

Interagency Group/Counterintelligence

Washington, D.C. 20505

MAR 17 1983

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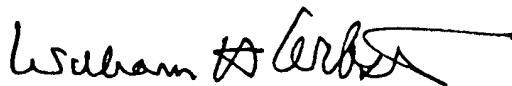
MEMORANDUM FOR: The Honorable William J. Casey
 Chairman, Senior Interagency Group-Intelligence

FROM: The Honorable William H. Webster
 Chairman, Interagency Group/Counterintelligence

SUBJECT: IG/CI Activities (U)

1. Attached is a paper entitled "Status of IG/CI Activities" requested by you at the 11 March 1983 SIG-I meeting for forwarding to the Assistant to the President for National Security Affairs. (U)

2. Also attached is a memorandum containing a summary of IG/CI deliberations regarding US counterintelligence issues concerning the People's Republic of China. I request that this issue be presented at an early meeting of the SIG-I for appropriate policy decisions. (S)



William H. Webster

Attachments:
 a/s

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NSC review completed.

DIA review completed.

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STATUS OF IG/CI ACTIVITIES

A review of the "Enhancement of Capabilities" section of the July 1982 NSSD-2 study, "Capabilities Against the Hostile Intelligence Threat, 1983-1988," has identified 106 policy, legal or resource actions (34 policy and legal and 72 resource). Of the 34 policy and legal issues, 12 have been identified as falling within the purview of the IG/CI. All of these issues have been or are being addressed by the IG/CI. (S)

The bulk of the issues have been resolved at the IG/CI level. Work on three issues is nearing completion by the IG/CI and will be forwarded to the Senior Interagency Group-Intelligence (SIG-I) this week for further action.

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The remaining issues will be dealt with by

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SIG-I in the near future and forwarded as appropriate. (S)

The IG/CI is also conducting a counterintelligence organizational study which is expected to be completed during May 1983. This study will be forwarded to the SIG-I upon completion and made available at the earliest possible time. (S)

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MEMORANDUM

UNITED STATES COUNTERINTELLIGENCE EFFORT CONCERNING
THE PEOPLE'S REPUBLIC OF CHINA

The IG/CI has considered the issue of the United States' counterintelligence effort concerning the People's Republic of China (PRC). The Group recognizes the acquisition of technology by the PRC to be a part of the National Policy Study on the entire technology transfer matter ordered by the President on 25 February 1983 by NSSD 1-83 and will not address that portion of the issue.

At the request of the IG/CI, the State Department provided the following statement of "US policy toward China":

"A strong, stable, and enduring US-China relationship is one of the highest goals of President Reagan's foreign policy. We view China as a friendly country with which we are not allied, but with which we share many common interests. We support a secure, friendly, and modernizing China both because we believe it is in the interest of the United States and the world to see improvement in the standard of living of a country with over one-fourth of the world's population and because we wish to promote China's ability to act as an effective counterweight to growing Soviet military power."

The IG/CI paper, "Limiting the Presence and Travel of Hostile Foreign Officials and Non-Officials in the United States," contains a recommendation

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att: ICS 83-3344



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DIRECTOR

DEFENSE INTELLIGENCE AGENCY

Executive Registry
83-1528

16 March 1983

TO: Mr. John N. McMahon
Deputy Director of Central Intelligence

John:

(C) Reference our brief conversation [redacted]. Attached is a draft of a letter I propose to dispatch [redacted] seeking his cooperation. By revising current requirements of the unit, the 650th MI Group will be in a better position to requisition properly qualified case officer personnel from both the Army Personnel Center and the Army civilian excepted civil service program. This has not been done previously because of limitations on the unit's operational activities.

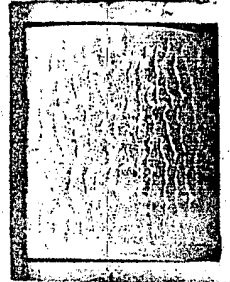
(C) I believe this could be worth a try and would give us a chance to atleast strengthen the military side of NATO. We are eager to assist but await your comments.

