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The Director of Central Intelligence  
Washington, D.C. 20505

Resource Management Staff

DCI/ICS 78-1193  
16 October 1978

MEMORANDUM FOR: Mr. Robert W. Gambino  
Chairman of the DCI Security Committee

VIA: [Redacted]  
Chief, Community Security Group  
Executive Secretary of the DCI Security Committee

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FROM: [Redacted]  
Acting Director, Policy Guidance Office

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SUBJECT: Input to the DCI's Annual Report [Redacted]

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1. [Redacted] Preparation of the DCI's Annual Report for calendar year 1978, due to the President and the Congress by 25 January 1979, is now under way. The DCI has approved a concept for this year's Annual Report which is more selective than last year's, both because this seems more appropriate to a 1978 characterized by attention to key intelligence issues rather than the comprehensive report approach used for 1977 as a year of extensive community restructuring, and also to limit length for a busy reader to a manageable 30-40 pages (last year's ran 80 plus). The DCI has also approved an outline for this year's report (Attachment 1). Part I is designed to allow the DCI to highlight the particular characteristics and emphases of 1978 in intelligence; Part II is intended to air several issues of great importance to him, his key Executive users, and the Congress. The Annual Report will carry a high classification and receive extremely limited distribution.

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2. [Redacted] Additionally, in a 15 September 1978 letter from Chairman Boland of the HPSCI to the DCI (Attachment 3), six special subjects are specified for coverage in this year's Annual Report to the President and the Congress. The DCI has agreed in an interim response. Topic 6 request is for "Identification of all unauthorized disclosures of classified information together with damage assessments and steps taken as a result; i.e., administrative, prosecution, etc." We would appreciate your taking the lead in staffing out this particular request to NFIB agencies as appropriate, and integrating their inputs into a single response for the HPSCI. It will probably be appropriate to highlight this topic briefly in the text of the Annual Report, appending your full report to the HPSCI's copy of the Annual Report. The HPSCI staff indicates this arrangement would be satisfactory.

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3. [Redacted] You will note that there is considerable, although not total, overlap between this congressional topic of interest and sections 2, Leaks,

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[Redacted] MOR/CDF

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Classified by [Redacted]  
Exempt from general  
declassification schedule of E.O. 11652  
exemption schedule 5R (1), (X) (2)  
Automatically declassified on  
Date Impossible to Determine

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SUBJECT: Input to the DCI's Annual Report (U)

and 3, Other security measures; e.g., implementation of security measures, and in the Security and Counterintelligence Issues section of the DCI's Annual Report outline. We request specific CSG/Security Committee input on these two Annual Report topics.

4. [ ] With respect to leaks, what we hope to convey in the Annual Report itself is an overview perspective on the nature of the several kinds of security problems resulting in leaks via ex-intelligence authors, discussion of classified data with the media, etc.; their multiple causes; the elusiveness of real remedies; and steps under way to try to control their incidence and seriousness. Key examples from 1978 experience should be cited illustratively, rather than the comprehensive catalogue required for the HPSCI. 25X1

5. [ ] With respect to the related matter of changes in CIA and community security measures, please comment on: 25X1

a. how the implementation of the industrial contract security measures recommended in the February 1978 final report of the Task Force on Industrial Contracts and Security is going;

b. reasons for, and results of, the initial implementation phase of new security procedures for control of classified documents entering and exiting buildings under DCI control;

c. work and interim findings of the CIA Security Review Task Force.

6. [ ] We are asking [ ] SA/DCI/CI, to organize input for the Annual Report on sections 1, Espionage, and 4, New directions in the foreign counterintelligence program, of the Security and Counterintelligence Issues section of the Annual Report outline, as well as on the HPSCI task 2, hostile foreign intelligence activities. Obviously this division is somewhat arbitrary; he may well see fit to contact you for input on those matters, or you may wish to volunteer input either through his office or directly. 25X1

7. [ ] is responsible for producing this year's DCI Annual Report. Please identify a principal point of contact for her to work with. We shall need all the overview comments for outline sections E.2. and 3. by COB 6 November, in order to accomplish integrated drafting of the entire Annual Report in November, review in December, and DCI clearance and production in January. If the CIA Security Review Task Force appears likely to meet its 1 December reporting target, interim comment by 6 November with fuller findings the first week in December would be appropriate. 25X1

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Subject: Input to the DCI's Annual Report (U)

The comprehensive catalogue of unauthorized disclosures of classified data requested by the HPSCI in task 6 would not, of course, be submitted until early January.



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Attachments:

1. DCI Revised Outline - AR for 1978
2. DCI letter to NFIB principals requesting help on Annual Report
3. Boland letter to DCI (15 Sep w/att & DCI interim reply)

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Distribution: DCI/IC 78-1193

Original & 1 - Chairman, DCI Security Committee w/atts

1 - C/CSG w/atts

1 - OLC w/atts

1 - GC w/atts

1 - SA/DCI/CI w/atts

1 - Assistant for Public Affairs w/atts

1 - DDA/OS w/atts

1 - DDO/C/CI  w/atts

1 - EO w/atts

1 - CLLO w/atts

1 - PGO Subject (1978 AR Production/Tasking File) w/atts

1 - PGO Chrono w/atts

1 - RMS Registry w/atts

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DCI/RMS/PGO  (16 October 78)

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6 October 1978

DCI REVISED OUTLINE - ANNUAL REPORT FOR 1978

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Questions

1. evolution of the PRC(I); work on user priorities
2. resources: experience in use of DCI's budget authority
3. production
  - a. NFAC's first full year
  - b. DIA
  - c. INR
  - d. DCI substantive committees (EIC, JAEIC, STIC, WSSIC)
4. collection
  - a. status of NITC
  - b. 3 DCI collection committees
5. other management
  - a. DDCI
  - b. NFIB: shifting membership/concerns
6. I&W

B. New or Altered Emphases in Analysis

1. strategic balance: new developments & experience in communicating them
2. proliferating support for arms limitation talks
3. emergence of China as an active world player
4. world petroleum supply

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5. substantive support for crises--e.g., Ogaden, Shaba II  
(Afghanistan?)
- C. Intelligence and the Congress
    1. activities in support of both oversight committees
    2. activities in support of other committees
    3. charter legislation
  - D. Legal and Propriety Issues
  - E. Security and Counterintelligence Issues
    1. Espionage
      - a. Kampiles
      - b. "moles," etc.
      - c. counterintelligence initiatives
    2. Leaks
      - a. Authors
      - b. Others
      - c. Remedies?
    3. Other security measures; e.g., implementation of new industrial security measures
    4. New directions in foreign counterintelligence program
      1. role of new DCI CI coordinator
      2. PRC (CI)
  - F. Covert Action - emphasis on mission and programs
  - G. Intelligence and the public - new emphases

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H. Major Accomplishments 1978

- a.
- b.
- c.
- d.

II. KEY ISSUES (lead into with NFIP graphics)

The early 1980s budget bow wave and trade-off issues on technical sensors  
optical vs. radar imagery upgrade competition: issues, outcome,  
rationale;  
COMINT/ELINT upgrade needs, appropriate packages  
HF modernization

Quality of Analysis and Policy Support

including progress on improving interdisciplinary analysis  
collection/production: an appropriate budget balance?

Community ADP

National/Tactical Interface Issues

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