

DD/A Registry
File OTM 1-2

12 May 1977

MEMORANDUM FOR: Deputy Director for Administration
SUBJECT : Notes from the Director
REFERENCE : Your memo of 11 May 1977, "Recommended
Notes From the Director"

Jack:

1. I agree with your para. 2 which states that given the fact that the original "Notes from the Director" was quoted in the media, we must assume that notes from time to time will get in the press. I would therefore like the opportunity to see the recommended notes, for our comment, before they are approved by the Admiral.

2. May I suggest that on your next memo we be included for a copy, or shown in the routing. Many thanks.



Herbert E. Hetu
Assistant for Public Affairs
to the Director of Central Intelligence

STATINTL

Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080007-8

Executive Registry

77-429

11 MAY 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Recommended Notes From the Director

1. Action Requested: Your approval to publish the four attached notes as "Notes From the Director No. 2." STATINTL

2. Background: In consultation with [redacted] we have developed the attached four notes for publication. Given the fact that the original "Notes From the Director" was quoted in the press, we have deliberately written these notes on the assumption that they too will be subject to being quoted in the newspaper. As a result, they may appear more bland than would otherwise be desirable, but we see no way in which this can be avoided.

3. Recommendation: It is recommended that you approve the publication of these four items as "Notes from the Director No. 2."

[redacted]
John F. Blake

STATINTL

Attachments: a/s

APPROVED: /s/ Stansfield Turner
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: 12 MAY 1977

STAT

Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080007-8

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Notes from the Director

No. 8

22 July 1977

CBS "60 MINUTES"

CBS "60 Minutes" has informed us that the CIA segment will be shown this Sunday, July 24th, at 7:00 p.m.

UPDATE ON INTELLIGENCE COMMUNITY REORGANIZATION

While I am unable to predict the actual date for the decision, I am confident we are moving close to the time when we will know what the shape of the Intelligence Community organization will be. I will advise you just as soon as definite information is available.

NEW DOCUMENTS ON DRUG EXPERIMENTATION

As you have noted in the press, I have informed the Chairman of the Senate Select Committee on Intelligence of the discovery of additional documents pertaining to past drug experimentation activities of the Agency. Both Presidential directive and Congressional mandate dictate that I make material on questionable activities available to the Executive and Legislative Branches. This particular material was located by a diligent employee who was researching archival records in response to an FOIA request. A thorough analysis of these documents is under way to determine what, if any, new information should be reported to our Congressional Oversight Committees. I will testify in an open joint session before the Senate Subcommittee on Health and Scientific Research and the Senate Select Committee on Intelligence on Friday, July 29th.

These documents should not be confused with the ones Mr. John Marks is now attempting to exploit in the press. The ones Marks holds were supplied

him last February in response to an FOIA request. They are not new and all have been previously made available to either the Church Committee or the SSCI.

The Agency must and will deal with issues like this which are legally in the public domain in the forthright manner in which this matter was handled.

LEE SENTENCED TO LIFE IN PRISON

On 19 July 1977, a federal judge sentenced Andrew Daulton Lee to life in prison for selling TOP SECRET documents to the Russians. The severity of the sentence seems to be an obvious warning to others that, to quote the judge, "espionage is a game you do not play." Lee was convicted on 14 May 1977. He was the accomplice of Christopher John Boyce, a former employee of an Agency contractor, TRW Systems, Inc., who was convicted on eight counts of espionage on 28 April 1977. His sentence has been delayed pending a psychiatric examination which is scheduled to be completed in September 1977.

Boyce, Lee, and Edwin G. Moore, a former CIA employee who was convicted of attempted espionage on 5 May 1977, were indicted and successfully tried in federal courts as a result of very close and continuous cooperation among the CIA, FBI and the Department of Justice. The convictions were not achieved without some disclosures of Agency sources and methods. The cases demonstrate, however, the Agency's determination to accept some risks to sensitive intelligence information in order to aggressively seek criminal prosecutions as a deterrent to future unauthorized disclosure.

As I reported to you in NOTES FROM THE DIRECTOR, No. 2, these cases are the subject of vigorous study and analysis, and have already resulted in improvements in our security posture.

