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15 May 1986



MEMORANDUM FOR: See Distribution

FROM:

Deputy Director, Legislation
Office of Congressional Affairs

SUBJECT: House Permanent Select Committee on Intelligence (HPSCI)
Version of Intelligence Authorization Bill

STAT

1. Attached for your information is a copy of H.R. 4759, the House version of the Intelligence Authorization Act for Fiscal Year 1987, as introduced on May 7, 1986 by Representative Hamilton, Chairman of HPSCI. It was "marked up" and reported out by the Committee on May 8, 1986. We will forward a copy of the report as soon as it is available. We understand that the bill is being referred on a limited, sequential basis to the Post Office, Judiciary and Armed Services Committees. At this point, it appears that the Judiciary Committee will take no action on the bill, and that the Post Office and Civil Service Committee is not favorably disposed to Section 504 of the bill, the section which gives the Secretary of Defense certain authorities over civilian intelligence personnel in the Department of Defense (see paragraph 10 below).

2. Prohibitions on Nicaraguan & Angolan Funding. The two major items of interest in the bill are prohibitions on the provision of paramilitary support to the resistance in Nicaragua or Angola (Sections 106 and 107, respectively, of the bill). The Nicaraguan provision is, we understand, put in the bill simply to insure that a decision as to that funding is made on the bill chosen by the House leadership (currently the military construction authorization bill), not on this bill.

3. The Angolan prohibition is an effort to give effect to Chairman Hamilton's bill, H.R. 4276, the bill which would make "public" debate on the question of covert United States Government funding of the resistance forces in Angola. That bill was favorably reported out by HPSCI on March 25, 1986 (H. Rept. No. 99-508, Part I), and favorably voted out by the House Foreign Affairs Committee on April 23, 1986 (Part II of House Rept. No. 99-508 - not yet available). The Administration is opposed to the Angolan prohibition, and efforts are underway to seek to have it struck from the bill.

4. Congressional Reporting of Covert Arms Transfers Over \$1 Million. As anticipated, the HPSCI included in the bill a provision (Section 602) to make permanent law (as Section 503 of the National Security Act of 1947) a provision requiring the reporting to the Congress of arms transfers over one million dollars (\$1,000,000) in value. You will recall that this provision was included in last year's intelligence authorization bill on a one-year basis. Its purpose, we believe, is to give the HPSCI leverage in the negotiations which are currently stalled between HPSCI and the National Security Council with respect to the covert action reporting procedures.

5. NSA/CIA Tuition Assistance Program. Section 505 of the bill is a provision sponsored by Representative Stokes authorizing the National Security Agency (NSA) to pay the college tuition of certain high school seniors. Participating seniors would have to agree to enroll in degree courses leading to the development of skills "critical" to NSA's mission (mathematics, computer science, engineering and foreign languages) and thereafter to work for NSA. Upon enrollment, students would become, in effect, NSA "employees" while in college. Note that subsection (e) of the provision is a statutory direction that the institution be notified of the fact that the student is a recipient of funds from the NSA. With the Agency's cooperation, HPSCI included a shorter provision, Section 506, which simply authorizes the DCI to establish a "similar" program for the Agency.

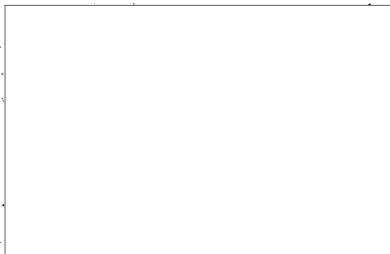
6. "Pre-1982 Former Spouses" Relief. The bill gives survivor's benefits (Section 302) and health benefits (Section 303) to the relatively small number of "former spouses" not covered by the "former spouses" legislation of previous years.

7. Loss of Pension for Identities Violators. We understand that in "markup" of the bill, HPSCI added a provision (Section 603) sponsored by Representatives Stump and Hyde (and included in last year's "Stump bill" - the Omnibus Intelligence Improvements Act of 1985), to divest the pension of a federal employee convicted of violating the Intelligence Identities Act.

8. Various FBI & DoD Provisions. You will note that the bill includes many of the various Department of Defense (DoD) and Federal Bureau of Investigation (FBI) provisions which were included in the Administration's draft of the bill as sent to the Congress. For the FBI, these include: access to bank records (Section 404); access to state and local criminal history record information (Section 402); and, authority to expend funds for hosting foreign counterintelligence officials (Section 401 - DoD also).

9. For DoD, these include: limited DoD authority to "recycle" proceeds from counterintelligence operations (Section 403); Defense Intelligence Agency (DIA) "medevac" authority (Section 501); one-year extension of Secretary of Defense's DIA personnel termination authority (Section 502); military intelligence collector awards (Section 503); authorization of personnel authority for Secretary of Defense with respect to DoD civilian intelligence personnel (Section 504); and, clarification of Defense Mapping Agency authority to enter into international agreements (Section 601).

