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News Highlights

Shultz speaks out against lie detector tests for employees

He says 'voluntary' tests will be given under three conditions

EMPLYING STRONG LANGUAGE on Capitol Hill, Secretary Shultz on April 28 emphasized his distaste for polygraph examinations of State Department employees, while outlining three narrow circumstances under which the tests would be permitted—"with the voluntary consent of the individual."

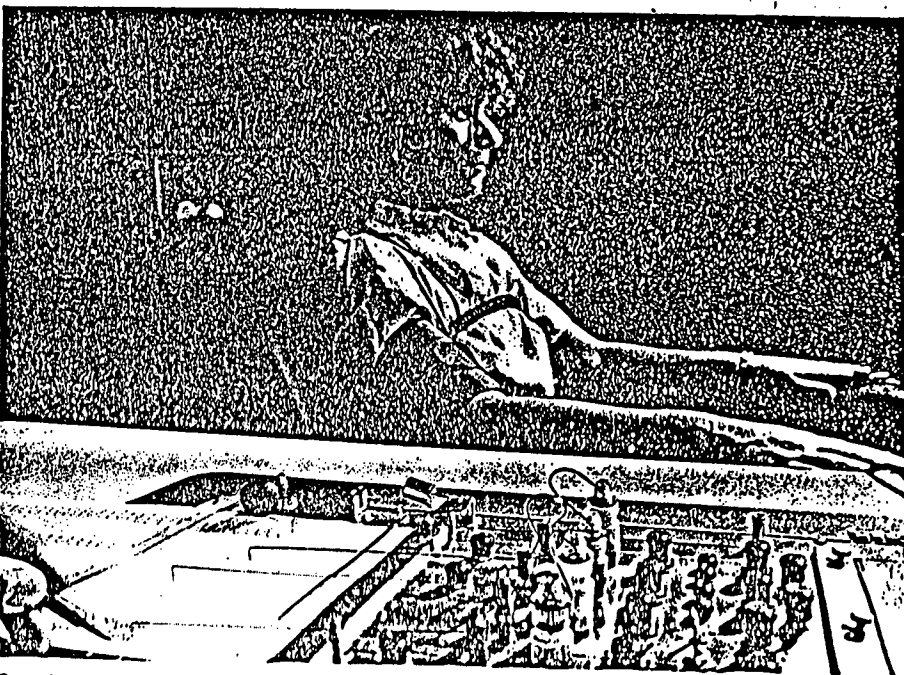
Mr. Shultz spoke out in an appearance before the Senate Appropriations Committee, at which he also reviewed progress on several fronts in the Department's security program, and in addition urged funding for the projected new foreign affairs training center that is to replace the Foreign Service Institute.

On the lie detector issue, Mr. Shultz said regulations had been drafted allowing him to authorize testing of any consenting Department employee:

"1. When warranted during the course of a criminal, counterintelligence or personal security investigation after all other reasonable investigative steps have been taken.

"2. When an employee requests to take such a test for the purpose of exculpation.

"3. When a State Department employee volunteers to work in an intelligence agency that requires polygraph tests, or volunteers to participate in certain special access programs—specifically designated



Examination on the polygraph. (FBI photo)

by me—which involve joint programs with the intelligence community where the community requires a lie detector test."

Directive from Congress

The Secretary's testimony came in response to a provision in last year's Foreign Relations Authorization Act (Section 163) that required him to "implement a program of counterintelligence polygraph examinations for members of the Diplomatic Security Service during fiscal years 1988 and 1989."

"When the President signed the act," Mr. Shultz recalled, "he noted that with respect to this provision he was interpreting it 'consistent with my position concerning the discretion of agency heads to determine when polygraph examinations will be conducted in specific cases.'"

'No secret'

The Secretary continued: "It is no secret to the Congress or to this committee that I have consistently opposed the use of 'lie detector' tests as a tool for screening or managing people. Nor do I believe that we can single out one class of State Department

employees for special treatment just because they are called a security service. If our security objectives are to be met, then our security program and whatever use there is of lie detector tests in that program, should apply to *all* employees."

Asserting that the Department is complying with the requirements of Section 163, the Secretary added that the new regulations "are modeled on those in use by the Department of Defense and, as required by our authorization act, incorporate all provisions concerning scope and conduct of examinations and rights of individuals subject to such examinations.