JAMES A. WILLIAMS
Lieutenant General, USA

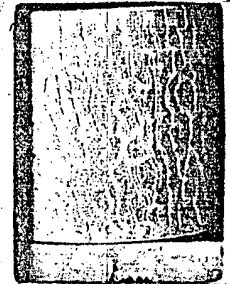
1 Encl
Draft Ltr to
MG Odom (S)

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UPON REMOVAL OF ENCLOSURE

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Major General William E. Odom, USA
Assistant Chief of Staff for Intelligence
HQ, Department of the Army
Washington, D.C. 20310

Dear Bill:

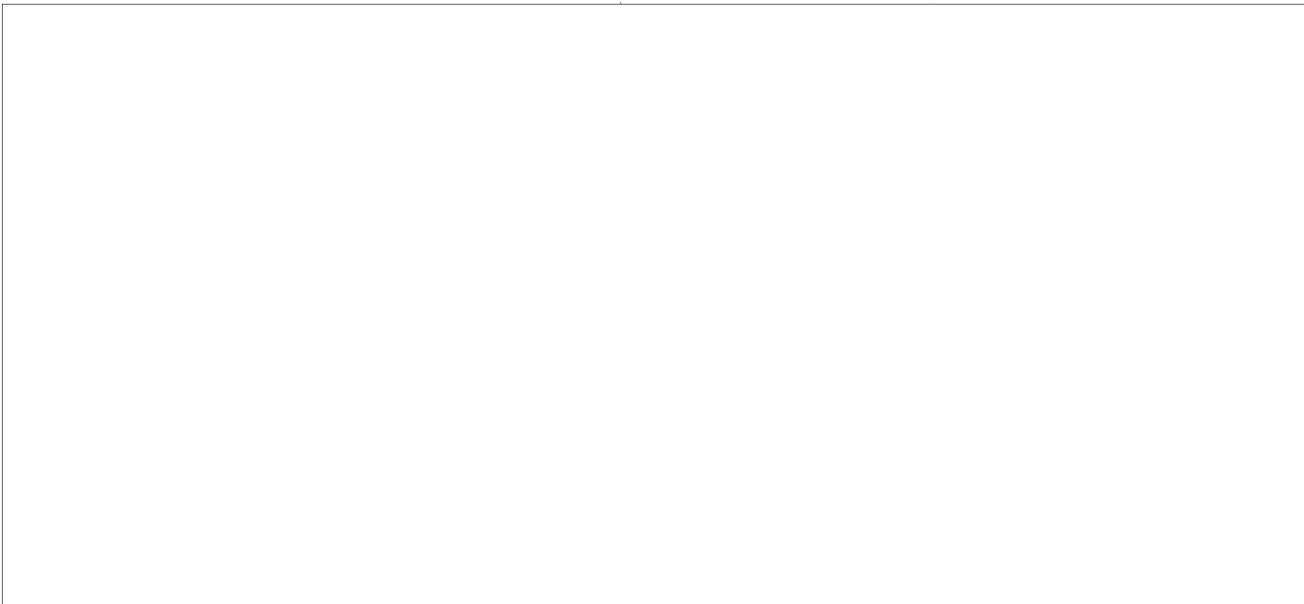
(S) At the SIG(I) on Friday, 11 March, one of the subcommittees reported on NATO security. The SIG(I) has been extremely concerned for a long time because of perceived security laxities at NATO. This concern is enforced by the fact that almost

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Improvements in personnel security practices have been made by the NATO Office of Security (NOS), but increased operational counterintelligence measures have not been implemented.