10. Action by the SSCI on its version of the bill is expected later this week.



STAT

Distribution:

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99TH CONGRESS
2D SESSION

H. R. 4759

To authorize appropriations for fiscal year 1987 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 1986

Mr. HAMILTON introduced the following bill; which was referred to the
Permanent Select Committee on Intelligence

A BILL

To authorize appropriations for fiscal year 1987 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Intelligence Authoriza-
- 4 tion Act for Fiscal Year 1987".

1 TITLE I—INTELLIGENCE ACTIVITIES
2 AUTHORIZATION OF APPROPRIATIONS
3 SEC. 101. Funds are hereby authorized to be appropri-
4 ated for fiscal year 1987 for the conduct of the intelligence
5 and intelligence-related activities of the following elements of
6 the United States Government:

- 7 (1) The Central Intelligence Agency.
- 8 (2) The Department of Defense.
- 9 (3) The Defense Intelligence Agency.
- 10 (4) The National Security Agency.
- 11 (5) The Department of the Army, the Department
12 of the Navy, and the Department of the Air Force.
- 13 (6) The Department of State.
- 14 (7) The Department of the Treasury.
- 15 (8) The Department of Energy.
- 16 (9) The Federal Bureau of Investigation.
- 17 (10) The Drug Enforcement Administration.

18 CLASSIFIED SCHEDULE OF AUTHORIZATIONS
19 SEC. 102. The amounts authorized to be appropriated
20 under section 101, and the authorized personnel ceilings as of
21 September 30, 1987, for the conduct of the intelligence and
22 intelligence-related activities of the elements listed in such
23 section, are those specified in the classified Schedule of Au-
24 thorizations prepared by the Permanent Select Committee on
25 Intelligence to accompany H.R. 4759 of the Ninety-ninth
26 Congress. That Schedule of Authorizations shall be made

1 available to the Committees on Appropriations of the Senate
2 and House of Representatives and to the President. The
3 President shall provide for suitable distribution of the Sched-
4 ule, or of appropriate portions of the Schedule, within the
5 executive branch.

6 PERSONNEL CEILING ADJUSTMENTS

7 SEC. 103. The Director of Central Intelligence may au-
8 thorize employment of civilian personnel in excess of the
9 numbers authorized for fiscal year 1987 under sections 102
10 and 202 of this Act when he determines that such action is
11 necessary to the performance of important intelligence func-
12 tions, except that such number may not, for any element of
13 the Intelligence Community, exceed 2 per centum of the
14 number of civilian personnel authorized under such sections
15 for such element. The Director of Central Intelligence shall
16 promptly notify the Permanent Select Committee on Intelli-
17 gence of the House of Representatives and the Select Com-
18 mittee on Intelligence of the Senate whenever he exercises
19 the authority granted by this section.

20 AUTHORITY FOR THE CONDUCT OF INTELLIGENCE

21 ACTIVITIES

22 SEC. 104. The authorization of appropriations by this
23 Act shall not be deemed to constitute authority for the con-
24 duct of any intelligence activity which is not otherwise au-
25 thorized by the Constitution or laws of the United States.

1 INCREASES IN EMPLOYEE COMPENSATION AND BENEFITS

2 AUTHORIZED BY LAW

3 SEC. 105. Appropriations authorized by this Act for
4 salary, pay, retirement, and other benefits for Federal em-
5 ployees may be increased by such additional or supplemental
6 amounts as may be necessary for increases in such compensa-
7 tion or benefits authorized by law.

8 RESTRICTION ON SUPPORT FOR MILITARY OR

9 PARAMILITARY OPERATIONS IN NICARAGUA

10 SEC. 106. Funds available to the Central Intelligence
11 Agency, the Department of Defense, or any other agency or
12 entity of the United States involved in intelligence activities
13 may be obligated and expended during fiscal year 1987 to
14 provide funds, materiel, or other assistance to the Nicaraguan
15 democratic resistance to support military or paramilitary op-
16 erations in Nicaragua only as authorized in section 101 and
17 as specified in the classified Schedule of Authorizations re-
18 ferred to in section 102, or pursuant to section 502 of the
19 National Security Act of 1947, or pursuant to any provi-
20 sion of law specifically providing such funds, materiel, or
21 assistance.

