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OLC # 78-2489

6 July 1978

DDO

MEMORANDUM FOR: Deputy Director for Operations

FROM : Donald P. Gregg
 Chief, Policy and Coordination Staff
 Liaison and Oversight Control

SUBJECT : Briefing of Members of HPSCI Staff

1. Along with Mr. [redacted] of OLC and Mr. Elder of the IC Staff, I spent a bit over three hours briefing Jim Bush, Annette Smiley and Mike O'Neil of the House Permanent Select Committee on Intelligence on clandestine collection as carried out by the DDO. At the end of the session all three HPSCI staffers said that the briefing had been useful. The next session with Jim Bush was set for 12 July at 1300. At that time he said he would like to go over the DDO copy of the S&I report of the House Appropriations Committee. This would in turn lead to the structuring of a second "tutorial" session. Details follow below. 25X1

2. The 6 July briefing started with an historical sketch of the DDO, showing how its capabilities to acquire new sources have developed since 1947. The present structure of the Directorate was then addressed, and four charts were utilized showing how Directorate dollars and manpower are allocated worldwide against our various target objectives. 25X1

3. The organization of [redacted] was then outlined and from there a detailed discussion of [redacted], its manpower and targets, followed. Efforts were made to illustrate how a Station manages its assets so as to cover the missions raised in its Operating Directive. Some specific case histories were discussed, illustrating the time and effort involved in recruiting new sources and launching new operations. 25X1

4. At the end, the [redacted] production review of the Directorate for mid-year 1978 was referred to to illustrate varying customer reactions to [redacted]. Both laudatory comments on [redacted] economic reporting and critical comments on some gaps on our [redacted] were 25X1

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cited to show that [] is objective and free-swinging in rendering its judgments.

5. Time ran out at that point and Mr. Bush expressed satisfaction with this first session. He outlined the following problems which he sees the Agency as facing if it is to convince the HPSCI that the [] it costs^{25X1} to run our clandestine effort is money well spent.

a. To justify the manpower and dollars allocated, HPSCI must come to know "the labor intensive" aspects of DDO work. (This point had been illustrated in the briefing and Mr. Bush underlined the need to do more of it.)

b. The merits of the DDO end product (intelligence reports) must be demonstrated. Mr. Bush saw a need to have our product evaluated from the customer point of view - and preferably by non-CIA customers. (We told him [] does this.) He urged us to stress both the uniqueness and value of the DDO's human source product in future briefings.

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c. Mr. Bush said that in his earlier discussion with the DDO mention had been made of highly specialized and sensitive reporting which does not appear in normal intelligence disseminations. Mr. Bush said he would like to see as much of this sort of reporting as possible. (For DDO: Would like your version of the conversation to which Mr. Bush referred, and some guidance as to what sorts of reporting you are willing to have us show to the HPSCI staff and membership.)

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6. Mr. Bush commented on some of the papers which he had been sent by CIA. He felt that the focus report [] written in late 1976, was not specific enough. He found that he was overwhelmed by the myriad statistics which he found included in the DDO evaluation reports of its own product. We pointed out to him that conversation, not paper, is the better way to come to understand how the DDO functions.

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7. Mike O'Neil, the Chief Counsel of the HPSCI, spoke up at that point to say that no matter how fascinating our "nuggets" might be, he felt DDO could best justify its costs and existence by showing the day-to-day benefits which accrue by the fact that we have [redacted] officers operating in countries around the world. He said we should make efforts to cite the in-depth data base on foreign countries which is built up by a prolonged operational presence abroad, and the ability to both judge and foresee crises which having this data base gives us. (Comment: Following the briefing Messrs. Elder, [redacted] and Gregg agreed that the O'Neil approach is a valid one to follow. We will encourage Mr. Bush on his trip to ask Ambassadors how their ability to do their jobs would be affected if no CIA presence existed in their countries. We will also seek to pull together other examples of the day-to-day value of CIA's work.)

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8. Mr. Bush then said he had not yet been able to get hold of the HAC S&I report. He said the report was coming, but that he would like to see a copy sooner rather than later. It was agreed that he would spend an hour to an hour and a half on 12 July going over an annotated DDO copy of the S&I report and discussing its contents with me. Following this, specific topics will be cited to be used as the basis for the next tutorial session. Mr. Bush indicated that he would like to talk to [redacted] and SE Division officers.

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9. The three CIA officers all felt the session had been a useful beginning. Much remains to be done, however, as there is remaining skepticism as just what the [redacted] spent on CIA clandestine collection brings in the way of value to consumers. The HPSCI staffers are open in expressing these questions and all concerned feel that the tutorial approach is an appropriate one to take.

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[redacted signature box]

Donald P. Gregg

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Distribution:

- Orig & 1 - DDO
- 1 - C/PCS
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