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23 September 1964

The Honorable McGeorge Bundy
Special Assistant to the President
for National Security Affairs
The White House
Washington, D. C.

Dear Mac:

Attached is my formal reply in connection with audio surveillance and countermeasures problems. I call your attention to State's position as regards the chairmanship of one of the proposed USIB committees.

I have also attached a draft NSAM to implement the proposed recommendations.

Faithfully yours,

Marshall S. Carter
Lieutenant General, USA
Acting Director

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State Dept. review completed

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23 September 1964

MEMORANDUM FOR: Mr. McGeorge Bundy
Special Assistant to the President

SUBJECT: Audio Surveillance and Countermeasures
Problems within the United States
Intelligence Community

REFERENCES:

1. Memorandum from Mr. Bundy to the Chairman, United States Intelligence Board, dated 26 June 1964
2. Memorandum from the Acting Director of Central Intelligence, dated 12 March 1964 to Mr. Bundy
3. Memorandum from Mr. Bundy to the Director of Central Intelligence and the Director of the Defense Intelligence Agency, dated 7 October 1963

1. This memorandum is in response to that part of the penultimate paragraph of reference (1) which requests "coordinated proposals for specific actions to achieve ... coordination of the intelligence community's resources and capabilities for research and development, and operational application of audio surveillance collection and countermeasures techniques." Response to other portions of reference (1) are in preparation and will be forwarded separately.

2. The recommendations contained in paragraph 5 herein have been concurred in by the DLA, the Office of the Director of Defense Research and Engineering (for the OSD), the Army, Navy and Air Force. The FBI interposes no objection to the recommendations. The Department of State does not concur in parts of recommendation 5c. A dissenting memorandum from State is attached.

DIA review(s)
completed.

3. The problems of audio surveillance and countermeasures, which are many and complex, have been under continuing intensive study since the receipt of reference (3). Certain modifications of the recommendations contained in reference (2) have been worked out as a result of this study and of consultations between and among the interested departments and agencies.

4. The following discussion is pertinent to the problems:

a. Audio surveillance operations.

Audio surveillance is used overseas in espionage and clandestine counterintelligence operations by the CIA and by the military intelligence services. It is also used overseas by the military services in security and criminal investigations affecting the military commands. Domestically it is used by the FBI and the military services in pursuit of their missions. Other audio (Acoustint) collection techniques are employed by components of the Department of Defense.

No coordination problem is encountered in the overt use of audio techniques, or in their domestic use. Coordination of overseas audio espionage and clandestine counterintelligence operations falls under the provisions of NSCID 5. In addition, use by military organizations of audio surveillance transmitters in the pursuit of criminal and security investigations overseas may at times pose a threat to sensitive espionage operations in the same area, and vice versa. Some degree of consultation is advisable to minimize this risk. Procedures for this consultation are being worked out between the CIA and DIA.

b. Audio surveillance research and development.

The major problems in connection with audio surveillance research and development are: possible undesirable duplication; insurance of maximum effectiveness of programs; and protection of the security of advances in the creation of equipment and techniques suitable for use in espionage or defensive counterintelligence operations. The inadvertent compromise of this security may nullify the effectiveness of an active program and

maximum compartmentation is therefore called for. Within the Federal Government, CIA, the Department of Defense, and the FBI are the major components engaged in this field. While it is noted that CIA and FBI maintain liaison on technical matters, and recently CIA and DIA established similar liaison procedures, fully effective procedures for coordination have not yet been completed.

c. Technical surveillance countermeasures.

Each agency of the U. S. Government having sensitive installations and operations has a responsibility for protection of those installations and their personnel. Security components of these organizations maintain personnel who periodically conduct technical inspections in an attempt to determine whether the installations are secure from hostile audio penetration. A subcommittee of the National Security Council called the NSC Special Committee on Technical Surveillance Countermeasures under the chairmanship of the Department of State, has been in existence for several years. Representatives of several agencies of the U. S. Government, including the Department of Defense, FBI and CIA sit as members of this committee. In consonance with the trend in recent years to deal with continuing problems under mechanisms other than the National Security Council, I believe these functions should be brought under the United States Intelligence Board. Under active intelligence sponsorship, a closer relationship can be established among and between operational elements and those concerned with research and development of countermeasures equipment.

d. Technical surveillance countermeasures research and development.