APPOINTMENT OF MR. OMEGO WARE TO EAG

I have asked Mr. Omega Ware, our Director of the Office of Equal Employment Opportunity, to accept membership on the Executive Advisory Group. While Mr. Ware has previously sat with the group when specific EEO matters were under consideration, I believe it wise and valuable to have the responsibilities he holds represented on a continuing basis on the EAG.

CONGRATULATIONS TO CIA RECRUITER

I am sure all of you will want to join me in congratulating [redacted] [redacted] of the Recruitment Division for being selected Government Recruiter

[redacted] [redacted]

STATINTL

STAT

STAT



STANSFIELD TURNER
Director

NOTES FROM THE DIRECTOR NO. 8

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-2-

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Next 2 Page(s) In Document Exempt

Approved For Release 2002/11/04 : CIA-RDP80-00473A000300080007-8

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

DD/A Registry
77-3861-

FROM: Director of Personnel
5 E 58 HQ

EXTENSION

NO.

PERS 77-2249

DATE

5 JUL 1977

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

RECEIVED FORWARDED

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for Administration

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

You asked me to give you a brief "blurb" which you could submit to the DCI for inclusion in a forthcoming issue of "Notes from the Director." Attached is a suggested item. In regard to your second request that I prepare a "blurb" for the DDA Exchange, we are preparing such an article and will forward it to [redacted] at the appropriate time.

STATINTL
STATINTL

[redacted]
F. W. M. Janney

STAT

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Director of Personnel 5E 58 Hqs		
2			
3			
4			
5			
6			
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Att: DDA 77-3201			
Remarks:			
Fred:			
STATINTL	Re the honor recently given I suggest two things:		
	<p style="margin-left: 40px;">a. You prepare and submit a brief "blurb" which I can submit to the Director for inclusion in a forthcoming issue of "Notes from the Director."</p> <p style="margin-left: 40px;">b. You prepare an additional "blurb" and suggest to that it be included, along with a picture, in the next edition of <u>DDA Excha</u> </p>		
STATINTL	John F. Blake		
STATINTL	FOLD HERE TO RETURN TO SENDER		
FROM: NAME, ADDRESS AND PHONE NO.		DATE	
Deputy Director for Administration 7D 24 Hqs. 		14 Jun 77	
UNCLASSIFIED	CONFIDENTIAL	SECRET	

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 EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	D/DCI/IC				
4	DDS&T				
5	DDI				
6	DDA	X	ED/DDA	08 JUN 1977	
7	DDO				
8	D/DCI/NI				
9	GC				
10	LC				
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	A/DCI/PA		X		
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20					
21					
22					
SUSPENSE		14 June 1977			
		Date			

Remarks: Note originator sent copies to subject and D/Pers. Blake mentioned at Morning Meeting filmed by CBS. DDA please prepare response for DCI signature, and keep in mind possible call on DCI when [redacted] s next at HQS. [redacted]

Executive Secretary
 7 June 77
 Date

STATINTL

STAT

Next 1 Page(s) In Document Exempt

DRAFT NOTE FROM THE DIRECTOR

DIRECTOR OF EEO APPOINTED TO EAG

I have recently appointed Mr. Omega Ware, the Director of Equal Employment Opportunity, as a permanent member of the Agency's Executive Advisory Group. I have done this both in recognition of the essential role that Mr. Ware and his staff play in management decisions and also to broaden even further the experience and interests represented by the EAG members. Most of our major management decisions involve EEO matters either directly or indirectly, and I believe Mr. Ware's participation in the decision-making process will prove to be invaluable.

Administrative - Internal Use Only

Executive Registry
77-1697

DD/A Registry

DDA 77-3747

File OTM 1-2
see also file 9

28 June 1977

NOTE FOR: Admiral Turner

FROM: John F. Blake
Deputy Director for Administration

Sir:

This is just an informal note to make a suggestion for an article in the next issue of "Notes from the Director."

I believe there is a misunderstanding both internally and externally on your policy concerning the hiring of retired annuitants. You have not prohibited such hiring. What you have done is establish a system which ensures that such a hiring will not act to the prejudice of any currently serving employee. This is a very defensible policy.

On 22 June 1977, I sent you a proposed reply on this matter to an incoming letter from a Colonel John P. Sheffey of the National Association for Uniformed Services. I would suggest that the content of that letter could be used for the article I suggest.