22 RESTRICTION ON SUPPORT FOR MILITARY OR

23 PARAMILITARY OPERATIONS IN ANGOLA

24 SEC. 107. During fiscal year 1987, the Central Intelli-
25 gence Agency, the Department of Defense, or any other

1 agency or entity of the United States involved in intelligence
2 activities may obligate or expend funds—

3 (1) to conduct, directly or indirectly, military or
4 paramilitary operations in Angola, or

5 (2) to provide any financial, material, or other as-
6 sistance, directly or indirectly, to any group engaged in
7 military or paramilitary operations in Angola,

8 only if the use of funds for that purpose is the openly ac-
9 knowledged policy of the United States Government, as de-
10 termined in accordance with section 2(b), and consistent with
11 the conditions of section 2(c) and section 2(d), of H.R. 4276
12 of the Ninety-ninth Congress as reported by the Perma-
13 nent Select Committee on Intelligence of the House of
14 Representatives.

15 TITLE II—INTELLIGENCE COMMUNITY STAFF

16 AUTHORIZATION OF APPROPRIATIONS

17 SEC. 201. There is authorized to be appropriated for the
18 Intelligence Community Staff for fiscal year 1987 the sum of
19 \$21,700,000.

20 AUTHORIZATION OF PERSONNEL END-STRENGTH

21 SEC. 202. (a) The Intelligence Community Staff is au-
22 thorized two hundred and thirty-five full-time personnel as of
23 September 30, 1987. Such personnel of the Intelligence
24 Community Staff may be permanent employees of the Intelli-
25 gence Community Staff or personnel detailed from other ele-
26 ments of the United States Government.

1 (b) During fiscal year 1987, personnel of the Intelli-
2 gence Community Staff shall be selected so as to provide
3 appropriate representation from elements of the United
4 States Government engaged in intelligence and intelligence-
5 related activities.

6 (c) During fiscal year 1987, any officer or employee of
7 the United States or a member of the Armed Forces who is
8 detailed to the Intelligence Community Staff from another
9 element of the United States Government shall be detailed on
10 a reimbursable basis, except that any such officer, employee,
11 or member may be detailed on a nonreimbursable basis for a
12 period of less than one year for the performance of temporary
13 functions as required by the Director of Central Intelligence.

14 INTELLIGENCE COMMUNITY STAFF ADMINISTERED IN
15 SAME MANNER AS CENTRAL INTELLIGENCE AGENCY

16 SEC. 203. During fiscal year 1987, activities and per-
17 sonnel of the Intelligence Community Staff shall be subject to
18 the provisions of the National Security Act of 1947 (50
19 U.S.C. 401 et seq.) and the Central Intelligence Agency Act
20 of 1949 (50 U.S.C. 403a et seq.) in the same manner as
21 activities and personnel of the Central Intelligence Agency.

1 TITLE III—CENTRAL INTELLIGENCE AGENCY
2 RETIREMENT AND RELATED MATTERS

3 AUTHORIZATION OF APPROPRIATIONS

4 SEC. 301. There is authorized to be appropriated for the
5 Central Intelligence Agency Retirement and Disability Fund
6 for fiscal year 1987 the sum of \$125,800,000.

7 SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES OF
8 CIA EMPLOYEES

9 SEC. 302. (a) Part C of title II of the Central Intelli-
10 gence Agency Retirement Act of 1964 for Certain
11 Employees is amended by adding at the end thereof the fol-
12 lowing new section:

13 "SURVIVOR BENEFITS FOR CERTAIN OTHER FORMER
14 SPOUSES

15 "SEC. 224. (a)(1) Any individual who was a former
16 spouse of a participant or former participant on Novem-
17 ber 15, 1982, shall be entitled, to the extent of available
18 appropriations, and except to the extent such former spouse is
19 disqualified under subsection (b), to a survivor annuity equal
20 to 55 per centum of the greater of—

21 "(A) the full amount of the participant's or former
22 participant's annuity, as computed under section
23 221(a); or

24 "(B) the full amount of what such annuity as so
25 computed would be if the participant or former partici-

1 participant had not withdrawn a lump-sum portion of contri-
2 butions made with respect to such annuity.

3 "(2) A survivor annuity payable under this section shall
4 be reduced by an amount equal to the amount of retirement
5 benefits, not including benefits under title II of the Social
6 Security Act, received by the former spouse which are attrib-
7 utable to previous employment of such former spouse by the
8 United States.

9 "(b) A former spouse shall not be entitled to a survivor
10 annuity under this section if—

11 "(1) an election has been made with respect to
12 such former spouse under section 223;

13 "(2) the former spouse remarries before age fifty-
14 five; or

15 "(3) the former spouse is less than fifty years of
16 age.

