because they had their own fiddles going on as well ... Put it this way Frank. I put the whole bloody situation on a plate for the police and MOD, how it was done and where it was being done. I even worked out the cost of that one job, and it was over a million pounds. I even told them how many tankers would be there the next day. The other companies that were rounded up was a result of me reporting it in the first place ... It is over four years now. I have just received a cheque from the MOD for £1,000 which is enclosed and would have you return it to the MOD, as it is like putting the boot in when you are down; most of all an insult ... It would not even pay my costs to go to tribunal ... The cheque arrived on its own, no statement for what it was for, and most of all no letter of thank you.' He continues: 'That hurts. I can't live like I used to. I just exist.' I could go on at great length. I have many more details, but I realise that I must give the Minister the opportunity to reply. I gave him warning of what I would say. Let me summarise. I should like to know whether the £1,000 that was offered to Mr. Cormack as reward for that multimillion pound exposé came out of any police snouts' purse, whether it came out of their normal informants' fund, because it seems so paltry. If so, how many policemen received a commendation or perhaps promotion on the strength of the prosecution? I hope that to hear an assurance that the Faslane investigation has cleaned out that nest of vipers because they cannot have been only the civilian personnel who were involved. Mr. Cormack had to pass armed commandos who were guarding that establishment. As he managed to do so without any sort of pass or documentation, we need that assurance. I hope to hear an assurance from the Minister that steps have been taken to ensure that other military establishments have been cleared and vetted, and are not operating a similar fiddle.

I have the £1,000 cheque in my custody, under lock and key. I do not want to give it back to the MOD, but I appeal to the Minister, in view of the hardship that Mr. Cormack has suffered as a direct result of his service to his country. He did not have to do it. He did not have to put his frogman suit on, swim up the Clyde to the Faslane base in the middle of the night, walk around for 20 minutes, swim back out to his Caravette, telephone the police and tell them. He did it simply because he wanted to prove to himself how bad the security arrangements were.

I should like to hear from the Minister that there is a prospect that Mr. Cormack's service and foolhardy dedication to his own public spirit and the penalty that he has imposed upon himself by trying to serve his country might receive better recognition.

2.8 am

*The Parliamentary Under-Secretary of State for Defence Procurement (Mr. Tim Sainsbury)* I am grateful to the hon. Member for Stockton, North (Mr. Cook) for raising this subject because it gives me an opportunity to express in the

House my appreciation and that of my Department of Mr. Cormack's action. I hope that that can be passed on by the hon. Gentleman.

It may be helpful if I begin by sketching out more fully some of the background to this particularly complicated case and outline some of the measures that we are taking to ensure that this type of incident will not occur again. I hope that during my remarks I shall be able to satisfy the concern that the hon. Gentleman has expressed on that point.

As a result of extensive Ministry of Defence police investigations into what proved to be an extremely complex case, it has been established that during the period from January 1981 to November 1983, 1 million gallons of misappropriated fuel were illegally removed from the Clyde submarine base at Faslane.

The losses of fuel were possible only because of the unique position then existing at the Clyde submarine base with regard to the disposal of "sullage". In brief, sullage is dirty oil and tank washings—a mixture of oil, water and acids—that have to be removed from submarines and ships. Unlike other bases, where there are dedicated reception and treatment facilities for sullage handling, sullage at the Clyde submarine base used to be disposed of by commercial contractors. Collusion was, therefore, possible between the contractors and the Royal Maritime Auxiliary Service employees involved with the physical handling, collection and disposal of the sullage. That explains why they, and not others at the base, were involved in the incident. The practice at that time was for the sullage to be accumulated into a dedicated Royal Maritime Auxiliary Service barge and, after a period to allow the oil to settle, to be removed by commercial road tankers called by one of the RMAS staff involved.

In all, only seven RMAS personnel were involved in this case. One of these men died of natural causes shortly after the discovery of the theft. The rest were charged with corruption, and one also with theft, under section 1(i) of the Prevention of Corruption Act 1906. In June 1987, four were sentenced to terms ranging from between three and 12 months. Sentencing of the remaining two has been deferred until June 1988—in effect, under Scottish law, a suspended sentence.

As a result of those court cases, it has been established that inducements were paid by certain contractors to those RMAS personnel in return for fortifying the sullage with good quality fuel, for allowing the unauthorised removal of sullage, and for removing part or all of the water content so that the proportion of recoverable oil was increased. I should stress that not all those men were involved to the same extent.

The contractors involved were prosecuted and sentenced. In all, 14 people were convicted. In addition, disciplinary proceedings are under way against two senior staff who had supervisory responsibilities at the base.

Since the theft was brought to light, steps have been taken to tighten procedures for the disposal of sullage to prevent any repetition. Once the theft had been discovered, the senior officer responsible for logistic matters at the Faslane base assumed full control for the disposal of sullage, and the use of contractors ceased. All accumulations of sullage are now transferred to a mobile barge and landed ashore outside the base through the oil fuel depot at Garelochhead for disposal under strict Ministry of Defence control.

