

Agency Jostling Delays Standardized Security

By Walter Pincus
Washington Post Staff Writer

Despite calling for tighter security in the wake of recent spy cases, President Reagan for two years has resisted issuing an executive order to force U.S. intelligence agencies to adopt a single standard background investigation for top secret and higher security clearances, according to administration and congressional sources.

At the same time, a House intelligence subcommittee has criticized the administration's failure to introduce tougher security procedures and proposed some of its own.

These include widening the grounds for rejecting clearance for people because of "drug abuse, alcoholism, a criminal record or psychiatric problems" to include judgments about a person's "integrity and character."

The panel also proposed that background investigators probe the "financial vulnerability" of those already cleared, by checking computerized lists of casino transactions, currency transactions, and foreign bank and financial accounts.

The executive order, drafted in response to a 1983 presidential directive and five years in the making, was designed to set uniform criteria for initial background investigations, the granting of clearances and reinvestigations by the Defense Department, Central Intelligence Agency and Federal Bureau of Investigation, sources said.

But the agencies are tangled in a fight over which of them would oversee the new system, sources said.

"The CIA does not want anyone looking over their shoulder," a congressional source said.

Meanwhile, the source said, "No one in the White House has been willing to make a decision" to settle the disagreement. An administration official, asking not to be identified, agreed with that view.

The source added that because the "matter is considered too controversial to deal with," no White

House decision is expected before Election Day and perhaps not before a new president takes office.

As of now, the intelligence agencies carry out different types of background investigations and apply different standards in making decisions on who will be cleared and who will not.

Failure to implement a common security policy was criticized by the House intelligence subcommittee.

"Turf consciousness and resistance to centralization long have plagued the U.S. counterintelligence community and continue to impede consideration and implementation of different methods of organization," the subcommittee said in a recent report.

The issue of tougher background checks comes at a time when budgets for personnel security activities have been cut.

At the Pentagon, where 2.8 million individuals have security clearances, the budget for the Defense Investigative Service, which does security investigations, was cut \$9 million this year, requiring a 13.1 percent cut in personnel, according to the House report.

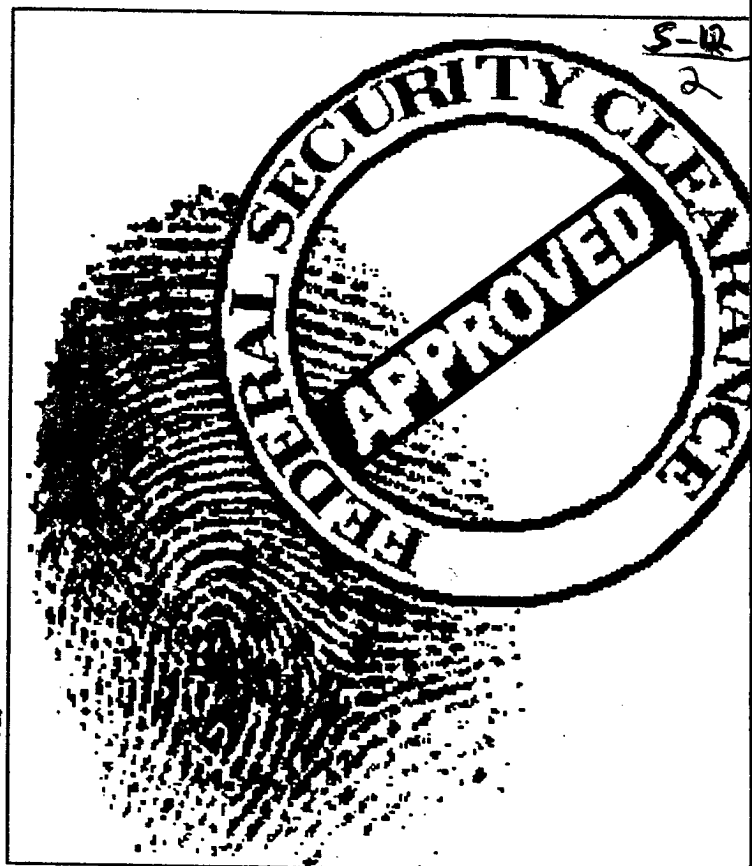
"This action has resulted in the discontinuance of training and the loss of experienced personnel to early retirement," the report concluded.

Inability to get people cleared has begun to limit some new Pentagon hiring, according to Defense Department sources.

The lack of White House action to resolve the issue is in sharp contrast to Reagan's assertion five years ago that "safeguarding against unlawful disclosures of properly classified information is a matter of grave concern and high priority for this administration."

In a national security decision directive released in March 1983, Reagan ordered the Justice Department to come up with a new executive order establishing common standards for security clearances.

