

Central Intelligence Agency



Washington D C 20505

4 June 1986

MEMORANDUM FOR: Assistant to the President for
National Security Affairs

SUBJECT: PFIAB Report on Edward Lee Howard

1. I appreciate the opportunity to review the excellent and extremely thorough PFIAB report on the Edward L. Howard espionage case. The report gives a very well balanced perspective on the important issues raised by the case, particularly from a counterintelligence point of view. I found that the report reinforces a number of the findings that we have reached as to the serious implications that Howard presents for handling of possible similar cases in the future. It also produced some information that was new to us.

2. The report does demonstrate vividly several specific organizational and attitudinal shortcomings which existed in the Agency and which ultimately contributed to the mishandling of this case. The PFIAB report has helped me bring forceful attention to these issues and take corrective action to guard against another incident of this sort. Based upon the earlier Agency Inspector General report, I directed the implementation of a number of modifications designed to improve Agency handling of employee suitability issues. These modifications were implemented some months ago and are in place today. Please refer to the attached document for the specific steps taken as a result of the Howard case. I also found it necessary to reprimand two senior Agency officials directly involved in the handling of Edward Howard prior to his defection. The PFIAB report contains three additional recommendations which I heartily endorse.

3. In order to avoid a future occurrence of this nature, I have directed the Deputy Director for Operations to ensure that his Division and Staff Chiefs share pertinent counterintelligence information with the Director of Security and the Chief, Counterintelligence Staff as soon as such information is known. Along with this directive was a strong reminder to the Deputy Director for Operations that he and his organization must be much more alert to possible counterintelligence cases in the ranks. Furthermore, I have instructed the Executive Director to hold monthly meetings with the Director of Security and the Chief, Counterintelligence Staff to ensure an adequate exchange of sensitive information of a counterintelligence nature involving CIA employees. In this connection, the Director of Security also convenes ad hoc meetings with the Director of Security, the Director of Personnel and the Chief, Counterintelligence Staff as an advisory body to him to ensure that he is kept informed of all pertinent aspects of counterintelligence-related cases involving Agency employees.

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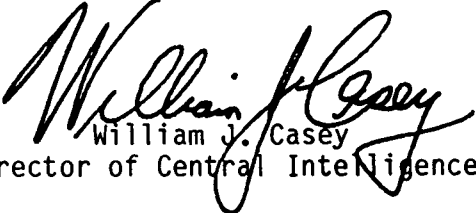
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4. The most inexcusable circumstance in this whole matter involves the repeated efforts of [redacted] to have Howard's telephone calls checked and the failure of anyone up the line of command to respond to his concerns. With what he saw at stake, he should have understood that he could bring this directly to the DDO or the DDCI or the DCI. To prevent this kind of a breakdown in organization and communications, I have directed the DDO to see that DO officers likely to find themselves in the position [redacted] was in in the Howard matter understand that if they are unable to get a response on a proposal they consider necessary to protect a CIA asset, they are expected to bring it to the attention of the DDO, DDCI or DCI.

5. I believe the combination of the actions outlined above and the three recommendations contained in the PFIAB report will help correct the organizational and attitudinal deficiencies which permitted a case such as this to develop in the first place. Again, I am thankful for the opportunity to have commented on the PFIAB report. You can be sure that I will continue to give this subject highest priority.


William J. Casey
Director of Central Intelligence

Attachment:
as stated

4 June 1986

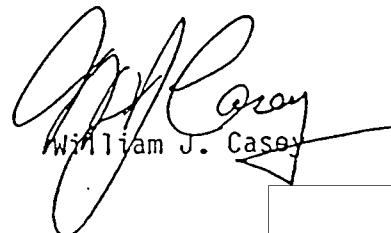
MEMORANDUM FOR: Deputy Director for Operations
FROM: Director of Central Intelligence
SUBJECT: Howard Case

1. I am appalled at the DO's handling of the Howard case as described in the recent PFIAB report. I need only cite: the warnings from [redacted] that went essentially unheeded; the long delay in bringing the matter to FBI attention; the failure to consult the Counterintelligence Staff; the absence of overall direction; the reluctance to recognize that a major counterintelligence problem was unfolding until it was too late; the failure to bring the matter to my personal attention promptly; and, above all, an astonishing complacency about, seemingly an unwillingness to accept even as a possibility, a DO officer committing espionage for the Soviet Union. (b)(1) (b)(3)

2. The DDO and SE were front and center in this case. Both deserve censure. To prevent any recurrence, I direct you to instruct your division and staff chiefs as follows in the strongest possible terms:

- The DO must be more alert to possible CI cases in the ranks. Complacency as to the possibility of hostile penetration or turning of a DO officer is intolerable and must be overcome.
- On detecting any suggestion of such a development, they are responsible for sharing all pertinent information, without delay, with the Director of Security, the Chief, Counterintelligence Staff, and Inspector General if you think appropriate.
- Decisions as to further investigative steps will be made by the Director of Security, in consultation with the Chief, Counterintelligence Staff, not by themselves.
- All DO officers who may find themselves in the position [redacted] [redacted] was in in the Howard case, being unable to get action on a step believed necessary to protect a CIA asset, are encouraged to take the matter to the DDO, the DDCI, or the DCI. (b)(1) (b)(3)

3. Invaluable operations have been compromised and at least one life was lost as a result of the gross mishandling of this case. Deficiencies in process, organization, and attitude that contributed to this catastrophe must be corrected, and I hold you personally responsible to do so.


William J. Casey

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DIRECTOR GENERAL	
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Executive Registry	
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27 February 1986

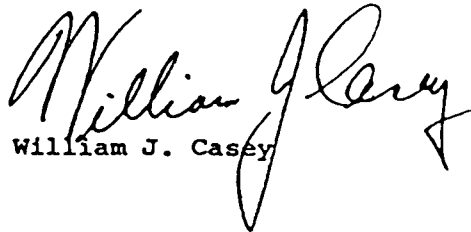
MEMORANDUM FOR: Executive Director
 Deputy Director for Administration
 Deputy Director for Intelligence
 Deputy Director for Operations
 Deputy Director for Science & Technology

FROM: Director of Central Intelligence

SUBJECT: Proposed Modifications in Handling Employee Suitability Issues

1. I have read the attached thoughtful response from the DDA concerning improvements needed in the wake of the Howard case. The very sensible recommendations Dick Kerr's people have made will be of value to the extent that we are able to apply them. This means that each of our component chiefs must pay very close attention to any serious emerging personnel problem.

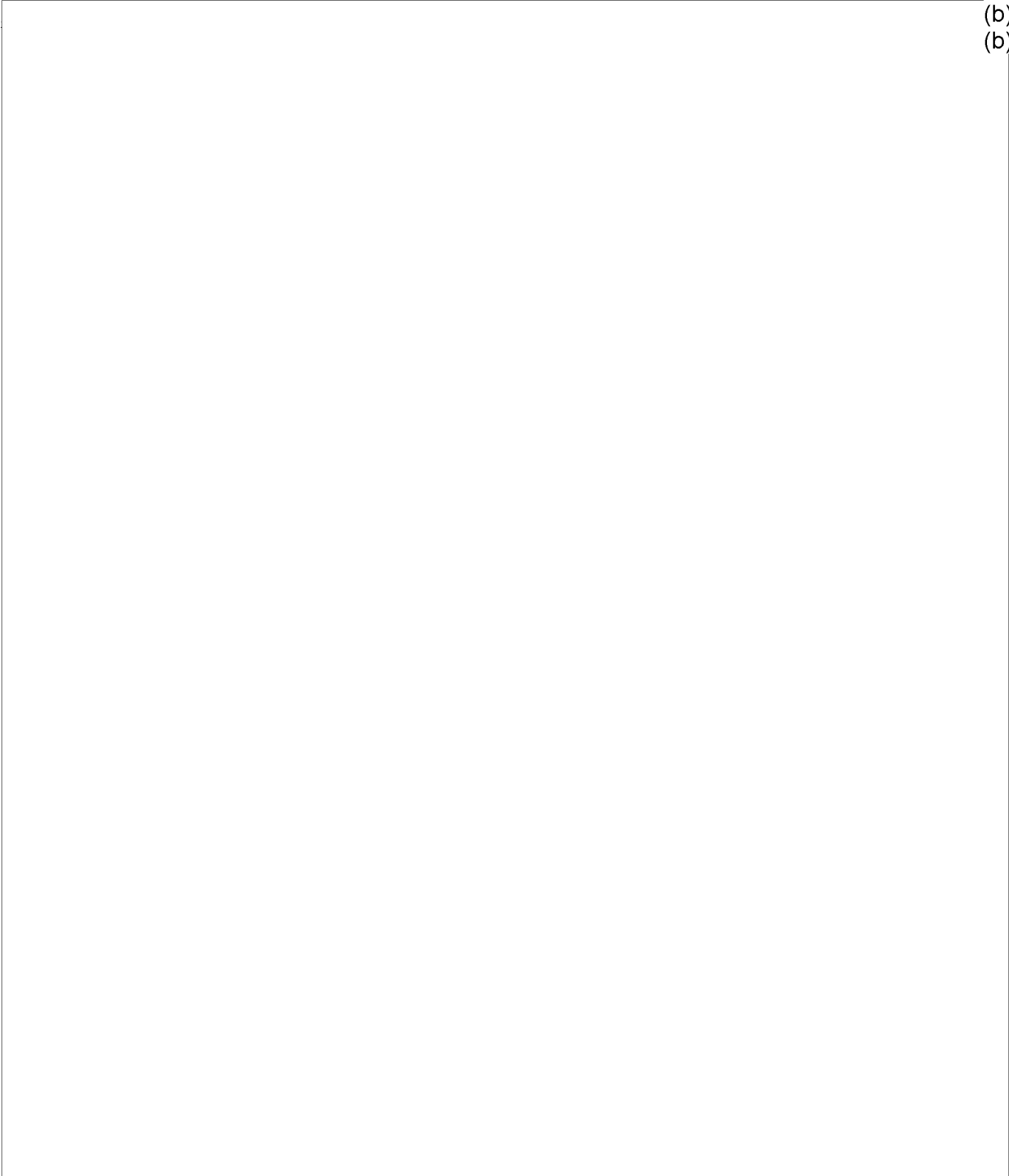
2. I would like each of you to read this document carefully. I would like you to transmit it with this note to each of your component chiefs with a request that they, in turn, read it carefully. All of us must derive every possible benefit from this unfortunate experience and work to prevent it from happening again.