Extensive internal investigations have been carried out and, where necessary, appropriate remedial action has been taken or is in hand. Accounting procedures have been tightened. The lessons learnt have also been read across to other bases, and to the other two services.

Security at the base has also been reviewed since the theft. There was no evidence of inadequate security: indeed, comprehensive security instructions were in force at the time of the theft.

I should like to turn now to the important part played by Mr. Cormack in assisting the Ministry of Defence police in this case.

The information supplied by Mr. Cormack first came to the attention of the Ministry of Defence police on 8 October 1983, via the Scottish crime squad. This report was initially addressed to the regional fraud squad, which was involved throughout, and gave a detailed account of how sullage was removed from the base.

At the time, Mr. Cormack told investigating officers that, although he would be prepared to speak to either police or Customs and Excise officials to substantiate the information that he had provided, and to enable prosecution for what he considered illegal acts to proceed, he would not be willing to give evidence, as he felt that he might, as a result, lose his job and be "blacklisted" from employment with any other transport firm.

Consequently, Mr. Cormack's identity was not revealed, nor was he a witness during the subsequent court proceedings. His involvement became public only when he approached the hon. Gentleman and made a statement to the News on Sunday on 2 August 1987, some considerable time after the original events.

*Mr. Cormack then, after this long interval, made contact again with the Ministry of Defence police. He was subsequently interviewed, and it became clear that his intention was to seek financial reward. Mr. Cormack was informed of the progress of the case and reassured that his involvement had not been overlooked.*

Mr. Frank Cook Information about Cormack's involvement came out because of leaks from the Scottish court cases and was known throughout the haulage industry long before the article in News on Sunday.

Mr. Sainsbury I believe I am right in saying that the public appearance of the information in the press dates only from the time that I mentioned.

The very thorough police investigation was completed in April 1985 and was referred to the procurator fiscal. The court proceedings, which involved five separate trials, commenced in December 1986 and lasted until November 1987. The decision to go to separate trials was made by the Scottish Office. During the first trial the presiding judge, Lord Morrison, imposed a reporting restriction, to which the hon. Gentleman referred, for one year because of the other four related cases, allowing the media to report only the result of that particular case. At each subsequent hearing the presiding judge referred to and endorsed that restriction.

The hon. Member for Stockton, North wrote on 20 June 1987 to the Cleveland constabulary, requesting a report of its investigation. Since the matter was being investigated by the Ministry of Defence police, in cooperation with regional and Scottish crime squads, his letter was passed to the Ministry of Defence police headquarters, and I replied, as the hon. Gentleman said, on 22 July. At that stage I was able to say only that Mr. Cormack's part in the matter had not been forgotten. As I have already said, the hearings in the High Court in Edinburgh had not then been completed. A further defendant had been indicted to appear in September or October, and, because of the number of individuals involved and the related nature of the evidence, the judge had placed a restriction on the release of information bearing on the case. In the event, the last defendant was not sentenced until 3 November and reporting restrictions remained in force until 31 December.

Upon the successful conclusion of these proceedings, I advised the hon. Member that recognition of Mr. Cormack's assistance was being actively considered in the light of Ministry of Defence police policy. As the hon. Gentleman said, Mr. Cormack was awarded the sum of £1,000 in recognition of the information that he had volunteered, which, together with subsequent police investigations, enabled successful prosecutions to be brought. Payment was made, as requested, by personal cheque.

The Ministry of Defence recognises that informants can play an important role in assisting the Ministry of Defence police in criminal investigations. We therefore have a policy whereby, in common with other United Kingdom police forces, provision is available for discretionary payments to be made for information given to the police. As with the Home Office police forces, these payments are a police operational matter, ultimately at the discretion of the chief constable. These payments can be initiated only by the police themselves. So far as I am aware, the only significant difference which distinguishes our policy from that of Home Office police forces is that, because Government funds are used, the administrative arrangements within the Ministry of Defence require the Ministry of Defence police to seek approval for each payment.

I stress that such payments are for information given to the police. They are not rewards, in that they are not payments offered in advance for information leading to the conviction of those involved in a particular crime or to the recovery of specified stolen property. They are a recognition of particular help given to the police and are therefore not related to the value of the goods stolen or recovered. The informant will usually not wish to be identified with the information

that he has given, and that was so in this case. To protect the individual, both the policy and its application are normally treated as confidential.

The police request for approval of a payment for information is usually not made until the judicial procedure has been completed. This accounts for the considerable lapse of time in Mr. Cormack's case. As a result of the information that he gave, a police investigation was undertaken which took 18 months to complete. The last of the resulting trials was not completed until November 1987.

It is particularly important to distinguish between payments for information and rewards of the nature that I have described. Mr. Cormack gave the police valuable information, and by doing so he became eligible for consideration for a discretionary award from, and on behalf of, the police for that act. It might be expected that a law-abiding member of the public coming across evidence of a criminal act would tell the police without any thought of receiving a payment for doing so. In this matter, Mr. Cormack has acted as a public-spirited citizen. The £1,000 that he has received is simply a recognition of that fact. We are grateful for what he did.

Question put and agreed to.

Adjourned accordingly at twenty minutes past Two o'clock.