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ROUTING AND RECORD SHEET

SUBJECT: (Optional) Background for Meeting with Mr. Michael T. Blouin, Director, Information Security Oversight Office

FROM: Don I. Wortman
Deputy Director for Administration
7D-24, Hqs.

EXTENSION

NO.

79-1510

DATE

STAT

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. DDCI

6/20

has seen

The attached is background for your meeting on 21 June with Mr. Blouin, Director, ISOO. It also recommends that you affirm the position we have taken to date with respect to ISOO's request for on-site inspection of classified documents. In essence, our position has been that we need to work out procedures and a schedule for such a review. We also recommend that you reaffirm the need for the third-agency rule.

3. DCI

[Handwritten initials]

The DDCI was made aware of and approved of the position taken with respect to CIA material at INS outlined on page 4 of the attachment to the memorandum.

OGC has seen and approves of the position taken herein.

4. DDA

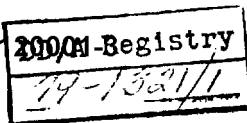
DDCI met w/ Blouin on 6/21
[] attended
[]

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2 Jul 79

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19 JUN 1979

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: Don I. Wortman
Deputy Director for Administration
SUBJECT: Background for Meeting with Mr. Michael T. Blouin,
Director, Information Security Oversight Office

1. Action Requested: See paragraph 4.

2. Background: You are tentatively scheduled to meet with Mr. Michael T. Blouin, Director, Information Security Oversight Office (ISOO), on Thursday, 21 June, at 1645 hours. It is our understanding that he wants to discuss with you compartmentation systems and the third-agency rule. Attached hereto is a background paper on general CIA relationships with ISOO. [redacted] is forwarding separately a memorandum and draft letter on Agency compliance with E.O. 12065 with respect to special access programs.

3. Staff Position:

a. As you can see from the attached paper, Mr. Blouin is unhappy with the third-agency rule when applied to ISOO activities. He and his staff are inexperienced and somewhat naive and must be handled in a manner which is based on procedures agreed to and understood in advance. While E.O. 12065 grants you the authority to refuse ISOO access where such "would pose an exceptional national security risk," it is more in our interest to work with and educate Mr. Blouin and his staff. When we have stood firm with Mr. Blouin in the past, we have found he will back off and try to work things out. We feel we can work out procedures that will allow access to most of our material without jeopardy to sources and methods.

b. Mr. Blouin may also ask about our systematic classification review program of material 20 years of age or older. In that regard, we have [redacted] dedicated to this review but, even so, at the current rate it will take us 45 years to review the material E.O. 12065 gives us until 1988 to review. In this connection, you recently signed a letter to Mr. Blouin requesting a waiver of the

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time limits on a second review required to be conducted 10 years after the first review. We are exploring several ways which will allow us to better cope with the tremendous effort E.O. 12065 requires.

4. Recommendation: I recommend that in your meeting with Mr. Blouin you:

- a. Confirm our desire to cooperate;
- b. Enlist his help in working out procedures which will allow him to satisfy his needs while at the same time offer protection for sensitive material; and
- c. Reaffirm the wisdom of and necessity for the third-agency rule.

I also recommend that [redacted] be invited to the meeting. He is the Agency officer responsible for implementation of E.O. 12065 requirements. He is also the officer responsible for dealing with ISOO. His presence at the meeting will help convince Mr. Blouin that you approve of the position we have taken with ISOO to date.