"I believe these regulations are good, because they are clear, circumspect in scope, and protect individual rights. But I am deeply concerned about the attitudes and atmosphere in this town at present regarding these so-called 'lie detectors.'

'Lack of science'

"Take a look at the science—or rather the lack of science—in these tests. I don't even like to use the phrase "polygraph" because it implies precision where precision does not exist. We all know what they pre-



tend to be—lie detectors. But the truth is, as the Congress' own Office of Technology Assessment has pointed out, that those machines can not detect lies in a scientifically reliable manner.

“Congress's Office of Technology Assessment found meaningful scientific evidence of polygraph validity only in the area of criminal investigations. Even there, results ranged from 17% to 100% for correct guilty detections. But consider this striking fact. In screening situations (where one in 1,000 may be guilty) the office pointed out that, even if one assumed that the polygraph is 99% accurate, the laws of probability indicate that one guilty person would be correctly identified as deceptive, but 10 persons would be incorrectly identified as deceptive (false positives). An accuracy rate of something less than 100% may be acceptable in attempting to forecast the weather. It should never be acceptable in matters affecting the reputations and the livelihoods of individuals.

“Lie detector tests have a limited place in our security program, to a different extent in different agencies. But they must not become an excuse or a substitute for a real security program. There are both physical and psychological dimensions to such a program. That is, we must have physically secure places in which to work and everyone doing the work must be security conscious. It's like safety in the workplace. It can be done very effectively through persistent and continuous effort with everyone lending a hand.

Other aspects of security

“Over the last several years, we have acted on numerous recommendations to put such a program in place. Our efforts to improve State Department security reflect both our own ideas and those of special study groups, such as the Inman panel and the Laird Commission. Congress approved a \$2.5-billion program based on the Inman panel's proposals in 1985. That same year, we established the Diplomatic Security Service and elevated its chief to the assistant secretary level.

“Throughout, the State Department's security program has been at the top of my personal list of priorities. Of course, we cannot go over everything we have done in open session, but let me cite a few examples in the areas of greatest need.

Espionage

—“All of the Foreign Service nationals in Moscow have been eliminated.

After some initial problems in screening and sorting out what kind of employees we need, we have a system there that seems to be working.

—“We are now going to apply those lessons to other posts in eastern Europe. In the near future, we expect to replace other FSNs in eastern bloc countries.

—“In eastern Europe, we are establishing core areas of the embassies where no one but cleared Americans will be allowed. Our aim is to ensure that classified material is processed in areas free from all foreign nationals or other uncleared personnel.

—“The typewriter bugging in Moscow led us to increased rigor in protecting our office equipment. The new PTPE [plain text processing equipment] facility—which we have set up jointly with the CIA—allows us tight control over the office equipment that may be subject to tampering. Purchase, shipping and maintenance are all handled by trained American personnel.

—“Embassy construction is now done by cleared American firms. Construction sites are guarded by cleared Americans. Construction security programs are in place at 14 new office buildings and will be part of all such future projects. Materials are screened and protected from the time of purchase until final disposal.

Counterintelligence

—“We have gotten help from the FBI with our counterintelligence program. The new chief of our counterintelligence shop is on loan from the FBI. We also have a professional trainer from the bureau to help us build up our own talent in this area.

—“Our program is oriented towards the protection of classified information. Consequently, the program emphasis is on training, security awareness, employee screening (over 700 applicants were denied security clearances last year) and selection.

—“We pursue an active program to insure that our employees comply with the applicable regulations regarding their conduct. If they do not, we take the appropriate steps. Last year, 40 employees had their clearances suspended, downgraded or revoked because of personal security issues. We conducted over 1,200 update investigations on our current employees.

—“We have worked to raise the level of awareness in the Foreign Service of espionage. Each ambassador has been told to establish a counterintelligence working group to focus attention on counterintelligence matters at a high level at each post. And each ambassador has been made

personally accountable for security at his mission. All personnel being assigned during the summer cycle to the bloc countries are required to attend a one-week counterintelligence training program jointly sponsored by State and the CIA.

