

~~CONFIDENTIAL~~

ROUTING AND RECORD SHEET

SUBJECT: (Optional) INFORMATION SECURITY OVERSIGHT OFFICE (ISOO)
ANNUAL REPORT TO THE PRESIDENT

FROM: [Redacted] Agency Security Classification Officer
Office of Information Technology
826 Ames Building [Redacted]

EXTENSION

NO.

DD/A Registry
87-1303x

DATE

18 JUN 1987

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

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

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

19 JUN 1987

1. Executive Assistant to the Deputy Director for Administration
7D18 Hq.

L/19

gr

Attached is the Information Security Oversight Office's (ISOO) FY 86 Annual Report to the President. ISOO's Annual Report is based on classification statistics provided by the Agency and other Executive branch agencies.

2.

3.

DAIRO

23 June 87

cem

4.

CMS (for 201)

24 June 87

PRK

5.

Also attached is a brief summary of ISOO's oversight role and the Agency's FY 86 statistical report to ISOO.

6.

O/DDA/IMO - Joanne for file

24 June 87

JH

Twice annually each Agency office is obliged to count the number of classified documents it produces. This is a laborious and time consuming task for all concerned and I would like to take this opportunity to express my appreciation for the cooperation and support of your office, particularly that of [Redacted]

7.

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[Redacted], ODDA Information Management Officer (IMO). [Redacted]

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13.

14.

15.

25X1

25X1

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INFORMATION SECURITY OVERSIGHT OFFICE (ISOO)
ANNUAL REPORT TO THE PRESIDENT

1. The ISOO Annual Report reports on Executive branch compliance with Executive Order (EO) 12356 - National Security Information. The EO defines the types of information that must be protected by national security classification, the procedures to ensure its protection and, finally, authorizes ISOO to oversee Executive branch compliance. The ISOO Report is based on statistics collected from the Executive branch agencies and ISOO's on-site inspections.

2. The Agency provides ISOO with information on classification related matters, on Mandatory Review requests and on Agency inspections or surveys done in relation to the information security program. The Classification Management Branch (CMB) is responsible for collecting the information and for providing it to ISOO using Standard Form (SF) 311. A brief summary of Agency reporting follows:

a. Sections 5, 6 and 7 of SF 311 concerns the number of persons authorized to make original classification decisions and the number of classified documents created during FY 86. Agency data concerning the number of classified documents created is compiled by taking an actual count of all classified documents produced by the Agency during two one-week periods. Agency Information Management Officers (IMO) are responsible for insuring that all classified documents originated during the two one-week periods are counted. The first count is taken in March and the second count taken in September. The totals from the two counts are combined and projected for the entire year. Using this process, we reported a total of 2,497,456 classified documents originated in the Agency during FY 86. The classification count is the most labor intensive part of the ISOO reporting requirement.

b. Section 8 of SF 311 concerns Mandatory Review (MR) requests. ISOO requires reporting on the number and status of the MR requests received. Most Agency MR requests are from Presidential libraries or from the National Archives and Records Administration (NARA). The Information and Privacy Division is responsible for processing Agency MR requests and for providing CMB with information for inclusion in the Agency's annual report to ISOO.

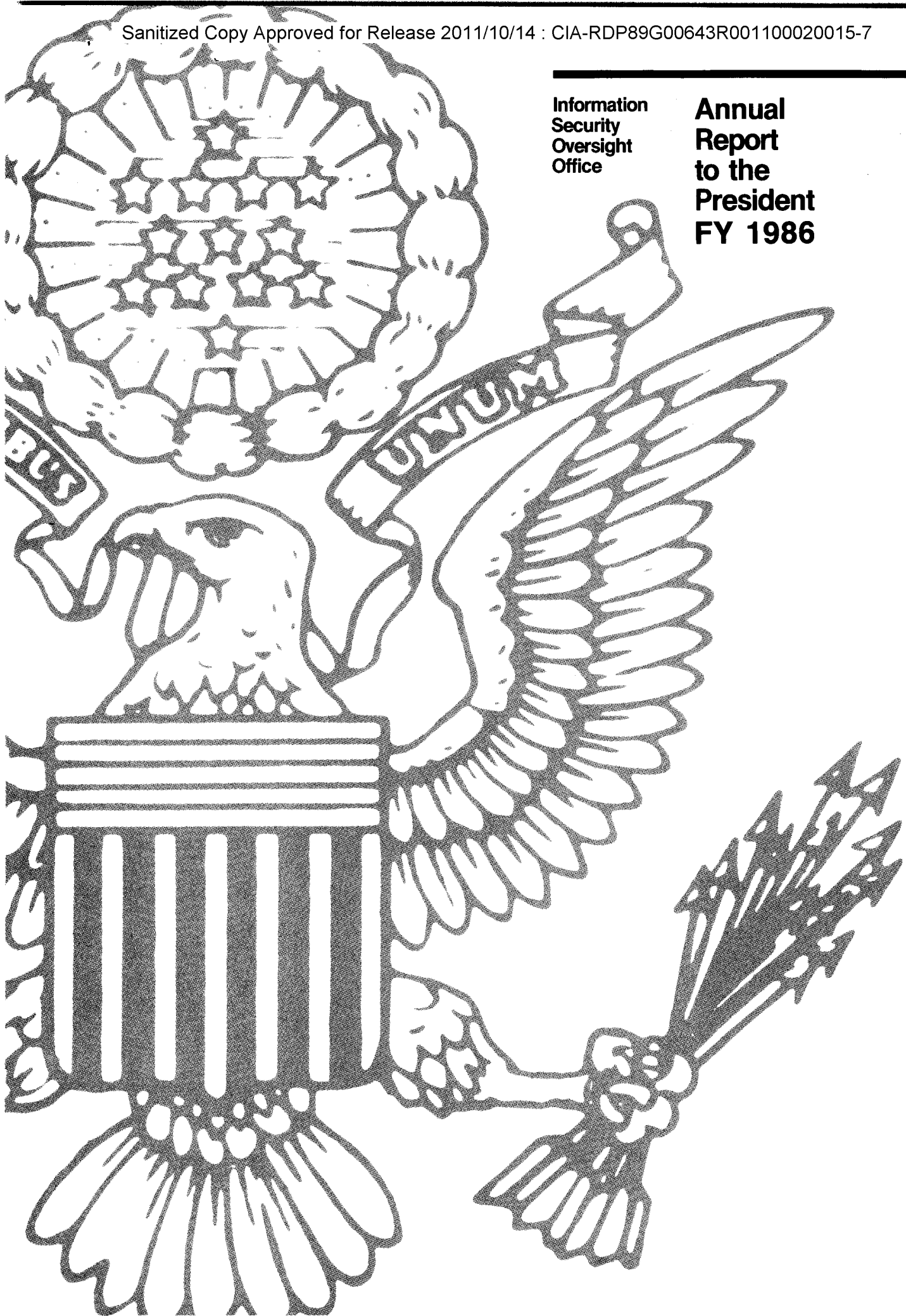
c. Sections 10, 11 and 12 of SF 311 refer to the number of self-inspections and surveys carried out on various aspects of our information security program such as improper storage of classified information or unauthorized access, or improper classifications or classification markings. Agency information provided to ISOO on self-inspections and surveys relates to Office of Security investigations of security violations and overseas security surveys. Information relating to document classification activities is provided by CMB.

AGENCY INFORMATION SECURITY PROGRAM DATA		1. PERIOD COVERED		INTERAGENCY REPORT CONTROL NUMBER								
		A. FROM	B. TO									
2. DEPARTMENT, INDEPENDENT AGENCY OR ESTABLISHMENT STAT Central Intelligence Agency		1 Oct. 85	30 Sep. 86	0230-GSA-AN								
4. SENIOR OFFICIAL (Section 5.3, E.O. 12356) STAT William F. Donnelly		3. CONTACT FOR ADDITIONAL INFORMATION (name, office and telephone no.) Office of Information Services Directorate of Administration										
5. NUMBER OF ORIGINAL CLASSIFICATION AUTHORITIES												
A. TOP SECRET	B. SECRET	C. CONFIDENTIAL	D. TOTAL									
403	1080	11	1494									
6. ADDITIONAL DECLASSIFICATION AUTHORITIES												
A. TOP SECRET	B. SECRET	C. CONFIDENTIAL	D. TOTAL									
0	0	0	0									
7. CLASSIFICATION DECISIONS	ORIGINAL		DERIVATIVE									
	DATE OR EVENT (a)	ORIGINATING AGENCY'S DETERMINATION REQUIRED (O.A.D.R.) (b)	(c)									
A. TOP SECRET	104	11,596	64,428									
B. SECRET	1,586	101,400	2,029,638									
C. CONFIDENTIAL	832	20,150	403,390									
8. MANDATORY REVIEW REQUESTS AND APPEALS	CASES FOR WHICH AGENCY IS RESPONSIBLE FOR FINAL DECISION										CASES CARRIED OVER TO NEXT PERIOD (f)	
	CASES CARRIED OVER FROM PREVIOUS PERIOD (a)	NEW CASES RECEIVED (b)	DECLASSIFICATION DECISIONS (Report in cases, documents, and pages)									
			GRANTED IN FULL (c)			GRANTED IN PART (d)			DENIED (e)			
			CASES	DOCS.	PAGES	CASES	DOCS.	PAGES	CASES	DOCS.		PAGES
A. REQUESTS	123	363	58	122	530	192	3165	11936	83	204	2159	151 *
B. APPEALS	11	19	0	0	0	2	2	30	16	48	203	12
9. SYSTEMATIC REVIEW FOR DECLASSIFICATION (In pages)						10. NUMBER OF FORMAL INSPECTIONS, SURVEYS, OR PROGRAM REVIEWS						
A. REVIEWED			B. DECLASSIFIED			353						
11. NUMBER OF INFRACTIONS INVOLVING												
A. OVERCLASSIFICATION		B. UNDERCLASSIFICATION		C. CLASSIFICATION WITHOUT AUTHORITY				D. MISMARKING				
0		0		0				37				
E. IMPROPER DESTRUCTION	F. UNAUTHORIZED ACCESS	G. IMPROPER STORAGE	H. IMPROPER REPRODUCTION	I. IMPROPER TRANSMISSION	J. OTHER (Elaborate under Item 12)							
0	0	0	0	0	0							
12. REMARKS												

*This figure reflects two completed cases not accounted for under "declassification decisions"; both were cancelled.

Information
Security
Oversight
Office

**Annual
Report
to the
President
FY 1986**



THE WHITE HOUSE
WASHINGTON

April 23, 1987

Dear Mr. Garfinkel:

Thank you for your latest report on the Government-wide information security program established in Executive Order 12356. On many occasions I have stressed the need for vigilance in protecting information essential to our national security, while ensuring that only the information that requires such protection is classified. I am pleased to note the progress we are making in both areas.

I take particular interest in the findings of your special document reviews, especially in the evidence that the problem of overclassification is not as widespread as has been suggested in some quarters. Despite this positive development, I again urge those officials who are authorized classifiers to make every effort not to classify information unless the national security demands it. The integrity of the entire information security program depends upon these efforts.

Once again, I want to express my appreciation to you, your staff, and all the others throughout Government and industry involved in the protection of national security information. With perseverance, the system we have established will continue to meet successfully America's need in this vital area.

Sincerely,

A handwritten signature in cursive script that reads "Ronald Reagan". The signature is written in dark ink and is positioned to the right of the typed name "Ronald Reagan".

Mr. Steven Garfinkel
Director
Information Security Oversight
Office
18th and F Streets, N.W.
Washington, D.C. 20405



March 30, 1987

Dear Mr. President:

I am pleased to submit the Information Security Oversight Office's (ISOO) 1986 Report to the President.

This is ISOO's fourth Report on the system that you established in Executive Order 12356, "National Security Information." By necessity a system that is primarily concerned with protecting our vital secrets, it operates under your firm instruction to limit classification to its necessary minimum. This Report notes many achievements in support of this mandate. Among the reported data are a substantial decrease in the total number of classification actions and a substantial increase in the declassification of historically valuable records.

In addition to the data that ISOO collects from the agencies, for the first time this Report also includes the results of special reviews of classified documents conducted by ISOO's analysts in FY 1986. These reviews provide further evidence of a system that is generally working very well. Just as important, however, they reveal that a little extra effort can eliminate almost all the technical errors that comprise most of the problems that we uncovered.

Throughout the executive branch people are working to meet your goal of enhanced protection for national security information without excessive classification. Your commitment to an effective oversight program offers us the opportunity to have a positive impact upon their efforts.

Respectfully,

A handwritten signature in cursive script that reads "Steven Garfinkel".

