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ICS 4273-88

30 August 1988

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: Lieutenant General Edward J. Heinz, USAF
Director, Intelligence Community Staff
SUBJECT: Second Interim Report--National Academy of Public
Administration (NAPA) Study of Civilian Personnel Systems

1. Attached for your signature are letters to Senator Boren and Representative Stokes forwarding NAPA's second Interim Report on the study it is conducting on civilian personnel systems within the Intelligence Community, as required by the Fiscal Year 1988 Intelligence Authorization Act.

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2. The second Interim Report, which is attached, is far more substantive than the first Interim Report submitted last May. It centers on work force issues, examining the impact of intelligence requirements on the human resource management systems of the various intelligence agencies and discussing recruitment, retention, and training of personnel.

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3. The NAPA Panel's central finding is that those intelligence agencies with sufficient flexibility in their personnel authorities, particularly in the areas of recruitment and compensation, have been able to compete with the private sector and meet work force needs. Thus, the Panel recommends that the intelligence agencies retain these flexibilities and be provided more in specific areas. Other key conclusions and recommendations include:

- o The FBI's authorizing legislation should be changed so that its authorities conform to those of other Intelligence Community agencies. In particular, the FBI should be granted the same recruiting flexibilities recently provided to the intelligence components of the military services.
- o Intelligence agencies need to be able to hire, when needed, those military retirees with unique skills. On one hand, their talents are lost to the Intelligence Community because of their forced retirement. On the other hand, their acceptance of civilian employment with an intelligence agency is not attractive because of dual-compensation limitations. NAPA will be examining this issue more fully in its final Report.

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(NAPA) Study of Civilian Personnel Systems

- o While training offered by Intelligence Community agencies is effective, the levels of training are uneven and, particularly in the case of civilians in the military department intelligence components, inadequate. Thus, the NAPA Panel recommends that a Committee on Training and Career Development be established to serve as a formal mechanism for Intelligence Community agencies to coordinate training capabilities with training needs.

Among the other conclusions, of interest is the fact that the current attrition rates for the Intelligence Community are fairly healthy, with the exception of the military service organizations and the FBI (the attrition rate for the FBI was nine percent in 1987). NAPA also makes a case for improved coordination of entry-level recruitment efforts within the Intelligence Community, particularly in adopting innovative ways to deal with clearance processing delays (citing NSA's practice of issuing Limited Interim Clearance as an example). [REDACTED]

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4. The Steering Group, made up of senior representatives from the participating intelligence agencies, is generally pleased with the Interim Report and has contributed much time and effort to assist NAPA in its study. The only shortcoming we see is that the "uniqueness" argument--that the Intelligence Community requires exceptional personnel practices because of the unique aspects of our mission--should have been made stronger. We have sought to make this point clearer via your letter to the HPSCI and SSCI Chairmen. Overall, NAPA's second effort has improved considerably over its first Report. We will continue to work with the NAPA Study Staff to assure the best possible product in the final Report. [REDACTED]

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5. The second Interim Report is due to the Congress on 1 September 1988. Following your review and signature of the forwarding letters, I shall attach the NAPA Reports and arrange delivery to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence. [REDACTED]

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[REDACTED]
Edward J. Heinz
Lieutenant General, USAF

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Attachments:

- A. Letters for Signature
- B. Interim Report

SUBJECT: Second Interim Report--National Academy of Public
Administration (NAPA) Study of Civilian Personnel Systems

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1 - PPO Chrono

1 - ICS Registry

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(22 August 1988)

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National Academy of Public Administration
Chartered by Congress

August 29, 1988

The Honorable Louis Stokes
Chairman
House Permanent Select Committee on Intelligence
H-405 Capitol Building
Washington, DC 20515

Through: Judge William H. Webster
Director of Central Intelligence

Dear Chairman Stokes:

On behalf of the National Academy of Public Administration's Panel for the Study of the Intelligence Personnel Systems, I am pleased to transmit the September 1st interim report, as requested by the Congress in the Conference Report for the Fiscal Year 1988 Intelligence Authorization Act.

The report is also being sent to the Honorable David L. Boren, Chairman, Senate Select Committee on Intelligence.

Sincerely,

Philip A. Odeen *DIW*
Panel Chairman

The Director of Central Intelligence

Washington, D.C. 20505

2 September 1988

The Honorable Louis Stokes, Chairman
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

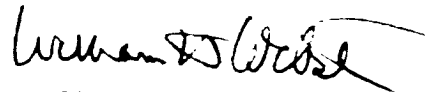
Dear Mr. Chairman:

Attached for your information is the 1 September 1988 Interim Report from the National Academy of Public Administration (NAPA), the second in a series studying the Intelligence Community's civilian personnel management and compensation systems. The Final Report will be transmitted to you on 20 January 1989 in accordance with the Conference Report on the Intelligence Authorization Act for FY 1988.

The second Interim Report centers on workforce issues, examining the impact of changing intelligence requirements on the personnel systems of the various intelligence agencies and discussing staff recruitment, retention, and training. I was particularly interested in the Report's presentation on why the Intelligence Community is unique from other government agencies, and NAPA's assessment of the special requirements to which employees of the intelligence organizations are subject. The NAPA Panel's preliminary findings in this area are encouraging, and we hope that further study will lead to firm conclusions. NAPA has also presented a thoughtful examination of the degree to which judicious use of our special authorities has allowed us to compete for talented personnel in the past, and the degree to which we will be required to use them in the future. Overall, I am encouraged by the work the NAPA Staff and Panel have conducted thus far and look forward to the conclusions and recommendations they will make in the Final Report.

A copy of this Report is also being forwarded to the Chairman, Senate Select Committee on Intelligence.

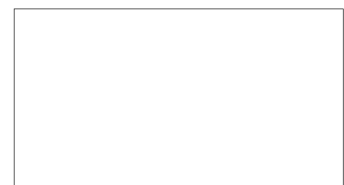
Sincerely yours,



William H. Webster

Enclosure:
NAPA Interim Report

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National Academy of Public Administration
Chartered by Congress

August 29, 1988

The Honorable David L. Boren
Chairman
Senate Select Committee on Intelligence
SH-211 Hart Senate Office Building
Washington, DC 20510

Through: Judge William H. Webster
Director of Central Intelligence

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Sincerely,

Philip A. Odeen DZW

Philip A. Odeen
Panel Chairman

The Director of Central Intelligence

Washington, D.C. 20505

2 September 1988

The Honorable David L. Boren, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

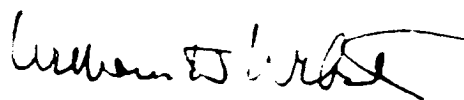
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Sincerely yours,



William H. Webster

Enclosure:
NAPA Interim Report

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National Academy of Public Administration
Chartered by Congress

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**STUDY OF THE INTELLIGENCE
COMMUNITY PERSONNEL SYSTEMS**

**SECOND INTERIM REPORT
BY
A PANEL OF THE
NATIONAL ACADEMY OF PUBLIC ADMINISTRATION**

NAPA Panel

**Philip A. Odeen - Chair
Hon. Julius W. Becton
Dr. James Colvard
Admiral Bobby R. Inman
Hon. Carol Laise
Fred Meuter, Jr.
William G. Miller**

SEPTEMBER 1, 1988

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