 William J. Casey

Attachment: As Stated

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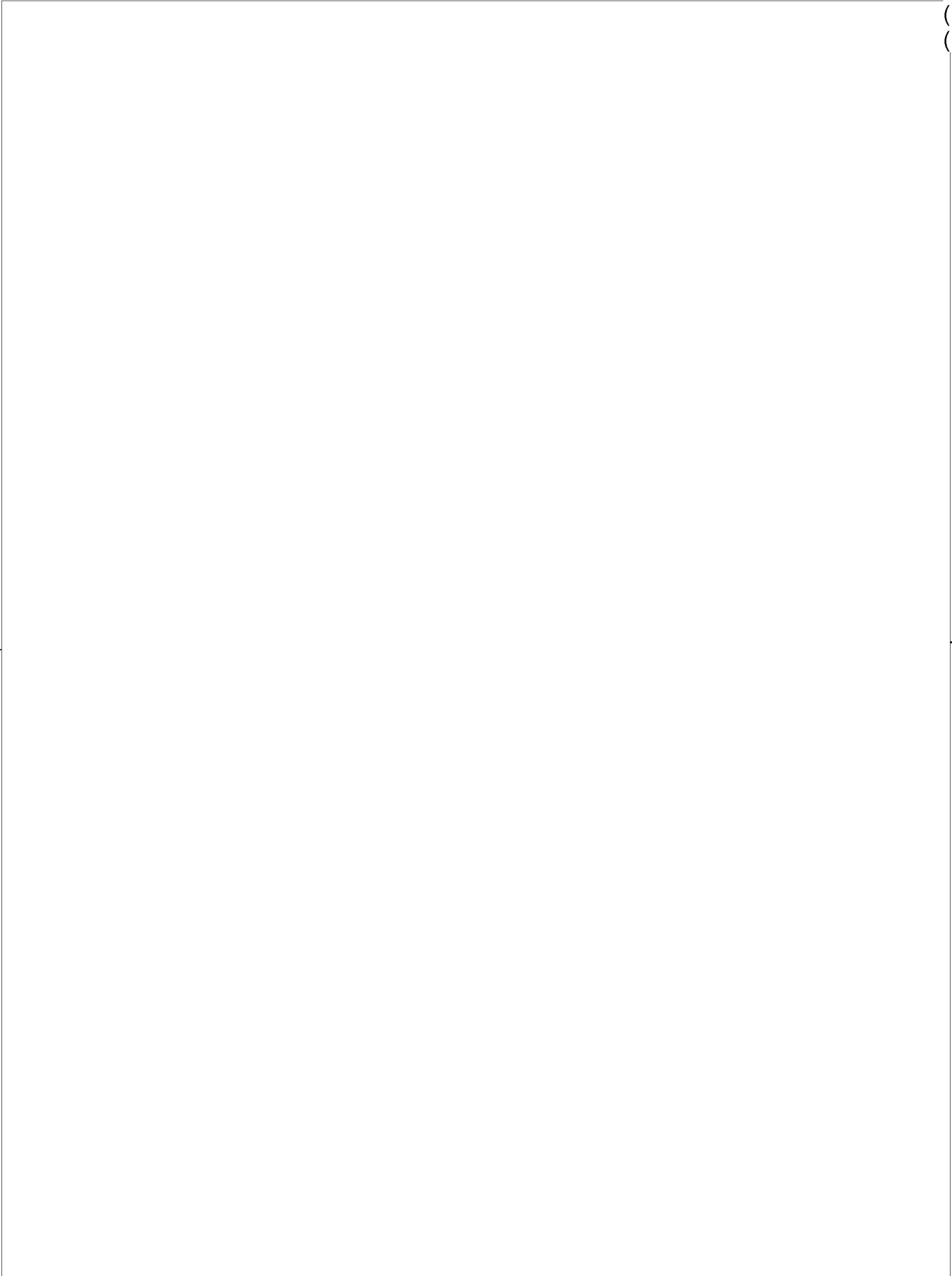