Steven Garfinkel
Director

The President
The White House
Washington, DC 20500

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Agency Acronyms or Abbreviations Used in This Report

ACDA	Arms Control and Disarmament Agency	Labor	Department of Labor
AID	Agency for International Development	MMC	Marine Mammal Commission
Air Force	Department of the Air Force	NARA	National Archives and Records Administration
Army	Department of the Army	NASA	National Aeronautics and Space Administration
BIB	Board for International Broadcasting	Navy	Department of the Navy
CEA	Council of Economic Advisers	NLRB	National Labor Relations Board
CIA	Central Intelligence Agency	NRC	Nuclear Regulatory Commission
Commerce	Department of Commerce	NSA	National Security Agency
DARPA	Defense Advanced Research Projects Agency	NSC	National Security Council
DCA	Defense Communications Agency	NSF	National Science Foundation
DCAA	Defense Contract Audit Agency	OA, EOP	Office of Administration, Executive Office of the President
DIA	Defense Intelligence Agency	OJCS	Organization of the Joint Chiefs of Staff
DIS	Defense Investigative Service	OMB	Office of Management and Budget
DLA	Defense Logistics Agency	OMSN	Office for Micronesian Status Negotiations
DMA	Defense Mapping Agency	OPIC	Overseas Private Investment Corporation
DNA	Defense Nuclear Agency	OPM	Office of Personnel Management
DOD	Department of Defense	OSD	Office of the Secretary of Defense
DOE	Department of Energy	OSTP	Office of Science and Technology Policy
DOT	Department of Transportation	OVP	Office of the Vice President
ED	Department of Education	PC	Peace Corps
EPA	Environmental Protection Agency	PFIAB	President's Foreign Intelligence Advisory Board
EXIMBANK	Export-Import Bank	PIOB	President's Intelligence Oversight Board
FBI	Federal Bureau of Investigation	SBA	Small Business Administration
FCA	Farm Credit Administration	SDIO	Strategic Defense Initiative Organization
FCC	Federal Communications Commission	SEC	Securities and Exchange Commission
FEMA	Federal Emergency Management Agency	SSS	Selective Service System
FHLBB	Federal Home Loan Bank Board	State	Department of State
FMC	Federal Maritime Commission	Treasury	Department of the Treasury
FRS	Federal Reserve System	TVA	Tennessee Valley Authority
GSA	General Services Administration	USDA	Department of Agriculture
HHS	Department of Health and Human Services	USIA	United States Information Agency
HUD	Department of Housing and Urban Development	USPS	United States Postal Service
ICC	Interstate Commerce Commission	USTR	Office of the United States Trade Representative
ISOO	Information Security Oversight Office	VA	Veterans Administration
Interior	Department of the Interior		
ITC	International Trade Commission		
Justice	Department of Justice		

Summary of FY 1986 Program Activity

The FY 1986 Report to the President is the fourth to examine the information security program under E.O. 12356. The statistics concerning classification decisions include DOD figures that reflect its use of a revised sampling system introduced in FY 1985. The following data highlight ISOO's findings:

Classification Activities

- The number of original classification authorities decreased significantly to 6,756.
- Original classification decisions increased 6%, to 1,221,110.
- By classification level, 2% of original classification decisions were **Top Secret**, 53% were **Secret**, and 45% were **Confidential**.
- Derivative classification decisions decreased 32%, to 9,548,538.
- The total of all classification actions, 10,769,648, marked a surprising 29% decrease from the prior year.
- Among executive branch agencies, DOD accounted for 68% of all classification decisions; CIA 24%; Justice 5%; State 2%; and all others less than 1%.

Declassification Activities

- Agencies received 4,081 new mandatory review requests.
- Agencies processed 3,991 cases, 10% more than in FY 1985; declassified in full 119,504 pages; and declassified in part 39,911 additional pages.
- Agencies received 497 new mandatory review appeals, 76% more than in FY 1985.
- Agencies acted on 575 appeals, 10% more than in FY 1985, and declassified in whole or in part 46,529 pages in addition to those released in the initial mandatory review process.
- Under the systematic review program, agencies reviewed 16,373,035 pages of historically valuable records, an increase of 57% over FY 1985; and declassified 14,272,268 pages, 76% more than in FY 1985.

Inspections

- Agencies conducted 27,361 self-inspections, a slight decrease from FY 1985.
- Agencies reported 13,812 infractions, 9% fewer than in FY 1985.

Information Security Oversight Office

The Information Security Program FY 1986

Under Executive Order 12356, the Information Security Oversight Office (ISOO) is responsible for monitoring the information security programs of those executive branch activities that create or handle national security information. Originally established by Executive Order 12065, ISOO continues to be the primary oversight organization in the system prescribed by President Reagan's Order of April 2, 1982. In this role, ISOO oversees the information security programs of approximately 65 departments, independent agencies and offices of the executive branch. E.O. 12356 also requires the Director of ISOO to report annually to the President about the ongoing implementation of the Order's provisions. This Report summarizes Government-wide performance during FY 1986, the system's fourth year.

ISOO is an administrative component of the General Services Administration but receives its policy direction from the National Security Council. The Administrator of General Services appoints the ISOO Director, whose appointment must be approved by the President. The ISOO Director appoints the staff, which numbers between 13-15 persons. For FY 1986, ISOO's budget was \$686,000.

ISOO accomplishes its mission through a number of different oversight activities. First, it develops and issues implementing directives and instructions regarding the Order. Second, ISOO conducts on-site inspec-

tions or program reviews of agencies that create or handle national security information. During FY 1986, ISOO analysts also continued to monitor the agencies' implementation of the Classified Information Nondisclosure Agreement, Standard Form 189, prescribed by National Security Decision Directive 84 (NSDD 84), which all cleared personnel must sign as a condition of access to classified information. Appendix B, p. 35, reports on the status of implementation of this requirement by each agency. Third, ISOO gathers, analyzes, and reports statistical data on agencies' programs. Fourth, it evaluates, develops, or disseminates security education materials and programs. Having begun in FY 1986, ISOO is now completing revision of its Information Security Briefing series. Appendix D, p. 39, briefly describes this program. Fifth, ISOO receives and takes action on suggestions, complaints, disputes, and appeals from persons inside or outside the Government on any aspect of the administration of the Order. In this area, ISOO serves as the final appellate authority for the mandatory declassification review of presidential materials. Sixth, it conducts special studies on identified or potential problem areas and on programs to improve the system. During FY 1986, ISOO conducted special document reviews of the major classifying agencies in addition to its regular inspections. Appendix A, p. 28, reports the cumulative results of these

reviews. Also in FY 1986, ISOO continued its program to develop and issue standard forms to promote uniform implementation of the Order, and to reduce Government costs by eliminating unnecessary duplication. Appendix C, p. 36, describes the standardized forms that ISOO has issued to date. Seventh, ISOO maintains continuous liaison with monitored agencies on all matters relating to the information security system. This Report is based upon program reviews and inspections conducted by the ISOO staff and the compilation and analysis of statistical data regarding each agency's program activity.

Program Reviews and Inspections

ISOO's program analysts serve as liaison to specific agencies to facilitate coordination and to provide for continuity of oversight operations. The analysts must stay abreast of relevant activities within each agency's information security program; coordinate with assigned agency counterparts on a continuing basis; and conduct formal inspections of the agency's program in accordance with a planned annual inspection schedule. These inspections may include visits to selected field activities as well as offices in the Washington metropolitan area.

These on-site surveys encompass all aspects of the information security program, including classification, declassification,

safeguarding, security education, and administration. The inspections include detailed interviews with agency security personnel, classifiers, and handlers of national security information. To the extent possible, ISOO analysts review a sampling of classified information in the agency's inventory to examine the propriety of classification, the existence of necessary security markings and declassification instructions, and compliance with safeguarding procedures. ISOO analysts also monitor security training programs to determine if the agencies adequately educate personnel about classifying, declassifying, marking, and safeguarding national security information. When weaknesses in an agency's program are identified, ISOO analysts recommend corrections, either on-the-spot or as part of a formal inspection report. Critical reports require immediate remedial attention by the agency prior to a follow-up inspection by ISOO. These inspections provide specific indicators of agency compliance or noncompliance with E.O. 12356 that are not apparent simply from the analysis of statistical data.

Statistical Reporting

To gather relevant statistical data regarding each agency's information security program, ISOO developed the Standard Form 311, which requires each agency to report annually the following information:

1. The number of original classification authorities;
2. the number of declassification authorities;
3. the number of original classification decisions, including the classification level of those

decisions and the duration of classification;

4. the number of derivative classification decisions by classification level;
5. the number of requests received for mandatory review for declassification and agency actions in response to these requests in terms of cases, documents, and pages;
6. the number of pages of national security information reviewed during the year under systematic declassification procedures and the number declassified;
7. the number of formal self-inspections conducted by the agency; and
8. the number of security infractions detected by the agency within its own program.

Use of Sampling Systems

The statistics reflected in this Report cover the period October 1, 1985, through September 30, 1986. For most of the agencies that ISOO monitors, the statistics reported each year are based on an actual count in each category. Because of the enormous volume of classification activity in some of the larger agencies, they must calculate their classification actions on the basis of approved sampling systems. All other data, including classification authorities, declassification actions, self-inspections, and infractions, are based on actual counts for all agencies.

The sampling system originally developed by DOD, and in use since ISOO began collecting program activity statistics, was based entirely on electronically transmitted message traffic. DOD then extrapolated the data regarding electronically transmit-

ted messages in an effort to estimate classification data for other types of documentation. At the time, it was believed to be the only feasible means for DOD to sample its classification activity. Although ISOO approved the message traffic system, ISOO and DOD were never satisfied that it was producing the most accurate data, except to the extent that a year by year analysis permitted the observation of trends.

To improve the accuracy of its classification statistics, DOD agreed to develop a revised sampling system that would produce more reliable data. The revised method varies considerably from the prior one. First, the sample is no longer based exclusively on message traffic data. It includes all other documentary types, such as letters, memoranda, and reports. Second, the totals are based on data supplied from a greater number of DOD components, including all of the major activities of the military departments, the DIA, and NSA. The revised method requires the DOD activities to count classification actions over a one week period. The numbers obtained are then multiplied by 52. Appendix A to last year's ISOO Report to the President described the revised sampling system in greater detail.

FY 1985 was the year of transition for DOD. It utilized both sampling systems in reporting its statistics to ISOO. In the body of its FY 1985 Report, ISOO utilized the figures provided by the old message traffic sampling system. This was done to allow for more meaningful comparisons with DOD's classification data from prior years. However, at that time, ISOO indicated its intention to use the data provided by the revised system in future reports, because they provide more accurate num-

bers. For this reason, the classification data in this Report include those provided by DOD's new sampling method. As a result, the accompanying exhibits on Government-wide classification activity contain comparisons for FY 1985 and FY 1986 only, since they are the only years for which comparable data are available. The remainder of the exhibits, relating to classification authorities, declassification activities, self-inspections, and infractions, usually include data from earlier years as well.

To refine further the reporting system for FY 1986, ISOO recommended that DOD and CIA conduct their sampling of classification activity on more than one

occasion during the year. Both agencies agreed to do so in FY 1986, and sampled their classification activity for two separate weeks at different times of the year. In the past, ISOO had expressed concern that relying exclusively on a one week period may have resulted in skewed numbers. For example, during one year, the week selected might be unusually slow in terms of the volume of classified information generated. Thus, the numbers reported would be too low. On the other hand, the week selected another year might occur during a crisis, and result in unrealistically high figures.

Original Classification Authorities Decrease Significantly (Exhibits 1 and 2)

Original classifiers are those individuals designated in writing, either by the President or by selected agency heads, to classify information in the first instance. During FY 1986, partly in response to ISOO's continuing entreaties to keep them to a minimum, the agencies decreased the number of individuals with original classification authority. Limiting the number of original classifiers may have a significant impact on controlling the volume of overall classification activity. ISOO will continue to impress upon agencies the importance of regular surveys of their original classifiers.

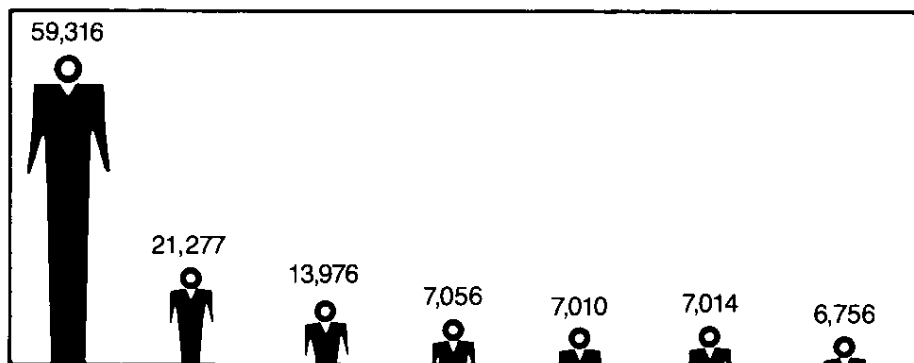
The number of executive branch employees authorized to classify originally has decreased dramatically since FY 1971, when the figure was 59,316. In FY 1986, there were 6,756 individuals with original classification authority. This is also considerably less than the total of 7,014 reported in FY 1985; in fact, it represents the

ORIGINAL CLASSIFIERS

Exhibit 1

FY 1971 - 1986

E.O. 10501 E.O. 11652 E.O. 12065 E.O. 12356
 1971 1972 1976 1982 1983 1985 1986



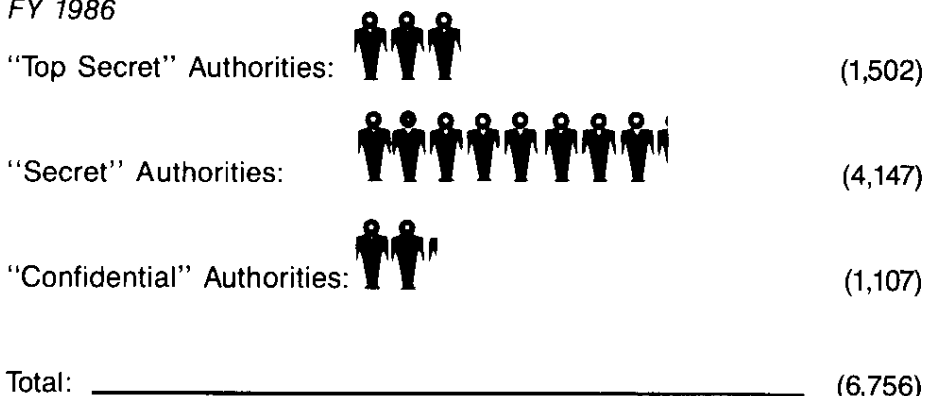
fewest number of original classifiers since ISOO began collecting such data. ISOO commends the four agencies which primarily account for the reduction. They are CIA, DOD, DOE, and NRC. Their decreases more than offset increases at several other agencies.

