

BRIEFING BOOK

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE APPEARANCE
BEFORE THE SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

1 MARCH 1988

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CIA-RDP89G01321R001002650001-8

Attached is the chart you requested from Bill Donnelly that provides information on the present duty strength of the IG and the planned size, as well as the statistics on inspections, investigations and audits carried out in 1987.



March 1988

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Date

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94TH CONGRESS }
2d Session }

SENATE

{ REPORT
No. 94-765

**FOREIGN AND MILITARY
INTELLIGENCE**

BOOK I

FINAL REPORT
OF THE
SELECT COMMITTEE
TO STUDY GOVERNMENTAL OPERATIONS
WITH RESPECT TO
INTELLIGENCE ACTIVITIES
UNITED STATES SENATE
TOGETHER WITH
ADDITIONAL, SUPPLEMENTAL, AND SEPARATE
VIEWS



APRIL 26 (legislative day, APRIL 14), 1976

C. INTERNAL AND EXTERNAL REVIEW OF THE OFFICE OF THE INSPECTOR GENERAL

The Inspector General reports to the Director of the Central Intelligence Agency, and the Director has the primary responsibility for evaluating this office. The Office has not, however, been regularly or formally reviewed. Some mechanism for internal inspection of the Office of the Inspector General should be devised.

The Inspector General was aware of questionable activities, some of which continued for many years with the approval of the Agency's top management. This underscores the importance of outside reviews of the Agency. To be effective, the reviewing bodies must have access to the Inspector General's work.

A number of individuals familiar with the work of the Office of the Inspector General have argued against the Inspector General's having a direct reporting responsibility outside of the CIA. Lawrence Houston noted that if the Inspector General reported directly to anyone other than the Director, two crucial elements would be lost: "first the absolute candor that should exist in his relations with the Director and second the ability to protect the integrity of his files and the confidentiality of his findings and recommendations."⁹⁹ The Committee has also been told that "any arrangement which would separate the Inspector General from his present relationship to Agency management would tend to result in a lack of candor and a resistance to revealing sensitive details in investigations and this would inevitably result in diluting the authority and effectiveness of the Inspector General."¹⁰⁰

A start in outside reporting has been made. Under Executive Order 11905 the Inspector General must report to the Intelligence Oversight Board any activities that raise questions of legality or propriety.¹⁰¹

But Executive Branch oversight of the CIA or the CIA's Inspector General is not sufficient. The Inspector General should be available to the appropriate congressional oversight committees.¹⁰² And some form of reporting on the work of the Office of the Inspector General should be made, with appropriate safeguards, to the appropriate congressional committees.

The present Inspector General believes that:

[t]he I.G. could and perhaps should provide our oversight committees with the following: (1) a summary of our findings on each component survey, one which would reveal prob-

⁹⁹ Houston letter, 1/76, p. 1.

¹⁰⁰ Comments on the Office of the Inspector General, 1/25/76, pp. 2-3. However, Scott Breckinridge wrote that "If so directed by the DCI, elements being inspected will continue to be as forthcoming as in the past. There is no reason to expect that this will not be the case." (Breckinridge letter, 1/12/76, p. 5.) Mr. Breckinridge noted, however, that if reports were to be made available to outside bodies, less detail might be provided "in support of conclusions and recommendations."

¹⁰¹ *Ibid.* Prior to the issuance of the Executive Order, CIA regulations, amended to conform to the recommendations of the Rockefeller Commission, required reports to be sent to the NSC and PFIAB.

¹⁰² Letter from John McCone to the Senate Select Committee, 1/30/76, p. 2. Former DCI McCone wrote that the IG should not report to anyone outside the Agency such as the PFIAB, the NSC or congressional oversight committees. The IG, should be however, "available to all of these groups." (*Ibid.*, p. 2.)

lems and recommended solutions but not give operational details; (2) a semi-annual summary of all other cases, emphasizing trends, general problems, etc., but not giving names of individuals or sensitive details which might identify individuals.¹⁰³

Such reports, coupled with access, where necessary, to the results of particular inspections or reviews by the Inspector General, would greatly aid congressional oversight of the CIA.¹⁰⁴ Congressional evaluation of the work of the Office of the Inspector General might be facilitated by requiring the Inspector General to provide the oversight committee with a plan of action setting out "priority surveys to be done and why, the schedule to be followed, the dates reports would be completed, [and] the actions taken on reports (or the non-actions) and why."¹⁰⁵

A second means for Congress to oversee the work of the Inspector General would be to make the Inspector General subject to presidential nomination and senatorial confirmation. ~~Presidential appointment, however, might inadvertently give position of Inspector General a political coloration which would diminish the effectiveness of the Office.~~

¹⁰³ Chamberlain letter, 1/13/76, p. 4. In order to reinforce the chain of command such reporting could be done via DCI's reports to the oversight committees.

¹⁰⁴ One former Inspector argued against congressional access without the DCI's concurrence as leading to "congressional involvement in Agency minutiae," the erosion of security, and the reduction of the candor of Agency employees vis a vis the IG. (Heimann letter, 1/18/76, p. 2.) Another former Inspector wrote that if all IG's reports were to be sent to Congress they would "become less candid and more conservative." (Lawrence letter, 2/13/76, p. 5.) Another former Inspector suggested that "an active and strong congressional oversight committee would be my first choice" as an "outside authority" which would correct problems that the IG discovers. (Holmes letter, 1/19/76, p. 6.)

¹⁰⁵ Holmes letter, 1/19/76, p. 12. The submission of such a plan would allow the IG to be evaluated on the basis of his own plan, which would be approved by the IG and the committees. The committee "would be assured that the IG was planning to do what the committee expected them to do." *Ibid.*

The IG is required, under Executive Order 11905 to report to the Intelligence Oversight Board the "practices and procedures" formulated to discover questionable activities by the CIA.

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DCI APPEARANCE BEFORE SENATE INTELLIGENCE COMMITTEE
ON LEGISLATION TO ESTABLISH A CIA STATUTORY INSPECTOR GENERAL

- A. Background on the Hearing
- B. Opening Statement
- C. Questions and Answers
- D. S. 1818, Section Four

A

26 February 1988

NOTE FOR: The Director
FROM: John Helgerson
SUBJECT: 1 March Senate Intelligence Committee Hearing
on Statutory IG

Attached is your briefing book along with a separate set of background materials in preparation for your 1 March appearance at an open Senate Intelligence Committee hearing on Senator Specter's bill to establish a statutory Inspector General at CIA.

Based on recent discussions with Committee staff, it appears that other than hearing from you on measures you have taken to strengthen the Office of Inspector General, there are two major areas of Committee interest: 1) the degree to which you are willing to share with the oversight committees information on IG inspections and investigations; and 2) the extent to which the IG will be "independent" of influence from the DCI and the rest of the Agency. Our proposed opening statement concentrates on summarizing the changes you have made in the office and listing the specific problems you have with the Specter bill. We have prepared questions and answers dealing with the issues of committee access to IG information and IG "independence."

The Committee staff fully expects that some members will ask questions related to CISPES. However, Specter's staff has indicated that Specter, at least, will confine his questions in this regard to two areas: 1) how the FBI Inspection Division is organized and operates; and 2) the role of the Inspection Division in the entire CISPES investigation. [redacted] has put together pertinent materials for you on this subject which can be found at Tab J of the background notebook. He will also separately provide you with proposed questions and answers.

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Also scheduled to testify on 1 March are the Inspectors General of the State and Defense Departments (both of whom were established by statute), and the Comptroller General. We understand that none of them plans to take any position on whether there should be a statutory IG at CIA. Instead, the State and Defense Department IGs will discuss their organization and mandate, and the Comptroller General will offer his assessment of the effectiveness of statutory IGs that exist at other Federal agencies.

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SAM NUNN, GEORGIA
 ERNEST F. MOLLINGS, SOUTH CAROLINA
 BILL BRADLEY, NEW JERSEY
 ALAN CRANSTON, CALIFORNIA
 DENNIS DECONCINI, ARIZONA
 HOWARD M. METZENBAUM, OHIO

ORRIN HATCH, UTAH
 FRANK MURKOWSKI, ALASKA
 ARLEN SPECTER, PENNSYLVANIA
 CHIC HECHT, NEVADA
 JOHN WARNER, VIRGINIA

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
 WASHINGTON, DC 20510-8475

ROBERT C. BYRD, WEST VIRGINIA, EX OFFICIO
 ROBERT DOLE, KANSAS, EX OFFICIO

SVEN E. HOLMES, STAFF DIRECTOR/GENERAL COUNSEL
 JAMES H. DYKSTRA, MINORITY STAFF DIRECTOR
 KATHLEEN P. MCGHEE, CHIEF CLERK

February 10, 1988

The Honorable William H. Webster
 Director of Central Intelligence
 Central Intelligence Agency
 Washington, D.C., 20505

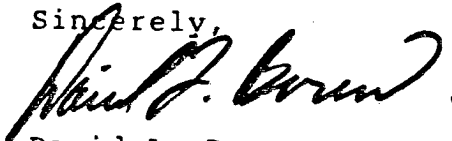
Dear Judge Webster:

On Tuesday, March 1, 1988, the Senate Select Committee on Intelligence will conduct an open hearing commencing at 2:00 p.m. in Dirksen 562 in consideration of S.1818, the National Security Reform Act of 1987, an omnibus bill concerning inspections and sanctions for intelligence activities.

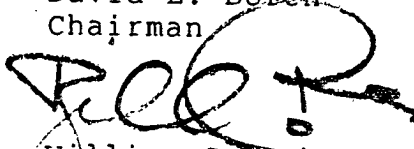
Since you have expressed a particular interest in the statutory Inspector General section of the bill and have requested the opportunity to advise the Committee of the IG reforms you have instituted at the Central Intelligence Agency, we request that you appear as a witness.

We anticipate that testimony by other witnesses will conclude by 3:00 p.m. at which time we would look forward to your remarks.

Sincerely,



David L. Boren
 Chairman



William S. Cohen
 Vice Chairman

B

STATEMENT OF THE
DIRECTOR OF CENTRAL INTELLIGENCE
BEFORE THE SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

1 MARCH 1988

MR. CHAIRMAN AND MEMBERS OF THE SELECT COMMITTEE ON INTELLIGENCE, I AM PLEASED TO BE HERE TODAY TO DISCUSS MY VIEWS ON SECTION FOUR OF S. 1818, THE NATIONAL SECURITY REFORM ACT OF 1987, WHICH PERTAINS TO THE ESTABLISHMENT OF A STATUTORY INSPECTOR GENERAL AT THE CENTRAL INTELLIGENCE AGENCY.

THE PURPOSE OF THE PROPOSAL, AS I UNDERSTAND IT, IS TO STRENGTHEN THE INDEPENDENCE AND OBJECTIVITY OF THE INSPECTOR GENERAL. AS SENATOR SPECTER DESCRIBED IT, IT IS "TO HELP ASSURE LAWFUL INTERNAL COMPLIANCE ON MATTERS WHICH DO NOT COME WITHIN THE PURVIEW OF CONGRESSIONAL OVERSIGHT." IT WOULD ADD THE CIA TO THE LIST OF FEDERAL AGENCIES WHICH CURRENTLY HAVE STATUTORY INSPECTORS GENERAL.

BEFORE I PROVIDE YOU WITH MY THOUGHTS ON SENATOR SPECTER'S MEASURE, I WOULD FIRST LIKE TO EXPLAIN BRIEFLY WHAT THE CIA INSPECTOR GENERAL CURRENTLY DOES AND HOW THE OFFICE OF INSPECTOR GENERAL IS NOW ORGANIZED.

THE CIA ALREADY HAS AN INSPECTOR GENERAL WHO IS A SENIOR OFFICER REPORTING DIRECTLY TO THE DCI AND DDCI AND WHO IS SUBORDINATE ONLY TO THE DCI AND DDCI. IN THE CONDUCT OF HIS DUTIES, THE INSPECTOR GENERAL HAS UNLIMITED AND AUTOMATIC ACCESS TO ALL AGENCY RECORDS.

THE INSPECTOR GENERAL CURRENTLY DIRECTS AND COORDINATES THE ACTIVITIES OF THREE GROUPS: THE INSPECTION STAFF, THE INVESTIGATION STAFF AND THE AUDIT STAFF. THESE THREE GROUPS CONDUCT SPECIAL INVESTIGATIONS WHEN NEEDED, ROUTINE INSPECTIONS AND AUDITS. ALL ELEMENTS OF THE AGENCY, BOTH AT HEADQUARTERS AND IN THE FIELD, ARE SUBJECT TO EXAMINATION. ONLY THE DCI HAS THE AUTHORITY TO EXEMPT A COMPONENT OR PROGRAM FROM AN INSPECTION OR AN AUDIT. TO THE BEST OF MY KNOWLEDGE, NO DCI HAS EVER EXERCISED THIS POWER.

BEFORE I EXPLAIN THE WORKINGS OF THE THREE GROUPS UNDER THE DIRECTION OF THE INSPECTOR GENERAL, LET ME EMPHASIZE THAT, IN ADDITION TO HIS NORMAL INSPECTION, INVESTIGATION AND AUDIT ACTIVITIES, THE INSPECTOR GENERAL NOW HAS MUCH BROADER POLICY AND MANAGEMENT FUNCTIONS WITHIN CIA. AS PART OF THE NEW RESPONSIBILITIES I HAVE ASSIGNED TO THAT OFFICE, HE WILL BE DIRECTLY INVOLVED IN IMPROVING OVERALL AGENCY MANAGEMENT, ENSURING ACCOUNTABILITY AND DISCIPLINE, AND ENCOURAGING THE RAISING OF STANDARDS AND QUALITY OF PERFORMANCE THROUGHOUT THE AGENCY.

I SEE THE OFFICE OF INSPECTOR GENERAL AS PERFORMING ANOTHER NEW AND PERHAPS EVEN MORE CRITICAL INSTITUTIONAL ROLE, AND THAT IS DEVELOPING OUR TOP MANAGERS AND LEADERS OF TOMORROW. HENCEFORTH AN ASSIGNMENT TO THE OFFICE OF INSPECTOR GENERAL WILL BE A NECESSARY AND MEANINGFUL COMPONENT IN THE CAREER DEVELOPMENT OF OUR BRIGHTEST AND MOST PROMISING OFFICERS. I AM PERSONALLY COMMITTED TO THE GOAL OF IDENTIFYING AND BRINGING OUR BEST PEOPLE TO THE OFFICE, AND I AM PLEASED TO SAY THAT WE ARE ALREADY WELL ON THE WAY TOWARDS FULFILLING THAT GOAL.

THE INSPECTION STAFF, THE FIRST OF THE THREE GROUPS UNDER THE SUPERVISION OF THE INSPECTOR GENERAL, CONDUCTS PERIODIC INSPECTIONS OF ALL AGENCY COMPONENTS TO ENSURE COMPLIANCE WITH LAWS AND REGULATIONS. IT ALSO ADDRESSES PROBLEMS BROUGHT TO ITS ATTENTION AND EVALUATES MANAGEMENT EFFECTIVENESS. IN COMPLIANCE WITH EXECUTIVE ORDERS 12333 AND 12334, THE INSPECTOR GENERAL AND, FOR THAT MATTER, THE GENERAL COUNSEL WILL REPORT, TO THE EXTENT PERMITTED BY LAW, TO THE PRESIDENT'S INTELLIGENCE OVERSIGHT BOARD ANY INTELLIGENCE ACTIVITIES WHICH HE HAS REASON TO BELIEVE MAY BE UNLAWFUL OR CONTRARY TO EXECUTIVE ORDER OR PRESIDENTIAL DIRECTIVE. LIKewise, THE INTELLIGENCE OVERSIGHT ACT, § 501 OF THE NATIONAL SECURITY ACT OF 1947, REQUIRES THE AGENCY TO REPORT TO THE INTELLIGENCE COMMITTEES ANY ILLEGAL INTELLIGENCE ACTIVITY, ALONG WITH ANY CORRECTIVE MEASURES TAKEN OR PLANNED TO BE TAKEN.

