

25X1

~~SECRET~~

DIRECTOR OF CENTRAL INTELLIGENCE
Security Committee

*SECOM-M-294
28 January 1986

Minutes
Two Hundred and Ninetieth Meeting
Wednesday 15 January 1986, 1006-1155 Hours
Room 7D32, Headquarters Building

[Redacted]

Chairman
Presiding

25X1
ICA
agenda/minutes

MEMBERS PRESENT

LTC George L. Alvarez, U.S. Marine Corps
Mr. Maynard C. Anderson, Office of the Secretary of Defense
Col. Anthony J. Gallo, Jr., Department of the Army
Mr. Vaughn Holcombe, Department of the Treasury
CAPT William C. Horn, Department of the Navy

[Redacted]

Mr. Gary L. Stoops, Federal Bureau of Investigation

ALTERNATES PRESENT

Mr. Robert C. Allen, Department of the Navy
Mr. Stephen E. Bacher, Department of Energy
Mr. Thomas Blankenship, Department of Energy
Mr. Bernard Gattozzi, Department of Justice

[Redacted]

Lt. Col. Frederick V. Riccardi, Office of the Secretary of the Air Force
Mr. Roger H. Robinson, Department of State*
Mr. Richard F. Williams, Office of the Secretary of Defense

ALSO PRESENT

Ms. Jamie M. Brigance, Department of the Air Force
Maj. Jack Brewer, Department of the Air Force
Mr. Michael N. Cassetta, Department of Commerce
Mr. Thomas W. Chace, Department of State

[Redacted]

Mr. Frederick H. Bowen, SECOM Staff
Mr. Keith A. Mendenhall, SECOM Staff
Mr. Alan F. Petit, SECOM Staff

[Redacted]

*Present for part of meeting.

~~SECRET~~

OS REGISTRY

70 1/31

SECRET/ []

25X1

Briefing on the 4C System

The Chairman advised that he wanted to put this briefing on early. He introduced [] Chief, Special Security Center, CIA, to give the briefing requested by Messrs. Rubino and Anderson at the SECOM seminar. []

25X1
25X1

[] began by providing statistics on the status of the system. As of January 1986, there were 170 terminals linked to the 4C main frame computer, compared to 122 in October 1984. The numbers of records (one record per person) in the system are:

25X1

	October 1984	January 1986
Active (current accesses)	175,632	213,108
Archival (debriefed persons)	20,513	44,470
Total	<u>196,145</u>	<u>257,578</u>

Monthly transactions with the system have grown substantially: 44,042 in December 1983; 70,514 in March 1984; and 82,342 in December 1985. Data on how many records departments and agencies have entered into the system are:

Army	11,709
Air Force	96,292
CIA	[]
DIA	747
Defense Mapping Agency	5,629
Department of Justice	650
FBI	3,657
Department of Energy	965
Department of State	4,944
Treasury Department	282
Secret Service	1,590
Navy	2,390
PME-106	3,545
SAFSP	7,753
NSA	[]

25X1

* (the CIA total includes non-NFIB agencies and CIA contractors)

[] said 655 different "accesses" are recorded in 4C. The bulk of them are "B" studies. This total also includes cryptographic accesses, Q clearances and internal agency "bigot" list projects. []

25X1

25X1

[] advised that when NSA and DIA enter their accesses into the system, 4C Phase I will be completed. He stated that we should plan to move into Phase II soon in view of potential budget problems arising from Gramm-Rudman cuts and possible communications links difficulties. He reported that there will be no cost to users in Phase II for terminals, encryption devices (KG-84) or lines. He noted that archival data will be kept indefinitely for security audit purposes. In response to a question, Mr.

25X1

SECRET []

25X1

SECRET [REDACTED]

25X1

[REDACTED] said the system cannot yet provide printouts at terminals. Printouts are now done at CIA headquarters and sent to requesters by courier. Mr. Anderson asked when the planning meeting for Phase II would be held. [REDACTED]

25X1

[REDACTED] said as soon as he can convene the 4C Working Group. [REDACTED] asked if there were any comments on the utility of the system. Maj. Brewer said the timeliness of the system will remain a problem until it has a capability to provide "batch" outputs on a real-time basis. [REDACTED]

25X1

25X1

25X1

Preliminary Comments

The Chairman:

A. Invited introductions.

(1) Mr. Anderson introduced Mr. Williams, his deputy for information security and special programs, as the new alternate member from OSD.

