



SECRET PERSONAL

NORTHERN IRELAND OFFICE

WHITEHALL

LONDON SW1A 2AZ

Prime Minister  
CDP  
13/2.

13 February 1985

Charles Powell Esq  
No 10 Downing Street  
LONDON SW1

Dear Charles,

PIRA FUNDS

Graham Sandiford in his letter to you of 1 November 1984 (not copied to other recipients of this letter) reported on efforts to prevent some £2 million, obtained in Northern Ireland by extortion, from falling into the hands of the Provisional IRA.

The Secretary of State, with the agreement of the Irish Foreign Minister, Mr Barry, spoke about the matter at 7.45 pm yesterday evening with Mr Michael Noonan, their Minister of Justice. He did so in the knowledge that the money, which for some months had been frozen in a Bank of Ireland account in Dublin, was due to be transferred to an account in New York today and that the Garda had apparently exhausted all of the procedures that might have been used for preventing such a transfer.

The Secretary of State and Mr Noonan were agreed on the importance of doing everything possible to prevent the money from going to the PIRA. Mr Noonan had been giving careful consideration to the possibility of seizing it under powers contained in Section 22 of the Offences Against the State Act 1939, enabling the Irish Government to seize funds in the hands of a proscribed organisation. However, while the idea had not been abandoned, the lawyers were concerned that it might be difficult to prove that the cash was already in the hands of the Provisionals; Section 39 had only once been successfully used for seizure purposes and in that case ownership had been clearly established. In this case evidence of ownership was hard to obtain. Another possibility being examined was prosecution of the account holder for membership of a proscribed organisation; but acquittal on that charge would be damaging. As a measure of the priority being afforded the matter by the Irish, Mr Noonan said that he had been working on it for most of the afternoon and would be discussing the legal implications with the Attorney General later that evening. He was hopeful that the Bank of Ireland, which had proved most co-operative, could be persuaded to extend the deadline for transferring the money to New York until the weekend, while the possibilities for seizure were further examined. The Secretary of State thanked Mr Noonan for all that he was doing and asked him to make contact if there was any way in which the UK authorities could be of

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help. In this context Mr Noonan mentioned that we had not yet persuaded the Swiss authorities to come forward with information which might be helpful.

The Secretary of State is confident that Mr Noonan is doing what he can within the framework of the law to bring the matter to a satisfactory conclusion. He hopes that HM Ambassador will keep in close touch with the Irish authorities.

A copy of this letter goes to Len Appleyard in the FCO, Hugh Taylor in the Home Office and Richard Hatfield.

*Yours Sincerely*

*Neil Wand*

*for* J A DANIELL  
(signed in his absence on duty)

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