[Redacted Signature]

John F. Blake

STATINTL

Distribution:
Orig - DCI
1 - DDCI
1 - ER

*Put in
"Notes" # 6*

Administrative - Internal Use Only

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: John F. Blake Deputy Director for Ad 7D 24 Hqs	EXTENSION	NO. DDA 77-3625
		DATE 22 June 1977

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1. NTL D/ Director of Central Intelligence 7D 5607 Hqs		6/24	JLB	
2. [Redacted]				
3. DCI Dec'd 24 JUN 1977	29 JUN 1977		ST/da	
4. DDA	1 JUL 1977		}} B	WV
5. AI/DDA	7/6			
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Dir 17/10/1977

DD/A Registry

File

04M 1-2

28 June 1977

MEMORANDUM FOR: DCI

ANNUITANTS -

1. You commented on my recent note covering the DDA report on annuitants:

- a. Just can't etc.
- b. This accounts for 164 etc.

2. We erred in not recapitulating the total numbers which had been previously provided. The total number of civilian annuitants is as follows: STATINTL



15 are reviewing 30 year old OSS files for declassification purposes



STATINTL





- 16 translate classified foreign language documents or transcribe tapes from audio operations
- 5 provide quick response creative articles, speeches, or other materials for use in the field at Station request
- 5 are currently preparing research papers in their particular areas of expertise (mostly counterintelligence)
- 11 are Agency consultants whose specific approval has been authorized by the DCI
- 34 carry out a variety of functions. This group originally numbered 57; after reviewing them against the criteria you established, it was determined that 23 could be terminated this calendar year. An additional seven are still under review.

STATINTL

- All  civilian annuitants
- All  civilian annuitants are PART-TIME except for nine, and four of these nine will be terminated this year.

- Approximately 85% of the civilian annuitants retired from CIA. The others retired from a diversity of other federal agencies.

3. Except for ~~the~~ nine full-time people (five by the end of the year) these annuitants work on an intermittent basis or when their services are required. They do not occupy position slots. They do not block head room for others. Consequently, the termination of any or all of these part-time annuitants would not open up advancement opportunities for more GS-14's or any other grade.

4. In addition to these civilians, mostly part-time annuitants, there are 217 military annuitants who are full-time staff employees. They do, of course, occupy position slots and are pursuing a second career in the Agency. They were hired because of their military skills, because they were more competitive, or because they had other unique qualifications. They presently comprise of our total full-time complement as contrasted with 6 percent throughout the Federal Government.

STATINTL

5. Mr. Blake is modifying the proposed regulation on Procedures for Hiring of Annuitants per your instructions.

6. Recommendation: In order to correct the mistaken impression that many employees have conveyed to you that promotion opportunities in the Agency are inhibited by the use of CIA annuitants, the facts as described in paragraph three should be made the subject of a special notice in an early DCI Newsletter.

STAT

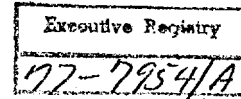
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Washington, D.C. 20505



29 JUN 1977

Colonel John P. Sheffey, USA (Ret)
Executive Vice President
National Association for Uniformed Services
956 North Monroe Street
Arlington, Virginia 22201

Dear Colonel Sheffey:

I am pleased to respond to your letter of 16 June 1977 in which you quote The Washington Star of 7 June 1977 of saying I have issued orders "prohibiting new hires of military, Civil Service and Foreign Service retirees". The Washington Star report of a directive I issued on 17 May 1977 is inaccurate and I am pleased to have the opportunity of informing you of the true facts.

There is enclosed with this letter an actual copy of a personnel notice issued by me on 17 May 1977. Only internal administrative markings have been deleted. You will see that what I have undertaken is the establishment of a new procedure which must be followed in hiring annuitants from any Government service, but I have not prohibited same. I recognize my responsibilities to give consideration to hiring any qualified United States citizen for a position where a need exists. I trust, however, that you will also agree with me that I have a responsibility to our currently serving career employees in assuring that they have a capability to compete for any available vacancy for which they are qualified. In this connection you should be made aware that we have serving with us a considerable number of career employees who have retired from the military service and are performing in a fine fashion for us. Their future and career advancement is protected by the policy I announced on 17 May.