—“We have instituted a more intensive use of counterintelligence debriefing, and are developing a new program of screening to use before selecting individuals for such assignments.

Security standards

—“Last fall we put out strict new physical and procedural security standards for any embassy that is to handle classified information. Posts are being brought into compliance. We have reduced the level of classified material authorized at several posts, and have decertified dozens of facilities from the storage of any classified material until the new standards are met. This is a painful process for many posts in the short run. But in the long run it will improve their ability to do their work.

—“I have talked to Bill Webster [U.S. director of central intelligence] about how the intelligence community can help us to make sure our standards are what they should be—especially in areas like technical security, where there are very few qualified experts. We will be establishing an organization which can give me an independent look at our technical security standards, without building up a big new bureaucracy and without tangling the lines of responsibility.

'Destructive alternative'

“Our job will never be finished. There is more to be done and we are trying to do it. But what we are doing is the best way to achieve our objectives. To divert our resources and attention from these constructive activities to the destructive alternative of lie detector tests would be a serious blow, not just to morale but to security itself.

“In August 1986, Congress passed and the President signed the Omnibus Diplomatic Security and Anti-Terrorism Act. This landmark legislation, carefully crafted by Congress, gave us the authority, and a major start on the resources we needed, to implement the recommendations of the advisory panel on overseas security chaired by Admiral Bobby Inman.

“This legislation authorized a worldwide diplomatic security effort. Subsequently, we began a multi-year program to replace and upgrade facilities at our most

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vulnerable posts overseas. The Inman panel found that buildings at 134 of our 263 posts were substantially below minimum security standards. We began the most extensive construction program in the Department's history. We also started making improvements in security operations and organizations.

'Budget realities'

"Unfortunately, today's budget realities are forcing us to slow the program down. In both fiscal years 1988 and 1989, there will be no newly-authorized starts in the security building program. In addition, we propose to hold the diplomatic security salaries and expenses to the 1988 level. Because this does not compensate for inflation, this means a real decrease in operations.

"I accept the need to hold down expenditures in the interest of the nation's economic and financial health. The State Department is doing its part in that effort. But I also fear that if we continue to constrain diplomatic security expenditures in future years, the momentum toward improving the security of our operations will be lost. In short, it is critical that the levels requested for security be viewed as part of the Department's response to the budget process—not as a reduced commitment to security by the administration or Congress.

Moscow chancery

"With specific respect to the Moscow chancery, a subject in which this committee has expressed a particular interest, we continue to make good progress on rehabilitating the existing chancery. At the same time, we are moving ahead with planning on how to achieve a new secure chancery facility in Moscow.

"The Department has worked closely with other agencies represented in Moscow, to reach a consensus on the most feasible long-term solution to our needs in Moscow. Before expending significant additional funds to a specific approach, we want to be certain that the design and logistics of fully securing a building are feasible in the harsh security environment of the USSR. To get those answers, we have awarded a contract for an engineering and security survey of the new building to determine options for the present structure and development of a fully secure building. Concurrently, the survey will also look at the feasibility of restructuring the present chancery into a totally secure facility—a much less desirable option, in my view.

"We will have the results of the survey in hand by late summer, and will then prepare a proposed course of action for the consideration of the Congress. We expect to be able to present a package complete with funding requirements before the end of the fiscal year. In this regard, I should note that we believe no new funding for reconstruction of a new office building will be required prior to fiscal year 1990.

Training center

"In difficult times such as these, there is a temptation to put off badly needed programs and projects. Inevitably, several years later, it will be painfully evident that such a response to budget constraints was extremely shortsighted.

"The construction of an up-to-date foreign affairs training center is a high priority for me. I urge the committee to approve this project. The issue is simple: ensuring the professional excellence and effectiveness of the men and women who represent our country abroad. I am convinced that the ability of the United States to effectively carry out its diplomatic functions is directly related to the skills of our professional staff. At a time of declining numbers in our work force, it is particularly important that the quality of our personnel be the highest that is possible. The new foreign affairs training center will provide an adequate facility to address this need.