(2) [REDACTED] introduced [REDACTED] as his new staff officer on SECOM matters to replace [REDACTED] lavishly complimented [REDACTED] for the consistently high quality and cooperative nature of her support to Community security and SECOM. [REDACTED]

25X1

25X1

25X1

25X1

B. Advised that he had appointed [REDACTED] of NSA to chair the Facility Protection Subcommittee. [REDACTED] expressed pleasure with the qualifications of the nominees from NSA and State for this position. He noted that [REDACTED] presided over a subcommittee meeting on 14 January, and that subcommittee members invited former Chairman [REDACTED] to join them for lunch afterwards and presentation of a certificate of appreciation to [REDACTED] for his services. [REDACTED]

25X1

25X1

25X1

25X1

25X1

C. Informed members of his reminder to subcommittee chairmen of the standing requirement to submit annual reports to him by 1 February of each year. [REDACTED] stressed the need for thorough reporting for use in compiling a consolidated summary of SECOM activity and plans for the year. He noted that such a report will help satisfy the Air Force member's desire for a compendium of SECOM activities. [REDACTED]

25X1

25X1

D. Noted that several members expressed a desire for periodic status listings of issues being addressed by SECOM. [REDACTED] said the monthly report he provides the DDCI on SECOM activities is not a suitable vehicle for this. He advised that the staff is preparing a list of all pending SECOM actions, and will try to format this into the type of listing members seem to want. [REDACTED]

25X1

25X1

E. Said our seminar discussions included comments on the need for more and better supervisory reporting on security matters and for better security awareness programs. [REDACTED] reminded members that they had been asked to provide him by 15 January any suggestions they had for improvement. Mr. Anderson said DoD began a large effort in this field as a result of the Stilwell report. The reorganization of the Defense Security Institute

25X1

SECRET [REDACTED]

25X1

SECRET [REDACTED]

25X1

supports this effort. CAPT Horn said there is a need for a central coordinating point to bring together information on department and agency security awareness programs. He suggested a full-time staff member of SECOM to do this. [REDACTED] said the staff can't be expanded because of Congressional limitations on the size of the IC Staff. He suggested that a Community agency desiring a SECOM effort in this area provide a qualified person on a nonreimbursable detail. Col. Gallo advised that the chairman of the Security Awareness and Education Subcommittee (SAES) had just delivered a set of recommendations on this subject to SECOM. [REDACTED] said DIA can share the results of its security awareness efforts. [REDACTED] suggested review of Mr. Passarelli's recommendations, and asked [REDACTED] to schedule Mr. Passarelli for a presentation at the next SECOM meeting.

25X1

25X1

25X1

25X1

ACTION: The Executive Secretary will schedule the Chairman, SAES, for a presentation on security awareness proposals for the February 1986 SECOM meeting.

[REDACTED] said that good security awareness programs pay off only when strongly supported by top management. [REDACTED]

25X1

25X1

F. Noted that another seminar suggestion was that periodic videotapes be prepared on TSCM finds for use in general, non-technical briefings of management and staff on the technical security threat and measures to guard against it. [REDACTED] stressed that the staffs of SECOM and its Technical Surveillance Countermeasures Subcommittee are not adequate to plan and accomplish the work involved. No members offered to accomplish the task.