DON WORTMAN

Don I. Wortman

Attachment: a/s

25X1 [redacted] SHOULD ATTEND _____
 [redacted] SHOULD NOT ATTEND _____

Distribution:

- Original - Addressee w/att
- 1 - DDCI w/att
- 1 - ER w/att
- 1 - OGC [redacted] w/att
- 1 - SA/DD [redacted] w/att
- 1 - DDA Subject w/att
- 1 - DDA Chrono
- 1 - ISS Subject w/att
- 1 - THW Chrono

C/ISS/DDA: [redacted] ydc (18 Jun 79)

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BACKGROUND ON
INFORMATION SECURITY OVERSIGHT OFFICE (ISOO)

I. ISOO MANDATE

The responsibilities and authorities of ISOO are set forth in E.O. 12065 (Tab A) which took effect 1 December 1978. This Executive order is, essentially, the Executive branch's guidance on the classification and declassification of information. Section 5-2 creates ISOO and sets forth its responsibilities and authorities. Among those are:

1. To oversee Agency actions to ensure compliance with E.O. 12065;
2. To review all Agency implementing actions and guidelines for systematic declassification review;
3. To have the authority to conduct on-site reviews of the Information Security Program of each agency covered; and
4. To require of each agency such reports, information, and other cooperation as necessary.

The order further provides that the NSC shall provide overall policy direction for implementing E.O. 12065 and also sets forth procedures for appealing to the NSC decisions of the Director of ISOO.

II. DIRECTOR, ISOO AND STAFF

E.O. 12065 places responsibility for implementing and monitoring programs under the order on the Administrator of General Services but further specifies that this responsibility shall be delegated to an Information Security Oversight Office.

A. Director, ISOO

1. The Director is appointed by the Administrator of General Services, subject to approval by the President. The person that has been appointed as Director is Michael T. Blouin, a 33-year-old former two-term Congressman from Iowa who was defeated for reelection last year. Mr. Blouin graduated from Loras College in Dubuque, Iowa, in 1966 with a bachelors degree in political science. Prior to being elected to

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Congress, he was an elementary school teacher, an advertising consultant, and served terms in the Iowa House of Representatives and Senate.

2. Shortly after taking office, Mr. Blouin visited a number of Federal installations in the southeast part of the U.S. Upon returning from this trip, he met with a member of the media and made the following comments which appeared in a UPI ticker in late March. The article (Tab B) makes the statement that Mr. Blouin "is the only man in the U.S. -- except for his boss at the White House -- with the right to read every Government document, no matter how secret." The article also quotes Mr. Blouin as saying, "It's scary having all that power." and that he can "walk into any Government office anywhere in the world, read anything I want -- no matter how secret -- and order it declassified." The article also attributes to Mr. Blouin the following: "I'm basically an open-Government man. If I err, I prefer erring in favor of openness." "The biggest single hurdle I have to clear is one of ego. You're not a kingpin anymore."
3. On 19 April during an overview briefing given by Agency personnel, Mr. Blouin made the statement that his primary objective in his new job is "to make President Carter look good prior to the elections in 1980." He likes to refer to alleged close contacts in the White House.

B. ISOO Staff

Mr. Blouin has a staff of 14 people, some of whom worked for the predecessor organization, the Interagency Classification Review Committee. The remainder have been culled from a number of places. His close, confidential assistant is John Forkenbrock, Mr. Blouin's legislative assistant from 1975 to 1977 who later worked as a staff member on the House Committee on Education and Labor on which Mr. Blouin sat.

III. ISOO APPROACH TO RESPONSIBILITIES

Soon after the appointment of Mr. Blouin as Director in early 1979 and the formation of his staff, it became clear that, except for a couple of exceptions, Mr. Blouin and staff lacked overall knowledge of the responsibilities and functions of many principal Government agencies. More importantly, it became clear that they had little experience in the field of classification of information. As a result, the Agency invited Mr. Blouin and his chief staff people out to the Agency for overview briefings. It was hoped that during

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these briefings the procedures that ISOO would follow in fulfilling its responsibilities would become clear. Such was not the case. While we now know a little more about how they plan to accomplish their task, there are many aspects which remain to be determined. Two important steps they plan to take are on-site review of classified material and the preparation of a report.