17 "(c)(1) The entitlement of a former spouse to a survivor
18 annuity under this section—

19 "(A) shall commence—

20 "(i) in the case of a former spouse of a par-
21 ticipant or former participant who is deceased as
22 of the effective date of this section, beginning on
23 the date of—

24 "(I) the sixtieth day after such date or

1 “(II) the date such former spouse
2 reaches age fifty; and

3 “(ii) in the case of any other former spouse,
4 beginning on the latest of—

5 “(I) the date that the participant or
6 former participant to whom the former
7 spouse was married dies;

8 “(II) the sixtieth day after the effective
9 date of this section; or

10 “(III) the date such former spouse
11 reaches age fifty; and

12 “(B) shall terminate on the last day of the month
13 before the former spouse's death or remarriage before
14 attaining age fifty-five.

15 “(2)(A) A survivor annuity under this section shall not
16 be payable unless appropriate written application is provided
17 to the Director, complete with any supporting documentation
18 which the Director may by regulation require, within thirty
19 months after the effective date of this section.

20 “(B) Upon approval of an application provided under
21 subparagraph (A), the appropriate survivor annuity shall be
22 payable to the former spouse with respect to all periods
23 before such approval during which the former spouse was
24 entitled to such annuity under this section, but in no event:

1 shall a survivor annuity be payable under this section with
2 respect to any period before the effective date of this section.

3 "(d) The Director shall—

4 "(1) as soon as possible, but not later than sixty
5 days after the effective date of this section, issue such
6 regulations as may be necessary to carry out this sec-
7 tion; and

8 "(2) to the maximum extent practicable, and as
9 soon as possible, inform each individual who was a
10 former spouse of a participant or former participant on
11 November 15, 1982, of any rights which such individ-
12 ual may have under this section."

13 (b) Section 14(a) of the Central Intelligence Agency Act
14 of 1949 (50 U.S.C. 403n(a)) is amended by inserting "224,"
15 after "222, 223."

16 (c) For fiscal year 1987, not to exceed \$500,000 shall
17 be available from amounts appropriated under the authority
18 of section 101(l) of this Act for survivor annuities under sec-
19 tion 224 of the Central Intelligence Agency Retirement Act
20 of 1964 for Certain Employees and under the amendment
21 made by subsection (b) of this section.

22 (d) The amendments made by this section shall take
23 effect on October 1, 1988.

1 HEALTH BENEFITS FOR CERTAIN FORMER SPOUSES OF
2 CENTRAL INTELLIGENCE AGENCY EMPLOYEES

3 SEC. 303. (a) The Central Intelligence Agency Act of
4 1949 is amended by adding at the end a new section as
5 follows:

6 "HEALTH BENEFITS FOR CERTAIN FORMER SPOUSES OF
7 CENTRAL INTELLIGENCE AGENCY EMPLOYEES

8 "SEC. 16. (a) Except as provided in subsection (c)(1),
9 any individual—

10 "(1) formerly married to an employee or former
11 employee of the Agency, whose marriage was dis-
12 solved by divorce or annulment before May 7, 1985;

13 "(2) who, at any time during the eighteen-month
14 period before the divorce or annulment became final,
15 was covered under a health benefits plan as a member
16 of the family of such employee or former employee;
17 and

18 "(3) who was married to such employee for not
19 less than ten years during periods of service by such
20 employee with the Agency, at least five years of which
21 were spent outside the United States by both the em-
22 ployee and the former spouse

23 is eligible for coverage under a health benefits plan in accord-
24 ance with the provisions of this section.

25 "(b) Any individual eligible for coverage under sub-
26 section (a) may enroll in a health benefits plan for self alone

1 or for self and family if, before the expiration of the six-month
2 period beginning on the effective date of this section, and in
3 accordance with such procedures as the Director of the Office
4 of Personnel Management shall by regulation prescribe, such
5 individual—

6 “(A) files an election for such enrollment; and

7 “(B) arranges to pay currently into the Em-
8 ployees Health Benefits Fund under section 8909 of
9 title 5, United States Code, an amount equal to the
10 sum of the employee and agency contributions payable
11 in the case of an employee enrolled under chapter 89
12 of such title in the same health benefits plan and with
13 the same level of benefits.

14 “(2) The Director of Central Intelligence shall, as soon
15 as possible, take all steps practicable—

16 “(A) to determine the identity and current address
17 of each former spouse eligible for coverage under sub-
18 section (a); and

19 “(B) to notify each such former spouse of that in-
20 dividual's rights under this section.

21 “(3) The Director of the Office of Personnel Manage-
22 ment, upon notification by the Director of Central Intell-
23 igence, shall waive the six-month limitation set forth in para-
24 graph 1 in any case in which the Director of Central Intelli-
25 gence determines that the circumstances so warrant.