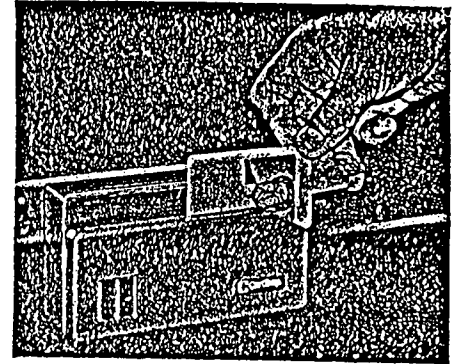
"We must press ahead with skill development through training and the use of current technology. We must take action now to ensure the future." □

Security people reply to complaints on building access

The new security system for entering the Main State building is operating effectively, according to the Bureau of Diplomatic Security, though it has prompted a number of complaints, particularly from retirees.

"We understand why some people feel put out, and we're sympathetic with their concerns, but the fact is we really have no feasible alternatives if we want a system of maximum effectiveness," said the bureau's Kenneth E. Lopez, who is in charge of the project.

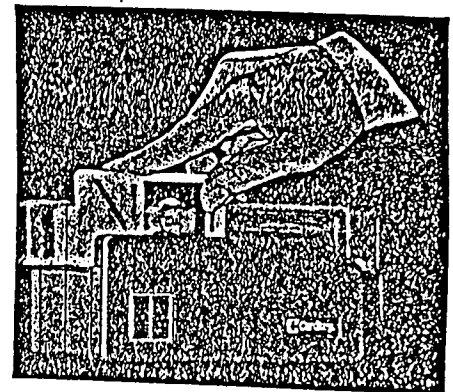
Under the new arrangement, employees and some contractors have been issued computer-readable building passes which, when inserted into card-readers, activate automated access control facilities. Other



categories of persons seeking entry into the building—news media people, employees of other federal agencies (unless they conduct frequent official business at State) and State Department retirees are among these others—have not been issued the building passes. They must go to the reception desks at the building entrances to obtain a visitor's pass to conduct their business. Retirees who present their gold retirement cards are issued a visitor pass immediately; the receptionist need not telephone for authorization for a retiree to enter.

Reasons for restrictions

"There are several reasons for these restrictions," Mr. Lopez said. "First, we need to limit building passes to current employees because this gives us more effective control over the passes that are outstanding. Let me explain: employees who lose a pass or have one stolen from them are going to realize almost immediately that the pass is missing. They'll need it the very next day to enter the building and report for work. So they're going to call us without delay to report the loss or the theft. As soon as we get that call, we cancel that pass out on our computer, and it'll do no good to whoever is in possession of it. When that





Washington, D.C. 20520

September 13, 1988 RETURN TO SA/DCI

UNCLASSIFIED
MEMORANDUM

TO: All DS/ST Personnel
FROM: DS/ST - Gregorie W. Bujac *GB*
SUBJECT: DOS Polygraph Policy

In May 1988, Secretary Shultz approved regulations governing polygraph examinations of DOS employees and recently emphasized that the policy remains unchanged. The policy applies to all DS/ST personnel.

Simply stated, personnel assigned to joint projects (JSPO and PTPE, for example) may undergo voluntary polygraph testing only to the extent that the scope of the examination is limited to counterintelligence (CI) areas (non-lifestyle).

The questions posed in any such examinations shall be limited to those necessary to determine whether the examinee has:

1. Ever engaged in espionage or sabotage against the United States.
2. Knowledge of anyone who is engaged in espionage or sabotage against the United States.
3. Ever been approached to give or sell any classified materials to unauthorized persons.
4. Ever given or sold any classified materials to unauthorized persons.
5. Knowledge of anyone who has given or sold classified materials to unauthorized persons.
6. Any unauthorized contact with representatives of foreign governments.

-2-

DS/ST personnel, prior to the commencement of any polygraph examination, should specifically inform the tester(s) of the Department's policy, i.e., "CI only". DS/ST personnel undergoing polygraph examinations should not respond to lifestyle questions, but refer to the Secretary of State's policy. Also, employees are requested to report to me any situations in which participation in a program is precluded on the grounds that the lifestyle polygraph was not conducted.

cc: DS/POL/PPD

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ER 3865X-88

12 October 1988

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Bob Lamb and Ron Spiers

1. We met for lunch today at State. I had suggested to Ron Spiers last week that he invite Bob and me to review with him where we stand on State and Security Evaluation Office cooperation. My discussion with Spiers had touched upon Bob Lamb's increasing testiness on the DCI/SEO and the possibility that Spiers might play a mediating role or otherwise advance State and SEO cooperation.

