

Security
15 Reg

SECOM-D-10
31 October 1974

MEMORANDUM FOR THE RECORD

SUBJECT: Security - US Agency for International Development (AID)

1. On 29 October 1974 [redacted] CIA/OS, referred to Security Committee a notice of a possible security problem received from Mr. James Mathews, Security Officer, USAID, (9) 235-9727.

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2. I called Mathews who is a former Security Officer with Department of State and is now Chief, Physical Security Division, USAID. He informed that on about 20 September 1974, the September 1974 report of the USIB Economic Intelligence Committee titled, "Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World," classified SECRET, had been sent in an unclassified pouch to 13 overseas USAID posts. He said that a potential for a security problem exists in view of the fact that unclassified mail is opened and handled by foreign local-hire personnel at AID overseas posts.

3. Mr. Mathews reported the following corrective actions already taken by him:

(a) Rearrangement of handling of classified mail at AID headquarters so that only appropriately cleared personnel have access to classified mail and are responsible for correct wrapping and pouching. Formerly, both classified and unclassified materials were prepared in the same area by the same people.

(b) An alert had been sent via State Department communications to State Regional Security Officers at all foreign locations requesting them to intercept the pouch containing the classified material before it was opened and take appropriate steps to retrieve the classified material. A report by the RSO was requested.

[redacted]

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4. The Chairman, Economic Intelligence Committee, was informed of the situation on 30 October 1974. He said that overseas distribution of the publication was appropriate and had been successfully accomplished by AID over previous years. He had heard of no previous security error. It was his opinion that no damage would result to intelligence sources and methods if the publication was handled and viewed by foreign AID employees. He did not feel the same way about complete loss or unauthorized duplication of the material by foreign personnel. The Chairman was informed that he would be told of new developments.

5. From information provided by Mr. Mathews, this appears to be a case of human error by personnel who have previously displayed appropriate caution and care in the handling of classified material. The corrective action taken by Mr. Mathews at AID headquarters should reduce the potential for any repetition of the incident. The notification and requested actions sent to the field security officers appears appropriate and hopefully should preclude unauthorized access to the material. Mr. Mathews' assurance that we will be informed of results of field security officers actions should permit a final determination whether follow-up action is required.

6. There appears to be no further action for the Security Committee at this time. We will call Mr. Mathews in mid-November unless we have already heard from him.



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Executive Secretary, Security Committee

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- 1 - D/OS
- 1 - Chairman, EIC
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