ISOO's FY 1985 Report expressed concern about the increased number of original classification authorities over FY 1984, especially at the **Top Secret** level. In FY 1986, improvements were achieved at all levels, with **Top Secret**, **Secret** and **Confidential** authorities decreasing by 4%, 3%, and 5%, respectively. Although some of the major classifying agencies have significantly reduced their authorities, ISOO will continue to encourage each to make a concerted effort to reduce further the number of original classifiers. This is especially true for those agencies reporting increases in FY 1986. In its program reviews, ISOO will ask those agencies to justify these increases or to reverse them. ISOO continues to believe that some designations are based solely on the purported prestige of being an original classification authority. This will always be an unacceptable basis.

ORIGINAL CLASSIFIERS BY LEVEL

Exhibit 2

FY 1986



= 500 Authorities

Original Classification Decisions Increase Modestly (Exhibits 3 through 7)

Original classification is an initial determination by an authorized classifier that information requires protection against unauthorized disclosure in the interest of national security. This process includes both the determination of the need to protect the information and the placement of markings to identify the information as classified. The act of classifying information originally is the prelude to all other aspects of the information security system.

Therefore, the number of original classification decisions is probably the most important statistic reported by ISOO. Because ISOO now includes the data derived from DOD's revised sampling system, it can compare only the classification data for FY 1985 and FY 1986. Comparable numbers are not available for prior years.

In FY 1986, the number of original classification decisions rose by 73,757 (+6%), to 1,221,110. A comparison of classification activity at each level between FY 1985 and FY 1986 shows that the number of **Top Secret** actions decreased by 17,118 (-41%), to 24,207; **Secret** actions rose by 72,918 (+13%), to 652,290; and **Confidential** actions increased by 17,957 (+3%), to 544,613.

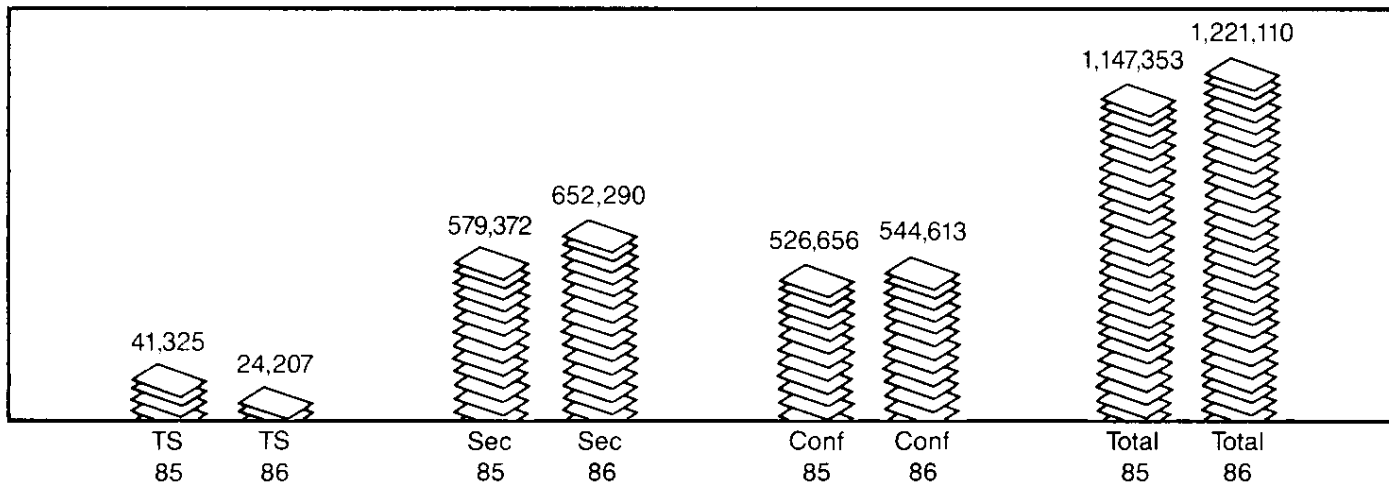
Although the agencies demonstrated a concerted effort to reduce the number of original **Top Secret** actions, the continuing increase in **Secret** actions is one indicator of a trend that has developed to protect more classified information at this level. Last year ISOO stated that it would watch carefully to ensure that any such movement was justified. Accordingly, during FY 1986, ISOO initi-

ated a special document review program to examine, among other areas, how agencies are complying with proper classification principles. Appendix A, p. 28, contains more detailed information on these document reviews. Although these reviews provide evidence that the classification process is generally working well, they confirm that classifiers are assigning the **Secret** level more frequently each year. In part, this appears to result from a lack of confidence by classifiers in the **Confidential** level. The **Secret** level also appears to offer the comfortable "middle ground" in making a classification assignment. ISOO will continue to monitor this area closely.

ORIGINAL CLASSIFICATION ACTIVITY

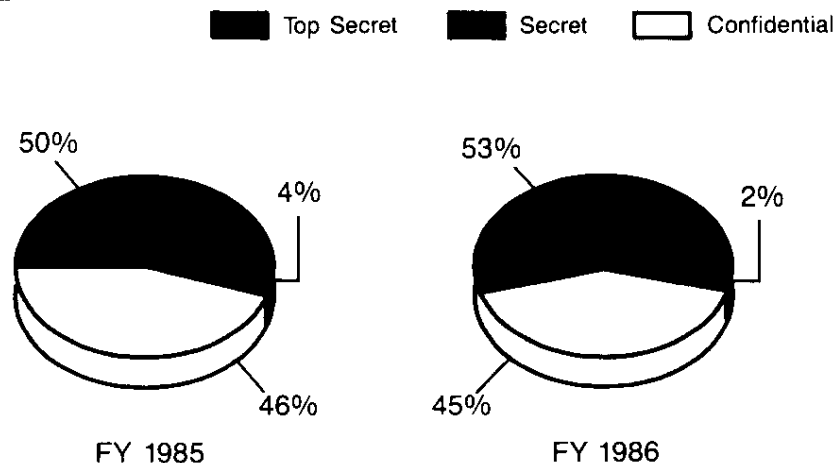
Exhibit 3

FY 1985 - 1986



ORIGINAL CLASSIFICATION LEVEL ASSIGNMENTS

Exhibit 4



A comparison of original classification level assignments between FY 1985 and FY 1986 shows that the relative percentages remained nearly constant. In FY 1985, 4% of the agencies' original classification actions were **Top Secret**; 50% were **Secret**; and 46% were **Confidential**. During FY 1986, the percentage of **Top Secret** actions decreased to 2%; **Secret** increased to 53%; and **Confidential** decreased to 45%. The significant decrease in original **Top Secret** decisions is made more important by the surprisingly high number of **Top Secret** derivative actions reported below. If both original and derivative **Top Secret** actions had increased significantly, it would strongly indicate a trend in that direction. However, the reported decrease in original **Top Secret** decisions is one indicator that suggests that this year's derivative **Top Secret** numbers are in all likelihood a statistical aberration. This would be consistent with all other evidence available to ISOO regarding the distribution of classification level assignments.

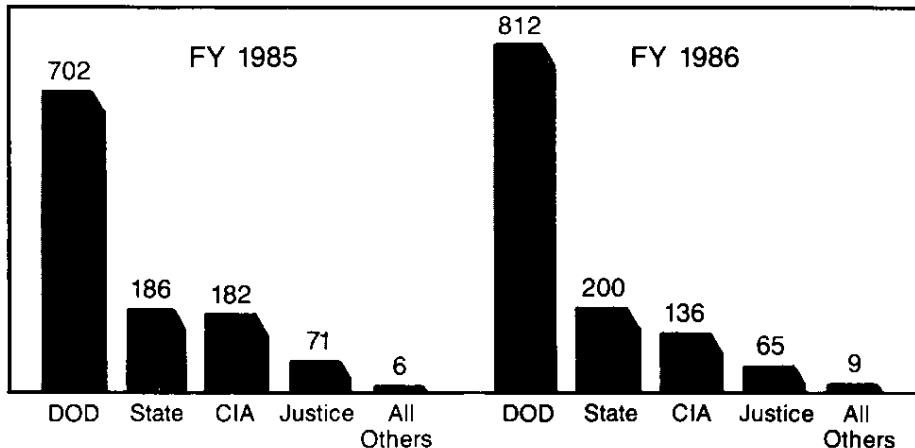
A comparison of the data of each of the major original classifying agencies indicates that DOD and State registered increases in FY 1986, while CIA and Justice reported decreased activity. DOD reported 812,058 original decisions (+16%) in FY 1986. State's actions increased by 14,124 (+8%), to 199,844. The CIA reported a large decrease in the number of original classification decisions during FY 1986, from

181,688, to 135,668 (-25%). Justice also reported decreased original classification activity for FY 1986. The 65,022 actions are 9% fewer than for FY 1985. Among the agencies with more modest levels of classification activity, ISOO commends the following for achieving substantial reductions in original classification: AID (-67%); NRC (-80%); and Treasury (-6%).

ORIGINAL CLASSIFICATION ACTIVITY BY AGENCY

Exhibit 5

FY 1985 - 1986
In Thousands



Consistent with prior years, the same four agencies account for approximately 99% of the original classification decisions within the executive branch. In FY 1986, DOD accounted for 67%; State 16%; CIA 11%; and Justice 5%.

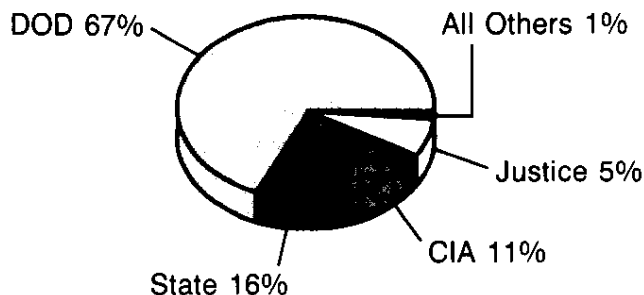
As part of the original classification process, the classifier must determine a time frame for the protection of the information. This is commonly referred to as the "duration" of classification. E.O. 12356 provides classifiers with two means of designating declassification instructions for national security information. First, the information may be marked for declassification upon a specific date or event. For example, a classifier may determine that the information's sensitivity will cease upon the completion of a particular project. That event would be noted on the face of the document. Only if a specific date or event cannot be determined at the time of classification does the classifier mark the document with the notation "Originating Agency's Determination Required" ("OADR"). "OADR" indicates that the information must be reviewed by the originating agency before any declassification action is taken.

For FY 1986, using the new sampling method, DOD reported that 18% of the documents it originally classified contained a date or event for declassification, down from 22% in FY 1985. As a result, the overall rate within the executive branch decreased from 15% in FY 1985, to 13% in FY 1986. Despite the lower figure reported by DOD, it continues to lead the major agencies in the proportion of items assigned a date or event for declassification. Agencies improving their rate during the year include the CIA (1% in FY 1985, to 2% in FY 1986); Justice (0.4% in FY 1985, to 1% in

ORIGINAL CLASSIFICATION ACTIVITY MAJOR AGENCIES

Exhibit 6

FY 1986



FY 1986); and Treasury (9% in FY 1985, to 15% in FY 1986). State's rate decreased from 8% in FY 1985, to 6% in FY 1986.

During the course of their on-site inspections and the special document reviews, ISOO analysts have observed a number of documents marked "OADR" that could have specified a date or event for declassification. For example, they have seen a number of visit itineraries, sensitive only for the duration of the visit, marked "OADR." ISOO remains con-

vinced that this is an area in which improvements are achievable. It will continue to press agencies to use a date or event whenever possible, since automatic declassification instructions can result in substantial savings to the Government in terms of the resources needed to maintain sufficient declassification programs, and in terms of the costs associated with the safeguarding of classified information for unnecessarily long periods of time.