A three-year study resulted in the 1986 draft order, which was forwarded to the White House where it has remained unfinished for two years.



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The House subcommittee, which has done a yearlong inquiry of its own, declared that "the record of past espionage cases illustrates that the current [security] investigations process fails miserably" in locating potential security risks.

The subcommittee complained that 99 percent of those seeking Defense Department clearances "are granted initial or continued access" because "in many instances, adjudication criteria and guidance are not being followed."

A lack of selectivity, the report said, also took place because "difficult issues of integrity and character are avoided."

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who insisted on that language gave no indication in the report how such abstract judgments could be made.

They noted, however, that there was no central collection at the Pentagon "indicating the reasons given for denial or revocation of clearances."

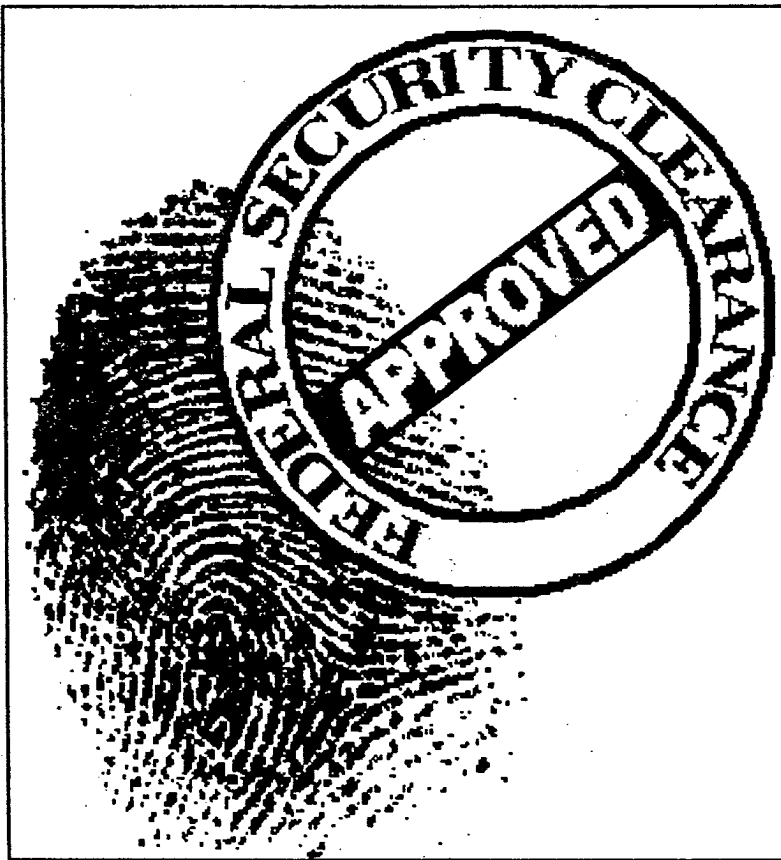
They also criticized the failure of the military services to consolidate adjudication of cases, pointing out that the Navy was "fully on line" and "numerous defense agencies continue to resist this concept, largely, it appears, for bureaucratic turf reasons."

Periodic reinvestigation of individuals with top secret and higher classifications are required every five years after initial employment but the lack of investigation has caused backlogs expected to last until 1990, according to the subcommittee.

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tigate on a random basis, and not wait for the five-year term to pass for individuals who might have given indications they could be troublesome.

The subcommittee also focused on post-employment security because of espionage cases that arose in the cases of former CIA agent Edward Lee Howard, National Security Agency analyst Ronald Pelton and Navy veteran John A. Walker Jr.

While noting that more than 300,000 individuals left the Pentagon in 1987 alone, the panel concluded that "some protection must be pursued given the severe damage which can be inflicted by a former employee with highly sensitive program knowledge."

In the Howard case, a new agent being prepared to work in Moscow was discharged after he failed a lie-detector case.

He subsequently sold information on U.S. spies in the Soviet Union to the KGB. Eventually, he was identified to U.S. intelligence by a Soviet defector but was able to flee the country and now lives in Moscow.

In the wake of Howard's defection, the CIA has introduced a number of steps to prevent it from happening again, according to the subcommittee.

These include making a "counterintelligence risk assessment" before terminating any employee; counseling employees who leave; and creating an agency Counterintelligence Center to consolidate those functions.

The subcommittee also reported that its requested investigation by the CIA into revelations made in Washington Post reporter Bob Woodward's book "Veil" had turned up "no hard evidence" that an individual in the agency provided classified information. One CIA witness testified, however, "I don't think there is a question. . . . I think it came from within the agency. There is no question about that."

"To date," another CIA official testified, "we have not devised a way to deal promptly and effectively with people who have violated the trust reposed in them."

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