THE INVESTIGATION STAFF, THE SECOND OF THE THREE GROUPS, HANDLES COMPLAINTS ABOUT EMPLOYEE CONDUCT AND REPORTS OF POSSIBLE VIOLATIONS OF LAW, REGULATIONS OR PROCEDURES, AND ALSO INVESTIGATES EMPLOYEE GRIEVANCES AND DISCRIMINATION COMPLAINTS. IN THE PAST FOUR YEARS, THIS STAFF HAS HANDLED AN AVERAGE OF TWO DOZEN INVESTIGATIONS THAT HAVE CULMINATED IN FORMAL REPORTS, AND AN ADDITIONAL 75 INFORMAL INQUIRIES AND GRIEVANCE REFERRALS OR CONSULTATIONS PER YEAR THAT DO NOT RESULT IN FORMAL REPORTS.

THE AUDIT STAFF PERFORMS INDEPENDENT AUDITS OF ALL MATTERS RELATED TO THE RECEIPT, DISBURSEMENT AND APPLICATION OF FUNDS AND ASSETS AVAILABLE TO THE AGENCY IN ACCORDANCE WITH AUDIT STANDARDS WHICH THE COMPTROLLER GENERAL HAS ESTABLISHED. THE CHIEF OF THE AUDIT STAFF REPORTS THE AUDITORS' OBSERVATIONS AND RECOMMENDATIONS TO THE DEPUTY DIRECTOR OF THE OFFICE CONCERNED AND TO OTHER OFFICIALS AS APPROPRIATE. THE DEPUTY DIRECTOR MUST REPLY TO AUDIT RECOMMENDATIONS WITHIN 60 DAYS. IF RECOMMENDATIONS CANNOT BE RESOLVED SATISFACTORILY AT OPERATING LEVELS, THEY MAY BE REFERRED TO ME THROUGH THE INSPECTOR GENERAL FOR RESOLUTION.

AS I SAID EARLIER, THERE ARE NO LIMITATIONS ON THE SCOPE OF AUDITS AND INVESTIGATIONS. THE INVESTIGATORS, INSPECTORS AND AUDITORS HAVE COMPLETE ACCESS TO ANY INFORMATION WITHIN CIA AND THE DCI'S STAFF ELEMENTS, BOTH AT HEADQUARTERS AND IN THE FIELD. AUDITORS, INVESTIGATORS AND INSPECTORS, AS WELL AS THEIR SUPERVISORS, ARE GRANTED SPECIAL CLEARANCES WHEN NEEDED TO REVIEW EXTREMELY SENSITIVE COMPARTMENTED ACTIVITIES.

DESPITE THE MANY STRENGTHS OF THE INVESTIGATION PROCESS, I DISCOVERED THAT SOME AREAS OF THE OFFICE OF INSPECTOR GENERAL NEEDED TO BE IMPROVED IN THE WAKE OF THE IRAN-CONTRA AFFAIR. AS YOU KNOW, I BROUGHT IN A SPECIAL COUNSEL, RUSSELL BRUEMMER, TO REVIEW THE AGENCY'S PERFORMANCE IN THE AFFAIR. IN HIS REPORT, MR. BRUEMMER, WHO NOW SERVES AS THE CIA'S GENERAL COUNSEL, PINPOINTED THE FOLLOWING PROBLEMS IN THE OFFICE OF INSPECTOR GENERAL:

-- THE NUMBER OF INVESTIGATORS ASSIGNED TO THE INVESTIGATION STAFF WERE NOT ENOUGH TO DEAL WITH THE DEMANDS OF A MAJOR INVESTIGATION;

-- THE INVESTIGATORS DO NOT RECEIVE FORMALIZED TRAINING IN INVESTIGATIVE TECHNIQUES WHEN THEY ROTATE INTO THIS ASSIGNMENT; AND

-- THE INVESTIGATORS DO NOT RECORD THEIR RECOLLECTIONS AS VERBATIM TRANSCRIPTS, SIGNED STATEMENTS OR FORMAL MEMORANDA FOR THE RECORD.

THE REPORT OF THE IRAN-CONTRA COMMITTEES HAD EARLIER REFLECTED THESE CONCERNS MORE GENERALLY BY STATING THAT THE OFFICE LACKED THE MANPOWER, RESOURCES AND TENACITY TO UNCOVER KEY FACTS LEARNED IN OTHER INVESTIGATIONS OF THAT MATTER.

AT THE SAME TIME, IT IS IMPORTANT TO KEEP IN MIND THAT THE SPECIAL COUNSEL NOTED IMPORTANT STRENGTHS WITHIN THAT OFFICE. FOR INSTANCE, HE DETERMINED, IN SPITE OF THE PROBLEMS I JUST DESCRIBED, THAT THE INSPECTOR GENERAL'S STAFF PERFORMED WELL IN DETERMINING THE AGENCY'S ROLE IN THE IRAN ARMS SALES. IN A MATTER OF SIX WEEKS AFTER THE ATTORNEY GENERAL'S ANNOUNCEMENT OF THE SALES, THE INVESTIGATION TEAM PRODUCED A 40-PAGE REPORT ON THE AGENCY'S ROLE AND A 35-PAGE CHRONOLOGY THAT HAVE BEEN PROVEN TO BE ESSENTIALLY ACCURATE AFTER MANY MORE MONTHS OF ADDITIONAL TESTIMONY.

NONETHELESS, IN LIGHT OF THE APPARENT SHORTCOMINGS OF THE OFFICE OF INSPECTOR GENERAL IDENTIFIED BY THE IRAN-CONTRA COMMITTEES AND MY SPECIAL COUNSEL, I CONVENED A STEERING GROUP LAST NOVEMBER COMPOSED OF SENIOR AGENCY MANAGERS TO RECOMMEND SPECIFIC WAYS IN WHICH THE OFFICE COULD BE IMPROVED. ITS FINDINGS MIRRORED TO A LARGE DEGREE THOSE OF THE IRAN-CONTRA COMMITTEES AND THE SPECIAL COUNSEL, THAT IS, THAT THE OFFICE'S MANPOWER AND THE QUALIFICATIONS OF ITS PERSONNEL SHOULD BE STRENGTHENED AND ITS INVESTIGATIVE STAFF MORE RIGOROUSLY TRAINED TO ENABLE IT TO IDENTIFY AREAS OF POTENTIAL IMPROPRIETY OR VIOLATIONS OF STATUTES AND REGULATIONS BETTER AND TO IDENTIFY CLEARLY AND DEAL PROPERLY WITH ACTUAL VIOLATIONS OF LAW.

THE STEERING GROUP ALSO DETERMINED THAT THERE WAS ROOM FOR IMPROVEMENT IN THE ROLE OF THE INSPECTOR GENERAL HIMSELF; SPECIFICALLY, THAT THE AUTHORITY, STATUS AND IMAGE OF THE POSITION SHOULD BE ENLARGED. PERHAPS MORE IMPORTANT, THE INSPECTOR GENERAL'S RELATIONSHIP WITH ME SHOULD BE ENHANCED.

I HAVE ALREADY IMPLEMENTED MEASURES THAT I BELIEVE WILL GO A LONG WAY TOWARD ALLEVIATING THE PROBLEMS I HAVE NOTED. SO FAR I HAVE:

sent

-- TAKEN STEPS TO ENSURE THAT THE INSPECTOR GENERAL IS RECOGNIZED AS BEING EQUIVALENT IN RANK AND POSITION TO A DEPUTY DIRECTOR, SUBORDINATE ONLY TO ME AND THE DDCI, AND HAVE ENSURED THAT BOTH HIS INSPECTION AND INVESTIGATION REPORTS ARE SENT DIRECTLY TO ME AND TO THE DDCI;

-- TAKEN STEPS TO INCREASE THE STAFF OF THE OFFICE;

-- EXPANDED THE INSPECTOR GENERAL'S ROLE TO INCLUDE BECOMING DIRECTLY INVOLVED IN IMPROVING OVERALL AGENCY MANAGEMENT, ENSURING ACCOUNTABILITY AND DISCIPLINE AND ENCOURAGING THE RAISING OF STANDARDS AND QUALITY OF PERFORMANCE WITHIN THE AGENCY, IN ADDITION TO CONDUCTING HIS NORMAL INVESTIGATION, INSPECTION AND AUDIT ACTIVITIES; AND

-- APPOINTED WILLIAM DONNELLY TO HEAD THIS ENHANCED OFFICE OF INSPECTOR GENERAL. MR. DONNELLY IS A WIDELY-RESPECTED AGENCY OFFICER WHO, IN 33 YEARS WITH THE AGENCY, HAS COMPILED AN EXTENSIVE OPERATIONAL, MANAGEMENT AND ADMINISTRATIVE BACKGROUND THAT GIVES HIM A UNIQUE PERSONAL INSIGHT INTO A WIDE RANGE OF AGENCY ACTIVITIES.

UNDER MY TENURE THE PROCESS OF DEFINING THE DUTIES AND RESPONSIBILITIES OF THE INSPECTOR GENERAL WILL BE A CONTINUING AND EVOLUTIONARY PROCESS. SOME OTHER STEPS CURRENTLY UNDER DEVELOPMENT, BUT NOT YET FULLY STAFFED, INCLUDE:

-- STRENGTHENING AGENCY REGULATIONS PERTAINING TO THE INSPECTOR GENERAL'S RESPONSIBILITIES;

-- REORGANIZING THE OFFICE TO INCLUDE THE EXPANSION OF THE INVESTIGATION STAFF;

-- DEVELOPING TRAINING AND INVESTIGATIVE PROCEDURES; AND

-- IDENTIFYING THOSE ACTIVITIES WHICH THE INSPECTOR GENERAL NEEDS TO REVIEW FROM TIME TO TIME.

I AM CONCERNED THAT ENACTMENT OF A STATUTORY INSPECTOR GENERAL WILL ACTUALLY PROVE TO BE COUNTERPRODUCTIVE TO AN EFFECTIVE INSPECTION AND INVESTIGATION PROCESS AT THE CIA. FIRST, THE USE OF THE SUBPOENA POWER COULD BE COUNTERPRODUCTIVE TO OBTAINING ALL THE FACTS. ADMINISTRATIVE ACTIONS ARE NOT CRIMINAL PROCEEDINGS. VOLUNTARY COOPERATION IS ESSENTIAL IN LEARNING THE FACTS AS SOON AS POSSIBLE AND IMPLEMENTING ANY NECESSARY CORRECTIVE ACTIONS AS SMOOTHLY AS POSSIBLE. EVIDENCE THAT IS COMPELLED [BY SUBPOENA], UNLIKE INFORMATION VOLUNTARILY PROVIDED OUR INVESTIGATORS, HAS THE POTENTIAL TO JEOPARDIZE SUBSEQUENT CRIMINAL ACTIONS IF THE LATTER BECOME NECESSARY. AT BEST, INJECTING THE SUBPOENA POWER INTO THE INVESTIGATION PROCESS WILL MERELY SERVE TO COMPLICATE IT.

I SHOULD ALSO NOTE THAT HISTORICALLY, THE FACT THAT THE AGENCY HAS HAD NO SUBPOENA POWER IS NO ACCIDENT. AS A RESULT OF A CAREFULLY CONSIDERED DECISION OF THE CONGRESS IN 1947, THE AGENCY WAS SPECIFICALLY NOT VESTED WITH ANY SUBPOENA OR LAW ENFORCEMENT POWERS. IT WAS CONCLUDED THEN, AND I RESPECTFULLY SUBMIT THAT IT IS TRUE NOW, THAT THE CIA SHOULD NOT HAVE ANY LAW ENFORCEMENT POWERS OR FUNCTIONS APART FROM THOSE OF OUR SECURITY PROTECTIVE OFFICERS WHO GUARD AGENCY FACILITIES.

SECOND, THE SUBPOENA POWER IN MANY CASES COULD NOT REASONABLY BE USED IN THE CIRCUMSTANCES IN WHICH THE AGENCY OPERATES. REALISTICALLY, THE AGENCY CANNOT GO INTO COURT -- RISKING DISCLOSURE OF SOURCES AND METHODS -- TO SEEK A COURT ORDER TO HAVE A CONTRACTOR WITH WHICH IT HAS A COVERT RELATIONSHIP TURN OVER DOCUMENTS. CURRENTLY THE DEPARTMENT OF JUSTICE AND THE FBI SEEK SUBPOENAS ON THE AGENCY'S BEHALF. THIS SYSTEM WORKS WELL. WE HAVE FOUND, HOWEVER, THAT THERE IS MORE THAN SUFFICIENT LEVERAGE IN THE CONTRACTUAL RELATIONSHIP ITSELF. THE BOTTOM LINE IS THAT AGENCY INVESTIGATIONS ARE NOT ENCUMBERED BY THE LACK OF SUBPOENA POWER.

THIRD, THE PROPOSED LEGISLATION WOULD RAISE SOME AMBIGUITY ABOUT THE STATUTORY AUTHORITY OF THE DCI TO PROTECT INTELLIGENCE SOURCES AND METHODS AND THE AUTHORITY OF THE INSPECTOR GENERAL TO MAKE INDEPENDENT DECISIONS TO RELEASE SUCH INFORMATION. BECAUSE THE STATUTORY IG WOULD HAVE A SIGNIFICANT AMOUNT OF INDEPENDENCE FROM THE DCI, OUR INTELLIGENCE SOURCES AND FOREIGN LIAISON SERVICES MAY BE RELUCTANT TO PART WITH INFORMATION THAT WILL BE AVAILABLE TO AN OFFICE "INDEPENDENT OF" THE DCI. THEY ARE LIKELY TO BELIEVE, RIGHTLY OR WRONGLY, THAT THE AGENCY WILL NOT BE ABLE TO PROTECT THEIR INFORMATION. WE HAVE A SPECIAL CONCERN THAT OUR FOREIGN INTELLIGENCE SOURCES MAY FEEL THAT THE AGENCY WILL NOT BE ABLE TO PROTECT THEIR IDENTITIES AND THAT THE PERSONAL RISK IS TOO GREAT TO COOPERATE WITH THE AGENCY.

FOURTH, I WOULD SUBMIT THAT IT IS SIMPLY UNREALISTIC TO EXPECT THAT ESTABLISHING A STATUTORY INSPECTOR GENERAL WILL BY ITSELF RESOLVE ANY PERCEIVED FLAWS AND DEFICIENCIES IN THAT OFFICE. IN THIS REGARD, IT IS NOTEWORTHY THAT IN 1976 THE CHURCH COMMITTEE CONCLUDED THAT THE AGENCY NEEDED TO CONTINUE TO EXPAND AND STRENGTHEN ITS INSPECTOR GENERAL STAFF, BUT IT ALSO POINTEDLY REFRAINED FROM RECOMMENDING THAT THE INSPECTOR GENERAL BE ESTABLISHED BY STATUTE. THE CHURCH COMMITTEE RECOGNIZED, AND I BELIEVE IT REMAINS TRUE TODAY, THAT THE BEST WAY TO IMPROVE THE PERFORMANCE OF THE OFFICE OF INSPECTOR GENERAL IS TO GET HIGHLY QUALIFIED AND TRAINED PEOPLE TO SERVE IN THE OFFICE AND TO MAKE IT CLEAR TO ALL EMPLOYEES THAT THEY ARE EXPECTED TO COOPERATE FULLY WITH THE INSPECTOR GENERAL OR RISK SEVERE CONSEQUENCES. I AM CONVINCED THAT WE ARE NOW ON THE RIGHT TRACK IN THESE AREAS.

FINALLY, APART FROM SENATOR SPECTER'S PROPOSED LEGISLATION, I NOTE THAT THIS COMMITTEE HAS NOW FORMED ITS OWN AUDIT GROUP. THE AGENCY IS OF COURSE FULLY SUPPORTIVE OF THIS EFFORT AND IS COOPERATING WITH THE COMMITTEE'S AUDITORS.

THE CHANGES IN THE DUTIES AND PERCEPTIONS OF THE AGENCY'S INSPECTOR GENERAL AND HIS STAFF THAT I HAVE DESCRIBED ARE SIGNIFICANT ONES. WE ARE WELL DOWN THE ROAD TOWARD BUILDING AN EFFECTIVE MEANS OF ENSURING COMPLIANCE WITH LAWS, REGULATIONS, EXECUTIVE ORDERS AND PRESIDENTIAL DIRECTIVES. I ASK THAT WE BE GIVEN THE OPPORTUNITY TO DEMONSTRATE THE EFFECTIVENESS OF THESE CHANGES, RATHER THAN BE FORCED TO LIVE WITH A SYSTEM THAT FAILS TO ACCOMMODATE THE AGENCY'S UNIQUE CONCERNS. FOR CIA, THIS IS THE BETTER COURSE TO TAKE. I AM CONVINCED THAT NEITHER I, NOR THE CONGRESS, WILL BE DISAPPOINTED.