A. On-site Review

On 12 April, Mr. Blouin sent a letter to approximately 80 agencies setting forth a schedule of on-site inspections that Blouin hoped to accomplish over a period of 6 months. When we received the letter, we made informal inquiries to determine what ISOO wanted to see, the reasons therefor, and what procedures they would follow. We were dismayed to learn that ISOO had developed no procedures. It was indicated to us that about all they had discussed was that they would ask for access to the building, would pop into any offices which seemed interesting, and would ask to have safes opened at random and be allowed to review the contents thereof. On 19 April, we invited Mr. Blouin to work with us to develop a set of procedures which would ensure that he could satisfy his responsibilities while at the same time would also ensure that the DCI could fulfill his responsibilities for protecting sources and methods as required by the National Security Act of 1947 and the CIA Act of 1949. We also advised Mr. Blouin that there was some material in CIA that was extremely sensitive which we did not feel he would have a need to review. No such suggestions were forthcoming from ISOO. As a result, on 13 June, at our request, two CIA officers met with Mr. Blouin and his staff and for the first time were able to discuss, tentatively, procedures which would satisfy the concerns of both parties. While there is considerable detail left to be determined, we feel we have a good start towards a meeting of the minds.

B. ISOO's Report

ISOO plans to issue an unclassified report relating its findings during the on-site reviews of the 80 agencies. (The on-site inspections will be accomplished by five ISOO staffers.) In their report, ISOO intends to cover the following: regulations; interviews with classifiers; the Agency declassification program; physical security; and any problems which may arise. Their report is to follow Congressional committee reporting format. Blouin hopes that his report will convince everyone, including GAO, that ISOO has been everywhere and seen everything and that the classification process is not being used to cover up inappropriate activities.

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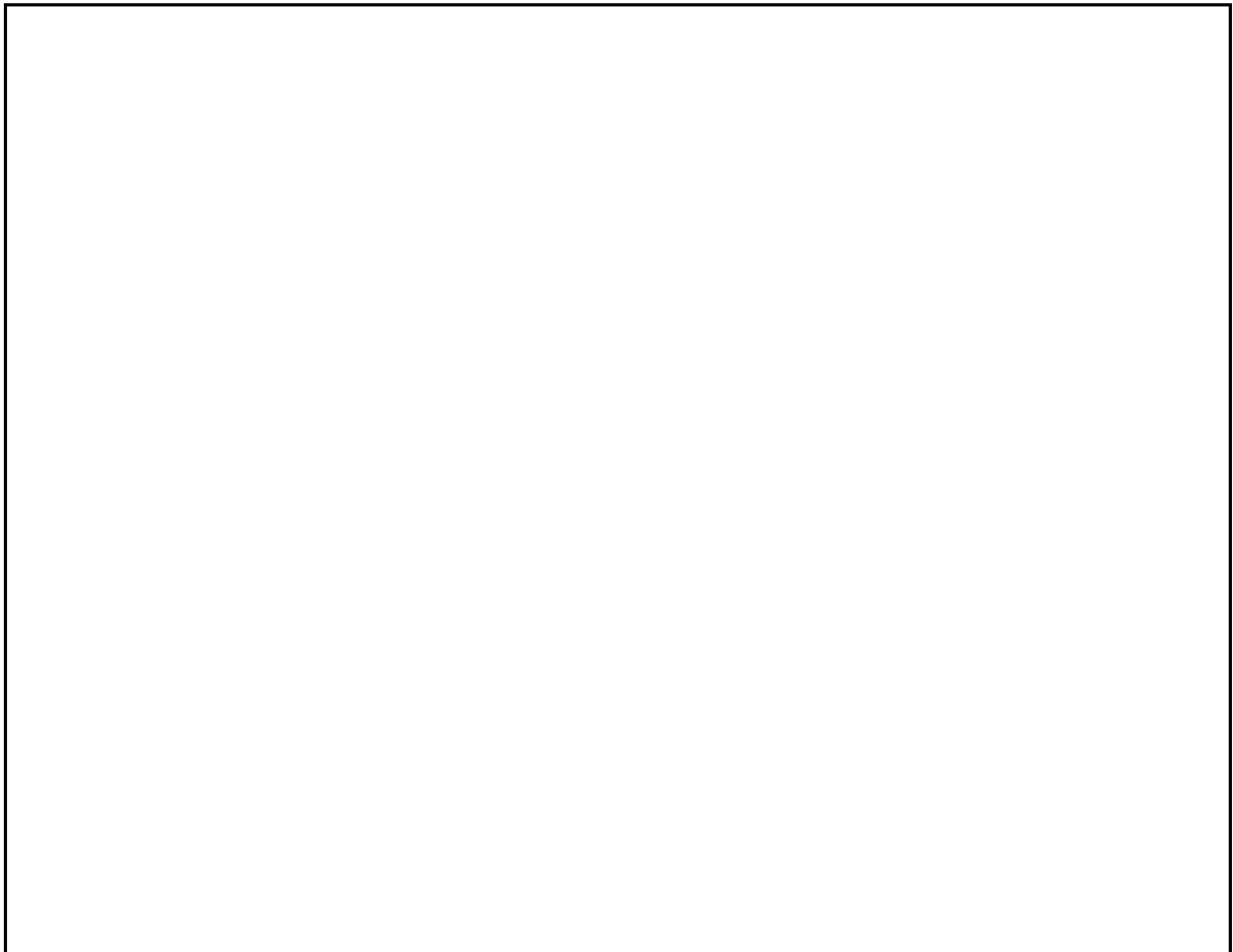
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IV. CURRENT PROBLEMS -- THIRD-AGENCY RULE