I agree with the conclusion in your letter that the issue involved is far from simple. I trust you now appreciate that I have made no "sudden and arbitrary" policy pronouncement nor have I prohibited the further hiring of annuitants. We have endeavored to recognize the complexities of the situation and establish policies which are just and equitable to employees, both current and prospective.

Yours sincerely,

/s/ Stansfield Turner

STANSFIELD TURNER

Distribution:

STATINTL
Orig - Adse w/encl
1 - DCI
1 - DDCI
1 - ER w/Orig of ER 77-7954

1 - DDA Subject w/bkgd (DDA 77-3561)

1 - DDA Chrono

1 - JFB Chrono

DDA:JFB/ake:kmg (22 Jun 77)

DDA 77-3561: Ltr dtd 16 Jun 77 to DCI fr Col

Sheffey re hiring of annuitants policy and
article in The Washington Star of 7 Jun 77

17 May 1977

HIRING OF ANNUITANTS

I am anxious to ensure that we offer good promotion opportunity for our younger professionals, and a steady accession of new career talent. To ensure that these goals can be achieved I wish to restrict lateral input of outside retirees into positions that could be filled from within our own ranks. Therefore, effective immediately the further hiring of annuitants from any Government service is prohibited unless:

- a. The Deputy Director for Administration certifies that the skills required for the task to be performed by the annuitant are not available from any currently serving employee and, additionally, the Agency would have to undertake specific recruitment to find the particular skill necessary if the annuitant were not hired, and
- b. I personally approve the hiring.

/s/Stansfield Turner

STANSFIELD TURNER
Director



Notes from the Director

No. 7

13 July 1977

FROM THE DIRECTOR

I have made the following statement available to the press on 13 July in response to a United Press International story which contained a great many inaccuracies:

“The Director of Central Intelligence confirms that the Deputy Director of Central Intelligence, Mr. E. Henry Knoche, submitted his resignation to the President on 5 July, to be effective on 1 August 1977. The President has not yet nominated a successor. There are no plans for forced retirements or removals of any top CIA officials. There are no plans for major changes in the CIA organization at this time.”

I met the senior officers of the Agency at 1:30 p.m. on Wednesday, 13 July. I pointed out to them that I had not requested the resignation or retirement of Mr. Knoche and was somewhat surprised by his action. I further informed the senior officers, as the press statement says, that I am contemplating no immediate personnel changes within the senior ranks or anywhere else in the Agency. As you all are aware from past issuances of “Notes from the Director,” an extensive study is now going on in the Executive Branch to determine if any organizational restructuring should take place within the Intelligence Community. Even if I desired to make changes of any sort, it would obviously not make any sense to do so until the reorganizational study is completed and the President has announced his decision.

I am sure that all of you join me in wishing Mr. Knoche well as he sets out on new adventures. I am grateful for his support over these past five months and many of you are appreciative of his fine leadership within the Agency over many years. The President has not yet selected Mr. Knoche’s successor.

STANSFIELD TURNER
Director

FROM THE DDCI

On 5 July of this year I asked the President to accept my resignation as Deputy Director of Central Intelligence effective 1 August.

It was a most difficult decision. We have successfully come through some difficult times together in recent years. More change looms on the horizon, and properly so. Dealing with these challenges will be an exciting task. But in the end, having weighed all the factors, I concluded that it would be in the best interests of the Agency and the nation's intelligence effort if I stepped aside now to facilitate the Director's task as he prepares to make decisions about new organizational forms and the kind of new leadership that he will need to carry out his future plans.

I urge all of you to continue to devote your best efforts to the tasks at hand as you have always done. I know you will.

I leave you with a great sense of satisfaction at the things we have been able to do together. I leave you with a deep sense of gratitude for your friendship, your support, your professional excellence. I leave you with pride at having been a part of it all.

You have my very best wishes for the future.



STATINTL

DOJ "Notes from the Director" No. 7.

LEFT-HAND PAGE

D R A F T

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DRAFT

LEFT-HAND PAGE

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13 July. I pointed out to them that I had not requested the resignation ^{or retirement} of Mr. Knoche, ^{and was somewhat} ~~and was somewhat surprised~~ ^{not surprised by his action,} that he was entertaining the ~~thought~~.

