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Director of Central Intelligence
Meeting with Agency Employees
30 May 1980

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Q. You may not be able to tell us too many of the details about these things, but I have a couple questions. What is the progress with the Kampiles trial or that result and how do you assess the extent of damage as we look at it over the past few months that has been done by the revelations with that? Also, can you tell us about [redacted] and if we have any there and if it comes to trials how is this going to be handled?

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A. With Kampiles, the Supreme Court refused to hear his case the other day, the issue is now closed. He is in jail for I think it was 40 years, and that is just finished. Did you ask for the damage assessment on Kampiles or the rescue?

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Q. Sir, you said a little earlier that you were very proud of the record of the Agency in being able to attract and keep junior officers of quality. Yet, if I understand correctly a lot of the comments that are made of junior officers like myself, the major things that bother us is that it seems not only are promotions harder to get, but time in grade seems to be lengthening. I wonder if you could make a few comments and try to reconcile these two points?

A. I looked at the statistics yesterday and the promotions last fiscal year in all the grades represented here today, were higher than they have been in the previous three years. In fact, with the great exodus we have had with senior people for retirement in part because over the 30 years we have not managed our personnel well enough in my opinion in terms of not letting a group clog the system here. We now have such a high percentage of people over 50, 28% in the DDO for instance, that we will have a problem in a few years. Statistically, 53.5 is retirement age in the DDO and if 27-28% leave in the next three years that leaves a big void behind. I am straying from your actual question, but that is a problem. On the other hand for you it is a great opportunity, as these voids are created the people behind are going to get sucked up and moved ahead more rapidly. I have been worrying about it being too rapid in effect, that is, not enough experience at each level. So, I am a little taken aback by your question. Clearly, we would have to look at your particular specialty and see whether that is an exception to what I believe is the general rule around here. We are running what to me are very high percentage promotion opportunities every year. I have pushed ever since I have been here to get them up in order to make it an attractive career opportunity and I have actually wondered if we haven't overdone it. I am sure it is hard from your point of view to overdo it and I can only assure you that you have my sympathy. You happen to be with a director who came into the Navy just after World War II and all those people were out there ahead of me and I sat there and said just what you are saying, how will I ever get there because there were so many stacked up there. I don't think you are going to have that in any element in this agency. I would be happy to get you together with [redacted] who is back there or somebody to try to explain to you what the real situation is in your particular situation. [redacted] is way in the back there and he would be happy to talk with you.

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Q. I find the remark a little hard to understand, considering the Agency isn't even within 20 or 30% of the compensation that is being paid to professional staff even by other government agencies. And, considering the Agency's treatment of its professional staff what is being done to correct the situation?

A. Well, your talking now about the Federal pay scales. I believe the evidence is that within the Federal Government's wage levels we are more than competitive. We have various remunerations and what not that permit us to stay ahead in general of the professionals within the government. Clearly, within the last few years there have developed

gaps between what the government can pay and what industry can pay for comparable skills in some very critical areas to us. In others it may not be that case, but there certainly are areas where it very definitely is and all of us are very conscious of that and very anxious to get the pay raise through the Congress. You know the politics of that is very chancey but we are working on it, we would like to see a higher inflation compensation each year than we have been getting so we can stay up with the trends, but it is a real problem and we are conscious of it. I wish there was something else I could give you as a solace that we are going to solve it.

Q. Sir, I don't mean to beat a dead horse, but since we are talking about this subject. I am a DDO CT of a few years back and my perception, whether it is justified or not, has been that in terms of CT's and especially the DDO, the Agency spends an enormous amount of money recruiting us, training us, putting us into the DDO and once we are into the DDO we sometimes have the impression that the Agency is less interested in continuing to provide the money that would be required for promotion and would rather spend more money recruiting and getting new generations of CT's. There is less concern about losing the people you have than about recruiting new people and bringing them onboard. Would you care to address that?

