

DIRECTOR OF CENTRAL INTELLIGENCE
Security Committee

SECOM-M-218

30 November 1978

Minutes
Two Hundred and Eighteenth Meeting
Wednesday, 29 November 1978, 1000-1230 Hours
Room 5641, FBI Headquarters Building

Robert W. Gambino
Chairman
Presiding

MEMBERS PRESENT

25X1 Mr. Karl Ackerman, Department of State
[redacted] Defense Intelligence Agency
25X1 Mr. Merrill T. Kelly, Department of Army
[redacted] National Security Agency
Mr. Harvey E. Lyon, Department of Energy
Col. Russell T. Newman, Department of the Air Force
Mr. Jerry Rubino, Department of Justice
Mr. David Ryan, Federal Bureau of Investigation
Mr. Dennis Southern, Department of the Treasury
Mr. Richard Welch, Department of the Navy

ALTERNATES PRESENT

25X1 [redacted] National Security Agency
Mr. Edward Grigalus, Federal Bureau of Investigation
25X1 Mr. David Humphrey, Department of the Treasury
25X1 [redacted], Central Intelligence Agency
[redacted] National Security Agency
25X1 Mr. Charles R. Torpy, Department of the Air Force
[redacted] Defense Intelligence Agency

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ALSO PRESENT

Honorable William H. Webster, Director, Federal Bureau of Investigation*

Mr. William O. Cregar, Assistant Director, Intelligence Division, Federal Bureau of Investigation*

Mr. Harold N. Bassett, Assistant Director, Records Management Division, Federal Bureau of Investigation*

Mr. Francis X. O'Brien, Deputy Assistant Director, Records Management Division, Federal Bureau of Investigation*

Mr. Maynard Anderson, Office, Deputy Under Secretary of Defense
[redacted] Central Intelligence Agency

Mr. William C. Johnson, Federal Bureau of Investigation
[redacted] Defense Intelligence Agency

Maj. Simon M. Karton, Department of the Air Force
[redacted] Central Intelligence Agency

[redacted] Central Intelligence Agency
[redacted] National Security Agency

Mr. William H. Randolph, Department of Commerce

Mr. L. Britt Snider, Office, Deputy Under Secretary of Defense

Mr. Donald Stigers, Department of State

[redacted] Executive Secretary, Security Committee

[redacted] Security Committee

[redacted] Security Committee

[redacted] Security Committee

[redacted], Security Committee

*Present for Part of Meeting

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INTRODUCTORY REMARKS

25X1 [] Mr. Ryan, the FBI Member, opened the meeting by welcoming the Committee to FBI Headquarters. He then introduced the Honorable William H. Webster, Director of the FBI.

25X1 [] Judge Webster expressed his appreciation for the work of the Security Committee and offered FBI support. He shared his concerns about several security problems of broad applicability (e.g., unauthorized disclosures of classified information). Judge Webster acknowledged problems in the investigation of leaks and said that he hoped they could be resolved soon. He said he hoped that the Committee was exploring new approaches for the control of document copying and imaginative scientific methods of assessing truthfulness. He said he was particularly concerned about potential security problems that might arise during an individual's career of which initial screening would give no indication. He closed his remarks by reiterating FBI support to the Committee.

25X1 [] Mr. Ryan then introduced Mr. William O. Cregar, Assistant Director, Intelligence Division, FBI and the FBI Member of the NFIB. Mr. Cregar gave an overview of hostile intelligence threats in the U.S. and of the FBI's counter-intelligence activities to counter that threat. He noted that pursuant to Attorney General guidelines, the FBI had identified some 20 "criteria countries" as posing a significant and continuous threat and as meriting regular FBI coverage. Mr. Cregar described and discussed security problems arising from the large Soviet bloc diplomatic presence in the U.S., and from Soviet bloc visitors, East-West exchange students, emigrants and ship crewmen. He summarized counterintelligence procedures for the identification of and appropriate follow-up action on hostile intelligence activities in the U.S. At the conclusion of his remarks, he invited and responded to questions. One of these concerned the availability of FBI information identifying hostile intelligence targets in the U.S. This was responded to by referring the questioner to the FBI's quarterly Foreign Counterintelligence Review.

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25X1 [redacted] The Chairman thanked the FBI for hosting the meeting and expressed his appreciation for the remarks made by Director Webster and Mr. Cregar. Mr. Gambino also thanked the FBI for agreeing to make [redacted] available to work with the Community Security Group. Mr. Ryan introduced [redacted] to Committee members at this point. Mr. Cregar said he appreciated the opportunity to address the Committee and added that he thought it was doing an excellent job.

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PRELIMINARY COMMENTS

25X1 1. [] The Chairman introduced Mr. Karl Ackerman,
the Department of State member; [] Chief,
Computer Security Subcommittee; and [] Chief
25X1 Technical Surveillance Countermeasures Subcommittee. Members
25X1 were advised of the scheduled retirements of Mr. Grigalus, FBI;
[] CIA; and [] NSA.