I further informed the senior officers, as the press statement says, that I am contemplating no personnel changes within the senior ranks.

As you all are aware from past issuances of "Notes from the Director," ^{an} extensive study ^{IS NOW} ~~has been~~ going on in the Executive Branch to determine

if any organizational restructuring should take place within the

Intelligence Community. Even if I desired to make any senior changes ^{of any}

it would obviously ^{NOT MAKE ANY SENSE SO} ~~be inopportune~~ to do ~~it~~ at this time until the

reorganizational study is completed and the President addresses himself

~~to the matter.~~ ^{has announced his decision.} ~~Some time~~

~~you will see nothing will happen until~~

~~that happens~~

~~no major change in the Agency.~~

~~We will all miss Mr. Knoche~~



Notes from the Director

No. 4

3 June 1977

UPDATE ON COMMUNITY REORGANIZATION

The study effort generated by the Presidential Directive which has been looking into possible alternatives for making the Intelligence Community more efficient and effective is about completed. The issues will now go to the National Security Council for debate and discussion. The study presents a wide range of options which primarily address the Intelligence Community and my responsibilities as Director of that Community. A key issue is whether the authority of the DCI over other elements of the national intelligence program should be strengthened in any way. There is, of course, consideration being given to separating the two jobs of DCI and Director of the CIA, completing what has already been done in part through Executive Order 11905 (which specified that the Director of CIA should delegate as much as possible the running of the CIA to the DDCI). Whether this will happen or not I cannot predict, but I can say that one way or the other the CIA must and will remain a principal intelligence mechanism of the DCI.

Since I continue to hear some apprehension about the prospects for change as a result of these studies, I want again to reassure all of our employees that I believe the studies reinforce the importance of the component activities in the CIA to our Intelligence Community and our country. One final observation on the matter. As I have stated, only options on organizational changes now exist, and we are some time from a decision-making point. Despite this, I hear rumors, from time to time, that this unit or that unit of CIA will be physically relocated to an entirely different location, or that units will be disestablished, etc. I urge you to disregard all such rumors. Let me assure you that we are nowhere near any such detailed discussions or decisions. I seriously doubt that there will be any relocations of more than a few people as a result of this exercise, but I can certainly assure you that none are contemplated at this time. I will keep you as fully posted as possible on this entire question.

PROJECT OUTREACH

I'm very grateful to all the Agency employees who cooperated so successfully with CBS in their filming for "Sixty Minutes." Dan Rather and his crew were very high in praise of the spirit of cooperation which they had while here. In turn, CBS was very considerate of our requirements for security, and we are confident that security has not been breached by this filming. We hope the show will be viewed in late June, and we'll keep you posted.

There was an unfortunate leak in the plan I asked to have explored about arranging for a limited amount of public visiting sponsored by Members of Congress. As a result of this, we have been besieged by questions from the press, and Herb Hetu has responded with the facts as they presently stand: our plans are not firm; the details of how this might be worked out have yet to be staffed and presented to me for a decision; and that some of the wild specific facts mentioned, such as 8,000 visitors a day, are totally beyond any possibility of consideration. We are looking at this additional means of reaching out to the public. I believe that our previous steps in declassifying publications which could be declassified without harm, and in responding to media inquiries more forthrightly, and permitting CBS to film have met with good response. I believe they help to reassure the general public that our activities are supporting our country well in a way that deserves public approbation, as they do. The suspicions that have been generated in our country over the past few years about intelligence have their foundation in a lack of knowledge of what we do, why, and how we do it. To the extent that we can inform the American people about our activities within the limits of security, we can lift some of that misunderstanding and suspicion and ensure future public support for our vital function.

STATUS OF THE 1978 BUDGET

Shortly after my confirmation, I appeared before several Congressional oversight committees to present and defend the 1978 budgets for the National Foreign Intelligence Program and for CIA. The hearings on CIA were extremely detailed, covering two days each in the cases of the Senate Select Committee and the House Appropriations Committee, and I was supported by Hank Knoche and by the four Deputies. In addition, the Senate Select Committee subsequently held two days of public hearings on the question of declassification and release of a single figure for the national intelligence budget.