A. It is clearly bad, if that is either the fact or the perception. Either one. It certainly is not what I hope we are doing or what we intend to do. I think I have tried to stress retention as much as anything in my approach to the personnel management issues around here and I certainly don't profess to have succeeded but I am continuing in that direction. I believe that we are trying a number of things, the Personnel Management Board that has been set up under the Director of Personnel, much better, I hope, vacancy notice procedures throughout the Agency. Hopefully, more advanced planning on your assignments particularly in the DDO we have been trying to stress that because of the number of rotations that take place there every year and better career counseling, so that people understand where they are going and what their opportunities are and what they should be doing to improve their opportunities themselves. I can't deny what you have said by any means and the fact that you say it concerns me considerably and we will keep plugging at this. We certainly cannot afford just to try to bring in good people at the bottom, it is a matter of retaining the good ones as we move along through the whole system and that is what we want and what we intend to do.

Q. Sir, is there any reason why the Agency cannot have a grievance system comparable to that in the State Department?

A. Well, I don't know the State Department's system well enough. We have again, in the last year made changes in our grievance system and I hope to have improved it considerably including a grievance counselor attached to my own office if one can't get satisfaction anywhere else. What is your problem with our grievance system. I would really like to try to help here. We have gotten the Inspector General involved in it. We have asked over the last year to get more of the grievances taken care of within the office structure and a lot of that has happened, I thought, to the employees satisfaction. The Inspector General is still there when it doesn't work through the normal command structure.

Q. Well, in the State Department system the individual has access in this case it would be the panel's report for inspection. He can review the testimony of the witnesses, both favorable and hostile and he can do this in an open hearing. But we are denied that opportunity in the Agency, in my experience at least.

A. I'll look into that. You have to, of course, put it in the context of their whole system as compared to our whole system, but it may be that what your suggesting can be grafted on to ours satisfactorily and I will ask somebody to look into that for me and see whether your suggestion has applicability here, be glad to.

Q. I'm from an office that does R&D and I see for the past 2 1/2 years that our budget has been continually shrinking and was wondering if that is a trend that is about to be reversed and also our travel budget has been continually being reduced and with inflation and everything going up it makes it more difficult to visit potential contractors and find out the things we need to know.

A. I hate to keep playing the same record of sympathy and no solutions, but I do have a lot of sympathy for the R&D budgets decline. It is bad. It is bad not only here but in the Defense Department and it is bad for our Government as a whole. There is not enough research development going on in the United States in my opinion today and I think that bodes ill for our country's future. We have had a number of sessions with Les Dirks and the Executive Committee to try to see what we can do here to bring it back up. We have been fortunate in the last 2 fiscal years of being able to increase the Agency's budget. I am very pleased that particularly last year, that is for the budget that is up before the Congress today, we had very clear sailing within the Executive Branch. Usually our biggest problem is with OMB. Because we made the case well. The new budget procedures through the Intelligence Community Staff have worked very well enabled us to put a persuasive budget through, both for the Agency and the Community. We have not had any problems from the Congress to speak of, they want to move a little here and there and juggle and so on, but they have not cut us substantially now for several years. But, so much depends with increasing demands in so many other areas than R&D as to whether we can get a big enough increase next year to restore the R&D to where it ought to be. It is very high on my list of objectives. I can't give you a guarantee for it. The travel problem is one that the Congress did cause, not for us alone but for the government. They just took a scythe and cut it in some percentage, I forget what it was and said everybody in the government had to reduce this. We made a great appeal to OMB and had some success in getting mitigation of that, that is, it didn't apply evenly to us as it did to everybody else. But it is a real problem. On the other hand I think we probably were a little bit generous in our own travel arrangements and we have got to be very careful that what we do require is in fact needed, that we combine trips as much as possible, that we take the minimum number of people with us. We must as an Agency, not only go fight for more money, more people which we do and we have been modestly successful and I hope we will moreso in the future. We really have to look, particularly at your level, at where we can do the job just as well without being as extravagant. Whether it is in travel or whatever. Money is tight. Inflation is a problem that gets to you and me and everybody in the country and we as employees of the government are in two positions here. On the one hand, we must want to

bring government spending down to help fight inflation. On the other we want to do our job and do it well and the demands on us are increasing and we want to spend more. But I assure you that applies in the Commerce Department, in the Labor Department, the Interior Department and everywhere. It is not an easy problem and being economical is something that each one of us has to be concerned with.

