

APPENDIX "B"

BELL CANADA

House of Commons,
Col. D. C. Currie, V.C.
Sergeant at Arms,
Ottawa, Ontario.

Dear Colonel Currie,

As instructed by your office, I took possession of telephone apparatus identified as Station K associated with telephone number 996-5084 at mid afternoon on Tuesday, November 8, 1977.

We are informed that:

This telephone apparatus had been installed in the Conference Room associated with the office of the Leader of the Opposition prior to November 7, 1977.

The telephone was identified at 8:10 p.m. on October 31st by Uniserv Sound and Signal Incorporated as capable of being used as an eavesdropping device.

The device and wiring causing the alleged condition were removed from the telephone by Uniserv Sound on October 31st, 1977, without Bell Canada's permission or presence.

On November 8th, 1977, W. Sandiford of Uniserv Sound in my presence attempted to restore the telephone set to the condition he had found it in at 8:10 p.m. on 31st October, using the components that he said were those removed from that set. On completion, Mr. Sandiford stated that he had restored the telephone to the condition in which he found it except for the following:

- (a) a broken lead on the diode prevented him from making one termination, and
- (b) he could not restore the bent contacts in the switch hook as found for fear that he would cause additional problems.

As requested by you, we have assessed the telephone apparatus in the condition in which it was given to us to determine (a) whether it could be used as a covert listening device and (b) whether the top-hat diode and connecting wires

installed in the telephone set were foreign to telephone company use for such installations. Bell-Northern Research Laboratories, Ottawa, upon request of the Telephone Company have analyzed and conducted extensive tests on the telephone apparatus and conclude the following:

1. "It is our view based on our tests that any telephone accessing this telephone through the switched network could not use this telephone as an eavesdropping device. However, the subject telephone was in a condition that if accessed in a sophisticated way directly from cables associated with that telephone it could have acted as an eavesdropping device."

2. "All materials found inside the telephone were of types commonly used by Bell Canada."

On receipt by us of this telephone set the hook switch contacts were in operating condition. It was stated to us that at the time Uniserv first inspected the set, one hook switch contact was bent. We cannot now know what bending had been imposed on the hook switch contact.

We would observe however, that if the hook switch contact had been bent as claimed, the telephone set would have been found by the user to be in a defective condition. A Bell craftsman who worked on the set on 27 October 1977 did not find the set to be defective as to service.

In addition to our examination of the set and apparatus, we have also carried out a thorough physical inspection of all associated cable and wiring to the station, and have uncovered no irregularities.

Our report with respect to this set is limited to the capabilities of the set in the condition in which it was presented to us. A more definitive view could have been given prior to the set being altered.

If I can be of further assistance to you please do not hesitate to contact me.

J. P. Grenier
Security Supervisor