The Congressional hearings phase of the budget cycle is now completed, and Congress has begun to act. We have received a classified authorization letter from the Senate Select Committee that limits the amounts available to us in certain phases of our activity; some of these limits will be troublesome to live with, but none are so severe as to interfere greatly with essential activities

or force any personnel reductions. We expect to receive another classified letter, this one from the House Appropriations Committee, in mid-June. It will convey in detail the actions taken by that Committee in the appropriation phase of the process. Once we have the House letter in hand, we will be able to make any necessary appeal. In due course, the committees of both Houses of Congress will meet in conference, and we will have a further opportunity to express our views. Thus, it probably will not be until early September that the 1978 budget will be final. However, the atmosphere of the hearings has been cordial throughout, and I am confident that Congress will provide us the resources that we need to continue doing our job well.

DIRECT COMMUNICATIONS WITH THE DIRECTOR

One of the MAG groups with whom I've been meeting recently made the suggestion that I reemphasize my open-ended invitation for any employee of the Agency to send me suggestions directly and privately. I am happy to receive such suggestions, and I will read all of them personally. I will not necessarily respond to those which are signed, but I will certainly give each careful consideration. Such communications should, of course, be matters of Agency-wide concern, not individual grievances or complaints for which there are established and appropriate procedures.



STANSFIELD TURNER
Director

DDIA Registry
File 04M-1-2
11 41

ITEMS FOR NEXT DIRECTOR'S NOTES

UPDATE ON COMMUNITY REORGANIZATION

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Since I continue to hear some apprehension about the prospects for change as a result of these studies, I want again to

reassure all of our employees that I believe the studies reinforce the importance of the component activities in the CIA to our Intelligence Community and our country. One final observation on this matter. As I have stated, only options on organizational changes now exist, and we are some time from a decision-making point. Despite this, I hear rumors, from time to time, that this unit or that unit of CIA will be physically relocated to an entirely different location, or that unit will be disestablished, etc. I urge you to disregard all such rumors. Let me assure you that we are nowhere near any such detailed discussions or decisions. I seriously doubt that there will be any relocations of more than a few people as a result of this exercise, but I can certainly assure you that none are contemplated at this time. I will keep you as fully posted as possible on this entire question.

PROJECT OUTREACH

I'm very grateful to all the Agency employees who cooperated so successfully with CBS in their filming for "Sixty Minutes." Dan Rather and his crew were very high in praise of the spirit of cooperation which they had while here. In turn, CBS was very considerate of our requirements for security, and we are confident that security has not been breached by this filming. We hope the show will be viewed in late June, and we'll keep you posted.

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STATUS OF THE 1978 BUDGET

Shortly after my confirmation, I appeared before several Congressional oversight committees to present and defend the 1978 budgets for the National Foreign Intelligence Program and for CIA. The hearings on CIA were extremely detailed, covering two days each in the cases of the Senate Select Committee and the House Appropriations Committee, and I was supported by Hank Knoche and by the four Deputies. In addition, the Senate Select Committee subsequently held two days of public hearings on the question of declassification and release of a single figure for the national intelligence budget.

The Congressional hearings phase of the budget cycle is now completed, and Congress has begun to act. We have received a classified authorization letter from the Senate Select Committee that limits the amounts available to us in certain phases of our activity; some of these limits will be troublesome to live with, but none are so severe as to interfere greatly with essential activities or force any personnel reductions. We expect to receive another classified letter, this one from the House Appropriations Committee, in mid-June. It will convey in detail the actions taken by that Committee in the appropriation phase of the process. Once we have the House letter in hand, we will be able to make any necessary

appeal. In due course, the committees of both Houses of Congress will meet in conference, and we will have a further opportunity to express our views. Thus, it probably will not be until early September that the 1978 budget will be final. However, the atmosphere of the hearings has been cordial throughout, and I am confident that Congress will provide us the resources that we need to continue doing our job well.