ORIGINAL CLASSIFICATION/ DECLASSIFICATION ASSIGNMENTS

Exhibit 7

FY 1986

Agency	% Assigned Date or Event for Declassification	% OADR (Must be Reviewed Before Declassification)	% "TS"	% "S"	% "C"
DOD	18	82	1	55	44
CIA	2	98	9	76	15
State	6	94	0	22	78
Justice	1	99	6	84	10
Treasury	15	85	1	6	93
All Others	5	95	2	23	75
Totals	13%	87%	2%	53%	45%

Derivative Classification Decreases Substantially (Exhibits 8 through 11)

Derivative classification is the act of incorporating, paraphrasing, restating or generating in new form classified source information. Information may be derivatively classified in two ways: (a) through the use of a source document, usually correspondence or publications generated by an original classification authority; or (b) through the use of a classification guide. Only executive branch or Government contractor employees with the appropriate security clearance who are required by their work to restate classified source information may classify derivatively.

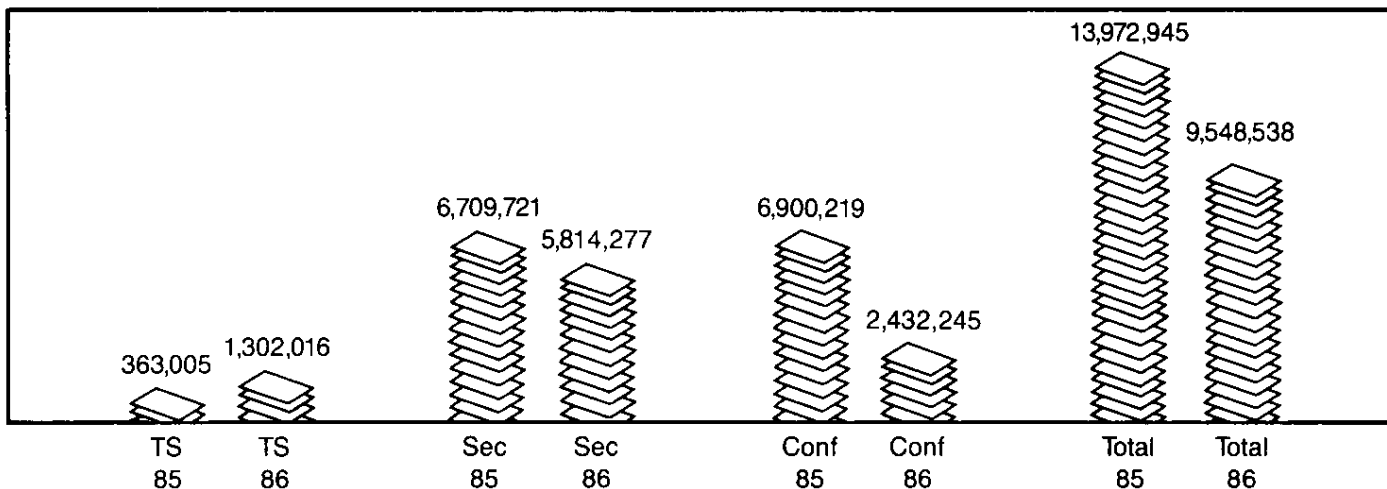
For FY 1986, executive branch agencies reported making 9,548,538 derivative classification decisions. This figure represents a tremendous decrease of 4,424,407 fewer (-32%) derivative classification decisions than in FY 1985. It also represents the first time since ISOO has been collecting, analyzing, and reporting classification data that the number of derivative decisions has decreased from one year to the next. While ISOO is not surprised that the number of classification decisions did not increase from FY 1985 to FY 1986, the amount of the decrease is very

surprising. Equally surprising is the reported number of **Top Secret** derivative decisions. While reported **Secret** derivative decisions decreased by 895,444 actions (-13%), and reported **Confidential** derivative decisions decreased by an enormous 4,467,974 actions (-65%), the number of reported **Top Secret** derivative actions rose by 939,011 actions (+259%). As a result, **Top Secret** actions comprised an unprecedented 14% of all derivative actions reported for FY 1986.

DERIVATIVE CLASSIFICATION ACTIVITY

Exhibit 8

FY 1985 - 1986



ISOO strongly suspects that both the huge decrease in derivative actions and the increased percentage of **Top Secret** derivative actions are statistical aberrations. Both are primarily the result of the large variation in the numbers reported by DOD from FY 1985 to FY 1986. DOD is unable to cite any specific reason related to its classified programs that accounts for these changes. However, these are the first two years of the revised DOD sampling system. Given the magnitude of DOD's world-wide operations, the successful implementation of this system is a mammoth task. ISOO believes that variations of this dimension are very likely to disappear as the improved sampling system is better established over time.

While ISOO cannot recalculate through alternative means the amount of classification activity that takes place in a given year, it does have alternative means to estimate the breakdown in classification activity among classification levels. No other indicator in this or any other year has ever suggested a percentage of **Top Secret** actions that comes even close to that reported for derivative actions in FY 1986. For example, ISOO's special document reviews in FY 1986 (see Appendix A, p.28) revealed a **Top Secret** rate of less than 7%, even though the reviews concentrated on activities that would be expected to produce a higher than average proportion of **Top Secret** actions. Therefore, ISOO assumes that the number of **Top Secret** derivative actions reported for FY 1986 largely overstates their actual number. It also assumes that in future years this percentage will return to a figure between 2% and 5%.

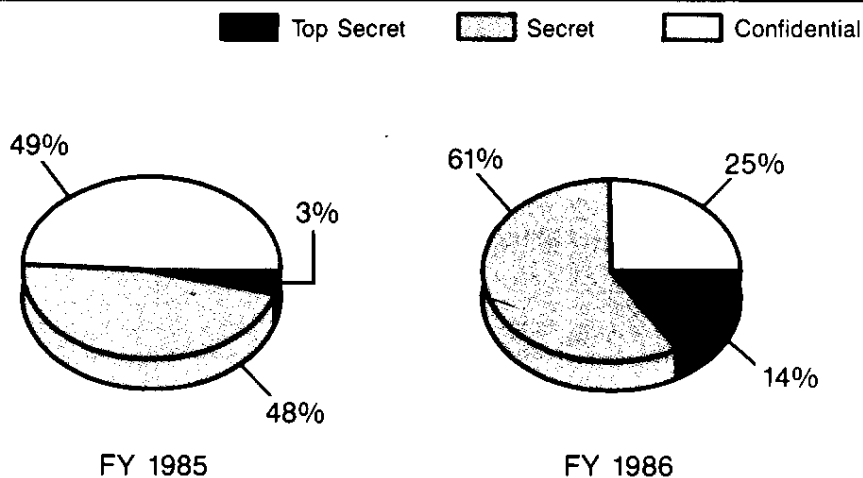
Despite the enormous drop in the number of derivative **Confidential** decisions, which also is a result of the figure reported by DOD, ISOO does not assume that this is as obvious a statistical aberration. All other indicators now available to ISOO suggest that **Confidential** decisions account for between 30% and 40% of the total. While the reported figure of 25% **Confidential** derivative actions seems quite low, it is not as abnormal as the reported number of **Top Secret** derivative actions.

Because ISOO has no means available to recalculate the

number of classification actions, it cannot state with certainty the comparative accuracy of the disparate figures in derivative classification reported by DOD in FY 1985 and FY 1986, respectively. It suspects, however, that the actual number may be somewhere in between the two. Alternatively, the figure reported for FY 1985 was skewed by an unusually high level of derivative classification activity during the week sampled, or the figure reported for FY 1986 was skewed by an unusually low level of derivative classification activity during the two weeks sampled.

DERIVATIVE CLASSIFICATION LEVEL ASSIGNMENTS

Exhibit 9



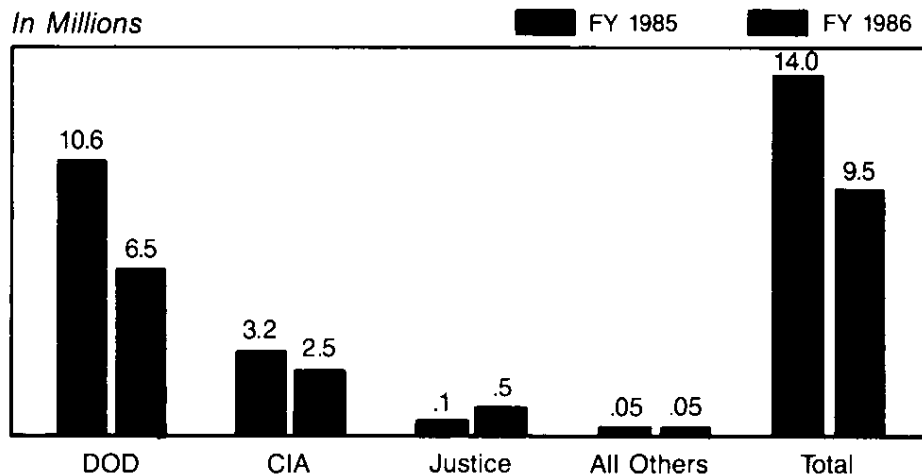
For FY 1986, DOD reported 6,516,146 derivative decisions, over 4 million fewer (-38%), than the number reported in FY 1985. CIA also reported a significant drop in derivative classification activity, from 3.25 million to 2.5 million (-23%). While applauding both agencies for their sincere efforts to control classification activity, ISOO also believes that these decreases resulted in part from improved sampling systems. DOD's situation is discussed above. In CIA's case, the agency conducted its sampling over two separate time periods rather than one, as it had done in the past. This lessened the possibility that the numbers would be skewed by unusual classification activity in one sampling period.

DOD's and CIA's reported decreases more than offset a large increase in derivative classification activity reported by Justice, from 108,930 actions in FY 1985, to 487,879 actions in FY 1986 (+348%). Again, however, this large variation appears to result from a change in the sampling system used to collect

DERIVATIVE CLASSIFICATION ACTIVITY BY AGENCY

Exhibit 10

FY 1985 - 1986
In Millions



the data to be reported to ISOO. Here the change took place at the FBI, which accounts for most of the classification activity within Justice. In prior years, the FBI took an actual count of its Headquarters classification activity over a one week period and multiplied that figure by 52. Headquarters then estimated the

amount of additional classification that took place in FBI Field Offices, and added that to the Headquarters total. In FY 1986, both Headquarters and the Field Offices conducted an actual count over a one week period and multiplied this amount by 52. It turned out that the FBI Field Offices account for a far greater number of derivative actions than was previously estimated.

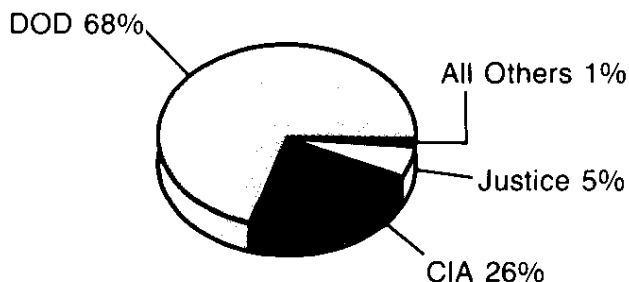
Among the agencies with more modest levels of classification activity, ISOO commends the following for achieving significant reductions in derivative classification: ACDA (-70%); NSC (-12%); Treasury (-35%); USDA (-26%); and USPS (-44%).

Once again, DOD and CIA account for the overwhelming number of derivative actions within the executive branch, 68% and 26%, respectively. With its reported increase in derivative activity, Justice now accounts for 5% of the total. All other agencies reported 47,057 derivative actions, less than 1% of the total.