25X1

25X1

G. Advised of developments concerning the [REDACTED] supplemental appropriation for technical security overseas. [REDACTED] said the apportioned funds had been reduced pursuant to the Gramm-Rudman-Hollings Bill, with DIA's polygraph program funding [REDACTED] being eliminated and the State-CIA program to protect plain text processing equipment being reduced by [REDACTED]. He noted IC Staff management concern about the slowness with which the funds are being obligated. [REDACTED] highlighted the quarterly reporting requirements on CIA, NSA, State and DIA for data on actual and planned use of these funds. [REDACTED]

25X1

25X1

25X1

25X1

25X1

25X1

H. Reported that the NSDD-196 Task Force met three times, most recently on 9 January to discuss implementation of polygraph policy. [REDACTED] said he was concerned that the Community has not really come to grips with the issue to date. Mr. Anderson stated that DoD cannot provide polygraph examinations for all departmental personnel with SCI access and have any polygraph capability left over for other requirements. [REDACTED] said he thought the objective is to get a commitment from persons with sensitive access to take a polygraph examination if requested to do so. This provides flexibility in the use of limited polygraph resources. Mr. Anderson stated that Defense will use the polygraph in connection with the most sensitive accesses in the department, which may not necessarily be SCI. [REDACTED] observed that implementation of NSDD-196 polygraph provisions will be a gradual process. [REDACTED]

25X1

25X1

25X1

25X1

SECRET [REDACTED]

25X1

SECRET, [REDACTED]

25X1

I. Informed members that he thought we needed a means for regular review of the appendix to DCID 1/20 to ensure that rapidly changing world events are properly reflected in the listing of countries of security concern from a travel and assignment perspective. Maj. Brewer said he would relay Mr. [REDACTED] concerns to Col. Cody. Mr. Stoops advised that the FBI would distribute a similar list in implementation of NSDD-197. Members discussed the need for classification of the list. [REDACTED] explained that the classification was based on foreign relations considerations. [REDACTED]

25X1

25X1
25X1

ACTION: The Chairman, SECOM Compartmentation Subcommittee, is requested to ensure regular review of the appendix to DCID 1/20. [REDACTED]

25X1

J. Noted that the DCI signed a request in November 1985 to the Community seeking greater instructor support for the ITC. [REDACTED] said several good responses were received. State is recruiting for an instructor to be assigned this summer. Army now provides two staff personnel. Army has been asked to extend the tour of one of them. Air Force is negotiating a manpower authorization to provide an additional instructor. Secret Service can't provide a person from their limited staff, but offers monetary support if their budget permits. NSA has informally offered guest speakers. In addition to instructors, the ITC needs a good bench technician to maintain and repair training equipment. [REDACTED] thanked those agencies and departments which have helped support the ITC over the years. [REDACTED]

25X1

25X1
25X1

K. Invited attention to copies at members' places of H.R. 3626, a bill to establish a national commission on classified information and security clearance procedures. [REDACTED] noted that the objectives of the bill seem to be generally consistent with security objectives. He said he wanted members to be aware of this initiative. Mr. Anderson stated that Senator Durenberger had objected to this bill some months ago. He said Defense agrees with the Senator that it is not a desirable approach. [REDACTED]

25X1

25X1

L. Advised that the SECOM staff had received calls less than an hour before the start of the meeting concerning prospective attendees. Mr. [REDACTED] asked members to ensure that his staff is informed not later than the close of business the Friday before SECOM meetings of the particulars of persons planning to attend. In case of an emergency requiring last minute changes, members should call him or [REDACTED] to discuss the situation. [REDACTED]

25X1

25X1

ITEM 1 Approval of Minutes

In the absence of requests for change, the minutes of the 23 October 1985 meeting were approved as written.

The Chairman advised that Messrs. Anderson and Stoops had requested minor changes to the minutes of the November seminar. No other changes being requested, those minutes were approved subject to the changes requested. (Editorial changes will be annotated on the SECOM file copy; substantive ones will be reflected in corrected pages.) [REDACTED]

25X1

5

SECRET, [REDACTED]

25X1

SECRET/ []

25X1

ITEM 2 Briefing on the 4C System

(given at the beginning of the meeting.)