As mentioned above, ISOO is just now beginning to cooperate with us to outline appropriate procedures for on-site inspections. In the meantime, ISOO staffers have been to other agencies conducting on-site inspections. During the inspections at Treasury and INS, the third-agency rule was invoked with respect to CIA material.

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A.



B.

V. CIA EFFORTS TO WORK WITH ISOO

From the beginning, we have approached ISOO in a spirit of cooperation while at the same time attempting to impress upon them the sensitive nature of our activities and records relating thereto. We have arranged several briefings to help Mr. Blouin and company more fully understand CIA's activities. We have tried to impress upon them that we felt procedures could be worked out that would enable them to fulfill their responsibilities and at the same time would allow us to

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protect sensitive intelligence sources and methods. However, we have insisted that before any on-site inspections can be performed we need to work out an understanding as to what they want to see, how they will use any knowledge they gain, how they will protect sensitive intelligence matters, and how they will handle their reports and notes, etc. We have also conveyed to Mr. Blouin and company that these procedures must be worked out for review of CIA material regardless of whether it is physically located in CIA or in the custody of some other agency. Once procedures are set, we believe we can allow them to review a large majority of CIA holdings.

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ADV FOR WEEKEND OF MARCH 24-25 OR THEREAFTER

(E30-PICTURE)

"IT'S SCARY HAVING ALL THAT POWER" -- PRESIDENT'S SECRECY WATCHDOG
BY STEWART KELLERMAN

WASHINGTON (UPI) -- ON A RAINY NIGHT IN MARCH, MIKE BLOUIN DROVE A BROWN GOVERNMENT CAR INTO FLORIDA'S PATRICK AIR FORCE BASE, CHECKED IN WITH THE NERVOUS COMMANDER AND PROCEEDED TO PLOW THROUGH PILES OF TOP-SECRET FILES.

LATER THAT WEEK, HE RUMBLED PAST THE SENTRY POST AT A WEST PALM BEACH NAVAL BASE, TRAMPED INTO THE INSTALLATION'S THICK-WALLED DOCUMENT VAULT AND PULLED OUT SENSITIVE FILES ON KUSH-KUSH WEAPONS TESTS IN THE CARIBBEAN.

NEXT DAY, HE PARKED HIS INCONSPICUOUS COMPACT BY BISCAYNE BOULEVARD, WALKED INTO THE FBI'S MIAMI FIELD OFFICE AND LECTURED THE WARY AGENT IN CHARGE ON THE DANGERS OF SECRECY.