DERIVATIVE CLASSIFICATION ACTIVITY MAJOR AGENCIES

Exhibit 11

FY 1986



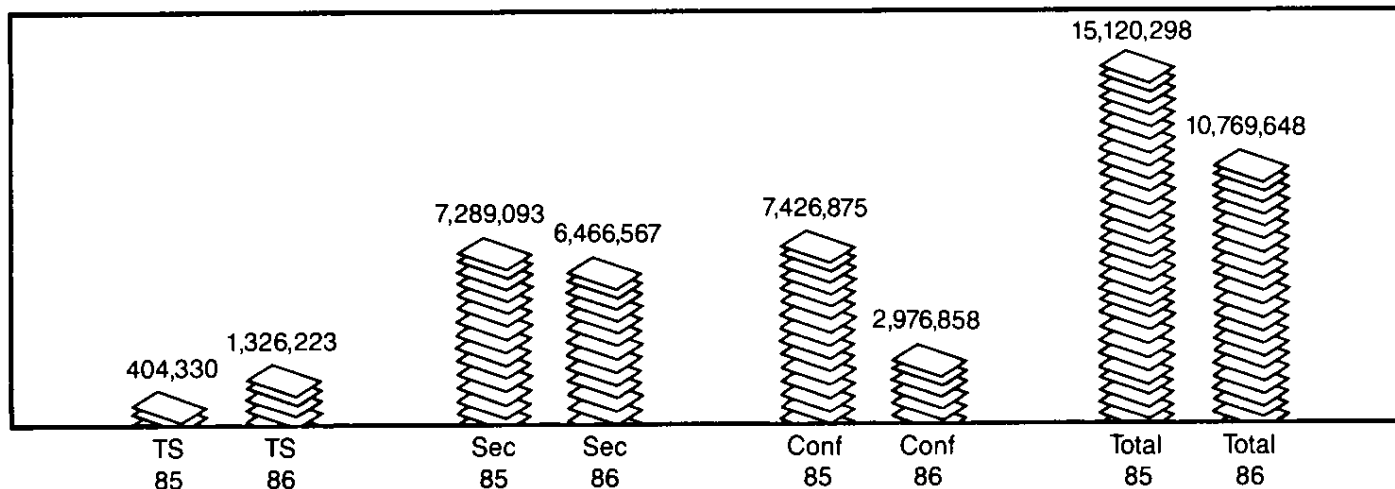
Combined Classification Activity Decreases Significantly (Exhibits 12 through 15)

For FY 1986, the number of original and derivative classification decisions combined was 10,769,648. This represents a decrease of 4,350,650 actions (−29%) from FY 1985. The decrease is based, of course, on the tremendous decrease in derivative actions discussed above. By classification level, the number of combined **Top Secret** actions increased from 404,330, to 1,326,223 (+228%); the number of **Secret** actions decreased from 7,289,093, to 6,466,567 (−13%); and the number of **Confidential** actions decreased from 7,426,875, to 2,976,858 (−60%). Again, the significant changes in the **Top Secret** and **Confidential** levels are the result of those for derivative classification, also discussed above.

COMBINED CLASSIFICATION ACTIVITY

Exhibit 12

FY 1985–1986

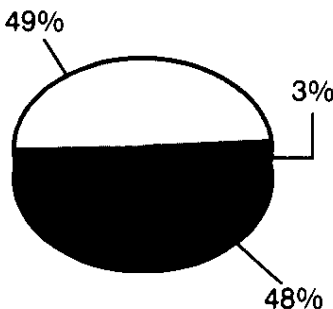


For FY 1986, the breakdown of combined classification by classification level is **Top Secret**, 12%; **Secret**, 60%; and **Confidential**, 28%. As discussed in the section on derivative classification, above, ISOO believes that these proportions probably differ from what would be revealed if an item by item breakdown were possible. All other indicators suggest that the actual percentage of **Top Secret** actions is between 2% and 5%, and the number of **Confidential** actions is between 30% and 40%.

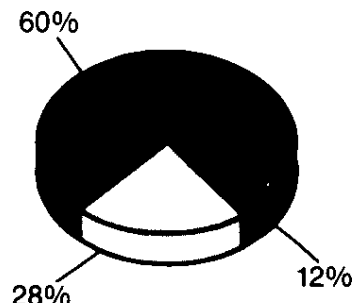
COMBINED CLASSIFICATION LEVEL ASSIGNMENTS

Exhibit 13

Top Secret
 Secret
 Confidential



FY 1985



FY 1986

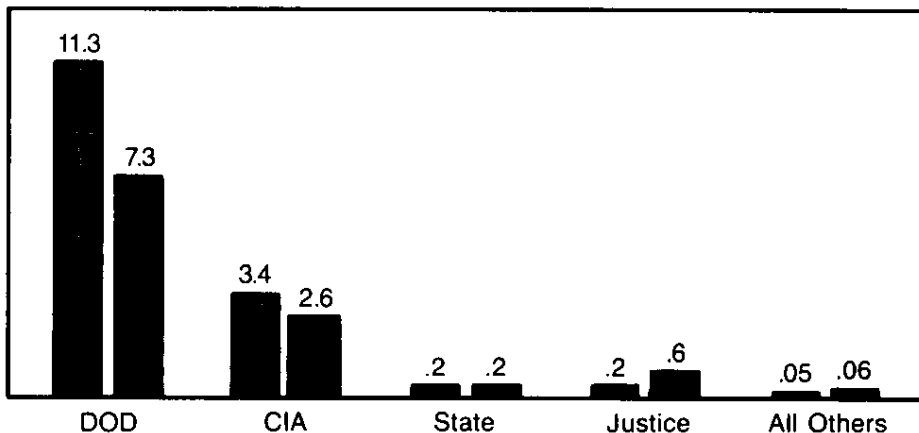
COMBINED CLASSIFICATION ACTIVITY BY AGENCY

Exhibit 14

FY 1985 - 1986

In Millions

FY 1985
 FY 1986



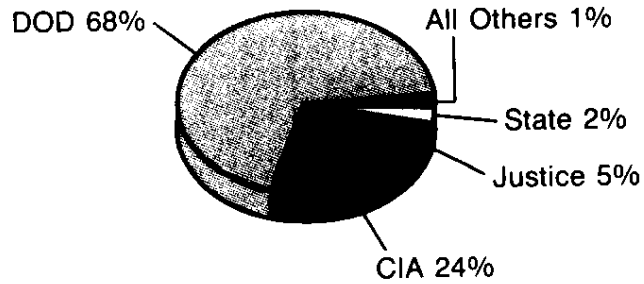
The overall decrease in combined classification activity reported for FY 1986 reflects the significant decreases reported by the classification arena's two largest players, DOD and CIA. The CIA reported decreases in both original and derivative actions. DOD's large decrease in derivative actions dwarfed its reported increase in original actions. The significant decreases in classification activity at DOD and CIA more than offset the large increase in reported actions by Justice, and the modest increase reported by State.

As has been true in all other ISOO reporting periods, four agencies account for over 99% of the combined classification activity in FY 1986: DOD, 68%; CIA, 24%; Justice, 5%; and State, 2%. Of the 10,769,648 reported classification decisions, all other agencies reported that they made a mere 55,575 of them.

COMBINED CLASSIFICATION ACTIVITY MAJOR AGENCIES

Exhibit 15

FY 1986



CROCK RECHIN & WILDER



CROCK by Bill Rechin and Don Wilder
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Mandatory Review Remains Strong (Exhibits 16 through 21)

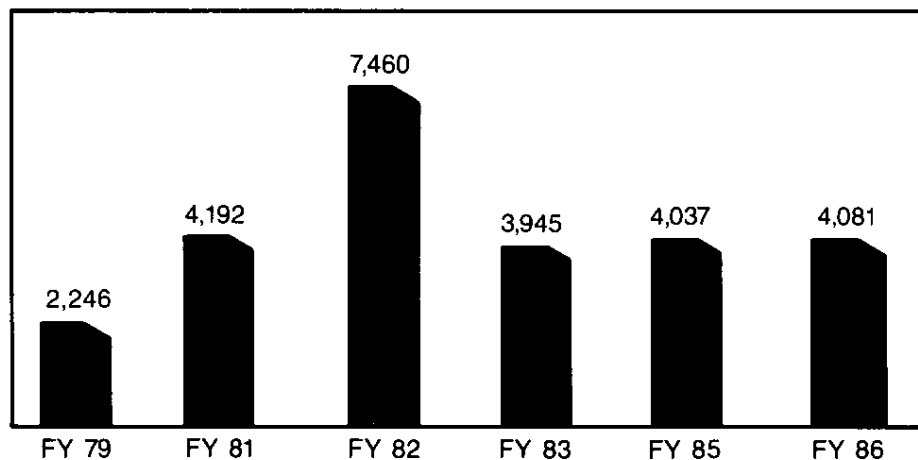
Under E.O. 12356, the mandatory review process allows agencies or citizens to require an agency to review specified national security information for purposes of seeking its declassification. These requests must be in writing and must describe the information with sufficient detail to permit the agency to retrieve it with a reasonable amount of effort. Mandatory review remains popular with some researchers as a less contentious alternative to Freedom of Information Act requests. It is also used to seek the declassification of presidential papers or records, which are not subject to the Freedom of Information Act.

The number of mandatory review requests received in FY 1986 increased by 44, to 4,081. Agencies experiencing large increases include ACDA, CIA, and NSC. When the 1,946 cases

MANDATORY REVIEW REQUESTS RECEIVED

Exhibit 16

FY 1979 - 1986



carried forward from the prior year are added to the new cases received, agencies had a total caseload of 6,027, during FY 1986. This compares to a caseload

of 5,560, during FY 1985. In FY 1986, agencies acted on 3,991 cases, 10% more than in FY 1985.

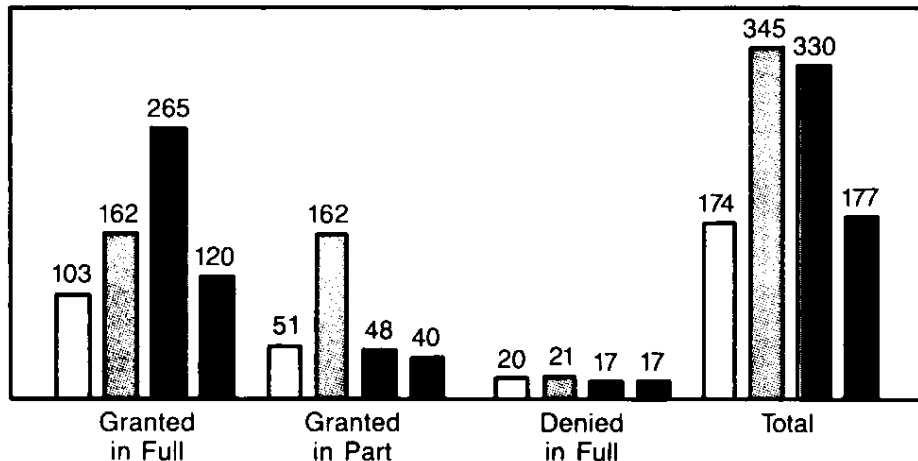
MANDATORY REVIEW PAGES PROCESSED

Exhibit 17

FY 1983 - 1986

In Thousands

Legend: FY 1983 FY 1984 FY 1985 FY 1986



Since FY 1983, ISOO has collected data on agency actions in response to mandatory review requests in terms of cases, documents, and pages. The 3,991 cases processed during FY 1986 comprised 57,674 documents totaling 176,563 pages. The number of pages processed under mandatory review was 153,382 fewer than in FY 1985.

Of the 3,991 cases completed in FY 1986, 1,952 were granted in full, 1,582 were granted in part, and 457 were denied in full. These totals are consistent with the favorable results in prior years.

Of the 57,674 documents acted on in FY 1986, 49,056 were granted in full, 6,188 were granted in part, and 2,430 were denied in full. As a percentage of the total, agencies granted in full 85% of the documents, granted in part 11%, and denied in full 4%.

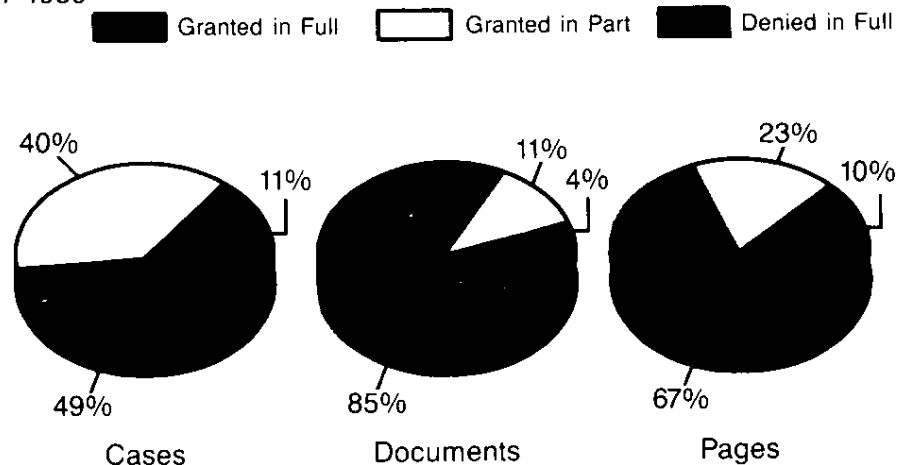
Although the percentage of documents declassified in whole or in part (96%) is down slightly from FY 1985, its magnitude emphasizes the continued vitality of the mandatory review program.

Of the 176,563 pages processed, 119,504 (67%) were granted in full, 39,911 (23%) were granted in part, and 17,148 (10%) were denied in full. Again, although the percentage of pages declassified in whole or in part (90%) is down slightly from

MANDATORY REVIEW ACTION TAKEN

Exhibit 18

FY 1986



FY 1985, mandatory review remains a highly successful mechanism for the declassification of information.

MANDATORY REVIEW ACTIONS BY AGENCY

Exhibit 19

FY 1986

Agency	Total Cases Acted On	% Granted in Full	% Granted in Part	% Denied in Full
State	1152	45	45	10
NSC	747	37	58	5
DOD	628	59	22	18
NARA	527	50	35	15
Justice	409	90	7	3
CIA	333	17	58	25
All Others	195	52	43	5
Totals	3,991	49%	40%	11%

The sharp decline in the number of pages reviewed in FY 1986 is attributable to a reduced workload at DOD. During the year, it received 114 fewer cases (-15%), and acted on 214,645 fewer pages than in FY 1985. Additionally, several requests in FY 1985 involved a large quantity of cables, which are generally easier to review and declassify than the more substantive classified reports and memoranda. ISOO commends the several agencies that processed considerably more pages in FY 1986, than in FY 1985. These include NARA (+43,406), NSC (+5,966), and State (+9,173).

