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4 MAR 1967

**MEMORANDUM FOR:** Deputy Director of Central Intelligence

**SUBJECT :** Inspector General's Report on Foreign Intelligence Collection Requirements

**REFERENCE :** Your memorandum, same subject, dated 18 January 1967

1. This memorandum is for your information. It presents our general reaction to the Report and outlines the steps that are being taken in response to it.

2. The DDI has reviewed the Report in some detail and certainly agrees with the basic thrust of the Report--problems do exist in the areas of requirements and collection guidance. Although not agreeing with some of the assertions, he decided not to argue with these but rather to do what must be done to use the Report as a basis for developing workable actions for remedying the deficiencies that do exist.

3. As you forecast in your memorandum, it is taking a good deal of staff work to consider each of the recommendations--there are 27 and 20 of them are assigned to the DDI for action. These must be related one to another and to the total responsibility of the

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Directorate. In order to develop workable actions from the Report, the DDI has established a team of senior persons from CGS and the interested producing and collecting offices in this Directorate. The DDI has instructed the team leader, Mr. Bruce Clarke, to analyze each of the 20 recommendations along the following lines:

- a. Define the deficiency the recommendation is supposed to remedy.
  - b. Assess degree to which action recommended in the report is likely to remedy the stated deficiency.
  - c. Restate the action in operable terms.
  - d. Insure action element is proper.
  - e. Determine whether situation after recommended action is taken will have undesirable side effects.
  - f. Recommend acceptance or rejection of restated action or merits.
4. In addition to reviewing each separate recommendation, the team is examining the principal problems and deficiencies to make certain that appropriate action is provided for each.
5. There are a number of problems that crop up in giving this kind of a report the serious attention it deserves.
- a. The impact of recommendations concerning collection requirements on the other responsibilities of management have to be weighed carefully. I agree with the thrust of the report that management has given this subject area only sporadic attention in the past. But in righting the balance, we must be careful not to swing too far in the other direction.

b. It is clear that most of the recommendations require some restatement if they are to serve effectively as directives or guides for action. Furthermore, the recommendations need to be sorted into categories and priorities. For example, recommendations No. 1, No. 8, and No. 26 obviously are major matters and they interrelate. Recommendation No. 2 is a detail which is easily subsumed in No. 1.

c. The authority responsible for each recommendation needs careful consideration in terms of insuring effective action. Recommendation No. 16, for example, calls on the DDI to provide the members of the SIGINT Group in CGS with certain training and entree. We believe, however, that the action that will be required if the recommendation is to be effective rests with the CIA SIGINT Officer.

6. Nine of the 27 recommendations call specifically for joint action by DDI and DDS&T. In others, the recommendation to be effective will also require such joint action. I mention this because, although our review and that of DDS&T has been on a unilateral Directorate basis so far, any implementation is going to require the close collaboration of DDI and DDS&T. The next step probably should involve some staff work between the two Directorates.

7. I believe we can have comprehensive comments ready for you by close of business, Friday, 10 March 1967. However, I wish to note that the DDI has a keen interest in this report and its implications for management responsibilities and resource demands within this Directorate. He will return to Headquarters on 20 March. I would prefer to hold off any final response to your memorandum until after his return. In the meantime, I will be available to participate in whatever discussions your Senior Executive Group may have on this subject.

[Redacted Signature]

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Acting Deputy Director for Intelligence

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