BLOUIN, HEAD OF PRESIDENT CARTER'S DRIVE TO TRIM OFFICIAL SECRECY, IS THE ONLY MAN IN THE UNITED STATES -- EXCEPT FOR HIS BOSS AT THE WHITE HOUSE -- WITH THE RIGHT TO READ EVERY GOVERNMENT DOCUMENT, NO MATTER HOW SECRET.

"IT'S SCARY HAVING ALL THAT POWER," THE 33-YEAR-OLD FORMER IOWA CONGRESSMAN SAID IN A RECENT INTERVIEW.

BUT THE TALL, DARK-HAIRED GUARDIAN OF CARTER'S PROMISE OF "OPENNESS IN GOVERNMENT" HAS LEARNED POWER CAN BE ILLUSORY -- AND FRUSTRATING.

HE DIDN'T HAVE TOP-SECRET CLEARANCE WHEN HE WAS PICKED JAN. 8 AS THE \$47,500-A-YEAR DIRECTOR OF THE GOVERNMENT'S NEW INFORMATION SECURITY OVERSIGHT OFFICE.

SO HE SPENT THE FIRST TWO MONTHS AS AN UNCOMFORTABLE ADVISER TO AN EQUALLY UNCOMFORTABLE STAFF PROHIBITED FROM EVEN DISCUSSING SENSITIVE DOCUMENTS WITH HIM.

"IT WAS AWKWARD AT FIRST," HE SAID. "WE'D BE TALKING ABOUT SOME PROBLEM AND I'D ASK FOR AN EXAMPLE. BUT EVERY ONE THEY THOUGHT OF WAS CLASSIFIED SO THEY COULDN'T TELL ME ABOUT IT."

BLOUIN'S TROUBLES WEREN'T OVER WHEN HIS CLEARANCE FINALLY CAME THROUGH AT THE START OF MARCH. HE STILL HAD TO DEAL WITH THE SEEMINGLY ENDLESS RED TAPE.

"IF I WANTED A TYPEWRITER WHEN I WAS A CONGRESSMAN, ALL I HAD TO DO WAS MAKE A TELEPHONE CALL TO GET IT," HE SAID. "NOW, I HAVE TO CALL A DOZEN PERSONS JUST TO FIND OUT WHAT FORM I HAVE TO FILL OUT JUST TO ASK FOR A TYPEWRITER."

BLOUIN, A LIBERAL DEMOCRAT WHO LOST HIS HOUSE SEAT TO A BUDGET-CUTTING REPUBLICAN IN NOVEMBER, SURVEYED HIS SPARTAN OFFICE ON THE SIXTH FLOOR OF GENERAL SERVICES ADMINISTRATION HEADQUARTERS.

"IT'S HUMBLING TO BE PART OF THE BUREAUCRACY," HE SAID, PROPPED ON A WORN, BROWN, ARTIFICIAL-LEATHER CHAIR. "THE BIGGEST SINGLE HURDLE I HAVE TO CLEAR IS ONE OF EGO. YOU'RE NOT A KINGPIN ANYMORE."

BLOUIN HAS ONE OF THE TOUGHEST JOBS IN WASHINGTON -- TO FIND A WAY TO CUT DOWN ON THE ESTIMATED HUNDREDS OF MILLIONS OF DOCUMENTS CLASSIFIED SECRET BY DOZENS OF GOVERNMENT AGENCIES.

"I THINK WE CAN MAKE A DENT IN IT," HE SAID. "BUT THIS THING IS SO OVERWHELMING THAT IT WILL PROBABLY TAKE A DECADE OR TWO TO REALLY TURN IT AROUND."

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AT CURBING ABUSES IN CLASSIFICATION. HE ORDERED AGENCIES TO CUT BACK ON SECRECY AND MAKE MOST CLASSIFIED DOCUMENTS PUBLIC WITHIN 10 YEARS. BUT A RECENT GAO REPORT ACCUSED GOVERNMENT AGENCIES -- ESPECIALLY THE CIA AND PENTAGON -- OF A WHOLESALE EVASION OF THAT ORDER.