DIRECT COMMUNICATIONS WITH THE DIRECTOR

One of the MAG groups with whom I've been meeting recently made the suggestion that I reemphasize my open-ended invitation for any employee of the Agency to send me suggestions directly and privately. I am happy to receive such suggestions, and I will read all of them personally. I will not necessarily respond to those which are signed, but I will certainly give each careful consideration. Such communications should, of course, be matters of Agency-wide concern, not individual grievances or complaints for which there are established and appropriate procedures.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

"Notes from the Director" No. 4

FROM: John F. Blake Deputy Director for Administration 7D 24 Hqs	EXTENSION <input style="width: 40px; height: 20px;" type="text"/>	NO. DDA 77-3367 DATE 9 June 1977
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STAT

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1. Director of Central Intelligence				Sir: Attached is my recommended draft for issue number 4 of "Notes from the Director." We have elaborated somewhat at the end of the first article concerning no planned moves of major components; deleted all material on Naval officers; and have added an article on the status of the '78 budget. Thanks for your receptivity to my comments on this matter this morning. <div style="border: 1px solid black; width: 150px; height: 40px; margin: 10px auto;"></div> <p style="text-align: center;">John F. Blake</p> Attachment As stated
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8 11/11/77

DRAFT ITEMS FOR NEXT DIRECTOR'S NOTES

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Since I continue to hear some apprehension about the prospects for change as a result of these studies, I want again to reassure all of our employees that I believe the studies reinforce the importance of the component activities in the CIA to our Intelligence Community and our country. I would also like to dispel the rumors that there is a massive relocation plan contemplated which would move sections of personnel out of the Headquarters building. This has never been contemplated.

NAVAL OFFICERS IN THE OFFICE OF THE DCI

Since there have been continuing stories in the press that I am surrounded by an "impenetrable wall" of Naval officers, I would like to make sure everyone has the exact facts.

OUT
I elected to bring with me four officers who had been serving on my personal staff in Naples; an Executive Assistant, a Special Assistant for speechwriting, an officer for arranging the daily schedules and his replacement. This latter position was in the process of turnover when I left Naples, and two officers came with me but one is leaving for his new assignment shortly. This will leave three officers on permanent assignment.

I intend that these three officers continue in the Office of the Director; they serve together with two senior ^{Special} Administrative Assistants from the CIA professional staff and another civilian ^{Administrative} ~~Special~~ Assistant for scheduling.

Additionally, six officers on normal military rotational assignment to the CIA, the IC Staff and the NIO Staff were scheduled to depart on rotation this summer. I asked the Navy to assign as their replacements six particular officers whom I knew to have special abilities in our area. Four of these officers are presently here, with one assigned to the Intelligence Community, two assigned to the National Intelligence Officers, and one to the Intelligence Directorate. None of them work in the Office of the Director.

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OUT

[redacted] is an intelligence sub-specialist career officer in the Navy. He was on duty in the Washington area and awaiting transfer to duty in California. He has been temporarily assigned to the NIO office for a four-month period while waiting to depart for his next assignment. He is not displacing anyone else since he is filling an empty slot for a military officer who will not arrive until later this summer. He has not been added to the payroll as he is a member of the United States Navy. There was no cost to the government by his switch of duties here.

PROJECT OUTREACH

OK

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Notes from the Director

No. 2

16 May 1977

SMALL GROUP MEETINGS

As part of my efforts to learn more about our Agency and to identify matters which its employees consider important and meriting my personal attention, I have met with several small groups of representative employees both here at Headquarters and at our major training site. I want to do this to an even greater degree in the future, and I have initiated action throughout the Agency to organize such groups and to arrange the necessary scheduling.

It is my desire that the matters discussed in these meetings with me be determined by the members of the group involved and, to this end, I have asked that each group meet several times prior to meeting with me. At these meetings, the members can collectively identify those items which they believe are most worthy of discussion. What I hope will result from these meetings are ideas for constructive changes which can possibly improve the Agency or its product. I do not believe that any of us are interested in change for the sake of change alone or in hearing endless complaints for which no constructive solutions are offered. I am hopeful that future meetings will be as informative and constructive as those I already held, and that we will be able to develop some sound improvements as a result.