1 TITLE IV—COUNTERINTELLIGENCE AND
2 SECURITY

3 COUNTERINTELLIGENCE OFFICIAL VISITOR EXCHANGES

4 SEC. 401. (a) Chapter 33 of title 28, United States
5 Code, is amended by adding at the end thereof the following
6 new section:

7 "§ 539. Counterintelligence official reception and repre-
8 sentation expenses

9 "The Director of the Federal Bureau of Investigation
10 may use funds available to the Federal Bureau of Investiga-
11 tion for counterintelligence programs to pay the expenses of
12 hosting foreign officials in the United States under the aus-
13 pices of the Federal Bureau of Investigation for consultation
14 on counterintelligence matters."

15 (b) The table of contents for chapter 33 of title 28,
16 United States Code, is amended by adding at the end thereof
17 the following:

"539. Counterintelligence official reception and representation expenses."

18 (c) Chapter 4 of title 10, United States Code, is amend-
19 ed by adding at the end thereof the following new section:

20 "§ 140d. Counterintelligence official reception and repre-
21 sentation expenses

22 "The Secretary of Defense may use funds available to
23 the Department of Defense for counterintelligence programs
24 to pay the expenses of hosting foreign officials in the United

1 States under the auspices of the Department of Defense for
2 consultation on counterintelligence matters.”.

3 (d) The table of contents for chapter 4 of title 10, United
4 States Code, is amended by adding at the end thereof the
5 following:

“1406. Counterintelligence official reception and representation expenses.”.

6 FBI ACCESS TO STATE AND LOCAL CRIMINAL RECORDS
7 FOR SECURITY CLEARANCES

8 SEC. 402. (a) Section 9101 of title 5, United States
9 Code, is amended as follows:

10 (1) in paragraph (1) of subsection (b) by striking
11 “or” after “Office of Personnel Management,” by in-
12 serting “or the Federal Bureau of Investigation,” after
13 “the Central Intelligence Agency.”, and by striking
14 “department, office or agency” and inserting in lieu
15 thereof “department, office, agency or bureau”;

16 (2) in subparagraph (3)(A) of subsection (b) by
17 striking “or” after “Office of Personnel Management.”
18 by inserting “, or the Federal Bureau of Investigation”
19 after “the Central Intelligence Agency.”, by striking
20 “department, office or agency” and inserting in lieu
21 thereof “department, office, agency, or bureau”, and
22 by striking “department, office, or agency.” and insert-
23 ing in lieu thereof “department, office, agency, or
24 bureau”;

1 (3) in subparagraph (3)(B) of subsection (b) by
 2 striking "or" after "Office of Personnel Management."
 3 and by inserting ", or the Federal Bureau of Investiga-
 4 tion" after "the Central Intelligence Agency"; and

5 (4) in subsection (c) by striking "or" after "Office
 6 of Personnel Management." and by inserting ", or the
 7 Federal Bureau of Investigation" after "the Central
 8 Intelligence Agency".

9 (b) Section 803(a) of the Intelligence Authorization Act
 10 for fiscal year 1986 (Public Law 99-169) is amended by
 11 striking "and" after "Office of Personnel Management." and
 12 by inserting "and the Federal Bureau of Investigation," after
 13 "the Central Intelligence Agency."

14 (c) The amendments made by this section shall become
 15 effective with respect to any inquiry which begins after the
 16 date of enactment of this Act conducted by the Federal
 17 Bureau of Investigation for purposes specified in paragraph
 18 (b)(1) of section 9101 of title 5, United States Code.

19 PERMANENT EXTENSION OF DOD AUTHORITY TO USE
 20 PROCEEDS FROM COUNTERINTELLIGENCE OPERATIONS

21 SEC. 408 (a) Chapter 4 of title 10, United States Code,
 22 as amended by section 4010 of this Act, is further amended
 23 by adding at the end thereof the following new section:

1 "§ 140e. Authority to use proceeds from counterintelli-
2 gence operations of the military departments

3 "(a) The Secretary of Defense may authorize, without
4 regard to the provisions of section 3302 of title 31, United
5 States Code, use of proceeds from counterintelligence oper-
6 ations conducted by components of the military departments
7 to offset necessary and reasonable expenses, not otherwise
8 prohibited by law, incurred in such operations, and to make
9 awards to personnel involved in such operations, if use of
10 appropriated funds to meet such expenses or to make such
11 awards would not be practicable.

12 "(b) As soon as the net proceeds from such counterintel-
13 ligence operations are no longer necessary for the conduct of
14 those operations, such proceeds shall be deposited into the
15 Treasury as miscellaneous receipts.

16 "(c) The Secretary of Defense shall establish policies
17 and procedures to govern acquisition, use, management, and
18 disposition of proceeds from counterintelligence operations
19 conducted by components of the military departments, includ-
20 ing effective internal systems of accounting and administra-
21 tive controls."