THIS CONCLUDES MY STATEMENT. I AM PREPARED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

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D

100TH CONGRESS
1ST SESSION

S. 1818

To make requirements for the preparation, and transmittal to the Congress, of Presidential findings for certain intelligence operations; to provide mandatory penalties for deceiving Congress; and to establish an independent inspector general for the Central Intelligence Agency.

IN THE SENATE OF THE UNITED STATES

OCTOBER 27 (legislative day, OCTOBER 16), 1987

Mr. SPECTER introduced the following bill; which was read twice and referred to the Select Committee on Intelligence

A BILL

20 SEC. 4. INSPECTOR GENERAL FOR THE CENTRAL INTELLI-
21 GENCE AGENCY.

22 (a)(1) PURPOSE; ESTABLISHMENT.—In order to create
23 an independent, objective and congressionally accountable
24 unit to conduct and supervise investigations and audits relat-
25 ing to programs and operations of the Central Intelligence

S 1818 IS

1 Agency, there is hereby established in the Central Intelli-
2 gence Agency or Office of Inspector General.

3 (2) APPOINTMENT AND REMOVAL.—There shall be at
4 the head of the Office an Inspector General who shall be
5 appointed by the President, by and with the advice and con-
6 sent of the Senate. The inspector general shall report to and
7 be under the general supervision of the Director of Central
8 Intelligence or the officer next below in rank but not any
9 other officer of the Central Intelligence Agency.

10 (3) The Director may prohibit the inspector general
11 from initiating, carrying out, or completing any audit or in-
12 vestigation, or from issuing any subpoena, only concerning
13 ongoing operations, and only if he determines that such pro-
14 hibition is necessary to protect vital national security inter-
15 ests of the United States.

16 (4) If the Director exercises any power under subsection
17 (a)(3) of this section, he shall submit a classified statement of
18 the reasons for the exercise of the power within seven days to
19 the Select Committee on Intelligence of the Senate and Per-
20 manent Select Committee on Intelligence of the House of
21 Representatives.

22 (5) The inspector general may be removed from office
23 only by the President. The President shall immediately com-
24 municate in writing to both Houses of Congress the reasons
25 for any such removal.

1 (6) DUTIES AND POWERS.—It shall be the duty and
2 responsibility of the inspector general appointed under this
3 Act—

4 (A) to provide policy direction for and to conduct,
5 supervise, and coordinate investigations and audits re-
6 lating to the programs and operations of the Central
7 Intelligence Agency to assure they are conducted effi-
8 ciently and in accordance with applicable law and
9 regulations;

10 (B) to keep the Director and the Congress fully
11 and currently informed, by means of reports required
12 by subsection (8) and otherwise, concerning violations
13 of laws and regulations, fraud, and other serious prob-
14 lems, abuses, and deficiencies and to report the
15 progress made in implementing corrective action.

*How ef to
Elmer West, 1/6/72*

16 (7) The inspector general shall have the power to issue
17 subpoenas to carry out his work.

18 (8) REPORTS.—The inspector general shall not later
19 than April 30 and October 30 of each year, prepare a classi-
20 fied semiannual report summarizing the activities of the
21 Office during the immediately preceding six-month periods
22 ending March 31 and September 30.

23 (9) Classified semiannual reports of the inspector
24 general shall be furnished to the Director not later than April
25 30 and October 30 of each year and shall be transmitted by

1 him to the Select Committee on Intelligence of the Senate
2 and the Permanent Select Committee on Intelligence of the
3 House of Representatives within thirty days after receipt, to-
4 gether with any comments he deems appropriate.

5 (10) The inspector general shall report immediately, se-
6 rious problems, violations of law or regulations or serious de-
7 ficiencies relating to the administration of programs and oper-
8 ations of the Agency. The Director shall transmit any such
9 report to the Select Committee on Intelligence of the Senate
10 and the Permanent Select Committee on Intelligence of the
11 House of Representatives within seven calendar days, to-
12 gether with any comments he deems appropriate.

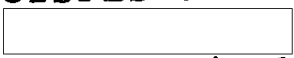
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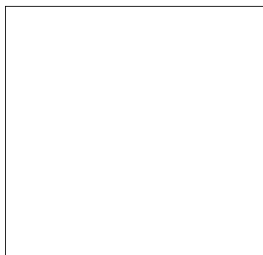


29 February 1988

Judge,

Re: FBI-Related Q's and A's for SSCI
Hearing on Statutory IG

Attached are questions and answers relating to CISPES and the FBI Inspection process that  and I prepared for your use in tomorrow's hearing. They are not included in your briefing book. STAT



STAT

Question: Could you please review for this Committee how the Inspection Division at the FBI works?

Answer: The Inspection Division is composed of three offices: the Office of Professional Responsibility, the Office of Inspections, and the Office of Program Evaluations and Audits.

The primary functions of the Office of Professional Responsibility (OPR) are to supervise and/or investigate all allegations of criminality and serious misconduct on the part of FBI employees, and monitor disciplinary action taken concerning all employees of the FBI. In addition, OPR maintains close liaison with OPR in the Department of Justice and coordinates FBI submissions to the Intelligence Oversight Board at the White House. During Fiscal Year 1986, OPR coordinated and/or personally investigated 438 separate inquiries of FBI employees.

The Office of Inspections is responsible for conducting in-depth examinations of the FBI's investigative and administrative operations to determine whether: (1) there is compliance with applicable laws, regulations, and policies; (2) resources are managed and used in an effective, efficient, and economical manner; and (3) desired results and objectives are

being achieved. These examinations are conducted for all FBI field offices, legal attaches and Headquarters divisions approximately once every two years. The work product of the Office of Inspections provides valuable input for management's short-range planning and decision making, and serves as a useful tool in the evaluation of FBI managers. During Fiscal Year 1986, the Office of Inspections conducted 40 inspections and issued 1,830 instructions or recommendations, of which 1,282 related to effectiveness or efficiency of operations. Further, the Office of Inspections undertook examination of 24 Equal Employment Opportunity complaints and conducted 10 administrative inquiries.

The Office of Program Evaluations and Audits is comprised of a Program Evaluations Unit and an Audit Unit. The Program Evaluations Unit conducts periodic evaluations of FBI investigative programs and administrative activities as well as studies and policy analyses. The purpose of these functions is to determine whether existing policies, procedures, and operations meet present and anticipated requirements. In addition, FBI operations are reviewed for economy, efficiency and effectiveness. During Fiscal Year 1986, 3 evaluations of FBI programs and 11 studies were initiated and 4 evaluations and 6 studies were completed and reported. These evaluations and studies resulted in numerous recommendations for improving

operational and management effectiveness. All FBI major programs are scheduled for evaluations on a five-year cycle.

The Audit Unit is responsible for financial and Electronic Data Processing audits within the FBI and has the responsibility for liaison with the General Accounting Office, Department of Justice and other government auditors. During Fiscal Year 1986, the Audit Unit conducted financial and compliance audits at 35 field offices and nine audits of FBI Headquarters funds. Also, two Electronic Data Processing audits were completed and additional EDP reviews were accomplished. During Fiscal Year 1986, the Audit Unit assisted the General Accounting Office and the Department of Justice in conducting 32 reviews/studies of FBI operations. The assistance rendered to the General Accounting Office and the Department of Justice ranged from the coordination of the participation in interviews of FBI management officials to extensive compilations of data at FBI Headquarters and in various field offices.

Question: Does the FBI's Inspection Division report to the Intelligence Oversight Board (IOB) the results of its inquiries into FBI foreign intelligence or foreign counterintelligence activities that may be illegal or improper?

Answer: Yes. In conjunction with the FBI's Legal Counsel Division, the Inspection Division reports all such illegal or improper activities to the President's Intelligence Oversight Board pursuant to Executive Order 12334. All such activities are reported either immediately or in quarterly reports submitted to the IOB.

Question: How much independence does the FBI Inspection Division's Office of Professional Responsibility have to conduct investigations into misconduct and wrongdoing?

Answer: The Inspection Division at the FBI has broad authority to investigate allegations of misconduct, and it investigates such allegations regardless of their source or subject. An integral part of its activities is overseen by the Counsel on Professional Responsibility at the Department of Justice. By Department of Justice regulation, the Counsel on Professional Responsibility "receives and reviews any information or allegation concerning conduct by an FBI employee that may be a violation of law, regulations, or orders, or of applicable standards of conduct, or may constitute mismanagement, gross waste of funds, abuse of authority, or of substantial and specific danger to public health or safety."

Pursuant to this regulation, the Inspection Division is in daily contact with the Counsel on Professional Responsibility. It reports immediately all allegations of consequence. All improper or illegal activities are reported to the Counsel on a monthly basis. Additionally, the Inspection Division prepares an annual report to the Counsel summarizing all cases handled by it throughout the course of the proceeding year.

The FBI's Inspection Division reports directly to the Director of the FBI. Although the Inspection Division informs the FBI Director of the investigations it is conducting, it need not do so if it believes that such an action would jeopardize its investigation in any way. In fact, the Inspection Division's authority to investigate allegations of misconduct include any allegations leveled against the Director of the FBI. Like all matters involving criminality or misconduct, such a matter would be reported to the Counsel on Professional Responsibility at the Department of Justice. The Counsel retains the option of having his office handle any investigation if he believes it necessary.

Question: You have said before that the Inspection Division was your right arm at the Bureau. Why didn't it surface any of the problems we are seeing with the CISPES investigation now?

Answer: The Inspection Division process at the FBI is designed to uncover violations of law, regulations, guidelines and inadequate management supervision. If problems in any of those areas occurred, they should have been picked up in the normal inspection process.

The Inspection Division currently is conducting an investigation into the Bureau's handling of the CISPES investigation, but I am not privy to the information that it has developed thus far. It is my understanding that this Committee will be fully briefed upon the completion of that investigation.

Question: A few cables from FBI field offices to FBI Headquarters ask for guidance regarding the proper scope of information they could collect during the CISPES investigation. Shouldn't the FBI's inspection process have picked up this confusion among some of the field offices and rectified the situation?

Answer: Under current procedures, the Bureau's Inspection Division inspects every field office approximately once every two years. During the course of that inspection, it reviews all active and pending investigative files. This review ordinarily would surface any communications to Headquarters that indicate a confusion or disagreement with Headquarters guidance. If Headquarters had failed to respond to these queries, the Inspection Division should have brought this to Headquarters' attention and asked that appropriate guidance be provided.

Question: Once the decision was made in March 1983 to conduct a full investigation of CISPES, at what point were you informed and briefed?

Answer: A preliminary review of FBI files by the Bureau indicates that I saw six informative notes from the Criminal Investigative Division during the course of the CISPES investigation. Each of these notes advised me only of public demonstrations involving the CISPES organization. I was often advised of demonstrations involving public safety issues such as actual or potential violence. None of these notes summarized the CISPES investigation.

I appeared before the Subcommittee on Program and Budget Authorization of the HPSCI in executive session on May 1, 1985 and provided testimony on the CISPES investigation.

[Note for the DCI: Buck Revell was asked by Senator Specter at the SSCI hearing on February 23, 1988 whether you were involved in the CISPES investigation in any way. Our notes of his response indicate that he answered:

He was aware of several cables sent to him for informational purposes. He was aware of cables going to other agencies about demonstrations conducted by CISPES. These cables, however, did not summarize the investigation. They related only to public safety issues rather than to the investigation. Judge Webster did not authorize the investigation or any activities conducted pursuant to the investigation. That was done at the supervisory level. If the investigation had involved any special techniques, he would have been the one to authorize those techniques. But those techniques were never used.]

Question: What did the FBI Inspection Division do to investigate the allegations by Frank Varelli that the FBI conducted break-ins and included prominent Americans such as Rep. Pat Schroeder in a "terrorist photograph album?"

Answer: The following is a summary of the FBI Office of Professional Responsibility inquiry concerning allegations made by Frank Varelli.

FBI OPR initiated an inquiry on February 13, 1987 in response to news media accounts of allegations made by Frank Varelli that FBI agents committed illegal acts in connection with a 1981-1985 FBI investigation of CISPES. Varelli is a former operational asset of the Dallas Division of the FBI whose allegations in 1984 against former FBI SA Daniel J. Flanagan resulted in Flanagan's resignation from the FBI. Those allegations were that SA Flanagan withheld asset payments from him and provided Varelli with classified FBI documents.

After Flanagan's resignation, Varelli filed a civil suit against Flanagan and several current FBI employees in an effort to recover the money he claimed he was owed by the FBI. Varelli made statements to the national news media alleging that FBI agents committed illegal acts in connection with the CISPES investigation. Among these allegations were charges

that two FBI agents broke into a CISPES office and removed CISPES documents, and that Varelli prepared a Terrorist file on Ambassador Robert White and made dossiers on Reagan administration opponents at FBI direction.

FBI OPR's inquiry has been completed and no information was developed corroborating Varelli's allegations concerning criminal acts on the part of current FBI employees. Varelli has refused to be interviewed by the FBI. The results of the OPR FBI investigation are currently being reviewed by the FBI's Administrative Services Division to determine whether any discipline is warranted. On August 6, 1987, FBI representatives provided an oral briefing to Congressman Don Edwards and others concerning the results of the OPR inquiry.

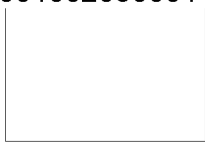
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BACKGROUND READING


FOR THE DIRECTOR OF CENTRAL INTELLIGENCE APPEARANCE
BEFORE THE SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

1 MARCH 1988

~~SECRET~~



ILLEGIB

- A. Introductory Statement on S. 1818 by Sen. Specter
- B. Relevant Legislation
 - 1. Existing Inspector General Law
 - 2. Proposed Amendment (S. 908) and Legislative History
- C. Studies/Observations of Office of Inspector General
 - 1. Iran-Contra Committees Report (excerpt)
 - 2. Steering Group Report and Forwarding Letter to SSCI
 - 3. Special Counsel Report (excerpt)
 - 4. 1976 Church Committee Report (excerpt)
- D. Changes Underway in Office of Inspector General
 - 1. Memorandum from DCI to Executive Director
 - 2. Announcement of New Inspector General
 - 3. Letter to Members of SSCI
 - 4. Memorandum from Deputy Inspector General to DCI
- E. Previous Testimony Before the SSCI on Oversight Legislation (excerpt)
- F. Existing Agency Regulation on Office of Inspector General (promulgated in 1983)
- G. Letters with Sen. Glenn re: Structure of Office of Inspector General
- H. Information on Audit by GAO
 - 1. Proposed Glenn Bill (S. 1458) and Legislative History
 - 
 - 3. History of GAO Audit of CIA
- I. Establishment of Statutory IG within the FBI
 - 1. Proposed Bill (S. 2076)
 - 2. Introductory Remarks by Sen. Specter
- J. C.I.S.P.E.S. Materials
 - 1. FBI "White Paper" and Sessions Press Statement
 - 2. Summary of 2/23 SSCI Hearing and Revell Opening Statement
 - 3. CISPES Summaries and Cables Sent to WHW

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A

the CIA; to the Select Committee on Intelligence.

NATIONAL SECURITY REFORM ACT

Mr. SPECTER. Mr. President, hearings before the Senate Intelligence Committee and joint hearings before the Select Senate and House Committees on the Iran/Contra matter have demonstrated the need for significant action in order to establish the appropriate role for congressional oversight pursuant to the checks and balances contemplated by the U.S. Constitution. Notwithstanding any action which may be taken by the President by way of Executive order on this issue, legislative change is necessary to impose statutory requirements governing this or future administrations where any such Executive orders might be countermanded.

This bill has four goals:

First, to encourage timely consultation with key Members of Congress to obtain the benefit of their insights to avoid future blunders like the transaction with Iran on arms for hostages;

Second, to provide for effective congressional oversight by specific statutory requirements establishing precise time limits for notice where the President decides not to consult in advance;

Third, to establish mandatory penalties where executive branch officials make false statements to congressional committees; and

Fourth, to add an Inspector General for the Central Intelligence Agency to help assure lawful internal compliance on matters which do not come within the purview of congressional oversight.