Since several departments and agencies of the U. S. Government, including DOD, State, FBI and CIA, have legitimate interests in the betterment of equipment and techniques to defend against hostile audio surveillance and penetration, I believe that the most effective method of coping with the problem is to designate a central point in the

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intelligence community which will permit a coordinated study of these highly technical problems and review proposed R&D programs designed to meet them.

5. It is recommended that:

a. Audio surveillance operations:

(1) No additional authority or machinery is required to effect the coordination of the use of audio techniques in espionage and clandestine counterintelligence operations;

(2) To the degree required to avoid undue conflict between non-intelligence military operations and sensitive espionage operations, CIA with the DIA, will establish a mechanism for consultation on the use of audio surveillance techniques overseas.

b. Audio surveillance research and development:

The CIA with the DIA for the Department of Defense, and with the FBI, establish procedures for the coordination of research and development of audio surveillance equipment and techniques suitable for use in espionage and clandestine counterintelligence.

c. Technical surveillance countermeasures:

The National Security Council Special Committee on Technical Surveillance Countermeasures be dis-established. The coordination of technical surveillance countermeasures and research and development activities in the counter-audio field would be assigned to the DCI as Chairman of USIB. The USIB would establish a new Countermeasures Committee of the USIB, to be chaired by CIA* and supported by two subcommittees: a Technical Surveillance Countermeasures Subcommittee to coordinate policy and procedures and establish standard security practices for the conduct of indoctrination of U. S. personnel;

*This is the point on which State disagrees.

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a **Research and Development Subcommittee** to insure a coordinated and aggressive program of research and development of advanced countersurveillance equipment and techniques. Membership of the Countermeasures Committee and of its two subcommittees will consist of representatives of CIA, DIA, State, FBI, Army, Navy, Air Force and NSA. Other agencies may be invited to participate as appropriate.

Marshall S. Carter
Lieutenant General, USA
Acting Director

Attachment

cc: President's Foreign Intelligence Advisory Board

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64-6458/3

DRAFT

NATIONAL SECURITY ACTION MEMORANDUM NO.

**TO: The Secretary of State
The Secretary of Defense
The Attorney General
The Director of Central Intelligence**

**SUBJECT: Audio Surveillance and Countermeasures Problems
Within the Intelligence Community**

1. Recent discoveries in the Moscow Embassy have made it even more important than before to assure continued progress in coordination of the intelligence community's activities in the field of audio surveillance and measures designed to counter hostile audio surveillance.

2. The following steps appear appropriate in this connection:

a. The Special Committee of the National Security Council on Technical Surveillance Countermeasures is hereby dissolved.

b. The Director of Central Intelligence, with the advice and assistance of the United States Intelligence Board (USIB), will be responsible for coordination of technical surveillance countermeasures conducted by

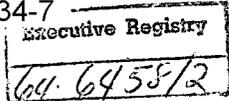
the intelligence community, and research and development activities in the counter-audio field. The DCI, with the concurrence of USIB, is authorized to establish and develop a specific charter for a new USIB committee to achieve interagency coordination in these fields. Subcommittees may be formed as appropriate.

c. The CIA will establish procedures with the DIA for the Department of Defense and with the FBI, for the coordination of research and development of audio surveillance equipment and techniques suitable for use in espionage and clandestine counterintelligence.

d. The CIA and DIA will establish a mechanism for consultation on the use of audio surveillance techniques by the military in non-intelligence investigations overseas, to the degree required to avoid undue risk to sensitive surveillance espionage operations.