22 "(d) The table of contents for chapter 4 of title 10, United
23 States Code, as amended by Section 4091 of this Act, is
24 further amended by adding at the end thereof the following:

"New Authority to use proceeds from counterintelligence operations of the military
departments"

1 FEDERAL BUREAU OF INVESTIGATION COUNTERINTELLI-
2 GENCE ACCESS TO FINANCIAL RECORDS OF AGENTS
3 OF FOREIGN POWERS

4 SEC. 404. Section 1114(a) of the Right of Financial Pri-
5 vacy Act of 1978 (12 U.S.C. 3414(a)) is amended by adding
6 at the end thereof the following new paragraph:

7 (5)(A) Financial institutions, and officers, em-
8 ployees, and agents thereof, shall comply with a re-
9 quest for a customer's or entity's financial records
10 made pursuant to this subsection by the Federal
11 Bureau of Investigation when the Director of the Fed-
12 eral Bureau of Investigation (or the Director's desig-
13 nee) certifies in writing to the financial institution that
14 such records are sought for foreign counterintelligence
15 purposes and that there are specific and articulable
16 facts giving reason to believe that the customer or
17 entity whose records are sought is a foreign power or
18 an agent of a foreign power as defined in section 101
19 of the Foreign Intelligence Surveillance Act of 1978
20 (50 U.S.C. 1801).

21 B. The Federal Bureau of Investigation may
22 disseminate information obtained pursuant to this para-
23 graph only as provided in guidelines approved by the
24 Attorney General for foreign intelligence collection and
25 foreign counterintelligence investigations conducted by

1 the Federal Bureau of Investigation, and, with respect
 2 to dissemination to an agency of the United States,
 3 only if such information is clearly relevant to the au-
 4 thorized responsibilities of such agency.

5 "(C) On a semiannual basis the Attorney General
 6 shall fully inform the Permanent Select Committee on
 7 Intelligence of the House of Representatives and the
 8 Select Committee on Intelligence of the Senate con-
 9 cerning all requests made pursuant to this paragraph.

10 "(D) No financial institution, or officer, employee,
 11 or agent of such institution, shall disclose to any
 12 person that the Federal Bureau of Investigation has
 13 sought or obtained access to a customer's or entity's
 14 financial records under this paragraph."

15 TITLE V—ADMINISTRATIVE AUTHORITIES

16 RELATING TO INTELLIGENCE PERSONNEL

17 DEFENSE INTELLIGENCE AGENCY CIVILIAN MEDICAL

18 EVACUATION BENEFIT

19 SEC. 501. Subsection 1605(a) of title 10, United States
 20 Code, is amended by inserting "(5)" after "paragraphs (2)
 21 (3), (4)" and after "22 U.S.C. 4051 (2), (3), (4)".

22 ONE YEAR EXTENSION OF DEFENSE INTELLIGENCE

23 AGENCY SPECIAL TERMINATION AUTHORITY

24 SEC. 502. Paragraph 1604(a) of title 10, United
 25 States Code, is amended by striking "fiscal year 1985 and

1 1986" and inserting in lieu thereof "fiscal years 1986 and
2 1987".

3 ACCEPTANCE OF DIRECTOR OF CENTRAL INTELLIGENCE
4 AWARDS BY MILITARY INTELLIGENCE PERSONNEL

5 SEC. 503. Section 402 of the Intelligence Authorization
6 Act for Fiscal Year 1984 (Public Law 98-215) is amended
7 by adding at the end thereof the following:

8 "(c) The Director of Central Intelligence may exercise
9 the authority granted in section 4503(2) of title 5, United
10 States Code, with respect to members of the Armed Forces
11 who are assigned to foreign intelligence duties at the time
12 of the conduct which gives rise to the exercise of such
13 authority.

14 "(d) An award made by the Director of Central Intel-
15 ligenace to an employee or member of the Armed Forces under
16 the authority of section 4503 of title 5, United States, or this
17 section may be paid and accepted notwithstanding—

18 "(1) section 5536 of title 5, United States Code;
19 and

20 "(2) the death, separation, or retirement of the
21 employee or the member of the Armed Forces whose
22 conduct gave rise to the award, or the assignment of
23 such member to duties other than foreign intelligence
24 duties."

1 MANAGEMENT OF CIVILIAN INTELLIGENCE PERSONNEL OF
2 THE MILITARY DEPARTMENTS

3 SEC. 504. (a) Chapter 81 of title 10, United States
4 Code, is amended by adding at the end thereof the following
5 new section:

6 "§ 1590. Management of civilian intelligence personnel of
7 the military departments

8 "(a) The Secretary of Defense may, without regard to
9 the provisions of any other law relating to the number, classi-
10 fication, or compensation of employees—

11 "(1) establish such positions for civilian intelli-
12 gence officers and employees of the military depart-
13 ments as may be necessary to carry out the intelli-
14 gence functions of such departments;

15 "(2) appoint individuals to such positions; and

16 "(3) fix the compensation of such individuals for
17 service in such positions.