SECTION 2

Notwithstanding the obvious failure of the executive branch to provide requisite information to Congress under the provisions of existing statutes, some have argued that there was compliance because of the vagaries of current law. In order to prevent a repetition of such conduct, the National Security Act of 1947 (50 U.S.C. 413) and section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422), known as the Hughes-Ryan amendment, are made more specific by this bill. Existing law prohibits the expenditure of funds by the Central Intelligence Agency for covert activities "unless and until the President finds that each such operation is important to the national security of the United States." Efforts have been made to justify the CIA's action in the Iran/Contra matter by contentions that an oral finding was sufficient and that a later written finding could retroactively justify earlier covert action.

This bill unequivocally requires that the finding be in writing and that the President shall give notice and a copy of any finding to the House and Senate Intelligence Committees contemporaneously with the finding, but in no event later than 24 hours after it is made. A limited exception is provided for an oral finding in situations where the President deems that imme-

diately action by the United States is required to deal with the emergency situation affecting vital national interests and time does not permit the preparation of a written finding. In that event, the finding must be immediately reduced to writing after the action is orally approved, with the written finding to be completed no later than 24 hours after the making of the oral finding.

Where an oral finding is used, there is the additional requirement that the written finding shall include a statement of the reasons of the President for having first proceeded with an oral finding. This bill further provides that a finding shall be effective only with respect to operations beginning after the finding was made by the President in order to preclude any contention that the finding may retroactively cover prior CIA operations.

These statutory requirements leave no room for doubt that no covert action may be undertaken without complying with the requirements of a written finding and the requisite notice, by any personnel of the executive branch or anyone acting on its behalf including foreign governments or any individual. This specific provision would preclude any future argument that the delivery of arms to Iran was legally justified, after the fact, by a retroactive finding or that other entities or actors were not bound by the same limitations affecting the CIA.

This bill further removes any possible ambiguity in section 501(b) of the President's obligation to notify the House and Senate Intelligence Committees of covert action. Section 501(b) now provides:

(b) The President shall fully inform the intelligence committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) and shall provide a statement of the reasons for not giving prior notice.

The phrase "for which prior notice was not given under subsection (a)" carries the direct implication that the House and Senate Intelligence Committees should have been "fully and currently informed" of covert activities which are covered by section 501(b). It is obvious that the President did not comply with section 501(b) to inform the Intelligence Committees in a "timely fashion" where some 14 months elapsed from the time of the first covert action on the Iranian arms sales to the time that information reached the Intelligence Committees. Yet, some have contended that the exigencies of the situation excused the President from giving earlier notice so that requirements of a "timely fashion" were observed.

This bill removes any room for such future arguments by requiring the President to give notice to the Intelligence Committees contemporaneously with any written or oral finding. In order to remove any conceivable ambi-

By Mr. SPECTER:

S. 1818. A bill to make requirements for the preparation, and transmittal to the Congress, of Presidential findings for certain intelligence operations; to provide mandatory penalties for deceiving Congress; and to establish an Independent Inspector General for

October 27, 1987

CONGRESSIONAL RECORD — SENATE

S 15191

guilty as to the meaning of "contemporaneously," a time certain is added requiring the information to be transmitted no later than 24 hours after the making of an oral or written finding. Absent the experience of the Iran/Contra matter, it would seem unnecessary to put a 24-hour limitation after the requirement of "contemporaneously," but the recent experience that a time certain be affixed so that no one can later claim that "contemporaneously" means days, weeks, months, or even years later.

The requirement that the President shall contemporaneously inform the Intelligence Committees is intended to provide a procedure where the Intelligence Committees might be consulted in advance so that the President would have the benefit of their thinking if he so chose. The language of section 501(a)(1) to keep the Intelligence Committees "fully and currently informed of all intelligence activities" suggests a design for congressional input. Even with such contemporaneous information and the possibility of congressional input, it would remain within the President's power to proceed or not as he chooses.

There is much to recommend the availability of the institutional experience of the Senate and House Intelligence Committees. Had there been a review by the Intelligence Committees of the sale of arms to Iran, it is likely that the policy would never have been implemented. Had members of the Senate and House Intelligence Committees joined the Secretary of State and the Secretary of Defense and others in discouraging Presidential action in selling arms to Iran, the President might well have ceased and desisted on his own. Had the President declined to terminate that disastrous policy, then the Congress might have utilized its power to terminate funding through its appropriations powers, thereby ending the sale of arms to Iran.

The President's obligations on congressional oversight are further limited by excluding notice to the Intelligence Committees where the President determines that it is essential to limit such disclosure to meet extraordinary circumstances affecting the vital interests of the United States. In that event, such notice is to be given only to the chairman and ranking minority members of the Intelligence Committees, the Speaker and minority leader of the House of Representatives and the majority and minority leaders of the Senate. That more limited disclosure gives sufficient assurances of preservation of secrecy. A valid argument could be made that notice should go only to the leadership of both Houses in the interests of secrecy, but the greater familiarity of the chairman and vice-chairman of the Intelligence Committees warrants their being included.

SECTION 3

This bill further provides for a mandatory sentence of imprisonment for any officer or employee of the United States who provides false information to any committee or subcommittee of the Senate or House of Representatives. No matter how rigorous or exacting statutory requirements may be, the oversight function of Congress cannot be accomplished if executive branch officials present false or misleading testimony to the Congress.

This is especially problematic where witnesses appear before the Intelligence Committees in a secret session. Where evidence is provided in a public session, there is an opportunity for others to learn of the false information and to come forward with the truth so that the congressional oversight committees can perform their functions. That is not possible where key executive officials appear in secret and provide false information to the Oversight Committees. Under those circumstances, the committees realistically have little or no opportunity to determine the truth.

While false official statements to such congressional committees are covered by section 1001 of the Criminal Code, (18 U.S.C. 1001), this kind of misconduct, either in secret or public session, is so serious that it warrants a mandatory jail sentence.

While there has been experience with witnesses who return to the committee to apologize for prior testimony, such apologies fall far short of correcting the enormous damage which has been done. Obviously, there is no way to know how much false, deceptive, or misleading evidence has been presented in secret where the truthful information has never come to the attention of the committees. This mandatory jail sentence is intended to put members of the executive branch on notice that the matter is extremely serious as reflected by the heavy penalty.

It is obviously well within the ambit for any witness who appears before a congressional committee to decline to answer any question until that witness has had an opportunity to reflect on the question or to consult with his or her superior. Simply stated, it is understandable if a witness declines to answer or asks for a delay, but it is intolerable for false or deceptive answers to be made. The committee would doubtless consider not insisting on an answer where some reason was advanced for nondisclosure. Where any witness chooses to decline to answer a question, there is always an opportunity for further consideration by both the witness and the committee.

In any event, an enforceable legal obligation to answer does not arise as a practical matter until citation for contempt of Congress is obtained and the court orders an answer. It is only at this point that a witness is subject to a sanction for contempt for failing to answer.

This bill further provides that anyone who gives such false or deceptive information may recant and avoid possible criminal liability by correcting the record within 5 days. This 5-day period should be ample time for rethinking the issue and time to make the appropriate correction.

SECTION 4

The Inspector General Act of 1978, Public Law 95-452, established independent Presidential-appointed and Senate confirmed IG's in 19 Federal departments and agencies. The creation of these statutory IG's has improved the effectiveness of the Federal Government. The act also ensures that both the Congress and agency heads are receiving independent assessments of programs and operations for which they are accountable or have oversight responsibility. However, the CIA was not included.

Currently, the Inspector General for CIA is usually appointed internally. That process is not conducive to objectivity.

A prime example was the CIA's mining of the harbors of Nicaragua. The CIA official with operational responsibility for that action was next appointed to the position of Inspector General. While he disqualified himself from the ensuring IG investigation of that activity, it is difficult to calculate the objectivity of that investigation by virtue of his presence.

The Intelligence Committee has had access to some IG reports in past years, but for the most part, it has not exercised oversight over the intelligence community's IG's. That has been a responsibility of the Intelligence Oversight Board. The Iran-Contra investigations have raised serious questions about the effectiveness of that body. The Tower Commission found that (III-22): "Lieutenant Colonel North and Vice Admiral Poindexter received legal advice from the President's Intelligence Oversight Board that the restriction on lethal assistance to the Contras did not cover the NSC staff." In addition, review of Executive Order 12334, which establishes the Intelligence Oversight Board, and the operations of the Board itself reveal that the Board is not adequately staffed, that the quality of its legal counsel has been demonstrated to be less than thorough and experienced, and, finally, that its effectiveness is not held in high regard by the Intelligence Committees.

This bill would greatly increase the independence and credibility of the CIA's Inspector General by making the IG a permanent, statutory official subject to appointment by the President and confirmation by the Senate with limitations on grounds for dismissal. To increase accountability to Congress, semiannual and special reports by the Inspector General must be promptly submitted to the Intelligence Committees, as well as to the Director of the CIA.

Secrecy is provided for, as is subpoena power. While the Director may halt an audit or investigation, he may do so only if:

First, it concerns an ongoing operation;

Second, he finds it vital to national security; and

Third, he reports to the Intelligence Committees within 7 days on the reasons.

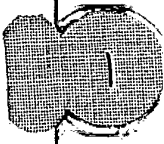
The combined effect of an independent IG, mandatory penalties for deceiving Congress, and statutory requirements on notice to Congress on covert action along with written findings are therapeutic steps which should be taken in light of our experience from the Iran/Contra matter.

After the problems were publicly disclosed on the failure of the executive branch to notify the Intelligence Committees on the sale of arms to Iran, there was an exchange of correspondence between the President and the Senate Intelligence Committee. The President wrote to Chairman BOREN by letter dated August 7, 1987, expressing his support for certain key concepts recommended by the Senate Intelligence Committee. Paragraph 6 of the President's letter stated:

In all but the most exceptional circumstances, timely notification to Congress under Section 501(b) of the National Security Act of 1947, as amended, will not be delayed beyond two working days of the initiation of a special activity.

In my judgment, where notice may not be given even in "the most exceptional circumstances" the fundamental requirement of notice is defeated because it remains with the purview of the President to determine what constitutes the "exceptional circumstances." Precise requirements are necessary as set forth in this proposed legislation.

B



APPENDIX 3

INSPECTOR GENERAL ACT OF 1978

Pub.L. 95-452, Oct. 12, 1978, 92 Stat. 1101, as amended Pub.L. 96-86, Title V, § 508(n), Oct. 17, 1979, 93 Stat. 694; Pub.L. 97-113, Title VII, § 705, Dec. 29, 1981, 95 Stat. 1544; Pub.L. 97-252, Title XI, § 1117(a)-(c), Sept. 8, 1982, 96 Stat. 75-752; Pub.L. 99-93, Title I, § 150(a), Aug. 16, 1985, 99 Stat. 427; Pub.L. 99-899, Title IV, § 412(a), Aug. 27, 1986, 100 Stat. 867.

- | Sec. | Sec. |
|--|--|
| 1. Short title. | 6. Authority of Inspectors General, information and assistance from Federal agencies, unreasonable refusal, office space and equipment |
| 2. Purpose and establishment of Offices of Inspector General, departments and agencies involved | 7. Complaints by employees, disclosure of identity, reprisals |
| 3. Appointment of Inspectors General, supervision, removal, political activities; appointment of Assistant Inspector General for Auditing and Assistant Inspector General for Investigations | 8. Additional provisions with respect to the Inspector General of the Department of Defense. |
| 4. Duties and responsibilities; report of criminal violations to Attorney General. | 8A. Special provisions relating to the Agency for International Development. |
| 5. Semiannual reports; transmittal to Congress; availability to public; immediate report on serious or flagrant problems | 9. Transfer of functions. |
| | 10. Conforming and technical amendments |
| | 11. Definitions |
| | 12. Effective date |

§ 1. Short title

That this Act be cited as the "Inspector General Act of 1978".

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

§ 2. Purpose and establishment of Offices of Inspector General; departments and agencies involved

In order to create independent and objective units—

(1) to conduct and supervise audits and investigations relating to programs and operations of the Department of Agriculture, the Department of Commerce, the Department of Defense, the Department of Education, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the Department of Transportation, the Agency for International Development, the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, the United States Information Agency, the Veterans' Administration, and the Department of State;

(2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations; and

(3) to provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

thereby¹ is hereby established in each of such establishments an office of Inspector General.

(As amended Pub.L. 96-86, Title V, § 506(n)(1), Oct. 17, 1979, 93 Stat. 694; Pub.L. 97-113, Title VII, § 705(a)(1), Dec. 29, 1981, 95 Stat. 1544; Pub.L. 97-252, Title XI, § 1117(a)(1), Sept. 8, 1982, 96 Stat. 750; Pub.L. 95-93, Title I, § 150(a)(1), Aug. 16, 1983, 99 Stat. 427; Pub.L. 99-399, Title IV, § 412(a)(1), Aug. 27, 1986, 100 Stat. 867.)

¹ So in original. Probably should be "there".

1986 Amendment. Par. (1) Pub.L. 95-399 inserted "the United States Information Agency," before "the Veterans' Administration."

1985 Amendment. Par. (1) Pub.L. 95-93 added reference to the Department of State.

1982 Amendment. Par. (1) Pub.L. 97-252, § 1117(a)(1), inserted "the Department of Defense," following "Commerce."

1981 Amendment. Par. (1) Pub.L. 97-113 inserted "the Agency for International Development," after "Transportation."

1979 Amendment. Par. (1) Pub.L. 96-44 inserted "the Department of Education," following "Commerce."

Effective Date of 1979 Amendment. Amendment by Pub.L. 96-86, effective May 4, 1980, with specified exceptions, see section 601 of Pub.L. 96-86, set out as an Effective Date note under section 3401 of Title 20, Education.

Community Services Administration. The Community Services Administration, which was

established by section 601 of the Economic Opportunity Act of 1964, as amended (42 U.S.C.A. § 2941), was terminated when the Economic Opportunity Act of 1964, Pub.L. 84-452, Aug. 20, 1964, 78 Stat. 504, as amended, was repealed, except for Titles VIII and X, effective Oct. 1, 1981, by section 683(a) of Pub.L. 97-35, Title VI, Aug. 13, 1981, 95 Stat. 519, which is classified to 42 U.S.C.A. § 9912(a). An Office of Community Services, headed by a Director, was established in the Department of Health and Human Services by section 676 of Pub.L. 97-35, which is classified to 42 U.S.C.A. § 9905.

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676. See also, Pub.L. 96-86, 1979 U.S. Code Cong. and Adm. News, p. 1514; Pub.L. 97-113, 1981 U.S. Code Cong. and Adm. News, p. 2404; Pub.L. 95-93, 1983 U.S. Code Cong. and Adm. News, p. 329; Pub.L. 95-399, 1986 U.S. Code Cong. and Adm. News, p. 1865.

§ 3. Appointment of Inspector General: supervision: removal: political activities: appointment of Assistant Inspector General for Auditing and Assistant Inspector General for Investigations

(a) There shall be at the head of each Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. Each Inspector General shall report to and be under the general supervision of the head of the establishment involved or, to the extent such authority is delegated, the officer next in rank below such head, but shall not report to, or be subject to supervision by, any other officer of such establishment. Neither the head of the establishment nor the officer next in rank below such head shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

(b) An Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

(c) For the purposes of section 7324 of Title 5, United States Code, no Inspector General shall be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

(d) Each Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(1) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the establishment; and

(2) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

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Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

§ 4. Duties and responsibilities: report of criminal violations to Attorney General

(a) It shall be the duty and responsibility of each Inspector General, with respect to the establishment within which his Office is established—

(1) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of such establishment;

(2) to review existing and proposed legislation and regulations relating to programs and operations of such establishment and to make recommendations in the semiannual reports required by section 5(a) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by such establishment or the prevention and detection of fraud and abuse in such programs and operations;

(3) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by such establishment for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

(4) to recommend policies for, and to conduct, supervise, or coordinate relationships between such establishment and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by such establishment, or (B) the identification and prosecution of participants in such fraud or abuse; and

(5) to keep the head of such establishment and the Congress fully and currently informed, by means of the reports required by section 5 and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by such establishment, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

(b) In carrying out the responsibilities specified in subsection (a)(1), each Inspector General shall—

(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

(2) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1).