Requesters may also appeal mandatory review denials to officials of the denying agencies, or, with respect to classified presidential materials, to the ISOO Director. During FY 1986, agencies received 497 new appeals, 215 (+76%) more than in FY 1985. When these are added to the 539 carried over from the previous year, agencies had an appeals' caseload of 1,036. Of these, agencies completed 575 in FY 1986. This represents a 10% improvement over FY 1985, and a 30% improvement over FY 1984. As in FY 1985, Justice was the agency primarily responsible for the improved figure in FY 1986.

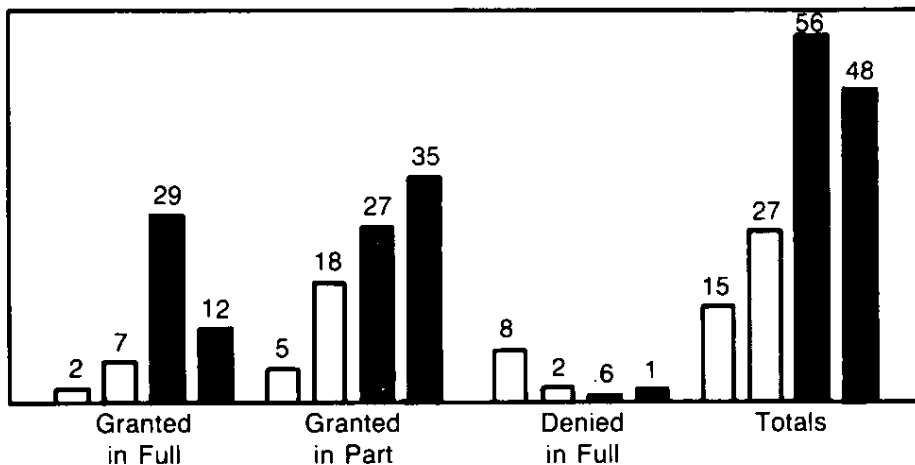
MANDATORY REVIEW APPEALS PAGES PROCESSED

Exhibit 20

FY 1983 - 1986

In Thousands

FY 1983
 FY 1984
 FY 1985
 FY 1986



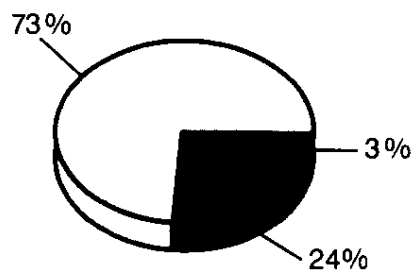
MANDATORY REVIEW APPEALS WORKLOAD IN PAGES

Exhibit 21

FY 1986

Granted in Full
 Granted in Part
 Denied in Full

Total of 47,995 Pages Processed



Of the 575 appeals completed, 177 (31%) were granted in full, 334 (58%) were granted in part, and 64 (11%) were denied in full. These appeals totaled 11,166 documents and 47,995 pages. Of the documents reviewed on appeal, 3,294 (29%) were released in full, 7,663 (69%) were released in part, and only 209 (2%) were denied in full. Of the 47,995 pages reviewed, 11,429 (24%) were declassified in full, 35,100 (73%) were declassified in part, and only 1,466 (3%) remained fully classified. These impressive numbers suggest that researchers can anticipate even greater returns in declassified information if they pursue the mandatory review appeal process.

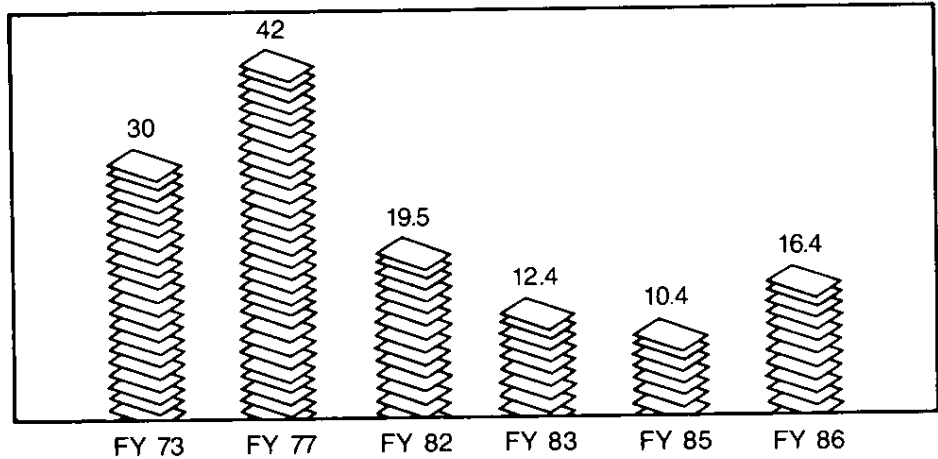
**Systematic Review Results
Encouraging
(Exhibits 22 through 24)**

“Systematic review for declassification” is the program, first introduced in 1972, in which classified, permanently valuable (archival) records are reviewed for purposes of declassification after the records reach a specific age. Under E.O. 12356, NARA is required to conduct a systematic review of its classified holdings as they become 30 years old, except for certain intelligence or cryptologic file series, which are to be reviewed as they become 50 years old. While other agencies are not required to conduct a systematic review program, ISOO encourages them to do so if resources are available.

**SYSTEMATIC REVIEW FOR
DECLASSIFICATION
PAGES REVIEWED**

Exhibit 22

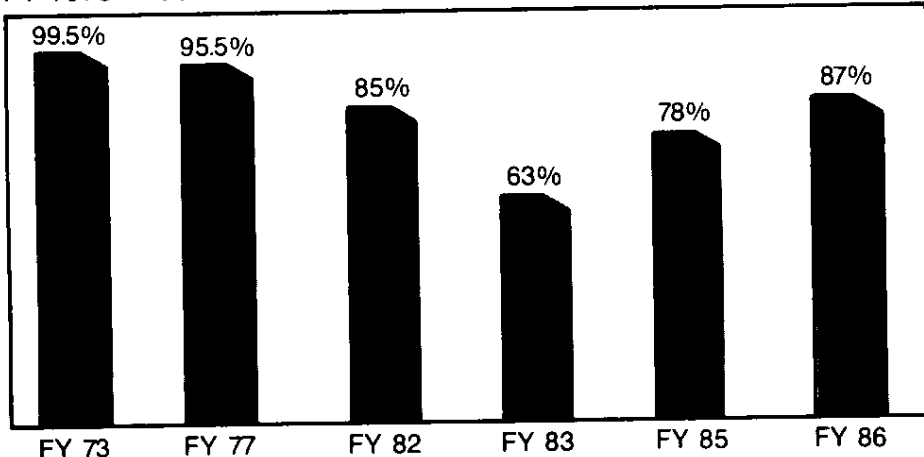
*FY 1973 – 1986
In Millions*



**SYSTEMATIC REVIEW FOR
DECLASSIFICATION
PERCENTAGE OF PAGES DECLASSIFIED**

Exhibit 23

FY 1973 – 1986



ISOO is pleased to report that during FY 1986, the product of the systematic review program showed its first significant increase in recent years. During FY 1986, agencies reviewed 16.4 million pages (+57%), from FY 1985. Of the pages reviewed, 87% were declassified, a significant increase from the 78% rate reported for FY 1985. As a result of the greater number of pages reviewed and the improved declassification percentage rate, 14.3 million pages were declassified under the systematic review program in FY 1986, over 6 million more than in FY 1985, a 76% increase.

**SYSTEMATIC REVIEW FOR
DECLASSIFICATION
ACTIONS BY AGENCY**

Exhibit 24

<i>FY 1986</i>			
Agency	Pages Reviewed	Pages Declassified	% Declassified
NARA	7,461,550	7,123,364	95
DOD	6,875,907	5,708,603	83
AID	1,859,167	1,347,327	72
State	39,955	34,586	87
DOT	36,100	6,130	17
Justice	6,576	1,266	19
All Others	93,780	50,992	54
Totals	16,373,035	14,272,268	87%

Almost all of the increase in systematic review is due to the figures reported by NARA. In FY 1986, it reviewed 7.5 million pages, an increase of 4.3 million (+137%), from FY 1985. The dramatic change is the result of several projects undertaken by NARA during FY 1986. These included efforts at the regional archives in Los Angeles, San Francisco, Fort Worth, and Atlanta; coordination of the review of the Office of Strategic Services (OSS) operational files; and continuation of the review by NARA, on an interagency agreement basis, of particular State and AID records. Both the regional records and the OSS

operational files are of World War II vintage and generally are much easier to review than postwar records. This is due primarily to the age of the documents, and the availability of specific declassification guidelines provided by the major agencies. In addition, in the case of the OSS operational files, the records were first reviewed by the CIA over the course of the preceding years, with NARA's responsibilities limited to examining the documents for the interests of foreign governments and other agencies.

While ISOO is encouraged by the figures reported by NARA for FY 1986, they are, unfortunately, unlikely to signal a trend. Over

2 million pages of the records reviewed in FY 1986 were susceptible to bulk declassification methods that are not viable for most postwar records in NARA's custody. In order to maintain the increases achieved during FY 1986, NARA will have to commit additional resources to its systematic review program.

Other agencies showing increased systematic review activity during FY 1986 include DOD (+1%), AID (+427%), NASA (+294%), NSC (+100%), and DOT (+81%). ISOO applauds the efforts of these agencies since they are not required to conduct systematic review programs. It urges their continuation.

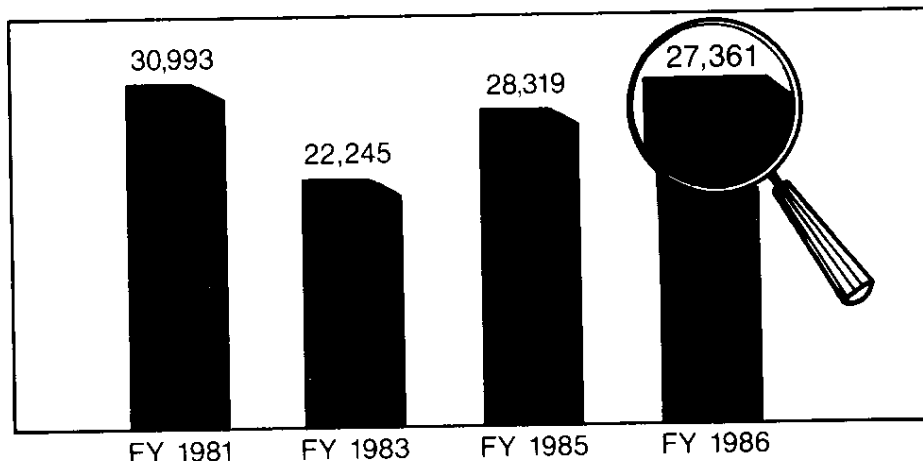
Agency Self-Inspections Decline Marginally (Exhibits 25 and 26)

Executive Order 12356 mandates that agency heads establish and maintain "an active oversight and security education program." In this regard, the agencies report to ISOO the number of self-inspections and the number and type of infractions found during the year. Infractions are minor violations of the Order, the implementing ISOO Directive, or agency regulations. These statistics do not include the more serious security violations that agencies must report to ISOO as they occur.

For FY 1986, agencies reported that they had conducted 27,361 self-inspections. This is a 3% decrease from FY 1985, and approximates the total registered for FY 1984. Despite the overall decrease, some agencies reported significantly higher numbers of self-inspections and merit special commendation. These include CIA (+62%),

AGENCY SELF-INSPECTIONS

Exhibit 25



DOE (+32%), and DOT (+86%).

ISOO continues to be concerned not only with the quantity of self-inspections that the agencies undertake, but also with their quality. This concern results from the fact that during the self-inspections conducted in FY 1986, agencies found 1,342 fewer infractions than in FY 1985. The total of 13,812 infractions is

9% less than the figure reported for the previous year. The average number of infractions discovered per inspection also fell, from .54 in FY 1985, to .50 in FY 1986.

The figures reported for FY 1986 again call into question the thoroughness of agency self-inspections. From ISOO's experience, thorough inspections, even in organizations with outstanding information security programs, disclose a far greater number of infractions than those routinely reported by the agencies. See, for example, the results of ISOO's special document reviews conducted during FY 1986, Appendix A, p. 28. ISOO strongly suspects that a major reason for the absence of reported infractions is the failure by most agencies to examine periodically a sampling of its classified product. ISOO urges a heightened effort by the agencies to increase both the number and quality of the self-inspections they are conducting. Only in this manner will the agencies themselves be able to evaluate employee compliance with the Order's provisions, and provide the basis for revising their security training programs.