THE GAO SAID THE AGENCIES REPORTED CLASSIFYING "ONLY" 4.5 MILLION DOCUMENTS IN 1977, BUT THE ACTUAL NUMBER "COULD RANGE FROM 70 MILLION TO 100 MILLION OR HIGHER."

CONTENDING "THE PUBLIC IS ENTITLED TO KNOW AS MUCH AS POSSIBLE," CARTER ISSUED A NEW PRESIDENTIAL ORDER LAST SUMMER TO DECLASSIFY MOST OFFICIAL PAPERS IN SIX YEARS.

BLOUIN, WHOSE JOB WAS CREATED BY THE CARTER ORDER, GENERALLY AGREED WITH THE GAO REPORT AND VOWED TO LEAVE IF HE COULDN'T IMPROVE THE SITUATION.

"YOU WON'T FIND ME DEFENDING ANY ABUSES," HE SAID. "MY JOB IS TO DO SOMETHING ABOUT THEM. AND IF I DON'T SUCCEED, I'LL QUIT."

BLOUIN SAID HE CAN "WALK INTO ANY GOVERNMENT OFFICE ANYWHERE IN THE WORLD, READ ANYTHING I WANT -- NO MATTER HOW SECRET -- AND ORDER IT DECLASSIFIED."

BUT THERE'S ONE CATCH, AND IT'S A BIG ONE -- THE PRESIDENT'S NATIONAL SECURITY COUNCIL CAN OVERRULE ANY OF HIS ORDERS.

IN ADDITION, HIS \$450,000-A-YEAR BUDGET PROVIDES FOR ONLY A STAFF OF 15 -- A MINUSCULE ARMY FOR THE MONUMENTAL JOB OF SEARCHING THROUGH TENS OF CLASSIFIED DOCUMENTS FOR ABUSES.

"WE'LL ONLY FIND SOMETHING BY BLIND LUCK," HE CONCEDED. "BUT THE AGENCIES HAVE TO KNOW WE'RE LOOKING OVER THEIR SHOULDERS OR THEY WON'T FOLLOW THE PRESIDENT'S ORDER."

BLOUIN, BLUE EYES DARTING DOWN A LIST OF POTENTIAL TARGETS FOR HIS TEAM OF INVESTIGATORS, SAID HE BELIEVES WHOLEHEARTEDLY IN CARTER'S CALL FOR MORE OPENNESS IN GOVERNMENT.

"I WANT TO MAKE SURE THAT WHAT WE'RE PROTECTING IS WORTH PROTECTING," HE SAID. "I DON'T WANT TO SEE FLAG-WAVING USED FOR SELF-PRESERVATION. I'M BASICALLY AN OPEN-GOVERNMENT MAN. IF I ERR, I PREFER ERRING IN FAVOR OF OPENNESS."

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25 MAY 1979

Mr. Leon Ulman
Deputy Assistant Attorney General
Office of Legal Counsel
Room 5131
Department of Justice
Washington, D.C. 20530

Dear Mr. Ulman:

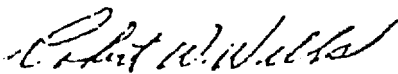
Mr. Michael T. Blouin, Director, Information Security Oversight Office (ISOO) requests that he be provided a briefing on the Immigration and Naturalization Service (INS) on June 19, 1979 at 10:00 a.m. Accompanying Mr. Blouin will be Mr. John Forkenbrock, Confidential Assistant and Mr. Robert W. Wells, Deputy Director, ISOO. Mr. Blouin would appreciate a briefing on the organization, function and security procedures of the INS. He would also like to review some of the

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Mr. Bernard Gattozzi has been contacted regarding the proposed visit.

The above ISOO members have been granted Top Secret, SI and TK access clearances. The TS access clearances may be verified through General Services Administration (GSA) Security and the other access through normal channels. Proper credentials will also be carried by the visitors.

Sincerely,


ROBERT W. WELLS
Deputy Director

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