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Murdoch security chief linked to TV piracy site

**John Cassy, David Leigh
and Kevin Maguire**

Evidence in the hands of the Guardian suggests that a former Scotland Yard commander who represents two of Rupert Murdoch's companies provided funds to a website that enabled counterfeiters to produce forged smart cards used to defraud ITV Digital, a principal rival in the pay TV market.

Ray Adams, who is the head of security at NDS, a company controlled by Mr Murdoch's News Corporation, had a working relationship with the website, which has now been closed down and whose founder, Lee Gibling, has gone missing.

According to emails in the possession of the Guardian, Mr Gibling was in contact with Mr Adams and received several thousand pounds from NDS paid directly into his personal bank account.

As a representative of NDS and BSkyB, News Corporation's British TV business, Mr Adams is a board member of AEPOC, a European industry action group set up to combat piracy.

Questions about Mr Adams's role have emerged following a legal action begun in California on Monday. Canal Plus, the French media company, is claiming \$1bn (£700m) in damages from NDS, alleging it used a laboratory in Israel to crack the secret codes on Canal Plus's own pay TV smart cards. The information was then made available to counterfeiters around the world through favoured websites.

ITV Digital, in fierce competition with BSkyB, uses the Canal Plus access system and claims that piracy in the business has cost it at least £100m.

Last night, Labour MP Martin O'Neill, chairman of the Commons trade and industry select committee, urged the office of fair trading to investigate allegations that ITV Digital's pay TV codes were deliberately cracked and distributed to counterfeiters. He said the broadcaster's "fragile fi-

nances" meant it could be driven out of business.

The website, Thoic.com, also known as the House of Ill Compute, was routinely distributing the secret codes used to make counterfeit cards for accessing ITV Digital before its sudden closure last year.

NDS has admitted a financial link with the website, but is adamant that this was part of a legitimate intelligence gathering exercise aimed at keeping a close eye on hackers who might breach its own pay-TV security. The company says it was effectively purchasing intelligence about the hackers who were attracted to the site.

ITV Digital says neither Sky nor NDS should have had any dealings with such a website and believes the Murdoch companies should have stopped any financial support as soon as they realised the internet service was being used to undermine a rival such as itself.

The emails suggest NDS was paying the website's expenses, and even providing them with a second computer "server" when the high level of interest through the internet began to strain their facilities.

One email, from Mr Gibling to Mr Adams reads: "I hope you don't mind me spending so much time on aus and nz activities because I know you cover my work out of your budget."

Another from another NDS employee, Mike Warren, to Mr Gibling says: "Lee — your expenses were signed by R.A and have been taken by hand to finance and received by them last Wednesday I asked that they were dealt with asap."

Mr Adams denies ever having been aware the website published ITV Digital's codes. "We never saw any of those codes," he said. Asked why he had supported the website financially, and what the content of his encrypted messages had been, he said: "I am not allowed to discuss operational matters".

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