INFRACTIONS

Exhibit 26

Infraction	Total FY 83	Total FY 85	Total FY 86
Unauthorized Access	620	440	560
Mismarking	10,849	6,642	5,177
Unauthorized Transmission	1,294	1,688	1,969
Improper Storage	3,844	5,089	4,850
Unauthorized Reproduction	249	143	107
Overclassification	220	164	157
Underclassification	317	265	250
Classification w/o Authority	238	109	185
Improper Destruction	581	322	346
Other	132	292	211
Totals	18,344	15,154	13,812

Appendix A

Findings of Special ISOO Reviews of Classified Documents

Background

One of ISOO's major functions is to consider and respond to complaints and suggestions from within and outside the executive branch concerning the administration of the information security system. Understandably, many complaints, whether directed to ISOO or not, concern the quality of the classified product. Not infrequently, executive branch officials, members of Congress, journalists, researchers or others express their dissent concerning the classification or marking of national security information. Most often, this dissent involves the allegation that information that is classified should not be classified, the circumstance that is popularly referred to as "over-classification."

Examining the classified product, therefore, is an essential element of an effective oversight program. In addition to its ad hoc consideration of specific complaints, ISOO routinely examines a small sample of an agency's classified product during its program reviews or inspections. Further, the agencies themselves, which are responsible for the predominant oversight of their information security programs, should include reviews of their classified product within their internal monitorship. However, because ISOO's small size limits the scope of its document reviews during its routine inspections, and because ISOO has found that agency self-inspections too often do not include an examination of the classified product, ISOO has

sought alternative means to answer the question, "How good or how bad is the classified product that is being created?"

During FY 1986, ISOO conducted the first group of what it hopes will be a series of special document reviews. The underlying purpose of these reviews is to provide an additional means to determine the extent of compliance with the classification principles and marking procedures outlined in Executive Order 12356, implementing ISOO directives and agency regulations.

In this first group of special document reviews, ISOO analysts examined a sample of 3,025 documents generated by selected units of twelve of the most significant players in the classification arena: Air Force, Army, CIA, DIA, DOE, OJCS, Justice, NSA, Navy,

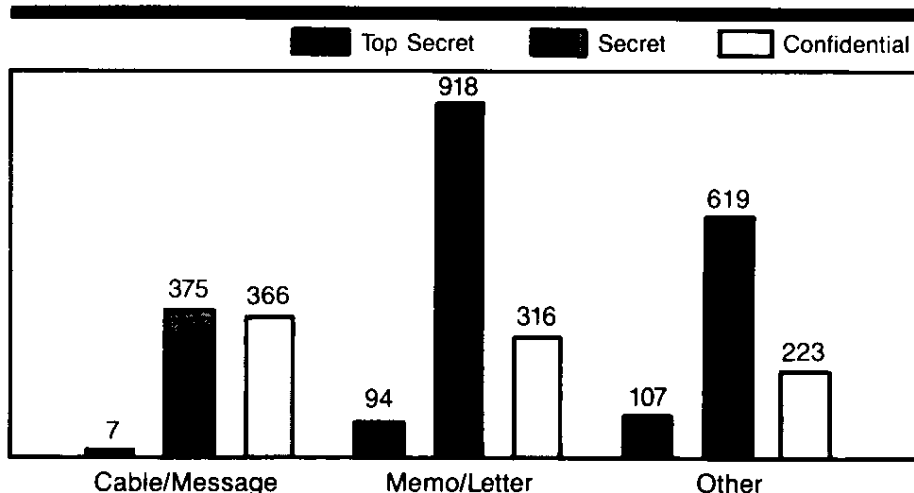
OSD, State and Treasury. ISOO does not purport that these documents comprise a fully representative sample of the universal classified product; indeed, ISOO is uncertain whether it is even possible to construct a sample that is fully representative. To be sure, ISOO is aware of several features of its sample that may skew its findings somewhat:

(a) most of the documents were created within headquarters units, rather than within field units;

(b) intelligence and policy-making units were more than proportionally represented, while operational units were less than proportionally represented; and

ISOO SPECIAL DOCUMENT REVIEWS THE SAMPLE: BY DOCUMENT TYPE/ CLASSIFICATION LEVEL

Exhibit 27



(c) almost all of the documents examined were created recently, and were maintained in active files.

Despite or even because of these features, ISOO is convinced that the results provide valid indicators of the state of the classified product that has been created in recent years and will be created in the next few years. Because the sample contained large numbers of recent, relatively high level headquarters documents, it can be reasonably assumed that they and documents like them will influence significantly the contemporary classified product, especially the derivative product. Also, the results, when broken down by agency, parallel the findings of ISOO's program reviews.

Two other factors merit consideration. First, the ISOO reviewers, who have all served as ISOO analysts for at least three years, were placed in three teams. Each team reviewed the documents of four of the twelve agencies. All the reviewers met before, during, and after the reviews to seek as much consistency as possible in their methodology and analysis. Nevertheless, as would be true in any situation that involves individual judgment, it was clear that each team took a slightly different approach toward its reviews and analyses.

Second, ISOO has cumulated its findings for this report in order to present a clearer picture of the classified product as a whole. When broken down by agency, however, the variation in results was often quite extensive. For example, a few agencies accounted for a significantly disproportionate share of the discrepancies described below, while the classified product of a few others revealed remarkably few discrepancies. Again, these

findings very much parallel those of ISOO's program reviews.

The Data Collected

The data collected from the sample fall into two broad categories: (1) information about the classification of each document, and (2) discrepancies in classification or marking noted by the analysts. The first category included information about the generic type of document; the classification level; the basis for or source of the classification; and the assigned duration of classification. In identifying the discrepancies, the analysts worked with the following definitions:

"Overclassification" — (a) *Clear-cut*: The information in the document does not meet the standards necessary for classification; (b) *Questionable*: While the question of meeting classification standards is arguable, classification does not appear to be necessary to protect our national security; (c) *Partial*: A portion(s) of the document appears to be unnecessarily classified, although the overall classification of the document is correct.

"Overgraded" — All or some of the information in the document appears to be classified at a higher level than justified.

"Undergraded" — All or some of the information in the document appears to be classified at a lower level than necessary.

"Declassification" — The document appears to have improper declassification instructions or no declassification instructions at all.

"Duration" — The duration of classification is marked "OADR," when a specific date or event for

declassification appears feasible.

"Original/Derivative" — The document is marked and treated as an original classification action although the classified information appears to be derived from a guide or other source(s).

"Marking" — The document appears to have improper classification markings or lacks required markings, including instances in which the document fails to cite or cites improperly the classification source. This does not include marking errors more specifically included under another discrepancy category.

"Portion Marking" — The document appears to lack required portion markings.

"Multiple Sources" — The official file copy of the document cites "multiple sources" as the basis for classification, but does not list these sources.

Findings

Types of Documents Reviewed: Of the 3,025 documents reviewed by ISOO, 1,328 (43.9%) were memoranda or letters; 748 (24.7%) were cables or messages; and 949 (31.4%) were some other type of document, predominantly reports. There is no statistical significance to the breakdown other than ISOO's efforts to examine sufficient numbers of each type of document that might be classified. In terms of the levels of classification within each type, however, there were several significant variations. A document in the "other" category, i.e., a report, was 1.6 times as likely to be classified **Top Secret** than a document generally, while a cable or message was 1.6 times as likely to be classified **Confidential**. This disproportionate representation of cables or mes-

sages is quite significant to ISOO's reports in prior years concerning the proportions of **Top Secret**, **Secret** and **Confidential** actions. In those years the DOD's sampling system was based on message or cable traffic exclusively, the totals for which were then extrapolated to include other types of documents. Because cable or message traffic appears to be classified at the **Confidential** level disproportionately to the classification level of other types of documents, and because DOD accounts for such a significant portion of classification actions, it now appears that ISOO, based on the data available, reported overstated percentages of **Confidential** actions,

understated percentages of **Secret** actions, and slightly understated percentages of **Top Secret** actions for the years 1979-1984. Only when DOD altered its sampling system in FY 1985, did ISOO receive data that are not skewed by the disproportion in classification levels represented by cable or message traffic.

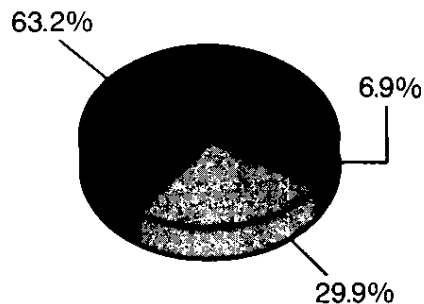
Classification Levels: Of the 3,025 documents reviewed, 208 (6.9%) were classified **Top Secret**; 1,912 (63.2%) were classified **Secret**; and 905 (29.9%) were classified **Confidential**. These proportions resemble the distribution (**TS**: 12.3%; **S**: 60.0%; **C**: 27.6%) of all

the classification actions reported to ISOO by the agencies for FY 1986 (see p. 20, *supra*). Based on all the data available to ISOO, it would appear that three out of five contemporary classification actions are at the **Secret** level, and that this ratio is gradually increasing. The increasing rate of **Secret** classification assignments suggests that some classifiers feel more secure in choosing the "middle ground" for assigning a classification level, because they lack confidence in the **Confidential** level.

ISOO SPECIAL DOCUMENT REVIEWS CLASSIFICATION LEVELS

Exhibit 28

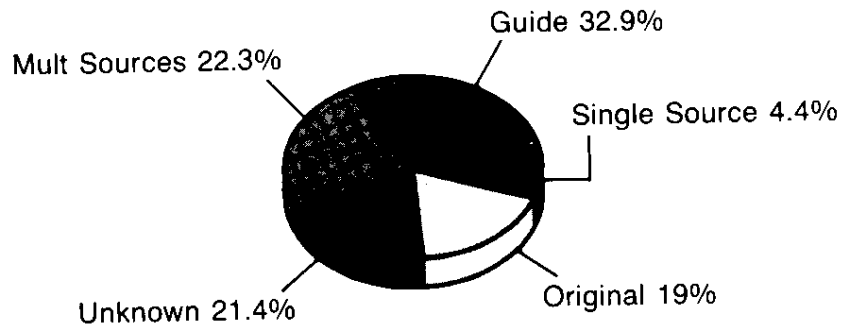
Top Secret
 Secret
 Confidential



Classification Basis or Source: Of the 3,025 documents, the reviewers determined that 575 (19%) were original classification actions; 996 (32.9%) were derivatively classified based on a classification guide; 673 (22.3%) were derivatively classified based on multiple sources; and 133 (4.4%) were derivatively classified based on a single source. The reviewers could not determine the basis for or source of the classification for 648 (21.4%) of the documents. Most of these were cables or messages, and electronically transmitted information is not required to include the classification source. Therefore, ISOO cites the absence of a classification source as a marking discrepancy, below, only when it pertains to a document other than an electronically transmitted cable or message.

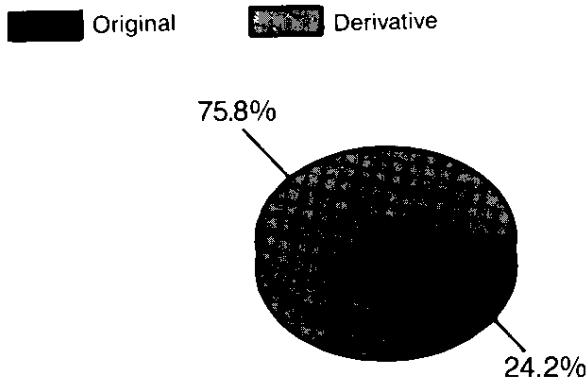
**ISOO SPECIAL DOCUMENT REVIEWS
BASIS FOR CLASSIFICATION DECISIONS**

Exhibit 29



**ISOO SPECIAL DOCUMENT REVIEWS
ORIGINAL/DERIVATIVE CLASSIFICATION**

Exhibit 30

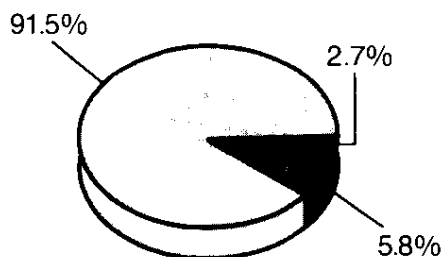


Of the 2,377 documents for which the reviewers could determine the classification basis or source, 575 (24.2%) were classified originally, and 1,802 (75.8%) were classified derivatively. There is a significantly higher percentage of original decisions in this sample compared to the distribution (original: 11.3%; derivative: 88.7%) reported to ISOO by the agencies for all classification actions in FY 1986. ISOO attributes this difference to the fact that its reviewers concentrated on headquarters, policy-making units, which are more likely to originate classified information than field or operations units.

ISOO SPECIAL DOCUMENT REVIEWS DURATION OF CLASSIFICATION

Exhibit 31

Date or Event
 OADR
 Not Indicated



Duration of Classification: Of the 3,025 documents, 2,769 (91.5%) were marked with the indefinite instruction for the duration of classification, "Originating Agency's Determination Required" ("OADR"). Only 82 (2.7%) were marked with an assigned date or event for declassification. Additionally, 174 (5.8%) contained no declassification instruction at all, and are included in the "declassification" discrepancy, below. As is the case with documents marked "OADR," when no declassification instruction appears on a document, the originating agency must review it before it may be declassified.