McGeorge Bundy

cc: President's Foreign Intelligence Advisory Board



15 September 1964

MEMORANDUM FOR: Director of Central Intelligence**SUBJECT: Audio Surveillance and Countermeasures
Problems within the Intelligence Community**

1. This memorandum contains a recommendation for the approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 9.

2. There has been a long history of attempts to reach agreement within the intelligence community on the problem of coordination of audio surveillance and countermeasures. The highlights of this whole process are listed below:

a. McGeorge Bundy wrote a memorandum on October 7, 1963, to the DCI and to the DIA asking for recommendations from the DCI, "in consultation with the departments and agencies concerned."

b. It was impossible to reach agreement and it was decided to forward the CIA position to Bundy. This was done in a memorandum from the Acting DCI, 12 March 1964. State and DOD submitted dissenting recommendations in April.

c. Bundy asked in June that the Chairman of USIB come up with coordinated proposals by 20 July 1964. It was impossible to meet this deadline. The FIAB then scheduled the item for its August 7 meeting. This part of the agenda was cancelled because of conflicting demands on the Board's time.

d. Since then, the differences have been narrowed to one point, on which there is no possibility of voluntary agreement.

3. The CIA proposals of 12 March 1964 were:
 - a. No additional authority or machinery required to effect coordination of clandestine operational activities.
 - b. Research and development on positive audio to rest with CIA as a service of common concern.
 - c. Establish two subcommittees under the USIB Security Committee -- one for technical inspections and requirements and one for R&D in the counter-audio field. State to chair the first, CIA the second.

The DOD comment, prepared by Fubini's office, was very confused. State felt that it must retain the chairmanship of any audio countermeasures committee. It preferred to retain the present Special Committee under the NSC, but if necessary agreed to transferring this to USIB, provided it was an independent committee, not a subcommittee of Security. The FBI concurred generally with the CIA position.

4. In June General Carter discussed this matter with Bundy. He agreed that the resolution of differences of this kind appears to fall properly within the cognizance of the DCI.

5. Recent extended negotiations with Defense have resulted in DOD agreement to a modified CIA position. (A by-product of this negotiation has been the assertion by General Carroll of DIA's primary role in this field, within DOD.) The FBI originally concurred at the working level, but now asks that its position be recorded as "interposing no objection." (We understand that this language is designed to avoid giving the appearance of supporting CIA in a disagreement with State and is not meant to imply any reservation in substance.) The Department of State is still unwilling to budge on the matter of the committee chairmanship (explained in paragraph 6 below).

The shifts which have been made in the CIA position to accommodate so far as possible the views of other agencies, and which are agreed to by DOD and are satisfactory to the FBI are:

a. CIA, under the authority of the DCI, will establish procedures with the DIA and with the FBI for coordination of R&D in the positive audio field.

b. The NSC Special Committee will be dissolved and a new and independent audio countermeasures committee of the USIB will be established. This will be chaired by a CIA representative.

(DIA supports CIA chairmanship of the parent committee, and we understand would oppose State's chairing it. CIA and DIA agree that the Technical and Research and Development subcommittees of this new committee should be chaired at this time by State and CIA respectively. DIA feels however that these chairmanships should eventually be rotated to other agencies. Because of this, DIA would not agree to specific language in the Bundy letter as to the chairmanship of any committee other than the parent one.)

In addition DIA agrees to consult with CIA on the use of audio surveillance operations by the military in non-intelligence investigations overseas, to the degree required to avoid undue risk to sensitive espionage operations.

6. State still insists on chairing this proposed new committee. They base this stand on the contention that their experience and competence in counter-audio activities, including research and development "exceed those of any other agency;" that they control the diplomatic installations abroad; and that they now chair the NSC Special Committee. They would not oppose CIA's chairing the R&D subcommittee, provided State chairs the Technical subcommittee along with the parent committee.

In actual fact CIA is planning a considerably increased research and development program, and Defense also has rather ambitious plans in this connection. It is questionable that State will be in a position, if in fact it ever has been, to exercise a significant impact on new research and development efforts. As to the real estate involved, there are of course large and sensitive military headquarters overseas, which represent a sizeable commitment and one that can certainly lay claim to magnitude of at least the same general

order as State's. Additionally, there is a feeling in various elements of the Government -- perhaps intangible and possibly unfair -- that the recently revealed situation in the Moscow Embassy indicates some inadequacy in existing procedures.