18 "(b) The Secretary of Defense shall, subject to subsec-
19 tion (c), fix the rates of basic pay for positions established
20 under subsection (a) in relation to the rates of basic pay pro-
21 vided in the General Schedule under section 5332 of title 5
22 for positions subject to such Schedule which have correspond-
23 ing levels of duties and responsibilities. Except in the case of
24 a civilian intelligence officer or employee of a military depart-
25 ment serving as a member of the Senior Executive Service of

1 a military department, no civilian intelligence officer or em-
 2 ployee of a military department may be paid basic compensa-
 3 tion at a rate in excess of the highest rate of basic pay con-
 4 tained in such General Schedule.

5 “(c) The Secretary of Defense is authorized, consistent
 6 with section 5341 of title 5, to adopt such provisions of such
 7 title as provide for prevailing rate systems of basic pay and to
 8 apply such provisions to positions for civilian intelligence offi-
 9 cers or employees in or under which the military departments
 10 may employ individuals described by section 5342(a)(2)(A) of
 11 such title.

12 “(d) In addition to the basic compensation payable under
 13 subsection (b), civilian intelligence officers and employees of
 14 the military departments who are citizens or nationals of the
 15 United States and who are stationed outside the continental
 16 United States or in Alaska may be paid compensation, in
 17 accordance with regulations prescribed by the Secretary of
 18 Defense, not in excess of an allowance authorized to be paid
 19 by section 5941(a) of title 5 for employees whose rates of
 20 basic pay are fixed by statute. Such allowances shall be based
 21 on—

22 “(1) living costs substantially higher than in the
 23 District of Columbia;

24 “(2) conditions of environment which differ sub-
 25 stantially from conditions of environment in the conti-

1 mental United States and warrant an allowance as a
2 recruitment incentive; or

3 “(3) both of the factors described in paragraphs
4 (1) and (2).

5 “(e)(1) Notwithstanding any other provision of law, the
6 Secretary of Defense may, during fiscal year 1987, terminate
7 the employment of any civilian intelligence officer or employ-
8 ee of a military department whenever he considers that
9 action to be in the interests of the United States and he de-
10 termines that the procedures prescribed in other provisions of
11 law that authorize the termination of the employment of such
12 officer or employee cannot be invoked in a manner consistent
13 with the national security. The decisions of the Secretary
14 under this paragraph are final and may not be appealed or
15 reviewed outside the Department of Defense. The Secretary
16 of Defense shall promptly notify the Permanent Select Com-
17 mittee on Intelligence of the House of Representatives and
18 the Select Committee on Intelligence of the Senate whenever
19 this termination authority is exercised.

20 “(2) Any termination of employment under this subsec-
21 tion shall not affect the right of the officer or employee in-
22 volved to seek or accept employment with any other depart-
23 ment or agency of the United States if he is declared eligible
24 for such employment by the Director of the Office of Person-
25 nel Management.

1 graduate level in skills critical to effective performance of the
2 mission of the Agency.

3 “(c) The National Security Agency may pay, directly or
4 by reimbursement to employees, expenses incident to assign-
5 ments under subsection (b), in any fiscal year only to the
6 extent that appropriated funds are available for such purpose.

7 “(d)(1) To be eligible for assignment under subsection
8 (b), an employee of the Agency must agree in writing—

9 “(A) to continue in the service of the Agency for
10 the period of the assignment and to complete the edu-
11 cational course of training for which the employee is
12 assigned;

13 “(B) to continue in the service of the Agency fol-
14 lowing completion of the assignment for a period of
15 one-and-a-half years for each year of the assignment or
16 part thereof:

17 “(C) to reimburse the United States for the total
18 cost of education (excluding the employee's pay and al-
19 lowances) provided under this section to the employee
20 if, prior to the employee's completing the educational
21 course of training for which the employee is assigned,
22 the assignment or the employee's employment with
23 the Agency is terminated either by the Agency due
24 to misconduct by the employee or by the employee
25 voluntarily; and

1 “(D) to reimburse the United States if, after com-
2 pleting the educational course of training for which the
3 employee is assigned, the employee's employment with
4 the Agency is terminated either by the Agency due to
5 misconduct by the employee or by the employee volun-
6 tarily, prior to the employee's completion of the service
7 obligation period described in subparagraph (B), in an
8 amount that bears the same ratio to the total cost of
9 the education (excluding the employee's pay and allow-
10 ances) provided to the employee as the unserved por-
11 tion of the service obligation period described in sub-
12 paragraph (B) bears to the total period of the service
13 obligation described in subparagraph (B).

14 “(2) Subject to paragraph (3), the obligation to reim-
15 burse the United States under an agreement described in
16 paragraph (1), including interest due on such obligation, is for
17 all purposes a debt owing the United States.