Of the 2,769 documents

marked "OADR," the ISOO reviewers identified 54 (1.8%) that they believed should have been marked for declassification at a specific date or event, and these are shown in the "duration" discrepancy below. The percentage of documents in ISOO's sample with an indefinite duration of classification exceeds the percentage reported to ISOO by the agencies in FY 1986 (see p. 15, *supra*). ISOO accounts for this difference by the overrepresentation of intelligence documents in its sample. Classified information that pertains to intelligence activities, sources or methods is seldom marked for declassification on a specific date or event.

Discrepancies: In reviewing the 3,025 documents, ISOO's analysts noted a total of 1,090 discrepancies. As described below, most of these discrepancies were relatively minor technical deficiencies. A number of documents had more than one discrepancy, some as many as three or four, so that the actual number of documents that contained no discrepancies whatsoever was 2,145 (71%). Given the detail of ISOO's scrutiny, the number of documents with no discrepancies is noteworthy, especially for the several agencies in which the vast majority of documents achieved this status.

Of the 3,025 documents, ISOO's analysts identified 52 (1.7%) that they believed clearly should not have been classified; 75 (2.5%) that they believed were unnecessarily classified although there was an arguable basis for classification; and 15 (.5%) that contained classified portions that the analysts believed should not have been classified, although the

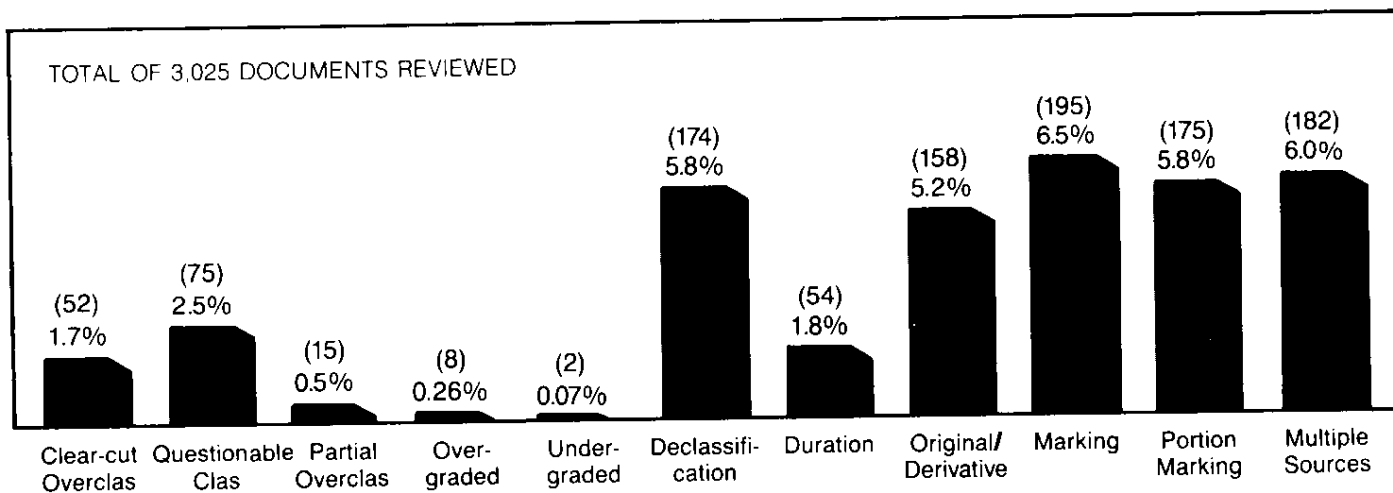
overall classification of the documents was correct. The total of only 142 documents (4.7%) that ISOO's analysts identified as overclassified is quite commendable, and reflects well on the validity of the classification system generally. No doubt the fact that most of the documents were of recent vintage impacted favorably on these results. The national security sensitivity of information ordinarily decreases over time. From ISOO's experience, most instances of overclassification occur in that large body of classified information that is maintained over the years without being subjected to prior public access demands or some other means of initiating a declassification review.

With respect to the other discrepancies, ISOO's analysts identified eight documents (.3%) that they believed were classified at too high a level ("overgraded"); two documents (.1%) that they believed were classified at too low a level ("undergraded"); 174 documents (5.8%) that contained

improper declassification instructions or no declassification instructions at all ("declassification"); 54 documents (1.8%) that were marked "OADR," but which should have expressed a specific date or event for declassification ("duration"); 158 documents (5.2%) that indicated that they were original classification actions although the classified information had clearly been derived from another source ("original/derivative"); 195 documents (6.5%) that contained some type of marking error not included in one of the other discrepancy categories, including the failure to cite a required source of classification ("marking"); 175 documents (5.8%) that lacked required portion markings ("portion marking"); and 182 documents (6%) that were derivatively classified on the basis of multiple sources, but which failed to list these sources with the file or record copy of the document ("multiple sources").

ISOO SPECIAL DOCUMENT REVIEWS DISCREPANCIES

Exhibit 32



Conclusions

(a) The results of this exercise suggest that the overclassification of information is not as serious a problem as some popular media report. Nevertheless, because each publicized instance of overclassification damages the credibility of the information security system far beyond its quantitative significance, overclassification will always be a problem that merits concern and diligent oversight.

(b) The variation in performance among the agencies very closely parallels ISOO's experience in its ongoing monitorship program. Further, it confirms one of ISOO's constant themes: An agency's commitment to a strong information security program, primarily in terms of its security education and internal monitorship programs, results in a classified product that clearly reflects this commitment. The absence of a strong commitment results in a

considerably poorer classified product.

(c) Too many classified documents contain relatively minor discrepancies in marking procedures or classification principles. With a modest investment in improved security education and internal monitorship, agencies could eliminate almost all these technical deficiencies.

(d) Agencies would clearly benefit from an internal monitorship program that includes regular examination by appropriate officials of a sample of the classified product.

(e) ISOO's first group of special document reviews provides evidence of a classification system that is generally performing well. It answers the question, "How good or how bad is the classified product that is being created?", with a "Pretty good, but with a little bit of extra effort, it could be very good!"

Appendix B - Classified Information Nondisclosure Agreement FY 1986

Paragraph 1(a) of National Security Decision Directive 84, "Safeguarding National Security Information," of March 11, 1983, directed ISOO to issue a standardized nondisclosure agreement to be executed as a condition of access to classified information. In September 1983, ISOO issued the Standard Form 189, "Classified Information Nondisclosure Agreement," and directed agencies to work toward complete implementation as quickly as possible. The chart below provides an agency by agency breakdown of progress to date.

Agency	Full Implementation	Full Implementation in Some Components	Agency-wide Implementation In Progress	Implementation for New Employees and/or Reinvestigations Only	Planning Implementation	No Apparent Implementation
ACDA						
AID						
Air Force						
Army						
BIB						
CEA						
CIA*						
Commerce						
DARPA						
DCA						
DCAA						
DIA						
DIS						
DLA						
DMA						
DNA						
DOE						
DOT						
ED						
EPA						
EXIMBank						
FCA						
FCC						
FEMA						
FHLBB						
FMC						
FRS*						
GSA						
HHS						
HUD						
ICC						
Interior						
ITC						
Justice						
Labor						
MMC						
NARA						
NASA						
Navy						
NLRB						
NRC						
NSA*						
NSC						
NSF						
OA, EOP						
OJCS						
OMB						
OMSN						
OPIC						
OPM						
OSD						
OSTP						
OVP						
PC						
PFIAB						
PIOB						
SBA						
SDIO						
SEC						
SSS						
State						
Treasury						
TVA						
USDA						
USIA						
USPS						
USTR						
VA						

* Received waiver from NSC to use a substitute form that fully complies with NSDD 84



- SF 703, **Top Secret** Cover Sheet
- SF 704, **Secret** Cover Sheet
- SF 705, **Confidential** Cover Sheet

These cover sheets serve as shields to protect **Top Secret**, **Secret**, or **Confidential** information, respectively, from inadvertent disclosure and to alert observers that such information is attached.

Classification	Control
Origin	
Compartments, Codewords	
Agency, Office	Phone
Content	
Comments	

SF 711, Data Descriptor Label

This label is used to record additional safeguarding controls that pertain to classified information that is stored on ADP storage media or other non-paper media.

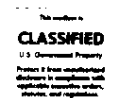


- SF 706, **Top Secret** Label
- SF 707, **Secret** Label
- SF 708, **Confidential** Label

These labels serve the same purposes as the cover sheets, except that they are placed on automatic data processing media, other non-paper media, and equipment for which cover sheets are inappropriate.

SF 709, Classified Label

This label is used to identify and protect ADP storage media and other media that contain classified information pending a determination by the original classifier of the specific classification level of the information.



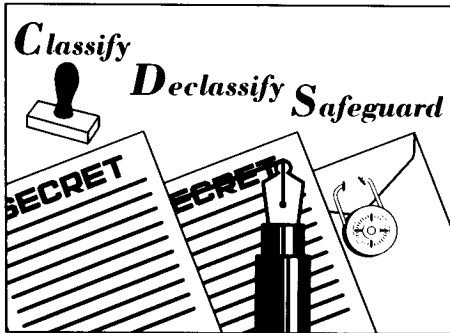
SF 710, Unclassified Label

In a mixed environment in which both classified and unclassified information are being processed or stored, this label is used to identify ADP storage media and other media that contain unclassified information.

Appendix D Information Security Briefing

In its continuing efforts to assist agencies in the presentation of effective security training, ISOO has just completed production of an updated and improved version of its very successful Information Security Briefing series on Executive Order 12356.

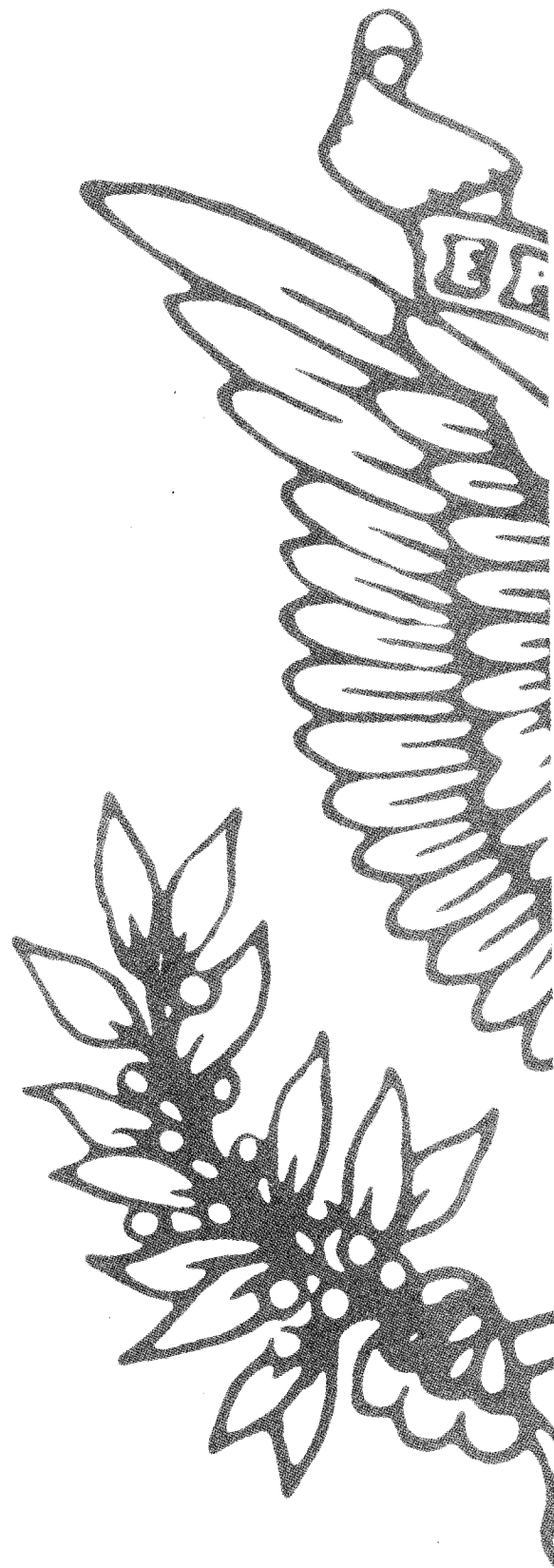
This colorful and informative audiovisual briefing is divided into three modules: (1) An overview of



the information security system established under the Order; (2) a detailed treatment of proper marking practices and procedures; and (3) highlights of the basic safeguarding requirements. The presentation is designed so that each module can be shown separately or as one unit. The briefing is unclassified, and is available at very reasonable cost in both slide/tape and video cassette formats. The briefing is non-agency specific, and has been designed for effective use by both military and civilian agencies and their contractors. For further information, contact ISOO at (202) 535-7255.



**Information Security
Oversight Office**



Washington, D.C. 20405