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19 November 1952

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT: Intelligence Support for the Foreign Assets Control Unit of Treasury

REFERENCE: Memo, Non-IAC Branch, C&D, to Chief, ID, 15 October 1952
Memo, Chief, ID to AD/CD, and Ind. to Mr. Stone, 15 October 1952
Memo, DD/I to AD/IC, 15 October 1952
Letter, Acting Director, Foreign Assets Control to Mr. Dulles, 15 October 1952

PROBLEM

1. To examine existing arrangements for intelligence support of Foreign Assets Control, Treasury, and make recommendations for their improvement.

FACTS

2. FAC obtains intelligence support (a) through associate membership on ING and (b) through OCD Liaison. The intelligence support through ING consists of tactical intelligence - individual cases requiring preventive or punitive action, as well as strategic intelligence - intelligence concerning the strategic nature of commodities and the trends of trade development. Reports, primarily in connection with specific cases, are prepared as required. OER is now considering a State proposal to place within CIA a central desk to coordinate intelligence on specific transactions in support of economic defense and enforcement operations.

3. The intelligence support through OCD consists of provision after appropriate clearances, to FAC of intelligence and information - in large measure this consists of raw information.

4. OER wishes to review material going to FAC from OCD and FI/ROM/IC to evaluate it where possible and to coordinate this activity with its participation in EIC and ING activity when FAC is represented. OER now does this in the intelligence support of OIT.

5. The FAC requirements, now before OCD, are inadequate - should be more detailed according to OCD. OCD is now negotiating actively

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with PAC to obtain new requirements. OO wishes to review the new PAC requirements before they are accepted.

6. When RC sends SO reports to OCD they, subject to IAS clearance can be disseminated to non-IAC agencies. Any exception to this is noted on the SO report.

7. RC does not want to screen SO reports against PAC requirements - preferring that OCD be responsible. RC wishes to reserve the right to disseminate urgent reports to PAC.

8. PF/ECB desires that PAC be clearly advised that relationships with CIA on economic warfare operations involve a channel with CIA separate from the intelligence support function.

9. OO-B reports are sent to OCD with customer-agencies designated. Any additional distribution by OCD requires clearance by OO.

10. There is a considerable delay experienced by OCD in obtaining information reports from archives. Records Management, when a new copy of a report must be made, had been required to use reproduction facilities

[redacted] Advised this was a problem I inquired of Records Management and was informed they have now located a machine in their own shop and can, on request, provide one-day service and within six weeks will have records in shape to provide one-day service on all requests whether so specified or not.

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11. There is an existing intelligence support arrangement for the support of OIT which has in general been approved for use vis-a-vis PAC by the interest offices. This technique will be outlined in the recommendations which follow.

RECOMMENDATIONS

12. RC will transmit direct to PAC urgent SO information. OCD and OHR are informed of such transmission by existing agency distribution practices. Less urgent SO information will be forwarded to OCD by RC for screening against PAC requirements - the SOs selected by OCD will be forwarded to PAC with a copy to OHR for information and evaluation. This release will be made with the understanding that RC has cleared the SOs for dissemination prior to forwarding them to OCD or has noted on the report any control it wishes imposed.

13. OCD will be responsible for screening OO-Bs against PAC requirements and forwarding OO-Bs selected to PAC after clearance and sanitization by OO. OO-Bs, cleared and sanitized by OO, will be transmitted to OHR for information and evaluation prior to release to PAC.

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14. Materials transmitted to PAC will be forwarded under security guidance of IAS, and where appropriate, OCI.

15. OGI will examine its relations with PAC to determine whether any improvement in intelligence support of PAC through SIC or IAG can be accomplished.

16. OGD will continue its present efforts to obtain a new set of requirements from PAC.

17. a. That a copy of these recommendations serve as a notice of action responsibility to the offices concerned.

b. That OGD then explain orally to PAC the above arrangements as necessary, pointing out the differences between central intelligence support and central intelligence operations and arranging that each element of CIA be dealt with appropriately by PAC.

JAMES Q. ARDEN
Assistant Director
Intelligence Coordination

This paper has the concurrence of OGD, OGI, FI/RQM/RC, OO, IAS, and PF/ECG.

cc: AD/CD
AD/IR
Chief, FI/RQM/RC
AD/O
AD/IAS
Chief, PF/ECG

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Chief, Administrative Staff, OCI

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Assistant Director, Intelligence Coordination

Request for Clearance

It is requested that Mr. Claude E. Hawley who has recently joined this Office be given Special Intelligence clearance and an "F" Series badge, inasmuch as work assignments in this Office will on occasion require contacts in OCI.

JAMES Q. REBER

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