25X1 2. [] The Chairman advised that the conviction of
Frank Snepp had been appealed, and that the Federal Appeals
Court had heard oral argument on the case in November. Mr.
Gambino noted that the CIA attorney present at that hearing
had commented that the case had not seemed to go as favorably
for the Government as it had at the District Court level.

25X1 3. [] The Chairman invited attention to []
article concerning former Ambassador [] and classified
25X1 documents []. Mr. Gambino
25X1 said he believed very strongly that the compromise of documents
involved in this case must be pursued by the Department of
Justice if the Community is to have reasonable expectation of
moving against others who violate security statutes and regu-
lations. The Chairman's comments were supported by Committee
members. Mr. Rubino agreed to bring the Committee's official
concern in this case to the formal attention of Mr. Michael
Kelley, Counselor to the Attorney General.

25X1 4. [] The Chairman noted that William Kampiles had
been convicted on espionage charges and that his trial had
generated criticism of CIA's control of sensitive documents.
Mr. Gambino asked members to review document control procedures
in their agencies and to arrange for their strengthening where
necessary.

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25X1 5. [] The Chairman reported that [] efforts to develop a plan for the improvement of compartmentation and information dissemination were moving along at a rapid rate. Mr. Gambino called on [] to describe recent actions in this regard. [] advised that Mr. [] current thinking was to try to get as much intelligence product as possible disseminated in non-compartmented channels and to have a smaller number (from 1 to 4) of product compartments for particularly sensitive categories of information. [] observed that implementation of the resultant plan would likely require considerable amount of work over a relatively short period of time. It was noted that the Security Committee could well be tasked to develop implementation procedures.

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25X1 6. [] The Chairman advised that a proposed Community guidance memorandum on implementation of E.O. 12065 was in coordination but might not reach Community agencies until after the effective date of that Order. He said that members would have to rely in the interim on general classification guidance from their own agencies with regard to sensitive intelligence information.

25X1 7. [] The Chairman said he wanted to arrange a 2-day, overnight working meeting at the CIA's [] in February (or possibly March). Mr. Gambino said he thought this would be very useful in giving the members time to discuss and develop approaches to some of the significant security issues facing the Community. He asked if the members thought this would be worthwhile. The response was positive. Mr. Gambino said he would have the staff contact members for suggestions on agenda items and to provide details on dates and logistics.

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ITEM 1: Approval of Minutes

25X1 [] The Chairman advised that the minutes of the 1 November 1978 meeting were approved as written in the absence of any requests for change.

ITEM 2: Subcommittee and Working Group Reports

25X1 [] The Chairman said that he would postpone most of these because of the lateness of the hour and the need to deal with other items on the agenda.

(a) R&D

25X1 [] introduced [] to give a brief report on work being done by the R&D Subcommittee on document control. [] summarized desirable characteristics of control systems (e.g., capable of handling large volumes at low cost); the desired solutions in several areas; noted matters that were being explored further and advised of tentative costs of carrying these efforts to a successful conclusion. He said that a report on these matters was being coordinated in draft, and that it would later be provided to the Committee. 25X1

ITEM 3: Draft SCI Adjudication Policy

25X1 [] The Chairman said he hoped that it would soon be possible to submit this draft policy to the DCI for approval and issuance as an annex to DCID 1/14. [] NSA, said he thought the paper needed considerable editing and that it should be issued 25X1

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as committee guidance rather than as DCI policy. Mr. Rubino noted that the FBI operated quite effectively under Attorney General "Guidelines" and that he thought terminology was unimportant in this case. Mr. Ryan said that the FBI had found the draft paper on this subject very useful and suggested that it be put to a vote by the Committee. Mr. Gambino said that he proposed to have the paper reviewed to see if it could be made available as Intelligence Community guidance which should be followed unless special circumstances in individual cases required a different approach. He said that he would resubmit the paper to members if there were any substantive changes. All members stated their support for the substantive elements of the draft adjudication paper.

ITEM 4: Postponed due to press of other business.

ITEM 5: New Business

25X1 [] Mr. Ryan advised that the FBI would accept responsibility for the maintenance of a central index of SCI turndowns subject to Department of Justice approval. He noted that an internal FBI analysis had demonstrated that skillful manipulation of FOIA requests could be used by a hostile intelligence service to obtain information that in aggregate was significantly sensitive. He advised that a briefing was being prepared on this and that it would be provided to the Security Committee later.

ITEM 6: Next Meeting

25X1 [] The Chairman invited attention to the Committee
25X1 Christmas luncheon scheduled for Wednesday, 20 December 1978
at [] in Langley, Virginia. He said he hoped we

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would have good attendance, and he asked members, alternates, and subcommittee and working group chairmen to respond to the Committee Staff with their plans to join us for the occasion. Mr. Gambino proposed, and the Committee agreed, to hold the next regular business meeting on Wednesday, 24 January 1979. Mr. Gambino closed the meeting by thanking Mr. Ryan and the FBI again for arranging the meeting and for support of the Committee's work.



Executive Secretary

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