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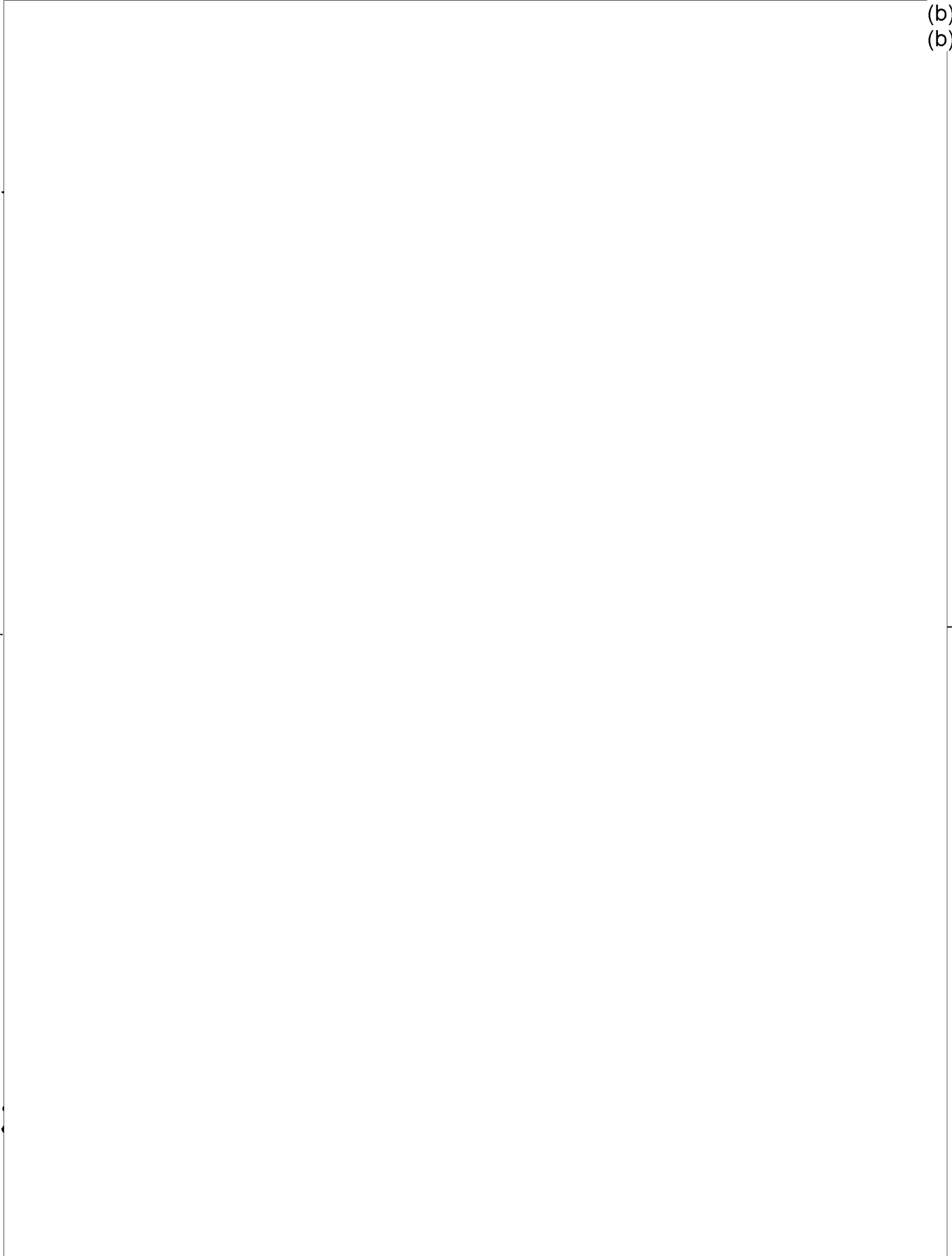
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