THE MOORE TRIAL

On 5 May 1977, a Federal jury found former CIA employee, Edwin G. Moore II, guilty of attempting to deliver information affecting the national security to the Soviet Union after he threw a package containing several Agency documents over the fence of the Soviet residence in Washington, D.C. Moore was also found guilty of four other charges relating to the unauthorized retention and theft of classified documents. Moore was arrested by the FBI on 22 December 1976 after he picked up what he believed to be the initial \$3,000 he had demanded from the Soviets in return for the package of documents. He had instructed the Soviets to deliver a second payment of \$197,000 later that

same day in exchange for additional documents. The rapid arrest and successful prosecution were the result of extremely close cooperation between the Agency, the FBI and the Department of Justice and demonstrated our commitment to fully prosecute any instances where an attempt is made, successful or not, to disclose classified Agency information to unauthorized recipients. Although the prosecution involved a public trial, the disclosure of names of covert Agency employees or other information which would damage sensitive intelligence sources and methods was avoided.

The Moore case, and particularly the background on Mr. Moore's CIA career, have already been the objects of vigorous study and analysis within the Agency. They will continue to be so. From what is known so far, it is probable that the case will lead in the future to some significant modifications in personnel processing and evaluation systems.

THE BOYCE TRIAL

After less than four hours deliberation, a U.S. District Court jury returned a guilty verdict against Christopher John Boyce, a former employee of an Agency contractor, TRW Systems, Inc., on 28 April 1977 on all eight counts of the indictment including violation of U.S. espionage statutes. The counts included conspiracy to transmit defense information to a foreign power, disclosure of classified information (Communications Intelligence), theft of U.S. Government property, and failure to register as an agent of a foreign power. Boyce was first employed by TRW in July 1974 and was authorized access to very sensitive U.S. Government and Agency classified information in November 1974. Boyce remained employed by TRW until 17 December 1976 when he voluntarily resigned.

Although the conviction of Boyce was not achieved without some damage to Agency sources and methods, this case clearly demonstrates our determination to protect sensitive intelligence information from unauthorized disclosure by aggressively seeking criminal prosecution whenever such action is warranted. As with the Moore case, the circumstances surrounding the Boyce case have and will continue to be subjected to thorough analysis and study by the Agency. Analysis to date has revealed several areas in relation to the Agency's industrial contracts and security practices which can and will be improved upon.

REMARKS OF AMBASSADOR HARLAN CLEVELAND, CIA AUDITORIUM, 10 MAY 1977

In his remarks Tuesday, Ambassador Cleveland addressed the issue of ethics and security in government. Secrecy, he said, is unquestionably necessary at times in both foreign and domestic affairs. However, because the need for secrecy can be easily rationalized, it is sometimes imposed for the

wrong reasons and can influence policy adversely. He argued that the smaller the circle of policy-makers who "need to know," the more unlikely dissenting opinion will be heard and a full range of options explored. The benefits of security must always be weighed in light of the national interest which is sometimes better served by free and open debate.

Regarding efforts to codify ethical standards for the actions of the Intelligence Community or any other government agency, he agreed the task was worth undertaking but was indeed difficult; that too broad standards would not be helpful to the person faced with a difficult decision, and too restrictive standards would have to be so encumbered with exceptions that they would also not be helpful. He suggested instead that we consider a question he uses to test whether or not a contemplated action meets his ethical standards:

If this action is held up to public scrutiny, will I still feel that it is what I should have done and how I should have done it?

FIRE AT INTELLIGENCE COMMUNITY HEADQUARTERS BUILDING

As was reported in the press, a fire broke out in the recently occupied Intelligence Community Headquarters Building on Saturday morning, 7 May. The fire started within a communications equipment cabinet in the unattended communications equipment room. The location and the nature of the fire presented unusual problems both because of the fact that the fire was in a secured area and also because it involved electrical wiring which, as it burned, gave off highly dangerous toxic fumes. It is to the distinct credit of the D.C. Fire Department and the occupants of the building that the fire was quickly extinguished and was contained within one equipment cabinet.

I am pleased not only with the performance of the Intelligence Community people during the fire but also by the highly professional and cooperative efforts of GSA and our Offices of Logistics, Security and Communications in quickly restoring the affected office areas for normal utilization. Through these efforts, the areas affected by smoke were cleaned, the damaged equipment was removed and the secure telephone service linking this building with other parts of the community was restored so that the building was ready for use by the opening of business on the following Monday.



STANSFIELD TURNER
Director