ITEM 3 Revision of DCID 1/14

The Chairman noted dissemination to members on 26 December of a new draft revision of this directive with a request for concurrences or comments not later than this meeting. [] said CIA, NSA and OSD objected to inclusion of the qualifiers "immoral" and "notorious" in the sexual conduct portion of Annex A of the DCID. The CIA Office of General Counsel advised that such language has been litigated in a federal employment context and largely discredited as a legitimate subject of federal inquiry. []

25X1

25X1

[] said Mr. Mulholland, Treasury member of the NFIB, had provided a number of useful editorial suggestions. NSA had done so as well. They were used in the draft sent to members. [] advised that the draft does not include a new definition of SCI which he believed should be adopted to avoid the circular non-definition used heretofore. He read his proposed version, and asked [] to send it to members promptly for their consideration. []

25X1

25X1

25X1

25X1

ACTION: The Executive Secretary will prepare correspondence to SECOM members providing the text of the proposed new definition of SCI. []

25X1

[] advised that OSD, FBI, DIA and CIA had concurred in the draft revision. Army concurred, but requested that Annex C to the DCID include only a bare reference to outside activities. [] said the draft language for Annex C is needed to cover issues not dealt with elsewhere in the proposed revision. Col. Gallo acknowledged that his comment was not a strong position and that he could accept the draft as written. CAPT Horn said the requirement in the draft Annex C for annual notices doesn't provide flexibility. Mr. Anderson suggested that the notice could be included in the required annual security briefing. Maj. Brewer noted that the Air Force has an annual conflict of interest reporting requirement. He suggested the notice could be provided with that report or comparable ones used by other departments and agencies. [] observed that members seemed to be in agreement on the draft revision. He noted that SECOM has made significant progress on DCID 1/14 in the last few years. In response to a question on whether there have been any legal challenges to the DCID, Mr. Anderson said case law is such that judges will not look behind an agency's rules so long as they are applied uniformly. []

25X1

25X1

25X1

25X1

ITEM 4 Requests for DCID 1/7 Waivers

The Chairman noted that DIA had two requests before SECOM for waivers to permit NO CONTRACT information to be released to specific contractors for specific purposes. [] advised that the waiver to permit release to contractors working on the SAFE Project was granted when [] agreed

25X1

25X1

6

SECRET/ []

25X1

SECRET [REDACTED]

25X1

for DIA to the conditions of access proposed by SECOM members at the October 1985 meeting. [REDACTED]

25X1

[REDACTED] reported that CIA has a specific security concern about the waiver requested to permit release to a unit of the Rand Corporation. Under our rules SECOM cannot concur in the waiver if a member objects. [REDACTED]

25X1

25X1

[REDACTED] briefed members on another DIA waiver request. SECOM members approved at the 8 February 1985 meeting a DCID 1/7 waiver to permit a small group of contractor personnel to work in DIA spaces under DIA supervision to automate a counterintelligence data base. The contractors hold SCI access based on investigations meeting DCID 1/14 standards. The 1985 waiver was for a limited period. An engineering modification to the contract extended the period of performance to 15 October 1986. DIA requests extension of the waiver to that date to permit completion of the work. Members had no objections to the extension, which was granted. [REDACTED]

25X1

25X1

[REDACTED] said SECOM needs to address again the classification of DCID 1/7. At the 29 May 1985 meeting he and the CIA and NSA members supported classification at the Confidential level while other members had some concerns about doing so. [REDACTED] advised that the DCI wrote the Director of ISOO in 1985 stating that DCID 1/7 would be revised and remain Confidential. Exploration shows that it will be difficult to support classification adequately. In a recent conversation with the Chairman, ISOO Director Garfinkel stated that classification of the directive is quite questionable since the earlier unclassified version, which is substantially identical to the current one, was widely disseminated and can't feasibly be retrieved for purposes of reclassification. [REDACTED] asked for member comments. Mr. Anderson said he agreed with Mr. Garfinkel. Col. Gallo observed that Mr. Garfinkel was consistent on this issue. Lt. Col. Riccardi stated that the mosaic effect of declassification should be addressed. [REDACTED]