(c) In carrying out the duties and responsibilities established under this Act, each Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

(d) In carrying out the duties and responsibilities established under this Act, each Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

Notes of Decisions

1. General Services Administration programs

The Inspector General has the responsibility and the power to conduct, supervise and coordinate audits and investigations relating to programs of the General Services Administration in order to promote efficiency and to prevent fraud and abuse, but unlike the Internal Revenue Ser-

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vice, which by section 7122 of Title 28 loses its power to continue civilly once the Justice Department begins to move criminally, the power of the

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Inspector General are not so limited. U.S. v. An Metal U.S.A., Inc., D.C.N.J. 1980, 484 F.Supp. 884

§ 5. Semiannual reports; transmittal to Congress; availability to public; immediate report on serious or flagrant problems

(a) Each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

(1) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of such establishment disclosed by such activities during the reporting period.

(2) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to paragraph (1).

(3) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed.

(4) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted.

(5) a summary of each report made to the head of the establishment under section 6(b)(2) during the reporting period; and

(6) a listing of each audit report completed by the Office during the reporting period.

(b) Semiannual reports of each Inspector General shall be furnished to the head of the establishment involved not later than April 30 and October 31 of each year and shall be transmitted by such head to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the head of the establishment containing any comments such head deems appropriate.

(c) Within sixty days of the transmission of the semiannual reports of each Inspector General to the Congress, the head of each establishment shall make copies of such report available to the public upon request and at a reasonable cost.

(d) Each Inspector General shall report immediately to the head of the establishment involved whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of such establishment. The head of the establishment shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the head of the establishment containing any comments such head deems appropriate.

(e)(1) Nothing in this section shall be construed to authorize the public disclosure of information which is—

(A) specifically prohibited from disclosure by any other provision of law;

(B) specifically required by Executive order to be protected from disclosure in the interest of national defense of national security or in the conduct of foreign affairs; or

(C) a part of an ongoing criminal investigation.

(2) Notwithstanding paragraph (1)(C), any report under this section may be disclosed to the public in a form which includes information with respect to a part of an ongoing criminal investigation if such information has been included in a public record.

(3) Nothing in this section or in any other provision of this Act shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

(As amended Pub.L. 97-252, Title XI, § 1117(c), Sept. 8, 1982, 96 Stat. 752.)

1962 Amendment, Subsec. (c), Pub.L. 97-252 added subsec. (c)

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2670.

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§ 6. Authority of Inspector General: information and assistance from Federal agencies; unreasonable refusal; office space and equipment

(a) In addition to the authority otherwise provided by this Act, each Inspector General, in carrying out the provisions of this Act, is authorized—

(1) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the applicable establishment which relate to programs and operations with respect to which that Inspector General has responsibilities under this Act;

(2) to make such investigations and reports relating to the administration of the programs and operations of the applicable establishment as are, in the judgment of the Inspector General, necessary or desirable;

(3) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this Act from any Federal, State, or local governmental agency or unit thereof;

(4) to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this Act, which subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpoenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

(5) to have direct and prompt access to the head of the establishment involved when necessary for any purpose pertaining to the performance of functions and responsibilities under this Act;

(6) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of Title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(7) to obtain services as authorized by section 3109 of Title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of Title 5, United States Code; and

(8) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this Act.

(b)(1) Upon request of an Inspector General for information or assistance under subsection (a)(3), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

(2) Whenever information or assistance requested under subsection (a)(1) or (a)(3) is, in the judgment of an Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the head of the establishment involved without delay.

(c) Each head of an establishment shall provide the Office within such establishment with appropriate and adequate office space at central and field office locations of such establishment, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

Notes of Decisions

1. Subpoena powers

Inspector General of Department of Defense had statutory authority to issue subpoena, which

sought evidence pertaining to defense contractor's audits, at request of Defense Contract Audit Agency so long as he did so in furtherance of purpose within his statutory authority and exercised independent judgment in deciding to issue subpoena. *U.S. v. Westinghouse Elec. Corp.*, C.A.3 (Pa.) 1980, 78 F.2d 164.

Inspector General could inspect government contractor's business records that had been sub-

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pursued for grand jury investigation, notwithstanding that he had recommended that investigation, where Inspector General had subpoenaed those records prior to referring matter to Justice Department, criminal investigation had been completed and prosecution had been declined, and inspection was critical to Inspector General's investigation. *In re Grand Jury Matter*, E.D. Pa. 1986, 640 F.Supp. 63.

Likelihood or imminence of criminal proceeding did not render enforcement of a related administrative subpoena impermissible and did not, therefore, preclude enforcement of a subpoena duces tecum sought by the Inspector General of the General Services Administration for certain tax and related business records of taxpayers in connection with an investigation of payoffs and

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other fraudulent practices where the agency in question had not itself made a formal recommendation to the Justice Department to prosecute, and the summons or subpoena had a civil purpose. *U.S. v. Am Metal-U.S.A., Inc.* D.C.N.J. 1980, 484 F.Supp. 884.

Acquisition of the tax returns and related documents of a government contractor pursuant to an investigation of fraud is within the scope of the subpoena powers of the Inspector General. *Id.*

Tax and related business records of taxpayers were not beyond the scope of the subpoena power of the Inspector General of the General Services Administration when he sought to discover same in connection with an investigation of payoffs and other fraudulent practices. *Id.*

§ 7. Complaints by employees; disclosure of identity; reprisals

(a) The Inspector General may receive and investigate complaints or information from an employee of the establishment concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

(b) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

(c) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to an Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

§ 8. Additional provisions with respect to the Inspector General of the Department of Defense

(a) No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense.

(b)(1) Notwithstanding the last two sentences of section 3(a), the Inspector General shall be under the authority, direction, and control of the Secretary of Defense with respect to audits or investigations, or the issuance of subpoenas, which require access to information concerning—

(A) sensitive operational plans;

(B) intelligence matters;

(C) counterintelligence matters;

(D) ongoing criminal investigations by other administrative units of the Department of Defense related to national security; or

(E) other matters the disclosure of which would constitute a serious threat to national security.

(2) With respect to the information described in paragraph (1) the Secretary of Defense may prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out or complete such audit or investigation or to issue such subpoena, if the Secretary determines that such prohibition is necessary to preserve the national security interests of the United States.

(3) If the Secretary of Defense exercises any power under paragraph (1) or (2), the Inspector General shall submit a statement concerning such exercise within

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thirty days to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives and to other appropriate committees or subcommittees of the Congress.

(4) The Secretary shall, within thirty days after submission of a statement under paragraph (3), transmit a statement of the reasons for the exercise of power under paragraph (1) or (2) to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives and to other appropriate committees or subcommittees.

(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall—

(1) be the principal adviser to the Secretary of Defense for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department;

(2) initiate, conduct, and supervise such audits and investigations in the Department of Defense (including the military departments) as the Inspector General considers appropriate;

(3) provide policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness;

(4) investigate fraud, waste, and abuse uncovered as a result of other contract and internal audits, as the Inspector General considers appropriate;

(5) develop policy, monitor and evaluate program performance, and provide guidance with respect to all Department activities relating to criminal investigation programs;

(6) monitor and evaluate the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures;

(7) develop policy, evaluate program performance, and monitor actions taken by all components of the Department in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;

(8) request assistance as needed from other audit, inspection, and investigative units of the Department of Defense (including military departments); and

(9) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.

(d) Notwithstanding section 4(d), the Inspector General of the Department of Defense shall expeditiously report suspected or alleged violations of chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to the Secretary of the military department concerned or the Secretary of Defense.

(e) For the purposes of section 7, a member of the Armed Forces shall be deemed to be an employee of the Department of Defense.

(f)(1) Each semiannual report prepared by the Inspector General of the Department of Defense under section 5(a) shall include information concerning the numbers and types of contract audits conducted by the Department during the reporting period. Each such report shall be transmitted by the Secretary of Defense to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives and to other appropriate committees or subcommittees of the Congress.

(2) Any report required to be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified in such section, to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives.

(g) The provisions of section 1355 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of Defense to carry out the purposes of this Act.

(As amended Pub.L. 97-252, Title XI, § 1117(b), Sept. 8, 1982, 96 Stat. 751.)

1982 Amendment. Publ. 97-252 amended section generally, substituting additional provisions relating to the Inspector General of the Department of Defense for provisions relating to semiannual reports of Secretary of Defense on audit, investigative, and inspection units of Defense Department, availability of such reports to the public, exclusion of national security material, delegation of the Secretary's duties, submittal of proposed legislation, the establishment of a task force to study operation of audit, investigative and inspection units, membership in the task force, and the submission of a comprehensive report by the task force to the Secretary of Defense and Director of Office of Management and Budget, who were to submit a final report to Congress not later than April 1, 1980.

Legislative History. For legislative history and purpose of Publ. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

Notes of Decisions

1. Subpoenas

Inspector General of the Department of Defense was entitled to enforcement of an administrative subpoena seeking evidence pertaining to a defense contractor's internal audits, despite defense contractor's contention that subpoena was improperly issued on behalf of the Defense Contract Audit Agency to coerce settlement of a related administrative dispute, that scope and subject of subpoena were too broad, and that compliance would be unduly burdensome. *U.S. v. Westinghouse Elec. Corp.*, D.C. Pa. 1985, 615 F.Supp. 1163.

§ 8A. Special provisions relating to the Agency for International Development

(a) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Agency for International Development—

(1) shall supervise, direct, and control all security activities relating to the programs and operations of that Agency, subject to the supervision of the Administrator of that Agency; and

(2) to the extent requested by the Director of the United States International Development Cooperation Agency (after consultation with the Administrator of the Agency for International Development), shall supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the United States International Development Cooperation Agency.

(b) In addition to the Assistant Inspector Generals provided for in section 3(d) of this Act, the Inspector General of the Agency for International Development shall, in accordance with applicable laws and regulations governing the civil service, appoint an Assistant Inspector General for Security who shall have the responsibility for supervising the performance of security activities relating to programs and operations of the Agency for International Development.

(c) The semiannual reports required to be submitted to the Administrator of the Agency for International Development pursuant to section 5(b) of this Act shall also be submitted to the Director of the United States International Development Cooperation Agency.

(d) In addition to the officers and employees provided for in section 6(a)(6) of this Act, members of the Foreign Service may, at the request of the Inspector General of the Agency for International Development, be assigned as employees of the Inspector General. Members of the Foreign Service so assigned shall be responsible solely to the Inspector General, and the Inspector General (or his or her designee) shall prepare the performance evaluation reports for such members.

(e) In establishing and staffing field offices pursuant to section 6(c) of this Act, the Administrator of the Agency for International Development shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

(f) The reference in section 7(a) of this Act to an employee of the establishment shall, with respect to the Inspector General of the Agency for International Development, be construed to include an employee of or under the United States International Development Cooperation Agency.

(g) The Inspector General of the Agency for International Development shall be in addition to the officers provided for in section 624(a) of the Foreign Assistance Act of 1961 [22 U.S.C.A. § 2384(a)].

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(h) As used in this Act, the term "Agency for International Development" includes any successor agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 [22 U.S.C.A. § 2151 et seq.].

(Added Pub.L. 97-113, Title VII, § 705(a)(3), Dec. 29, 1981, 95 Stat. 1544.)

References in Text. The Foreign Assistance Act of 1961, referred to in subsec. (h), is Pub.L. 87-195, Sept. 4, 1961, 75 Stat. 424, as amended. Part I of the Foreign Assistance Act of 1961 is classified generally to subchapter I (§ 2151 et seq.) of chapter 32 of Title 22, Foreign Relations

and Intercourse. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of Title 22 and Tables volume.

Legislative History. For legislative history and purpose of Pub.L. 97-113, see 1981 U.S. Code Cong. and Adm. News, p. 2404.

§ 9. Transfer of functions

(a) There shall be transferred—

(1) to the Office of Inspector General—

(A) of the Department of Agriculture, the offices of that department referred to as the "Office of Investigation" and the "Office of Audit";

(B) of the Department of Commerce, the offices of that department referred to as the "Office of Audits" and the "Investigations and Inspections Staff" and that portion of the office referred to as the "Office of Investigations and Security" which has responsibility for investigation of alleged criminal violations and program abuse;

(C) of the Department of Defense, the offices of that department referred to as the "Defense Audit Service" and the "Office of Inspector General, Defense Logistics Agency", and that portion of the office of that department referred to as the "Defense Investigative Service" which has responsibility for the investigation of alleged criminal violations;

(D) of the Department of Education, all functions of the Inspector General of Health, Education, and Welfare or of the Office of Inspector General of Health, Education, and Welfare relating to functions transferred by section 301 of the Department of Education Organization Act [20 U.S.C.A. § 3441];

(E) of the Department of Housing and Urban Development, the office of that department referred to as the "Office of Inspector General";

(F) of the Department of the Interior, the office of that department referred to as the "Office of Audit and Investigation";

(G) of the Department of Labor, the office of that department referred to as the "Office of Special Investigations";

(H) of the Department of Transportation, the offices of that department referred to as the "Office of Investigations and Security" and the "Office of Audit" of the Department, the "Offices of Investigations and Security, Federal Aviation Administration", and "External Audit Divisions, Federal Aviation Administration", the "Investigations Division and the External Audit Division of the Office of Program Review and Investigation, Federal Highway Administration", and the "Office of Program Audits, Urban Mass Transportation Administration";

(I) of the Community Services Administration, the offices of that agency referred to as the "Inspections Division", the "External Audit Division", and the "Internal Audit Division";

(J) of the Environmental Protection Agency, the offices of that agency referred to as the "Office of Audit" and the "Security and Inspection Division";

(K) of the General Services Administration, the offices of that agency referred to as the "Office of Audits" and the "Office of Investigations";

(L) of the National Aeronautics and Space Administration, the offices of that agency referred to as the "Management Audit Office" and the "Office of Inspections and Security";

(M) of the Small Business Administration, the office of that agency referred to as the "Office of Audits and Investigations"; and

(N) of the Veterans' Administration, the offices of that agency referred to as the "Office of Audits" and the "Office of Investigations"; and

(2) such other offices or agencies, or functions, powers, or duties thereof, as the head of the establishment involved may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this Act.

except that there shall not be transferred to an Inspector General under paragraph (2) program operating responsibilities.

(b) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under subsection (a) are hereby transferred to the applicable Office of Inspector General.

(c) Personnel transferred pursuant to subsection (b) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

(d) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this Act [Oct. 1, 1978], held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in an Office of Inspector General to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

(As amended Pub.L. 96-88, Title V, § 505(a)(2), Oct. 17, 1979, 93 Stat. 694; Pub.L. 97-252, Title XI, § 1117(a)(2), (3), Sept. 8, 1982, 96 Stat. 750.)

1982 Amendment. Subsec. (a)(1) Pub.L. 97-252 added subpar. (C). Former subpars. (C) to (M) redesignated (D) to (N), respectively.

1979 Amendment. Subsec. (a)(1) Pub.L. 96-88 redesignated subpars. (C) to (L) as (D) to (M) and added a new subpar. (C).

Effective Date of 1979 Amendment. Amendment by Pub.L. 96-88, effective May 4, 1980, with specified exceptions, see section 601 of Pub.L. 96-88, set out as an Effective Date note under section 3401 of Title 20, Education.

Community Services Administration. The Community Services Administration, which was established by section 601 of the Economic Opportunity Act of 1964, as amended (42 U.S.C.A. § 2941), was terminated when the Economic Opportunity Act of 1964, Pub.L. 88-452, Aug. 20, 1964, 78 Stat. 501, as amended, was repealed, except for Titles VIII and X, effective Oct. 1, 1981, by section 683(a) of Pub.L. 97-35, Title VI, Aug. 13, 1981, 95 Stat. 515, which is classified to 42 U.S.C.A. § 9912(a). An Office of Community

Services, headed by a Director, was established in the Department of Health and Human Services by section 676 of Pub.L. 97-35, which is classified to 42 U.S.C.A. § 9905.

Transfer of Audit Personnel to Inspector General, Department of Defense. Section 1117(e) of Pub.L. 97-252 provided that "In addition to the positions transferred to the Office of the Inspector General of the Department of Defense pursuant to the amendments made by subsection (a) of this section [to sections 2(1), 9(a)(1), and 11(1) of this Act], the Secretary of Defense shall transfer to the Office of Inspector General of the Department of Defense not less than one hundred additional audit positions. The Inspector General of the Department of Defense shall fill such positions with persons trained to perform contract audits."

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676. See also Pub.L. 96-88, 1979 U.S. Code Cong. and Adm. News, p. 1514.