Q. Sir, what is your policy insofar as circulating vacancy notices for all positions.

A. Well, we put out a Director's Note just recently about vacancy notices and it spelled out specifically those for which we have recently required that there be Agency-wide notices. We have to have some kind of a balance here. If we put out every -- if every vacancy gets a Agency-wide notice it isn't going to help the employee because there are going to be so many that they will just swamp everybody and the deserving employees won't really get the attention. But, we have now definitely required many more notices or many more vacancies to be Agency-wide in their notification. We have a new system going in by computer which will allow electronic transmission of the notices so they will be more readily available to people. We are putting a limit on how long an individual, 6 weeks, can be held once he has been approved for a move to a new vacancy so that -- you know his old office has got to make up its mind about who is going to replace him or her-- within 6 weeks and let that person move on. So, in short, ever since I have been here and everytime I have met with groups of employees I have heard this complaint about the vacancy notice system and have felt frustrated for a long time until finally came up with some of these changes within the last few months. I hope they are going to be a big help in this direction and if not, we will look at it again in a few months when we have seen how this trial goes. We are trying very hard to accommodate what your complaint is.

Q. Admiral what is the status of the merit pay system for people at our grades and also how will it work once it gets applied to us?

A. We have not decided to go to a merit pay system as allowed under the new laws. We have group studying this, their report is not completed nor has it come to me yet, and I don't want to anticipate that in any way. In point of fact I haven't really made up my mind, of course I don't want to until the report is in and all the facts are on the table. So, I am really going to dodge your question because I am not that well informed and I think it would be ill-advised to anticipate the report with any comment that might appear to mean I had made up my mind one way or the other. I know there is a lot of controversy with the merit pay system. It obviously has attractive features and it has less attractive ones. It is a question of balancing and trying to determine what is best for the Agency as a whole. But we will have to make up our minds in the next few months on that. I will keep you posted.

Q. Sir, why does the Agency use Grades GS-8 and 10 when other Agencies seem to promote in fairly rapid succession, 7, 9, 11. It is one of the things that gives us the perception that we are behind in comparison to other people?

A. Of course, I hope we are not holding people back in the lower grades while other agencies are moving more rapidly. It is very difficult sometimes to compare two systems. I always have to go back to one of my naval incarnation analogies. One day I was on a ship that was tied up next to the pier and then there were two or three other ships outboard of us and their sailors had to go across our ship to get to the shore. One of the fellas came and complained to me, he said, "all of those fellas are going ashore a half-hour earlier than we are, why can't we go a half-hour early." I went over and checked with the skipper on that ship and of course they came to work a half-hour earlier. When they went that way nobody was looking, when they went this way they were. There is a little bit of that in this problem. Do they languish in other areas longer than we. I have heard that complaint. I have looked into it several times and been given assurance by the personnel people that we were not putting our people at a disadvantage. The fact that several of you have perceived it as that means that it is something that should be looked into more and I will.

Q. I would like to add to that and I know it has been discussed here at length. I am involved in personnel management in EUR division in the DDO. I am involved in career counseling. This is a very big problem in the DDO. Part of the thing is with officers that are in the GS-12/13 level. They were brought in approximately 10 to 12 years ago as GS-7's and 8's. Through that time they have built themselves up to a 12 and 13. New officers have been brought on board in the last two years at grades 9, 10 and 11. Now they have been on board approximately 1 year. You have people who hve been on board 10 years 13 and 15 years who are now up to this level and that is where some of the competition gets in in the time-in-grade factor and it is a problem. They are concerned about. Why are not time-in-grade factors not put on new employees, yet why should they apply to old employees because they have already served 10 to 15 years in the Agency.

A. Well, I can see how that ties back to some of these other comments on time-in-grade and there is no easy answer to what you are saying. On the other hand you don't want to penalize the new ones coming in order to make them suffer the way the older ones suffered if that were the case. I would hope that the problem is going to solve itself because of this continuing exodus of the senior people. It is more a problem in the DDO than elsewhere because you don't bring in people laterally to fill in. Other directorates to some extent. you could take 28% attrition in 3 or 4 years at the top and make do by going outside the Agency to other intelligence services within our country or elsewhere to get people, but in the DDO that can be done on a very limited basis only. So, I would have thought, I guess I just have not understood it right that a 12 or 13 in DDO today was sitting in a very desirable position. That is, the 17's and 18's were going to be moving out and have been at such a high rate that there were going to be lots of openings in the 14, 15, 16 area. You are shaking your head that is not the case. But the promotion

statistics in that area are up over what they were. They were very low not too many years ago. There was a big promotion in 1976, but before that they were very low and before that they were modest in 1977, they started up in '78, came up again in '79 and are going to continue up in '80. I will go look at the statistics again and see what more we can do in the area you particularly pointed out.