7. It should be noted that the proposal for a new and independent USIB committee involves a matter of organization which has wider significance than the audio and counter-audio problem itself. That is, this tends to reverse in some small degree the recent trend toward reducing the number of USIB committees. On the other hand, this represents a major -- and probably desirable -- concession to State; and it is in fact logical that this function should be overseen by an independent committee since it involves activities beyond the usual role of the Security Committee.

8. The attached memorandum from you to Mr. Bundy summarizes the present position, as outlined above. It clearly indicates the recommendations agreed to by CIA and DOD, and "not objected to" by the FBI. State's dissent is included as an attachment.

9. It is recommended:

a. That you sign the attached letter to McGeorge Bundy.

b. That you or General Carter suggest to Mr. Bundy that as discussed with him in June the entire matter be referred to the DCI for resolution, through the medium of a NSAM, proposed draft of which is attached. (You will note that the NSAM does not designate the Chairman of the proposed new committee -- which is the point at issue -- since this kind of stipulation would probably be out of place in such a document. But it authorizes the DCI to establish the committee and thus implicitly to choose its chairman.)

/s/ John A. Bross
JOHN A. BROSS
D/DCI/NIPE

Attachments:

- A. Letter from DCI to McGeorge Bundy
- B. Proposed NSAM

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64-6458

DEPUTY UNDER SECRETARY OF STATE
FOR ADMINISTRATION
WASHINGTONThis document consists of 2 pages
Number 1 of 5 copies, Series A.

September 12, 1964

TO : Mr. John A. McCone
Director
Central Intelligence Agency

SUBJECT : Audio Surveillance and Countermeasures Problems
Within the U. S. Intelligence Community

REFERENCES : 1. Attached Draft of DCI memorandum to Mr. McGeorge Bundy
2. March 12, 1964 memorandum on subject to Mr. Bundy by
the Acting DCI
3. April 15, 1964 memorandum on subject to Mr. Bundy by
the Secretary of State

The Department of State is in accord generally with the referenced draft memorandum; however, it does not fully concur with the recommendations contained in paragraph 5c.

The Department of State does not object to the transfer of the present NSC Special Committee on Audio Surveillance Countermeasures to full Committee status under the USIB. However, the Department of State does take exception to the recommendation that CIA chair the proposed countermeasures committee of the USIB. The Department believes it should retain the chairmanship of any inter-agency committee on audio surveillance countermeasures for the following reasons:

1. The diplomatic installations abroad which also house the military attache and CIA operations are the responsibility of the Department of State.
2. These diplomatic establishments have been and always will be primary targets for technical penetration by the opposition.
3. During the past 15 years the Department of State has developed a staff of security engineers who have a firsthand knowledge of the unique problems associated with audio surveillance countermeasures. The Department of State currently has a world-wide program in fulfillment of this mission. In recognition of the

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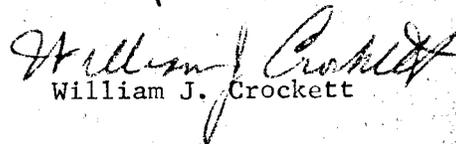
above, it is the Department's opinion that its experience and competence in the countermeasures program exceeds that of any other agency.

4. To date the Department of State has been solely responsible for security of all diplomatic establishments in Eastern Europe. The Department has initiated action within the present Committee on Audio Surveillance Countermeasures which has greatly enhanced the cooperation and coordination within the community. For example, the Department has invited other agencies to participate in the Department's Regional Technical Center in Frankfurt, and thus give them an opportunity to conduct inspections and gain valuable experience in Eastern Europe.

Section 5. c provides for the establishment of two subcommittees. The Department does not object to this proposal. Needless to say, the Department is interested in knowing if it is intended that CIA chair the important research and development subcommittee.

In summary, the Department of State feels that because of its responsibility for targeted installations and its predominance of experience, it should chair the proposed Audio Surveillance Countermeasures Committee under USIB.

It is requested that this memorandum expressing the views of the Department of State be forwarded to Mr. McGeorge Bundy at the time the attached draft memorandum is finalized and sent to Mr. Bundy.


William J. Crockett

Attachment:

Draft of DCI memorandum to Mr.
McGeorge Bundy

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