§ 10. Conforming and technical amendments

[Section amended sections 5315 and 5316 of Title 5, Government Organization and Employees, and section 3522 of Title 42, The Public Health and Welfare, which amendments have been executed to text.]

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.

§ 11. Definitions

As used in this Act—

(1) the term "head of the establishment" means the Secretary of Agriculture, Commerce, Defense, Education, Housing and Urban Development, the Interior,

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Labor, State, or Transportation or the Administrator of the Agency for International Development, Community Services, Environmental Protection, General Services, National Aeronautics and Space, Small Business, or Veterans' Affairs, or the Director of the United States Information Agency¹ as the case may be;

(2) the term "establishment" means the Department of Agriculture, Commerce, Defense, Education, Housing and Urban Development, the Interior, Labor, State, or Transportation or the Agency for International Development, the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, the United States Information Agency or the Veterans' Administration, as the case may be;

(3) the term "Inspector General" means the Inspector General of an establishment;

(4) the term "Office" means the Office of Inspector General of an establishment; and

(5) the term "Federal agency" means an agency as defined in section 552(e) of Title 5 (including an establishment as defined in paragraph (2)), United States Code, but shall not be construed to include the General Accounting Office.

(As amended Pub.L. 96-88, Title V, § 509(n)(3), (4), Oct. 17, 1979, 93 Stat. 695; Pub.L. 97-113, Title VII, § 705(a)(2), Dec. 29, 1981, 95 Stat. 1544; Pub.L. 97-252, Title XI, § 1117(a)(4), (5), Sept. 8, 1982, 96 Stat. 750; Pub.L. 99-93, Title I, § 150(a)(2), Aug. 16, 1985, 99 Stat. 427; Pub.L. 99-399, Title IV, § 412(a)(1), Aug. 27, 1986, 100 Stat. 867.)

¹ So in original. Probably should be followed by a comma.

1986 Amendment. Par. (1). Pub.L. 99-399, § 412(a)(2)(A), inserted "or the Director of the United States Information Agency" before "as the case may be".

Par. (2). Pub.L. 99-399, § 412(a)(2)(B), inserted "the United States Information Agency" before "or the Veterans' Administration".

1985 Amendment. Pars. (1), (2). Pub.L. 99-93 inserted "State," after "Labor."

1982 Amendment. Par. (1). Pub.L. 97-252, § 1117(a)(4), inserted "Defense," following "Commerce."

Par. (2). Pub.L. 97-252, § 1117(a)(5), inserted "Defense," following "Commerce."

1981 Amendment. Par. (1). Pub.L. 97-113, § 705(a)(2)(A), inserted "the Agency for International Development," after "Administrator of".

Par. (2). Pub.L. 97-113, § 705(a)(2)(B), inserted "the Agency for International Development," after "Transportation or".

1979 Amendment. Par. (1). Pub.L. 96-88, § 508(n)(3), inserted "Education," following "Commerce."

Par. (2). Pub.L. 96-88, § 508(n)(4), inserted "Education," following "Commerce."

Effective Date of 1979 Amendment. Amendment by Pub.L. 96-88, effective May 4, 1980, with

specified exceptions, see section 601 of Pub.L. 96-88, set out as an Effective Date note under section 3401 of Title 20, Education.

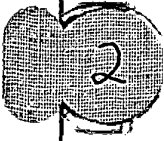
Community Services Administration. The Community Services Administration, which was established by section 601 of the Economic Opportunity Act of 1964, as amended (42 U.S.C.A. § 2941), was terminated when the Economic Opportunity Act of 1964, Pub.L. 88-452, Aug. 20, 1964, 78 Stat. 508, as amended, was repealed, except for Titles VIII and X, effective Oct. 1, 1981, by section 683(a) of Pub.L. 97-35, Title VI, Aug. 13, 1981, 95 Stat. 519, which is classified to 42 U.S.C.A. § 9912(a). An Office of Community Services, headed by a Director, was established in the Department of Health and Human Services by section 676 of Pub.L. 97-35, which is classified to 42 U.S.C.A. § 9905.

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676. See also, Pub.L. 96-88, 1979 U.S. Code Cong. and Adm. News, p. 1514, Pub.L. 97-113, 1981 U.S. Code Cong. and Adm. News, p. 2404, Pub.L. 99-93, 1985 U.S. Code Cong. and Adm. News, p. 329, Pub.L. 99-399, 1986 U.S. Code Cong. and Adm. News, p. 1865.

§ 12. Effective date

The provisions of this Act and the amendments made by this Act [see section 10 of this Act] shall take effect October 1, 1978.

Legislative History. For legislative history and purpose of Pub.L. 95-452, see 1978 U.S. Code Cong. and Adm. News, p. 2676.



(Rollcall Vote No. 15 Leg.)

YEAS—85

Adams	Garn	Murkowski
Armstrong	Glenn	Nickles
Baucus	Graham	Nunn
Bentsen	Gramm	Packwood
Bingaman	Grassley	Pell
Bond	Harkin	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hatfield	Pryor
Bradley	Hecht	Quayle
Breaux	Heinz	Riegle
Bumpers	Helms	Rockefeller
Burdick	Hollings	Roth
Byrd	Humphrey	Sanford
Chafee	Inouye	Sarbanes
Chiles	Kassebaum	Sasser
Cochran	Kasten	Shelby
Cohen	Kennedy	Simpson
Conrad	Kerry	Specter
Cranston	Lautenberg	Stafford
Danforth	Leahy	Stennis
DeConcini	Levin	Symms
Dixon	Lucas	Trible
Dodd	McCain	Wallop
Domenici	McClure	Warner
Durenberger	McConnell	Weicker
Evans	Metzenbaum	Wilson
Exon	Mikulskis	Wirth
Ford	Mitchell	
Fowler	Moynihan	

NOT VOTING—15

Biden	Heflin	Reid
D'Amato	Johnston	Rudman
Daschle	Karnes	Simon
Dole	Matsunaga	Stevens
Gore	Melcher	Thurmond

So the bill (S. 908) was passed, as follows:

S. 908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inspector General Act Amendments of 1988".

CONFIRMATION OF AUTHORITIES OF EXISTING OFFICES OF INSPECTORS GENERAL

SEC. 2. (a) Section 2(1) of the Inspector General Act of 1978 is amended to read as follows:

"(1) to conduct and supervise audits and investigations relating to the programs and operations of the establishments listed in section 11(2);"

(b) Section 9(a)(1) of such Act is amended—

(1) by striking out subparagraph (I);
(2) by redesignating subparagraphs (M) and (N) as subparagraphs (O) and (P), respectively;

(3) by redesignating subparagraphs (J) through (L) as subparagraphs (K) through (M), respectively;

(4) by redesignating subparagraphs (E) through (H) as subparagraphs (G) through (J), respectively;

(5) by inserting after subparagraph (D) the following new subparagraphs:

"(E) of the Department of Energy, the Office of Inspector General (as established by section 208 of the Department of Energy Organization Act);

"(F) of the Department of Health and Human Services, the Office of Inspector General (as established by title II of Public Law 94-505);"; and

(6) by inserting after subparagraph (M) (as redesignated by paragraph (3) of this subsection) the following new subparagraph:

"(N) of the Railroad Retirement Board, the Office of Inspector General (as established by section 23 of the Railroad Retirement Act of 1974);"

(c) Section 11 of such Act is amended—

(1) by inserting "Energy, Health and Human Services," after "Education," each place it appears in paragraphs (1) and (2);

(2) by striking out "Community Services," in paragraph (1);

(3) by striking out "The Community Services Administration," in paragraph (2);

(4) by inserting "or the Chairman of the Railroad Retirement Board," before "as the case may be" in paragraph (1); and

(5) by inserting "the Railroad Retirement Board," after "National Aeronautics and Space Administration," in paragraph (2).

(d)(1)(A) Section 208 of the Department of Energy Organization Act is repealed.

(B) The table of contents in the first section of such Act is amended by striking out the item relating to section 208.

(2) Title II of Public Law 94-505 is repealed.

(3) Section 23 of the Railroad Retirement Act of 1974 is repealed.

(e) The transfer of functions under the amendments made by subsection (b) shall not affect any individual, who on the date of enactment of this Act, is serving as the Inspector General of the Department of Energy, the Department of Health and Human Services, or the Railroad Retirement Board. Any such individual shall continue to serve in such position until such individual dies, resigns, or is removed from office in accordance with the Inspector General Act of 1978.

UNIFORM SALARIES FOR INSPECTORS GENERAL

SEC. 3. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"Inspector General, Department of Commerce.

"Inspector General, Department of the Interior.

"Inspector General, Agency for International Development.

"Inspector General, Environmental Protection Agency.

"Inspector General, General Services Administration.

"Inspector General, National Aeronautics and Space Administration.

"Inspector General, Railroad Retirement Board.

"Inspector General, Small Business Administration."

(b) Section 5316 of such title is amended by striking out the paragraphs relating to—

(1) the Inspector General of the Department of Commerce;

(2) the Inspector General of the Department of the Interior;

(3) the Inspector General of the Agency for International Development;

(4) the Inspector General of the Community Services Administration;

(5) the Inspector General of the Environmental Protection Agency;

(6) the Inspector General of the General Services Administration;

(7) the Inspector General of the National Aeronautics and Space Administration; and

(8) the Inspector General of the Small Business Administration.

ESTABLISHING AN OFFICE OF INSPECTOR GENERAL IN THE DEPARTMENT OF THE TREASURY, THE INTERNAL REVENUE SERVICE, THE FEDERAL EMERGENCY MANAGEMENT AGENCY, THE NUCLEAR REGULATORY COMMISSION, AND THE OFFICE OF PERSONNEL MANAGEMENT

SEC. 4. (a) Section 9(a)(1) of the Inspector General Act of 1978 (as amended by section 2(b) of this Act) is further amended—

(1) by redesignating subparagraphs (O) and (P) (as redesignated by paragraph (2) of section 2(b) of this Act) as subparagraphs (T) and (U), respectively;

(2) by redesignating subparagraph (N) (as added by paragraph (6) of section 2(b) of this Act) as subparagraph (S);

(3) by redesignating subparagraphs (K), (L), and (M) (as redesignated by paragraph

(3) of section 2(b) of this Act) as subparagraphs (M), (O), and (P), respectively;

(4) by inserting after subparagraph (J) (as redesignated by paragraph (4) of section 2(b) of this Act) the following new subparagraphs:

"(K) of the Department of the Treasury, the office of that department referred to as the 'Office of Inspector General', and, notwithstanding any other provision of law, that portion of each of the offices of that department referred to as the 'Office of Internal Affairs, Bureau of Alcohol, Tobacco, and Firearms', the 'Office of Internal Affairs, United States Customs Service', and the 'Office of Inspections, United States Secret Service' which is engaged in internal audit activities;

"(L) of the Department of the Treasury, in the Internal Revenue Service of such department, the office of that service referred to as the 'Office of Assistant Commissioner (Inspection), Internal Revenue Service';";

(5) by inserting after subparagraph (M) (as redesignated by paragraph (3) of this subsection) the following new subparagraph:

"(N) of the Federal Emergency Management Agency, the office of that agency referred to as the 'Office of Inspector General';"; and

(6) by inserting after subparagraph (P) (as redesignated by paragraph (3) of this subsection) the following new subparagraphs:

"(Q) of the Nuclear Regulatory Commission, the offices of that commission referred to as the 'Office of Inspector and Auditor';

"(R) of the Office of Personnel Management, the offices of that agency referred to as the 'Office of Inspector General', the 'Insurance Audits Division, Retirement and Insurance Group', and the 'Analysis and Evaluation Division, Administration Group';";

(b)(1) Section 11(1) of such Act (as amended by section 2(c) of this Act) is further amended—

(A) by striking out "or Transportation or" and inserting in lieu thereof "Transportation, or the Treasury";

(B) by striking out ", or the Director of the United States Information Agency" and inserting in lieu thereof a semicolon and "the Director of the Federal Emergency Management Agency, the Office of Personnel Management, or the United States Information Agency";

(C) by inserting "the Nuclear Regulatory Commission or" before "the Railroad Retirement Board" (as added by section 2(c)(4) of this Act); and

(D) by inserting "or the Commissioner of Internal Revenue" before "as the case may be";

(2) Section 11(2) of such Act (as amended by section 2(c) of this Act) is further amended—

(A) by striking out "or Transportation" and inserting in lieu thereof "Transportation, or the Treasury";

(B) by inserting "the Federal Emergency Management Agency," after "the Environmental Protection Agency";

(C) by inserting "the Nuclear Regulatory Commission, the Office of Personnel Management," after "the National Aeronautics and Space Administration," and

(D) by inserting "Internal Revenue Service" before "as the case may be";

(c) The Inspector General Act of 1978 is amended by inserting after section 8A the following new sections:

"SPECIFIC PROVISION CONCERNING THE NUCLEAR REGULATORY COMMISSION

"SEC. 8B. The Chairman of the Commission may delegate the authority specified in the second sentence of section 3(a) to an-

other member of the Nuclear Regulatory Commission, and shall not delegate such authority to any other officer or employee of the Commission.

"SPECIAL PROVISIONS REGARDING THE DEPARTMENT OF THE TREASURY

"Sec. 8C. (a) In carrying out the duties and responsibilities specified in this Act, the Inspector General of the Department of the Treasury shall have oversight responsibility for the internal investigations performed by the Office of Internal Affairs of the Bureau of Alcohol, Tobacco and Firearms, the Office of Internal Affairs of the United States Customs Service, and the Office of Inspections of the United States Secret Service. The head of each such office shall report to the Inspector General the significant investigative activities being carried out by such office.

"(b) Notwithstanding subsection (a), the Inspector General of the Department of the Treasury may conduct an investigation of any officer or employee of such Department (other than the Internal Revenue Service) if—

"(1) the Secretary of the Treasury or the Deputy Secretary of the Treasury requests the Inspector General to conduct an investigation;

"(2) the investigation concerns senior officers or employees of the Department of the Treasury, including officers appointed by the President, members of the Senior Executive Service, and individuals in positions classified at grade GS-15 of the General Schedule or above or classified at a grade equivalent to such grade or above such equivalent grade; or

"(3) the investigation involves alleged notorious conduct or any other matter which, in the opinion of the Inspector General, is especially sensitive or of departmental significance.

"(c) If the Inspector General of the Department of the Treasury initiates an investigation under subsection (b), and the officer or employee of the Department of the Treasury subject to investigation is employed by or attached to a bureau or service referred to in subsection (a), the Inspector General may provide the head of the office of such bureau or service referred to in subsection (a) with written notice that the Inspector General has initiated such an investigation. If the Inspector General issues a notice under the preceding sentence, no other investigation shall be initiated into the matter under investigation by the Inspector General and any other investigation of such matter shall cease.

"(d)(1) Notwithstanding the last two sentences of section 3(a), the Inspector General of the Department of the Treasury and the Inspector General of the Internal Revenue Service shall be under the authority, direction, and control of the Secretary of the Treasury and the Commissioner of Internal Revenue, respectively, with respect to audits or investigations, or the issuance of subpoenas, which require access to information concerning—

"(A) ongoing criminal investigations or proceedings;

"(B) sensitive undercover operations;

"(C) the identity of confidential sources, including protected witnesses;

"(D) deliberations and decisions on policy matters, including documented information used as a basis for making policy decisions, the disclosure of which could reasonably be expected to have a significant influence on the economy or market behavior;

"(E) intelligence or counterintelligence matters;

"(F) other matters the disclosure of which would constitute a serious threat to national

security or to the protection of any person or property authorized protection by section 3056 of title 18, United States Code, section 202 of title 3, United States Code, or any provision of the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056 note; Public Law 94-524).

"(2) With respect to the information described in paragraph (1), the Secretary of the Treasury or the Commissioner of Internal Revenue may prohibit the Inspector General of the Department of the Treasury or the Inspector General of the Internal Revenue Service, respectively, from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after such Inspector General has decided to initiate, carry out, or complete such audit or investigation or to issue such subpoena, if the Secretary or the Commissioner determines that such prohibition is necessary to preserve the confidentiality of or prevent the disclosure of any information described in paragraph (1).

"(3)(A) If the Secretary of the Treasury exercises any power under paragraph (1) or (2), the Secretary of the Treasury shall notify the Inspector General of the Department of the Treasury in writing of such exercise. Within 30 days after receipt of any such notice, the Inspector General of the Department of the Treasury shall transmit a copy of such notice to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives, and to other appropriate committees or subcommittees of Congress.