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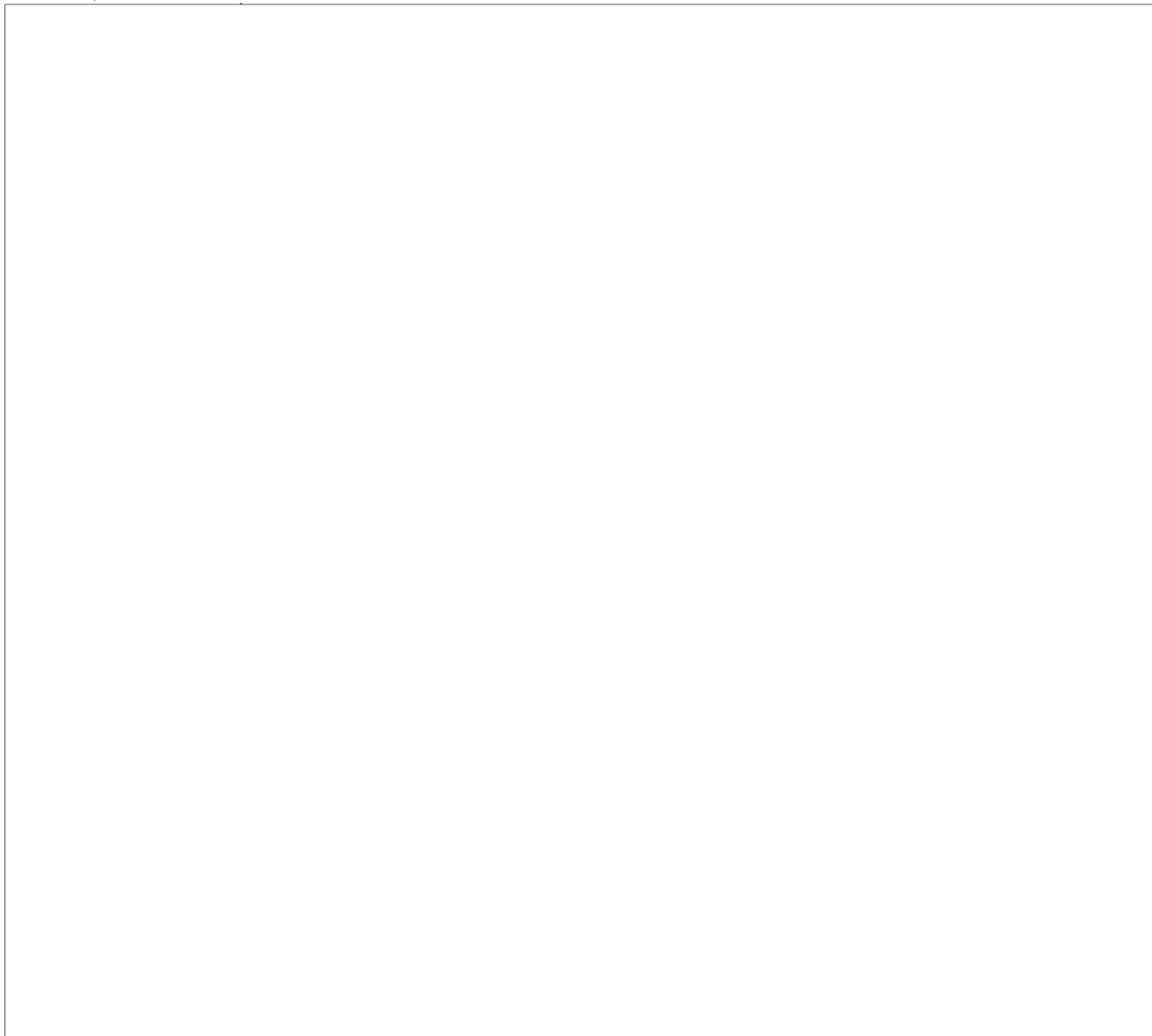


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exerting pressure on host CI services to work with ACE CI Activity (650th MI Group) to afford better counterespionage protection to ACE and therefore to U.S. data furnished to NATO/ACE.



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Sincerely,

JAMES A. WILLIAMS
Lieutenant General, USA

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

ICS-83-3344
7 March 1983

The Honorable Judith Connor
Assistant Secretary for Policy and
International Affairs
Department of Transportation
Washington, D.C. 20590

Dear Ms. Connor:

On 11 March 1983, the Senior Interagency Group (Intelligence) will convene to consider, among other items, a draft policy paper -- Proposed NSDD -- US Overflight Security Program. This paper was recently prepared by the Interagency Group (Countermeasures) under the direction of General Richard Stilwell, Deputy Under Secretary of Defense (Policy and Planning); a copy is attached. Development of the draft paper included assistance from Mr. Tom Messier, DOT (FAA).

On behalf of the Director of Central Intelligence, who will chair the meeting, I invite your participation in the Group's discussion of this specific item on the agenda.

The meeting will convene at 3:00 p.m. at the Intelligence Community Headquarters [redacted] Please indicate your attendance (or that of your designee) to [redacted] by noon 10 March.