2. Spiers was low key throughout the discussion, eliciting Lamb's views, and occasionally counselling cooperation. Lamb's positions are hardening, or have hardened, along the following lines:

- The DCI and I should understand that the Secretary doesn't want our assistance in any area except "technical threats." Furthermore, he doesn't know why we didn't hear the Secretary say that in the 29 July meeting. (I must confess, I didn't hear Shultz say that.)
- The DCI/SEO has no authority or right to consider standards or compliance in any but the most narrowly defined "technical" areas.
- Neither nor Webster shows any concern for the Department's preferences in defining the DCI/SEO operations.
- Lamb said he expects us to "compromise" on the DCI/SEO areas of activity; e.g., he expects us to renounce any responsibility to look at anything other than narrowly defined "technical areas." He expects us to take the initiative in renouncing any responsibility for physical security standards, personnel security standards, or procedural security standards.
- Lamb told Spiers and me that he doesn't want to deal with any communication from the DCI/SEO unless we inform him that we have compromised our position.

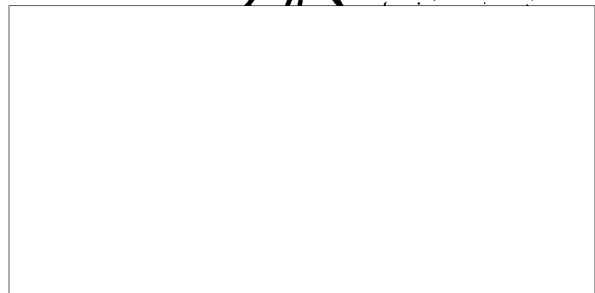
3. At Spiers prodding, Lamb apologized for being so out of sorts and, in a different tone, pleaded for some evidence that we are listening to his concerns.

S E C R E T

4. Lamb walked out to the front entrance with me and apologized once again for being "so ill-tempered." We parted on my statement that I have no authority to renounce part of the mission inherent in the Shultz-Webster letter and the President's instructions; i.e., the personnel security and physical security issues of embassy security. Not only do I lack the authority to renounce that part of the mission, but I lack the conviction. I am willing to address the technical issues first, sidestepping some of the personnel (largely FSN issues) and physical (largely "core" concepts), until a later date when we have developed some confidence in working together.

5. Based upon the discussion, I elected not to give Bob Lamb the attached memo that I handcarried to State. I rewrote page 3 to add more words about Lamb's and State's priorities and concerns and to strike a more solicitous tone. The revised memo will be delivered 13 October.

Attachment:
As stated



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THE DIRECTOR OF
CENTRAL INTELLIGENCE

13 October 1988

Security Evaluation Office

NOTE FOR: DDCI

Bob,

I suggest ~~we~~ resume the exchange with Bob Lamb of draft non-papers as indicated in the attachment. You may recall Bob Lamb and I exchange a few of these in the July and August period. This may be the time to resume. What do you think?

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THE DIRECTOR OF
CENTRAL INTELLIGENCE

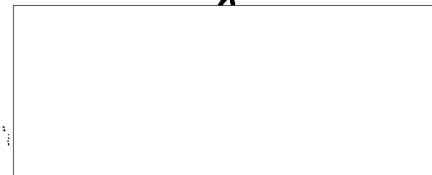
12 October 1988

Security Evaluation Office

NOTE FOR: Mr. Ronald I. Spiers
Under Secretary for Management
Department of State

Ron,

Thanks for the luncheon invitation. Despite the passion displayed on some topics of discussion, it was a useful session. I have tried to give Bob an opening in para 6 of the attached memorandum to sidestep the issues of procedural, technical, and personnel security concerns and to work with me in an auditing/monitoring/inspection program this year that deals with his concerns, his priorities. Contrary to his protestations, I do care about his and the Department's concerns. On the other hand, I do not have the right to renounce unilaterally that part of the President's instructions that cover physical, personnel, etc., security issues. We can delay approaching these sensitive areas until we build some confidence by working together.



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