"(e) In addition to the standards prescribed by the first sentence of section 3(a), the Inspector General of the Internal Revenue Service shall at the time of appointment be in a career reserved position in the Senior Executive Service in the Internal Revenue Service as defined under section 5132(a)(8) of title 5, United States Code, with demonstrated ability in investigative techniques or internal audit functions with respect to the programs and operations of the Internal Revenue Service.

"(f)(1) In addition to the duties and responsibilities specified in this Act, the Inspector General of the Internal Revenue Service shall perform such duties and exercise such powers as may be prescribed by the Commissioner of Internal Revenue, to the extent such duties and powers are not inconsistent with the purposes of this Act.

"(2) No audit or investigation conducted by the Inspector General of the Department of the Treasury or the Inspector General of the Internal Revenue Service shall affect a final decision of the Secretary of the Treasury or his designee described in section 6406 of the Internal Revenue Code of 1986.

"(B) If the Commissioner of Internal Revenue exercises any power under paragraph (1) or (2), the Commissioner shall notify the Inspector General of the Internal Revenue Service in writing of such exercise. Within 30 days after receipt of such notice, the Inspector General shall transmit a copy of such notice to the Committee on Governmental Affairs and the Committee on Finance of the Senate and to the Committee on Government Operations and the Committee on Ways and Means of the House of Representatives."

"(d) Section 5315 of title 5, United States Code (as amended by section 3(a) of this Act) is further amended by adding at the end thereof the following new items:

"Inspector General, Department of the Treasury.

"Inspector General, Internal Revenue Service.

"Inspector General, Federal Emergency Management Agency.

"Inspector General, Nuclear Regulatory Commission.

"Inspector General, Office of Personnel Management."

REQUIREMENTS AND PROTECTIONS FOR AUDIT AND INVESTIGATION UNITS

Sec. 5. (a) The Inspector General Act of 1978 (as amended by section 4(c) of this Act) is further amended by inserting after section 8C the following new section:

"SPECIFIC REQUIREMENTS FOR FEDERAL ENTITIES

"Sec. 8D. (a) As used in this section—

"(1) the term 'Federal entity' means any Government corporation (within the meaning of section 103(1) of title 5, United States Code), any Government controlled corporation (within the meaning of section 103(2) of such title), or any other entity in the Executive branch of the Government, or any independent regulatory agency, but does not include—

"(A) an establishment (as defined in section 11(2) of this Act) or part of an establishment;

"(B) the Executive Office of the President;

"(C) the Central Intelligence Agency;

"(D) the General Accounting Office;

"(E) the Department of Justice; or

"(F) any entity in the judicial or legislative branches of the Government, including the Administrative Office of the United States Courts and the Architect of the Capitol and any activities under the direction of the Architect of the Capitol;

"(2) the term 'designated Federal entity' means ACTION, Amtrak, the Appalachian Regional Commission, the Board of Governors of the Federal Reserve System, the Board for International Broadcasting, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Corporation for Public Broadcasting, the Equal Employment Opportunity Commission, the Farm Credit Administration, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Home Loan Bank Board, the Federal Labor Relations Authority, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Legal Services Corporation, the National Archives and Records Administration, the National Credit Union Administration, the National Endowment for the Arts, the National Endowment for the Humanities, the National Labor Relations Board, the National Science Foundation, the Panama Canal Commission, the Peace Corps, the Pension Benefit Guaranty Corporation, the Securities and Exchange Commission, the Smithsonian Institution, the Tennessee Valley Authority, the United States International Trade Commission, and the United States Postal Service;

"(3) the term 'head of the Federal entity' means the director, administrator, president, chairman, or chief executive officer of a Federal entity, or any other body designated by statute as the head of a Federal entity;

"(4) the term 'head of the designated Federal entity' means the director, administrator, president, chairman, or chief executive officer of a designated Federal entity, or any other body designated by statute as the head of a designated Federal entity;

"(5) the term 'internal audit unit' means a component of a Federal entity which carries out audits or investigations, or both, of the programs and operations of such entity, but does not include a component that carries out audits or investigations as an integral

part of the conduct of the programs and operations of such entity; and

"(6) the term 'internal audit unit director' means the head of an internal audit unit.

"(b) After the date which is 180 days after the date of enactment of this section, there shall be established in each designated Federal entity an internal audit unit. The head of the designated Federal entity shall transfer to the internal audit unit established in such entity the offices, units, or other components, and the functions, powers, or duties thereof, that such head determines are properly related to the functions of the internal audit unit and would, if so transferred, further the purposes of this section. There shall not be transferred to an internal audit unit any program operating responsibilities.

"(c) The internal audit unit director shall be appointed by the head of the designated Federal entity in accordance with the applicable laws and regulations governing appointments within the designated Federal entity.

"(d) Each internal audit unit director shall report to and be under the general supervision of the head of the designated Federal entity, but shall not report to, or be subject to supervision by, any other officer or employee of such designated Federal entity. The head of the designated Federal entity shall not prevent or prohibit the internal audit unit director from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(e) If an internal audit unit director is removed from office or is transferred to another position or location within a designated Federal entity, the head of the designated Federal entity shall promptly communicate the reasons for any such removal or transfer to both Houses of Congress.

"(f)(1) The Chief Postal Inspector of the United States Postal Service shall be the internal audit unit director of the United States Postal Service, and for purposes of this section, shall report to, and be under the general supervision of, the Postmaster General. The Chief Postal Inspector may be removed from office or transferred to another position or location within the United States Postal Service if the Postmaster General issues a written order stating the reason for such action and two-thirds of the Governors of the United States Postal Service vote to ratify such order. If the Chief Postal Inspector is removed or transferred in accordance with this subsection, the Postmaster General shall promptly notify both Houses of Congress of the reasons for such removal or transfer.

"(2) For purposes of paragraph (1), the term 'Governors' has the same meaning as in section 102(3) of title 39, United States Code.

"(g)(1) Sections 4, 5, 6, and 7 of this Act (other than sections 6(a)(7) and 6(a)(8)) shall be applied to each internal audit unit, internal audit unit director, designated Federal entity, and head of the designated Federal entity (as such terms are defined in subsection (a)) by substituting—

"(A) 'internal audit unit director' for 'Inspector General';

"(B) 'designated Federal entity' for 'establishment';

"(C) 'internal audit unit' for 'Office'; and

"(D) 'head of the designated Federal entity' for 'head of the establishment'.

"(2) In addition to the other authorities specified in this Act, an internal audit unit director is authorized to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the internal audit unit

and to obtain the temporary or intermittent services of experts or consultants or an organization thereof, subject to the applicable laws and regulations that govern such selections, appointments, and employment, and the obtaining of such services, within the designated Federal entity.

"(3) The provisions of subsection (d) of section 8C (other than the provisions of subparagraphs (A), (B), (C), and (E) of subsection (d)(1)) shall apply to the internal audit unit director of the Board of Governors of the Federal Reserve System and the Chairman of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply to the Inspector General of the Department of the Treasury and the Secretary of the Treasury, respectively.

"(h) Within one year after the date of enactment of this section, and on October 31 of each calendar year thereafter, the head of each Federal entity which is not a designated Federal entity shall prepare and transmit to the Director of the Office of Management and Budget a report which—

"(1) states whether there has been established in the Federal entity an internal audit unit that meets the requirements of this section;

"(2) specifies the actions taken by the Federal entity to ensure that audits are conducted of its programs and operations in accordance with the standards for audit of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States, including a list of each audit report completed by a Federal or non-Federal auditor during the reporting period; and

"(3) summarizes any matters relating to the personnel, programs, and operations of the Federal entity referred to prosecutive authorities, including a summary description of any preliminary investigation conducted by or at the request of the Federal entity concerning these matters, and the prosecutions and convictions which have resulted."

(b) Section 410(b) of title 39, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon;

(3) by striking out "The" in paragraph (8) and inserting in lieu thereof "the";

(4) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and "and"; and

(5) by adding at the end thereof the following new paragraph:

"(9) the provisions of section 8D of the Inspector General Act of 1978."

PROVISIONS TO ENSURE UNIFORMITY AND RELIABILITY OF INSPECTOR GENERAL REPORTS

Sec. 6. (a) Section 5(a) of the Inspector General Act of 1978 is amended—

(1) by striking out "and" at the end of paragraph (5); and

(2) by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) a list, subdivided according to subject matter, of each audit report completed by the Office during the reporting period, together with a summary of the significant reports;

"(7) a detailed statistical analysis of audit reports, depicting in tables arranged by audit status information concerning—

"(A) the number of audit reports in each audit status;

"(B) the number of such reports for which an audit determination was not made within 6 months of the date of completion of such reports;

"(C) where applicable, the amounts of ineligible costs, ineligible costs that were disallowed, unsupported costs, and unsupported costs that were disallowed; and

"(D) where applicable, the amount of disallowed costs returned to, or offset by, the Government;

"(8) a summary of each significant audit report completed before the commencement of the reporting period and identified under paragraph (7)(B), together with an explanation of the reason the audit determination was not made during the period described in such paragraph;

"(9) a description of, and an explanation of the reasons for, any significant revised audit determinations made during the reporting period; and

"(10) information concerning any significant audit determination with which the Inspector General is in disagreement."

(b) Section 5(b) of such Act is amended by inserting "(1)" after "containing" and by inserting before the period a comma and "(2) a list of each audit report made by the establishment's Office of Inspector General which was not resolved within one year after the date on which an audit determination was made on such report, (3) an explanation of the reason such audit was not resolved, and (4) for each such audit report, the amount of disallowed costs that are under administrative or judicial appeal and the amount of any disallowed costs returned to, or offset by, the Government."

(c) Section 5(c) of such Act is amended by adding at the end thereof the following new sentence: "The head of each establishment shall also make copies of the report of such head required under subsection (b) available to the public upon request and at a reasonable cost."

(d) Section 5 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) As used in this section—

"(1) the term 'ineligible cost' means an incurred cost that is questioned by the Office of Inspector General because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;

"(2) the term 'unsupported cost' means an incurred cost that is questioned by the Office of Inspector General because the Office found that, at the time of the audit, such cost was not supported by adequate documentation;

"(3) the term 'disallowed cost' means an ineligible cost or unsupported cost that the management of an establishment has concluded, in an audit determination, should not be charged to the Federal Government;

"(4) the term 'audit determination' means the evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a written final decision by management concerning its response, including corrective actions concluded to be necessary, to such findings and recommendations;

"(5) the term 'audit resolution' means the completion of all corrective actions that the management of an establishment has concluded, in an audit determination, are necessary with respect to the findings and recommendations included in an audit report, and, in the event that the management of an establishment concludes no corrective action is necessary, 'audit resolution' occurs when an audit determination has been reached; and

"(6) the term 'audit status' includes the following six categories:

"(A) audits for which the audit report was completed before the commencement of the reporting period and for which—

"(i) the audit determination was not made by the end of such period;

"(ii) the audit determination was made during such period and for which audit resolution has not occurred; and

"(iii) the audit determination was made during such period and for which audit resolution has occurred; and

"(B) audits for which the audit report was completed during the reporting period and for which—

"(i) the audit determination was not made by the end of such period;

"(ii) the audit determination was made during such period and for which audit resolution has not occurred; and

"(iii) the audit determination was made during such period and for which audit resolution has occurred."

(e) Section 3512(b)(2) of title 31, United States Code, is amended by adding at the end thereof the following: "Such standards shall include (A) a definition of audit resolution consistent with section 5(f)(5) of the Inspector General Act of 1978, and (B) a standard to ensure that an audit determination will be made on each audit report within 6 months after the completion of such report, in the case of an audit performed by a Federal auditor, and within 6 months after receipt by the executive agency responsible for the program concerned, in the case of each audit performed by a non-Federal auditor. No order, circular, or directive prescribed by the Director of the Office of Management and Budget shall include an inconsistent definition or standard with respect to audit resolution."

OATH ADMINISTRATION AUTHORITY

Sec. 7. Section 6(a) of the Inspector General Act of 1978 is amended—

(1) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) to administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by this Act, which oath, affirmation, or affidavit when administered or taken by or before an investigator or such other employee of an Office of Inspector General designated by the Inspector General shall have the same force and effect as if administered or taken by or before an officer having a seal."

APPROPRIATION ACCOUNTS

Sec. 8. Section 1105(a)(25) of title 31, United States Code, is amended to read as follows:

"(25) a separate appropriation account for appropriations for each Office of Inspector General established by the Inspector General Act of 1978."

DISCLOSURE OF TAX RETURNS AND RETURN INFORMATION

Sec. 9. Section 5(e)(3) of the Inspector General Act of 1978 is amended by striking out "Nothing" in the first sentence and inserting in lieu thereof "Except to the extent provided in section 6103(f) of the Internal Revenue Code of 1986, nothing".

Mr. GLENN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

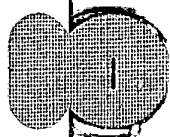
Mr. BYRD. Mr. President, I congratulate Mr. GLENN and Mr. ROTH for their management of this measure. I also want to thank and compliment the staffs on the Inspector general bill, S. 908. It will improve the Government's ability to fight waste, fraud, and mismanagement, and it will assist Congress in its oversight duties. Their efforts in working out the last few problems enabled the Senate to complete the bill with but one rollcall vote on passage.

Mr. President, there will be no more rollcall votes today.

LEGISLATIVE HISTORY OF S. 908,
Inspector General Act Amendments of 1987

- Introduced on April 3, 1987 by Senator Glenn
- Public hearings held by Senate Committee on Governmental Affairs
April 9, 1987 and May 12, 1987
- Report filed by Senate Committee on Governmental Affairs August 7, 1987
- Passed by the Senate on February 2, 1988 by a vote of 85-0

C



Union Calendar No. 277

100th Congress, 1st Session

H. Rept. No. 100-433

S. Rept. No. 100-216

Report of the Congressional Committees Investigating the

Iran-Contra Affair

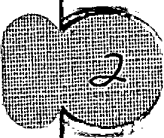
With
Supplemental, Minority, and Additional Views

15. CIA Inspector General and General Counsel

The Committees recommend that a system be developed so that the CIA has an independent statutory Inspector General confirmed by the Senate, like the Inspectors General of other agencies, and that the General Counsel of the CIA be confirmed by the Senate.

The CIA's internal investigation of the Iran-Contra Affair—conducted by the Office of the Inspector General—paralleled those of the Intelligence Committees and then the Iran Committees. It contributed to, and cooperated with, the Tower Board. Yet, the Office of the Inspector General appears not to have had the manpower, resources or tenacity to acquire key facts uncovered by the other investigations.

The Committees also believe the General Counsel plays an important role in these matters and accordingly should be confirmed by the Senate.



CONFIDENTIAL

ER

OCA 87-6096
HPSCI - Rep Stokes
OCA 87-6095
HPSCI - Rep Hyde
OCA 87-6097

Washington, D.C. 20505

OCA 87-6094
December 16, 1987

OCA FILE SSCI / HPSCI
TR

The Honorable David L. Boren
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

As you know, one of my first priorities on becoming Director of Central Intelligence has been to study and strengthen the Central Intelligence Agency's Office of the Inspector General. After several months of observation of the overall management structure and practices within the Agency, I convened a steering group of senior managers of the Agency to review procedures and practices currently being followed by that office and to recommend to me changes designed to strengthen it. In tasking this group, I asked them to give particular attention to career path initiatives which would both strengthen the I.G. office itself and provide broader and more cohesive experience to the future managers of the Agency. The task force has now completed its report, and I have accepted its recommendations. It is enclosed for your reference.

Some of these recommendations will be familiar to you, since you and I have already discussed this subject. I remain convinced that a vigorous, aggressive Office of the Inspector General is a prerequisite to the conduct of intelligence activities that comply with applicable law and policy. It is also an important ingredient in building awareness of these responsibilities within the Agency in ways which encourage the cooperation and understanding of our employees without eroding momentum for our vital mission. I am confident that the prompt implementation of these recommendations will go a long way toward helping the Agency attain that goal.

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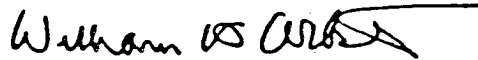
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The Honorable David L. Boren

Please let me know if you have any further questions about the report or its recommendations. I am also sending a copy of this letter to Vice Chairman Cohen.