Respectfully,

[redacted signature box]
Executive Secretary, SIG(I)

Enclosure:
As Stated

THIS LETTER IS UNCLASSIFIED
WHEN ENCLOSURE IS REMOVED

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Letter to Honorable Connor (DOT)

Distribution: (IC 83-3344)

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25X1 ES/SIG(I) (4 Mar 83)

CONFIDENTIAL**Interagency Group/Countermeasures**

Washington, D.C. 20505

04 MAR 1983

**MEMORANDUM FOR THE CHAIRMAN, SENIOR INTERAGENCY GROUP-
INTELLIGENCE****SUBJECT: National Policy for Overflights of Foreign
Civil Aircraft (U)**

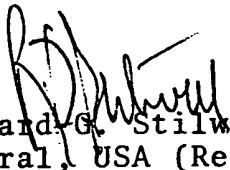
(C) Section VII, paragraph D., of last year's NSSD-2 Study, Capabilities Against the Hostile Intelligence Threat 1983-1988, noted that overflights of civil aircraft from certain countries posed a potential security threat to the United States and suggested the need for a mechanism to promulgate policy and coordinate interagency activities relating to such flights.

(U) The Interagency Group/Countermeasures (IG/CM) has developed a response to that need (TAB A), which we recommend for SIG-I approval and promulgation, as appropriate, as national policy.

(U) There is a unanimous consensus that such a mechanism is needed. The proposed program would assign overall responsibility to the Secretary of State and would establish an Overflight Security Committee under the Secretary of Transportation to carry out the provisions of the program.

(U) At the IG/CM meeting of 18 February a representative of the Department of Transportation indicated his Department's preference for either State or Defense to chair the new committee. In view, however, of the general sentiment that the Department of Transportation and its operating agency, the Federal Aviation Administration, are in the best position to anticipate the need for policy determinations and to coordinate any U.S. actions required by particular circumstances, it was agreed to raise the matter to appropriate departmental officials for reconciliation.

(U) Accordingly, it is recommended that when the SIG-I convenes to consider this issue, the Secretary of Transportation, or her representative, be invited to participate.


Richard G. Stilwell
General, USA (Ret.)
Chairman, IG/CM

Attachment
As stated

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PROPOSED NSDDU. S. OVERFLIGHT SECURITY PROGRAM

1. National security interests require that measures be taken for the protection of U.S. defense facilities from threats of espionage and intelligence collection operations directed against such facilities by foreign civil aircraft. This program establishes a committee to advise the Department of State and other agencies with responsibility for the operation of foreign civil aircraft in the U.S. and to recommend changes in current policies and procedures, where appropriate.

2. The Secretary of State is hereby assigned the responsibility, in conjunction with the Secretaries of Transportation, Defense, and Treasury, the Attorney General, the Director of Central Intelligence, and the Chairman of the Civil Aeronautics Board, for the coordination of U.S. overflight security policies with respect to access to and routing in U.S. airspace of such foreign aircraft. Differences with respect to these policies that cannot be reconciled by the Secretary of State shall be referred to the Assistant to the President for National Security Affairs for resolution by the National Security Council.

3. To carry out the provisions of this directive, there is hereby established an Overflight Security Committee, chaired in the Department of Transportation (Federal Aviation Administration), and comprised of representatives of the Departments of State, Defense, Justice, and Treasury, the Civil Aeronautics Board, and as observing member, the Central Intelligence Agency.

4. The Overflight Security Committee shall -

a. consider current policies and procedures under which the U.S. Government deals with flights in the U.S. by aircraft of foreign countries and shall recommend to the Secretary of State changes where appropriate;

b. develop and recommend to the Secretary of State policies and procedures to enforce U.S. airspace integrity, including the determination of clearly defined lines of communication, responsibility, and decision-making authority. Such policies and procedures shall ensure that the U.S. has the capability to respond to unauthorized flights and route deviations on a timely basis during the flight of the aircraft in question; and

c. be responsible for the implementation of policies and procedures determined in accordance with subparagraphs a. and b., above.

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FR 12/2-83

25 February 1983

NOTE FOR THE DDCI

John,

Attached is a copy of the "Hostile Presence Limitations Study" redrafted in accordance with instructions from the SIG-I meeting on 31 January.

The principal changes are addition of a section summarizing the views of participating departments and agencies (pp. 2-4), and a new Section III arraying the proposed actions with a series of options ranging downward from major to minor (pp. 21-24).

The DCI has a copy of this, but I have had no reaction from him. Ed O'Malley also has a copy as IG/CI Chairman.

The only other copy issued so far was provided to Hugh Montgomery on 23 February. He is holding review action in abeyance until he has received back from Secretary Shultz a decision paper he sent forward on 22 or 23 February.

We are attempting to schedule a SIG-I meeting on the subject for about 11 March, by which time we hope the principals will be able to concur in a final draft.