Q. I am concerned about the acceptance of interaction analyses in net assessments in national intelligence. I wonder what you can do to establish the legitimacy of acceptance within the intelligence community, across the community so that we can move ahead with more cooperation and harmony in the center rather than confronting each other in footnotes?

A. Well, I think I have supported you pretty strong there. I got myself in all kinds of trouble, but that is fine that is what I am here for. I am really very optimistic and very pleased. We started interactive, some people call them net assessments I don't, in the strategic estimate a couple of years ago, there was great resistance. I almost had to go to the President to sustain it, but the Defense Department recognized that it was such good analysis that they just couldn't deny it. This last year there was considerable resistance to continuing it. Again, we prevailed with the Secretary of Defense who recognized the great value of what we had done. As you know it then appeared in the front page of the newspapers, but even that story came out rather favorable. Then it appeared on Capital Hill and they had a hearing. After the hearing the House Committee on Intelligence said, gee this is good there is nothing to complain about here. In short, I think they are shooting arrows at this very legitimate part of our intelligence function have shot their arrows into the air and where they have landed I don't know, but they are not having any effect. We have continued on with it, we just yesterday released a very controversial analysis with respect to the U.S. Navy and I just intend to back you all the way. That is a very legitimate function of ours as long as we don't get into the tactics, the operational plans of the U.S. military which we have no business with and are not here to second guess whether if they move the troops to the left flank that wouldn't solve the problem and so on, but I really think we have made some important contributions in interactive analyses in the last couple of years and I am really content on continuing in that direction. Displaying sheer numbers of forces that compare with each other means nothing to anybody. Going all the way to an interactive war game with all the tactics and everything in it ends up with such a melange of data that nobody can decipher. What we are doing is right down the middle giving the decisionmaker something he can grab onto.

Q. I am not concerned with our ability to do that within house, but I am concerned with the ability to get that accepted within the community. More or less your role as the head of the community to establish or if necessary force them to accept the legitimacy of cooperating with us and providing the data bases that they have based on U.S. plans and programs to cooperate with us in our strength in foreign data bases.

A. I said to you here, that we have forced that on the strategic side successfully and I have beat back their efforts to withhold. We are trying it in the Navy and in other areas right now. I cannot compel cooperation in our non-intelligence data. I can compel intelligence reports to be disseminated whether it is from NSA or wherever, but we have to have a combination of persuasiveness and continued pressure and I am trying to support you all I can, but it won't be easy. You are fighting city hall and years of entrenched bureaucracy and a very powerful one. I am only saying to you I will do everything I can to help you. I believe to the bottom of my pit in what we are doing. I know it is tough on you when you don't get full and easy cooperation, but you have got to have a little vinegar, a little pressure and you have got to have a little honey. You have got to help me out by being tactful and persuasive down there too. I am doing some other things to help you. I am circulating more of these good studies, not just the interactive but the good studies on military things that we do to the military commanders directly. Boy, some of them just respond so much better than the bureaucrats in the Pentagon. They understand we are doing things of great value to them and they want them. I hope that will, over time, germinate back to the people who can worry more about turfs than about analysis.

Q. I too am concerned about advancement. I have seen retirees and contract employees who run in from the academic world and various companies being hired to do the jobs that might be good steps for junior people to have to advance. I am wondering if the money that is paid these people couldn't also be used to advance some of our own careers?