25X1

25X1

25X1

25X1

25X1

[REDACTED] invited Col. Gallo to discuss his request for SECOM endorsement of the Army ACSI's position that the mail and distribution center at Ft. Huachuca not be considered for contractor operation. Col. Gallo said the Army Senior Intelligence Officer is trying to hold out against contracting operation of the mail center. He stated that recent events (e.g., Gramm/Rudman/Hollings) will intensify pressures to contract government functions. He invited members' attention to copies at their places of his 17 December 1985 memorandum on this subject. Col. Gallo summarized its contents, and stressed the potential for broad contractor access to DCID 1/7 controlled material if the mail room function is privatized. He noted that the Army Comptroller's office seems to have difficulty in balancing the security and the cost factors involved in this case. He asked members to endorse his position opposing contracting operation of the Army Intelligence Center and School. Mr. Anderson said that the precedent for this was set by the Acting DCI in the case of the Department of Energy's proposal to contract operation of its all-source communications center. He suggested that we similarly oppose contracting of the Army facility. [REDACTED] asked if we need to explore the philosophic aspect of this issue. He asked members to reflect on how and why we should determine that contractors who meet DCID 1/14

25X1

25X1

7

SECRET [REDACTED]

25X1

SECRET [REDACTED]

25X1

standards are less trustworthy than US Government personnel. Mr. Anderson said we should make the case on a contract basis, not security. He stated that we need to guard against one contractor providing controlled information to another. [REDACTED] agreed. Mr. Anderson noted that DoD has similar concerns with data exchange agreements with regard to unclassified information that specific contractors provide subject to restrictions on its use. He asked if DCID 1/7 language on use of the NO CONTRACT control needs to be revised to reflect a better approach to the issue. Mr. Blankenship asked if espionage cases show contractors to be a greater risk than government personnel. [REDACTED] replied that that would be difficult to affirm or rebut. [REDACTED] noted the potential for contractors to change based on cost and performance factors. Mr. Anderson said he thought Army has a good case in this instance. In response to Col. Gallo's request, all members indicated their support for the Army position against contracting operation of the Ft. Huachuca facility mail room. [REDACTED] noted his recent conversation with the Executive Assistant to the DDCI, who advised that Mr. McMahon still holds to the position he took in the Energy communications center case. Mr. Anderson asked that discussion of DCID 1/7 be on the agenda for a future SECOM meeting. [REDACTED]

25X1

25X1
25X1

25X1

25X1

ACTION: The Executive Secretary will schedule discussion of DCID 1/7 issues for a future meeting of the SECOM. [REDACTED]

25X1

[REDACTED] asked if any members had further comments on the classification of DCID 1/7. [REDACTED] said we should not dismiss the desirability of classifying security directives, but added that he is prepared to yield on 1/7 if we can't make a case for classification. [REDACTED] agreed with that position. [REDACTED]

25X1
25X125X1
25X1

ITEM 5 New Business

A. The Chairman asked members if they had any comments on the usefulness of the November SECOM seminar. [REDACTED] said the highlight for him was the exchanges with our guest speakers. He added that the other discussions were useful. [REDACTED] said he would explore the possibility of getting Congressional Oversight Committee staff members to speak with us again. He asked members if they had a preference for the location of such discussions. Members indicated that they wanted [REDACTED] for this purpose. [REDACTED]

25X1

25X1

25X1
25X1

B. Maj. Brewer urged members to ask their legislative liaison personnel to help ensure that their Congressional contacts apply proper markings on SCI documents. Mr. Anderson observed that Congress is in the process of learning how to do this properly. He noted a Stilwell report recommendation that Congressional leadership be alerted to security. [REDACTED] commented that CIA has security cognizance for Congress as a non-NFIB agency, and noted that this is an area where the DCI needs to be active. He asked members to be attentive to security issues involving the Congress, and to help ensure that Congressional contacts get the help they need to do the job right and that DCI assistance be requested in cases involving SCI. [REDACTED]

25X1

25X1

SECRET [REDACTED]

25X1

SECRET, [redacted]

25X1

C. [redacted] for the quality of the seminar minutes. He advised that he sent the minutes to his managers for their information. [redacted]

25X1

25X1

D. Mr. Gattozzi advised that Gramm/Rudman/Hollings cuts were having an impact at the Department of Justice. A one-for-three hiring freeze is in effect. [redacted]

25X1

ITEM 6 Next Meeting

The Chairman scheduled the next regular meeting for 10:00 a.m., Wednesday, 12 February 1986, in room 7D32, CIA Headquarters. [redacted]

25X1

25X1

[redacted signature box]

Executive Secretary

SECRET, [redacted]

25X1