Your comments and/or further guidance would be appreciated.

return to

Chief, CCIS/ICS

Attachment:
a/s

DCI WILL TAKE LEAD
FROM SECY STATE -

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The Director of Central Intelligence

Washington, D.C. 20505

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Intelligence Community Staff

DCI/ICS 83-3208/2
9 February 1983

MEMORANDUM FOR: See Distribution

FROM:

Executive Secretary, SIG(I)

SUBJECT:

Minutes of 31 January 1983 SIG(I) Meeting on
Counterintelligence

Minutes of Meeting

The Chairman, William Casey, opened the meeting by calling attention to both items on the agenda. Regarding the first--study on hostile presence in the US--he noted extensive consideration given to this problem over the past several months by the intelligence community organizations involved.

At the Chairman's request, FBI Director Webster introduced the study for discussion by recalling conclusions reached in the July 1982 NSDD study on the need to enhance CI capabilities against the hostile presence. Judge Webster highlighted features of the current study, noting in particular that of 17 proposals considered, a consensus had been achieved on five (5). He said of the remainder that four (4) continue under review, and that agreements have yet to be achieved on eight (8) due to their potentially adverse impacts on US foreign policy and foreign intelligence collection.

In the discussion that followed, centering first on the five (5) agreed proposals, the Chairman expressed his view that the SIG(I) can recommend these five proposals as generally agreed upon. The Chairman then questioned the responsiveness of the study proposals to pertinent recommendations of the July 1982 Capabilities Study, referring to State's (Foreign Missions Office)

[Redacted]

Regarding the four (4) proposals continuing under review, Judge Webster noted State's current considerations pertaining to UN agreements and covenants which may be applicable. He said results should be available in 30 days for SIG(I) consideration. In this connection, Mr. Rick Cinquegrana, representing

[Redacted]

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ATTENDEES

SIG(1) Counterintelligence--31 Jan '83

DCI Mr. William J. Casey, Chairman
DDCI Mr. John N. McMahon

O/Vice President Mr. G. Philip Hughes

Asst. to President Mr. R. McFarlane
Mr. K. deGraffenreid

State
Mr. H. Montgomery

Defense General Stilwell
Mr. L. Britt Snider

C/JCS Lt. Gen. Williams

Attorney General Mr. A. Cinqergrana
Mr. G. Schroeder

FBI Judge W. Webster
Mr. E. O'Malley

NSA Lt. Gen. L. Faurer

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS 83-3208/1
4 February 1983

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

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FROM:
Executive Secretary, SIG(I)

SUBJECT: Draft Minutes of SIG(I) Meeting -- Counterintelligence
31 January 1983

The attached draft minutes, which have been coordinated with the SIG(I) members, are submitted for your approval.

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Attachment: a/s

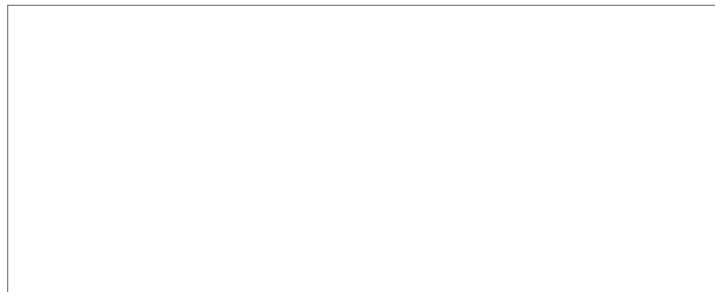
APPROVED: /S/ John N. McMahon
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: 08 FEB 1983

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OF ATTACHMENT



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SIG(I) on Counterintelligence
31 January 1983

Minutes of Meeting

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The Director of Central Intelligence

Washington, D.C. 20505

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Intelligence Community Staff

DCI/ICS 83-3207
25 January 1983

MEMORANDUM FOR: Senior Interagency Group - Intelligence

SUBJECT: Meeting 31 January 1983

The paper attached is for your use at the 31 January meeting on counterintelligence.

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Executive Secretary, SIG(I)

Attachment: a/s

Distribution:

Assistant to the President for
National Security Affairs
Attorney General
Deputy Secretary of State
Deputy Secretary of Defense
Chairman, Joint Chiefs of Staff
Director, Federal Bureau of Investigation
Director, National Security Agency
Director, Defense Intelligence Agency
Director, Intelligence Community Staff
Executive Director, Central Intelligence Agency



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SUBJECT: Meeting 31 January 1983

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