18 “(3)(A) A discharge in bankruptcy under title 11, United
19 States Code, shall not release a person from an obligation to
20 reimburse the United States required under an agreement de-
21 scribed in paragraph (1) if the final decree of the discharge in
22 bankruptcy is issued within five years after the last day of the
23 combined period of service obligation described in subpara-
24 graphs (A) and (B) of paragraph (1).

1 “(B) The Secretary of Defense may release a person, in
2 whole or in part, from the obligation to reimburse the United
3 States under an agreement described in paragraph (1) when,
4 in his discretion, the Secretary determines that equity or the
5 interests of the United States so require.

6 “(C) The Secretary of Defense shall permit an employee
7 assigned under this section who, prior to commencing a
8 second academic year of such assignment, voluntarily termi-
9 nates the assignment or the employee's employment with the
10 Agency, to satisfy his obligation under an agreement de-
11 scribed in paragraph (1) to reimburse the United States by
12 reimbursement according to a schedule of monthly payments
13 which results in completion of reimbursement by a date five
14 years after the date of termination of the assignment or em-
15 ployment or earlier at the option of the employee.

16 “(e) When an employee is assigned under this section to
17 an institution, the Agency shall disclose to the institution to
18 which the employee is assigned that the Agency employs
19 the employee and that the Agency funds the employee's
20 education.

21 “(f) Chapter 41 of title 5 and subsections (a) and (b) of
22 section 3324 of title 31, United States Code, shall not apply
23 with respect to this section.

24 “(g) The Secretary of Defense may issue such regula-
25 tions as may be necessary to implement this section.”

1 (b) The table of contents of chapter 167 of title 10,
2 United States Code, is amended by adding at the end thereof:

"2795. Exchange of mapping, charting, and geodetic data with foreign countries and
international organizations."

3 NOTICE TO CONGRESS OF CERTAIN TRANSFERS OF
4 DEFENSE ARTICLES AND DEFENSE SERVICES

5 SEC. 602. (a) Title V of the National Security Act of
6 1947, relating to accountability for intelligence activities, is
7 amended by adding at the end thereof the following:

8 "NOTICE TO CONGRESS OF CERTAIN TRANSFERS OF
9 DEFENSE ARTICLES AND DEFENSE SERVICES

10 "SEC. 503. (a)(1) The transfer of a defense article or
11 defense service exceeding \$1,000,000 in value by an intelli-
12 gence agency to a recipient outside that agency shall be con-
13 sidered a significant anticipated intelligence activity for the
14 purpose of section 501 of this Act.

15 "(2) Paragraph (1) does not apply if—

16 "(A) the transfer is being made to a department,
17 agency, or other entity of the United States (so long as
18 there will not be a subsequent retransfer of the defense
19 articles or defense services outside the United States
20 Government in conjunction with an intelligence or in-
21 telligence-related activity); or

22 "(B) the transfer—

23 "(i) is being made pursuant to authorities
24 contained in part II of the Foreign Assistance Act

1 of 1961, the Arms Export Control Act, title 10 of
2 the United States Code (including a law enacted
3 pursuant to section 7307(b)(1) of that title), or the
4 Federal Property and Administrative Services Act
5 of 1949, and

6 “(ii) is not being made in conjunction with an
7 intelligence or intelligence-related activity.

8 “(3) An intelligence agency may not transfer any de-
9 fense articles or defense services outside the agency in con-
10 junction with any intelligence or intelligence-related activity
11 for which funds were denied by the Congress.

12 “(b) As used in this section—

13 “(1) the term ‘intelligence agency’ means any
14 department, agency, or other entity of the United
15 States involved in intelligence or intelligence-related
16 activities;

17 “(2) the terms ‘defense articles’ and ‘defense serv-
18 ices’ mean the items on the United States Munitions
19 List pursuant to section 38 of the Arms Export Con-
20 trol Act (22 CFR part 121);

21 “(3) the term ‘transfer’ means—

22 “(A) in the case of defense articles, the
23 transfer of possession of those articles; and

24 “(B) in the case of defense services, the pro-
25 vision of those services;

1 “(4) the term ‘value’ means—

2 “(A) in the case of defense articles, the
3 greater of—

4 “(i) the original acquisition cost to the
5 United States Government, plus the cost of
6 improvements or other modifications made by
7 or on behalf of the Government; or

8 “(ii) the replacement cost; and

9 “(B) in the case of defense services, the
10 full cost to the Government of providing the
11 services.”.

12 (b) The table of contents at the end of the first section of
13 such Act is amended by inserting the following after the item
14 relating to section 502:

“503. Notice to Congress of certain transfers of defense articles and defense
services.”.