A. One of the most controversial things that I did when I got here was order that we don't hire any retirees, CIA, military or otherwise. I wanted to make those opportunities available. Over time and with the large exodus we have relaxed that somewhat. Your question maybe will make me look at it again. As far as bringing people in laterally or from academia, there is a careful judgment that has to be made in these cases. Are you in NFAC? I do happen to believe that we need a limited amount of lateral entry in NFAC more than in anywhere else in the Agency. I think it is very healthy to have some stimulus. We can get all caught up in our own theories and outlooks, anybody can in an academic institution and a research institution and in an intelligence institution. So there is, I believe, a legitimate place for a modest amount of lateral infusion and most of those people don't usually stay for more than half dozen years or something and then there is another one comes in in their stead. It is certainly my intent to give preference to qualified employees for advancement, we have them, than going out as a matter of course to a retiree or somebody on the outside. I will try to look into the statistics of how that has been balancing out recently.

Q. It seems like Career Service panels have an inordinate amount of control over who gets selected for a position before that person even has an opportunity to confer with the respective assignment. These decisions are often made without the candidate knowing anything about the terms of why he was denied or selected and because there is a selection process up through the office, directorate and so forth, only a small number are actually considered for a position, when in fact there may be a number of people interviewed for the position. Because of their career panel process they are ruled out early in the game.

A. Again that is a tough one to grapple with in the abstract. One of the major personnel actions that I have tried to take in the past several years has been to introduce more standardization and more visibility into the promotion and assignment system. Clearly, it is never going to be totally visible to everybody; totally standard, totally equitable. But I have felt that because we have four different promotion and management systems we were introducing either the perception or the fact of inequities and because the precepts for the boards and panels were not clearly laid out and not fairly uniform, employees had trouble finding out just what the rules were under which they were being judged so we are trying to move in directions that will take care of the problem that you have raised, but it certainly is not an easy one to handle. Again, I am unable to give you a crisp answer on that one.

Q. How do you assess the effectiveness of the Executive Committee when used on major agency projects?

A. I am very pleased with the way the Executive Committee has been working on the major projects for the Agency. We organized the Executive Committee because there was no organized forum procedure for tackling problems from an Agency point of view. I suddenly realized after being here a couple of years that Frank Carlucci and I were the only two Agency people we were getting a recommendation from one directorate to do this, comments on it from the others. Their submission and their comments were from the directorate point of view. Now that is fine and it works, but I don't want to be the only integrating element. Intelligence today has got to be teamwork. Teamwork between the three collecting disciplines. Teamwork between the analysts and what they need from the collectors. Close cooperation between the various kinds of support people be it of cover, be it communications, be it logistics and equally close coordination between the research people and what the collectors need for their support or the analysts need for their support. And, we really cannot afford to be other than a closely knit organization. It is more difficult here than perhaps anywhere else in the government or industry because we also have that very legitimate need for secrecy and we do not want to and cannot afford to proliferate very sensitive information that we hold in each of our offices. So, we have tried by bringing the Executive Committee into everything, proliferated very sensitive information. We have tried to insure that we are getting an across the Agency outlook, and I have asked and received good support from the Executive Committee members in looking at

not as just representatives of their own directorate. It is taking time. I think, for instance in the personnel management changes that we have made we just never could have done that without the very vigorous sometimes heated interplay of the members of the Executive Committee. They do work together well as a team but it is important that they meet together as a team and have this kind of frank and forthright discussion so that everyone know when we are making a major move around here why we are going in this direction and just how it is going to be carried out and just how it will effect each component of the Agency. I am very pleased with the progress that I believe we have made in the last several years in becoming more of a single agency and I think that particularly in the personnel management area it is going to be very important to many of you as individuals because with a more uniform system there will be more opportunities. For instance, in your early comment you may be in an area where there is a hump out ahead and promotions are slower than we like but that is an occasion where if you have a one agency concept, a one agency personnel system we would be able to shift resources either from out in front of you or from around you. When we do have high percentages of people who congregate in one area without having to ask anybody to leave we can move them around the Agency and assure that the opportunities don't get either too high or too low for people in different segments of our organization.

DIRECTOR'S HOUR
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DIRECTOR'S HOUR
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1200, 30 MAY 1980

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Let start - briefly mentioning several very favorable trends

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Hoped broad charter

Foundered legalistic detail, election year politics - never
got to vote

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in full membership

We'll get H/R one way or other

Hoping for piecemeal on three others

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Identities

Not certain - trying