

Statement by Director of Central Intelligence

on

Guatemala

Before HPSCI 25 July 1995 and SSCI 26 July 1995

(Read by Jeffrey H. Smith, General Counsel)

I have reviewed the CIA Inspector General's report on intelligence activities in Guatemala, dated 15 July. I commend the Inspector General for this work. I am not pleased to read criticism of any part of the Agency, but as I have said before, when we have done something right, we should be proud; when we have done something wrong, we must acknowledge mistakes and act promptly to correct them.

The Inspector General's investigation found no evidence that any employee of the Central Intelligence Agency was involved in the murder of Michael DeVine or the disappearance of Efrain Bamaca. Furthermore, the investigation found no evidence of any violation of law by any CIA employee. Reports that persons with whom the CIA had contact were involved in that murder or disappearance were found to be seriously flawed.

The investigation concluded that the CIA was performing its mission in Guatemala in accord with legitimate intelligence requirements set by US Government policy makers

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for information concerning human rights issues; the status of the insurgency; and narcotics trafficking. These Agency activities were conducted under well-established Executive branch guidelines and congressionally approved programs. In order to acquire the needed intelligence, the Agency had to associate with individuals in Guatemala who had direct knowledge about those issues.

When the Agency acquired information alleging that persons with whom it had had contact may have been involved in the death of Michael DeVine, it referred the information to the Department of Justice. The Agency took these actions because of the serious nature of these allegations. We now know that the credibility of the allegations is questionable. That being said, when serious allegations such as these are made, and are not on their face frivolous, the prudent course is to refer them to DoJ.

The Inspector General's report raises concerns about the Agency's conduct in several areas -- including Congressional Notification, Ambassadorial Notification, Selection of Chiefs of Station, [REDACTED] Collection and Reporting Responsibility, Human Rights Reporting Analytical Functions, Directorate of Operations' Records System and Accountability.

I report to you today actions I will take in response to these recommendations. I wish to emphasize that these are initial decisions. Final action that may go further than the Inspector General recommendations in some areas must await consultations with my CIA and State Department colleagues. When I have made all of my decisions, including any disciplinary measures, I will make a final report to you.

I will discuss the Inspector General's recommendations in the order in which they are presented in the report.

**Congressional Notification.** The Inspector General concludes that, in the past, there has been an institutional predisposition at CIA against sharing information with Congress. Let me assure you that I have taken and will continue to take steps to ensure that Oversight Committees are fully and currently informed of all intelligence activities.

I will shortly issue new, detailed guidelines and will be taking other measures, along the lines recommended by the Inspector General to ensure that we keep Congress fully and currently informed. These new guidelines will build on what I believe have been recent significant improvements in the notification process. I also intend to adopt the Inspector General's recommendation that each Deputy Director and head of independent office conduct a quarterly review to determine

whether all employees under their direction have reported to the Oversight Committees.

Ambassadorial Notification. The Inspector General found that the Chiefs of Station did not keep the Ambassadors appropriately informed.

I intend to issue new guidance concerning the responsibilities of the Chief of Station to keep the Ambassador informed, [REDACTED]

[REDACTED] I will consult with Secretary of State Christopher on this matter.

Selection of Chiefs of Station. The Inspector General recommends revising criteria for the selection of chiefs of station.

I shall instruct the CIA Executive Director to issue a new set of standards for the process of selecting Chiefs of Station and to ensure that the new policy is followed. The managers we have abroad must be fully aware of all their reporting responsibilities.

[REDACTED]

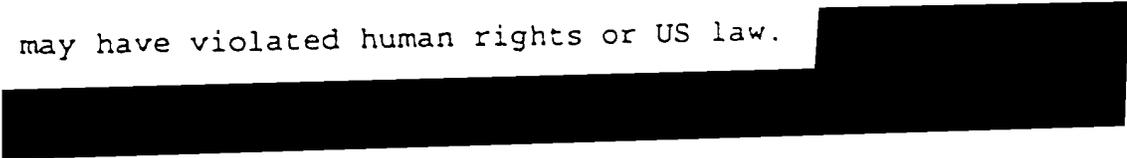


Collection and Reporting Responsibility. The Inspector General found that some station reporting on information from human assets was not reliable, clear, and accurate.

Accurate reporting is fundamental to the success of the intelligence process. Regulations cannot solve this problem. Only management attention in day to day operations can ensure reliability. I expect and require no less.

Human Rights Reporting. The Inspector General recommends that the CIA develop procedures to ensure compliance with our established standards for reporting information relating to human rights abuses. When these abuses are uncovered, both headquarters and stations must ensure both that the reporting is fully assessed and appropriate action is taken.

I had previously asked the General Counsel to review our internal procedures for assessing and acting on assets who may have violated human rights or US law.



[REDACTED]

These procedures are especially necessary because the most desirable potential assets frequently have serious problems.

[REDACTED]

We do not condone any actions that may violate US criminal law, and we will continue to report such information to the FBI and the Department of Justice, as we did in this case.

Analytical Functions. I agree with the Inspector General that Directorate of Intelligence analysts should have greater access [REDACTED] when such interaction will serve to strengthen the intelligence product. As part of the new partnership program between the Directorates of Operations and Intelligence, analysts have been given improved access, although I do believe there are occasions when greater access is warranted. Guatemala provides a clear example where even greater access would have been helpful. I expect the new Deputy Director of Operations and the Deputy Director of Intelligence to work to remove

remaining barriers. The Directorate of Intelligence must also continue its emphasis on improved analytic tradecraft to ensure that major conclusions are supported by a strong evidentiary base.

**Do Records System.** One of the most important findings in the Inspector General report is the weakness noted in the Directorate of Operations records system. [REDACTED]

[REDACTED] I am directing the CIA Executive Director to initiate a major investment program to modernize Directorate of Operations records keeping and to involve Counterintelligence fully in this effort.

**Accountability.** The Inspector General has made recommendations to me concerning accountability of specific Agency employees. I have asked the Executive Director, General Counsel and the Chief of Staff to review these recommendations and report their findings to me.

These changes will improve the CIA. The Inspector General Report does not criticize the heart of the intelligence community's mission and functions, which continue to be essential for the Nation and to reflect the dedication and skill of its employees.