Sincerely yours,



William H. Webster
Director of Central Intelligence

Enclosure

DOWNGRADE TO UNCLASSIFIED UPON
REMOVAL OF ENCLOSURE

Distribution: (OCA 87-6094)

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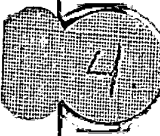
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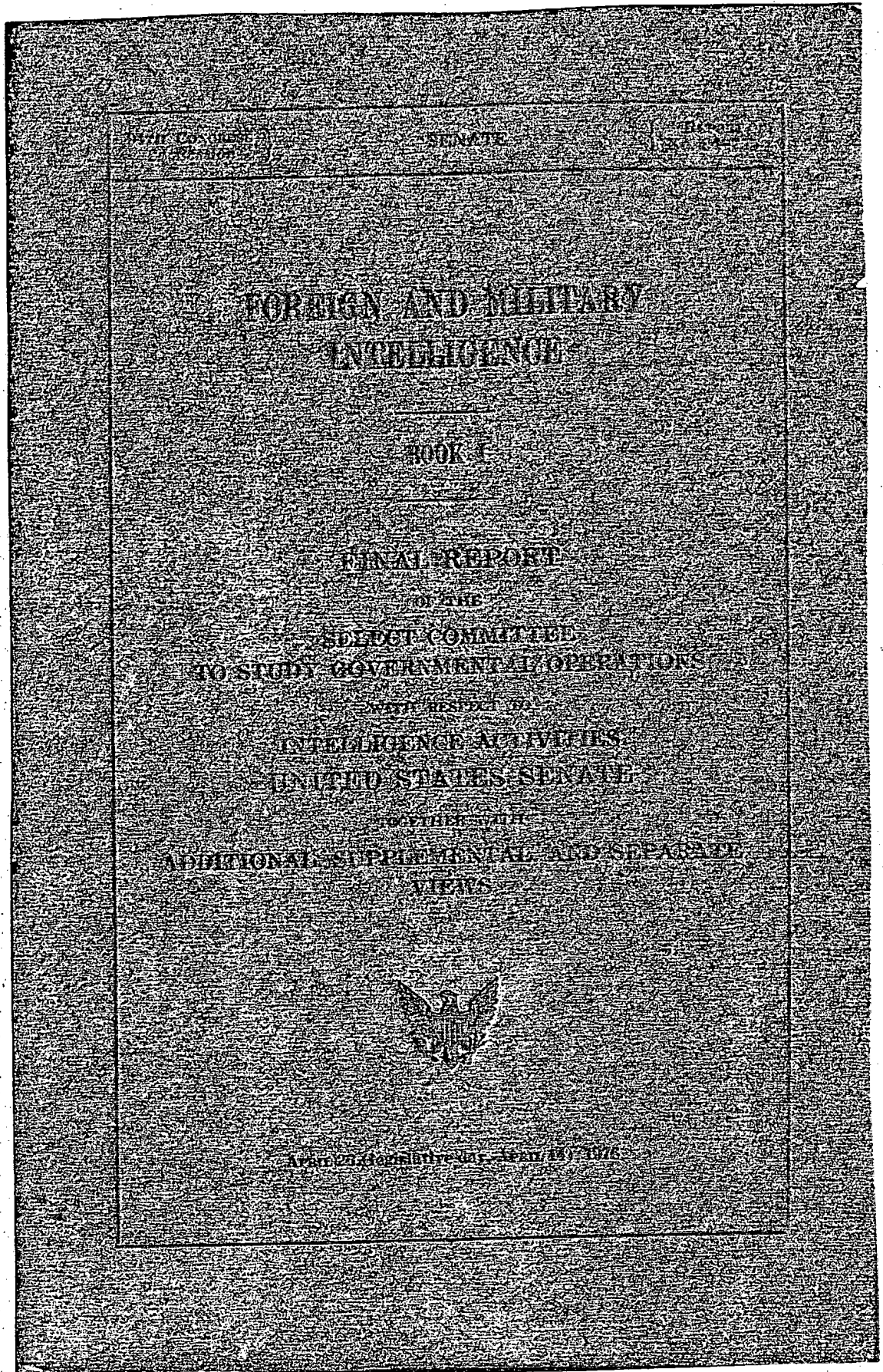
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52. By statute, all returns of funds from proprietaries not needed for its operational purposes or because of liquidation or termination of a proprietary, should be remitted to the United States Treasury as Miscellaneous Receipts.

The Department of Justice should be consulted during the process of the sale or disposition of any CIA proprietary.

53. By statute, former senior government officials should be prohibited from negotiating with the CIA or any other agency regarding the disposal of proprietaries. The intelligence oversight committee(s) of Congress should consider whether other activities among agencies of the intelligence community, the CIA, and former officials and employees, such as selling to or negotiating contracts with the CIA, should also be prohibited as is the case regarding military officials under 18 U.S.C. 207.

J. INTELLIGENCE LIAISON

Throughout the entire period of the CIA's history, the Agency has entered into liaison agreements with the intelligence services of foreign powers. Such arrangements are an extremely important and delicate source of intelligence and operational support. Intelligence channels can also be used to negotiate agreement outside the field of intelligence. The Committee notes that all treaties require the advice and consent of the Senate, and executive agreements must be reported to the Foreign Relations Committee of the Senate. Because of the importance of intelligence liaison agreements to national security, the Committee is concerned that such agreements have not been systematically reviewed by the Congress in any fashion.

Recommendations

54. By statute, the CIA should be prohibited from causing, funding, or encouraging actions by liaison services which are forbidden to the CIA. Furthermore, the fact that a particular project, action, or activity of the CIA is carried out through or by a foreign liaison service should not relieve the Agency of its responsibilities for clearance within the Agency, within the executive branch, or with the Congress.

55. The intelligence oversight committee(s) of Congress should be kept fully informed of agreements negotiated with other governments through intelligence channels.

K. THE GENERAL COUNSEL AND INSPECTOR GENERAL

The General Counsel, as chief legal officer of the Central Intelligence Agency, has a special role in insuring that CIA activities are consistent with the Constitution and laws of the United States. The Committee found that, in the past, the participation of the General Counsel in determining the legality or propriety of CIA activities was limited; in many instances the General Counsel was not consulted about sensitive projects. In some cases the Director's investigative arm, the Inspector General, discovered questionable activities that often were not referred to the General Counsel for a legal opinion. Moreover, the General Counsel never had general investigatory authority.

The Inspector General not only serves as the Director's investigative arm, but he also aids the Director in attempts to increase the efficiency of Agency activities. Inspector General investigations of various Agency offices (component surveys) have been an important management tool often leading to the discovery of questionable practices. These component surveys were halted in 1973 but have recently been reinstated.

The Committee found that there were problems with the component surveys. In some situations the Inspector General was denied access to essential information. The surveys often failed to effectively cover sensitive programs cutting across component boundaries or raising issues which affected the Agency as a whole. Finally, the Inspector General's recommendations were often disregarded particularly when the directorate being investigated opposed their implementation.

Under the President's recently issued Executive Order, the Inspector General and the General Counsel are required to report to the Intelligence Oversight Board any activities that come to their attention which raise questions of legality or propriety. The Director of the CIA is charged with assuring that those officials will have access to the information necessary to fulfill their duties under the Executive Order.

The Committee also found that while both the General Counsel and Inspector General provided valuable assistance to the Director, neither had authority to provide assistance to the congressional oversight bodies.

The Committee believes that the intelligence oversight committee(s) of Congress should examine the internal review mechanisms of foreign and military intelligence agencies and consider the feasibility of applying recommendations such as those suggested for the CIA.

Recommendations

56. Any CIA employee having information about activities which appear illegal, improper, outside the Agency's legislative charter, or in violation of Agency regulations, should be required to inform the Director, the General Counsel, or the Inspector General of the Agency. If the General Counsel is not informed, he should be notified by the other officials of such reports. The General Counsel and the Inspector General shall, except where they deem it inappropriate, be required to provide such information to the head of the Agency.⁴⁴

57. The DCI should be required to report any information regarding employee violations of law related to their duties and the results of any internal Agency investigation to the Attorney General.⁴⁵

⁴⁴ The General Counsel and Inspector General should have authority to pass the information to the Attorney General without informing the head of the Agency in extraordinary circumstances, if the employee providing the information so requests and if the General Counsel or the Inspector General deems it necessary.

The Inspector General should also regularly inform Agency employees about grievance procedures.

⁴⁵ See 28 U.S.C. 535.

58. By statute, the Director of the CIA should be required to notify the appropriate committees of the Congress of any referrals made to the Attorney General pursuant to the previous recommendation.⁴⁶

59. The Director of the CIA should periodically require employees having any information on past, current, or proposed Agency activities which appear illegal, improper, outside the Agency's legislative charter, or in violation of the Agency's regulations, to report such information.

60. By statute, the General Counsel and the Inspector General should have unrestricted access to all Agency information and should have the authority to review all of the Agency activities.

61. All significant proposed CIA activities should be reviewed by the General Counsel for legality and constitutionality.

62. The program of component inspections conducted by the Inspector General should be increased, as should the program of surveys of sensitive programs and issues which cut across component lines in the Agency.⁴⁷

63. The Director shall, at least annually, report to the appropriate committees of the Congress on the activities of the Office of the General Counsel and the Office of the Inspector General.⁴⁸

64. By statute, the General Counsel should be nominated by the President and confirmed by the Senate.

65. The Agency's efforts to expand and strengthen the staffs of the General Counsel and Inspector General should be continued.⁴⁹

66. The General Counsel should be promoted to, and the Inspector General should continue to hold executive rank equal to that of the Deputy Directors of the CIA.

⁴⁶ Should the General Counsel or Inspector General determine that it would be inappropriate to notify the Director of an activity that appeared illegal, improper, outside the Agency's legislative charter, or in violation of Agency regulations, the General Counsel or Inspector General would be required to notify the appropriate committees of the Congress.

⁴⁷ The Inspector General's component surveys should consider not only the effectiveness of the component but should also examine the component's compliance with the legislative charter of the Agency, Agency regulations, and the law. The Director should be required to inform the Inspector General as to what actions have been taken on the recommendations made by the Inspector General.

⁴⁸ The report should include: (a) a summary of all Agency activities that raise questions of legality or propriety and the General Counsel's findings concerning these activities; (b) a summary of the Inspector General's investigations concerning any of these activities; (c) a summary of the practices and procedures developed to discover activities that raise questions of legality or propriety; (d) a summary of each component, program or issue survey, including the Inspector General's recommendations and the Director's decisions; (e) a summary of all other matters handled by the Inspector General.

The report should also include discussion of (a) major legal problems facing the Agency; (b) the need for additional statutes; (c) any cases referred to the Department of Justice.

⁴⁹ Efforts to recruit lawyers for the Office of General Counsel from outside the CIA should be increased. Efforts should also be made to provide for rotation of the attorneys in the General Counsel's Office to other governmental positions.

The Inspector General's Office should be staffed by outstanding, experienced officers drawn from inside and outside the Agency. Consideration should be given to establishing a greater number of permanent positions within the Office. Individuals rotated into the Inspector General's Office from another Agency office should not be involved in surveys of offices to which they might return.

The work of both offices would benefit from regular inspections from outside.

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87-0638X

United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

February 12, 1987

LEONARD WEISS, STAFF DIRECTOR
JO ANNE BARNHART, MINORITY STAFF DIRECTOR

Mr. Robert M. Gates
Acting Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Gates:

As Chairman of the Governmental Affairs Committee, I respectfully request your assistance regarding information about the CIA's Office of Inspector General. This information will be of assistance to the Committee's general review of the various inspector general offices currently established throughout the government, and potential legislation in this area.

If possible, I would appreciate receiving your written response to the following inquiries by close of business Tuesday, February 17, 1987.

1. Please describe the operation of the CIA's office of inspector general, and if possible, compare the CIA Inspector General's functions, responsibilities, authority and independence with those prescribed for inspectors general by the 1978 Inspector General Act (Pub. Law 95-452; 5 U.S.C. App.). I am particularly interested in the following items:

- a. The mandate and structure of the CIA IG office;
- b. The title of the person(s) with authority to appoint and/or remove the IG;
- c. The titles of the persons with supervisory authority, and the reporting relationships the IG has with any other individuals in the Agency;
- d. The type of personnel who staff the office;
- e. The limitations, if any, on the scope of the audits and investigations initiated by the IG (including covert programs). Please state whether any Agency official may preclude or halt such a review, and if so, the possible circumstances under which such action might occur and the number of times this has occurred to date;

Page Two

f. The reporting to Congress on the results of IG inspections.

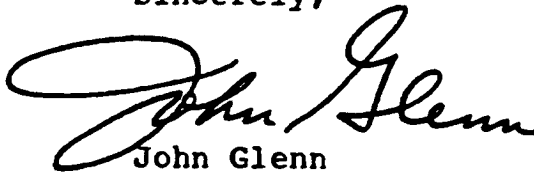
2. Please comment on the utility of or need for establishing a statutory Office of Inspector General within the Agency.

3. Please describe the procedures utilized by the Inspector General to handle possible malfeasance by Agency personnel (such as theft, embezzlement, or violation of a governing Executive Order involving covert as well as other Agency activities), and a description of the process by which potential criminal matters are referred to the Department of Justice.

4. Please describe the Agency's policy with regard to the General Accounting Office's ability to audit Agency programs and accounts, including expenditures for unusually sensitive or covert activities.

If you have any questions or comments concerning these matters, please contact Stephen Ryan, Counsel to the Committee (224-4751).

Sincerely,

A handwritten signature in black ink, appearing to read "John Glenn". The signature is fluid and cursive, with a large initial "J" and "G".

John Glenn
Chairman



Washington D.C. 20505

OCA FILE DBL

RECEIPT # _____

18 FEB 87

OCA 87-0588

The Honorable John Glenn, Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed are responses to questions about this Agency's Office of Inspector General requested in your letter of February 12 to the Acting Director. We are in the process of finalizing answers to two additional points and expect to forward these to the Committee shortly. I am also enclosing a copy of the CIA Headquarters Regulation which pertains to audit responsibilities in the CIA. 25X1

I trust that this information will be helpful in your review of the inspector general function in the U.S. Government.

Sincerely,

Executive Director

25X1

Enclosures:

As stated

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OCA/Senate (18 Feb 87)

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Washington, D.C. 20505

18 MAR 1987

The Honorable John Glenn, Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed are responses to the final two questions forwarded by the Committee on Governmental Affairs on 12 February concerning the CIA's Office of Inspector General.

I hope that the information will be of assistance to the Committee.

Sincerely,



25X1

✓ Executive Director

Enclosure:
As stated

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100TH CONGRESS
1ST SESSION

S. 1458

To clarify and restate the Comptroller General's authority to audit the financial transactions and evaluate the programs and activities of the Central Intelligence Agency, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 1 (legislative day, JUNE 23), 1987

Mr. GLENN introduced the following bill; which was read twice and referred to the Select Committee on Intelligence

A BILL

To clarify and restate the Comptroller General's authority to audit the financial transactions and evaluate the programs and activities of the Central Intelligence Agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That this Act may be cited as the "General Accounting
4 Office-Central Intelligence Agency Audit Act of 1987".

5 SEC. 2. Title 31, United States Code, is amended by
6 inserting after section 3523 the following new section:

1 **§ 3523a. Audit of Central Intelligence Agency activities**

2 “(a) Notwithstanding any other provision of law, the
3 Comptroller General shall audit the financial transactions and
4 shall evaluate the programs and activities of the Central In-
5 telligence Agency—

6 “(1) on the initiative of the Comptroller General;

7 or

8 “(2) when requested by the Chairman or the
9 ranking minority member of the Select Committee on
10 Intelligence of the Senate or the Permanent Select
11 Committee on Intelligence of the House of Representa-
12 tives.

13 “(b) Whenever the Comptroller General conducts an
14 audit or evaluation pursuant to subsection (a), the Comptrol-
15 ler General shall provide the results of such audit or evalua-
16 tion only to the Select Committee on Intelligence of the
17 Senate, the Permanent Select Committee on Intelligence of
18 the House of Representatives, and the Director of Central
19 Intelligence.

20 “(c) Notwithstanding any other provision of law, the
21 Comptroller General may inspect and copy any relevant
22 books, documents, papers, records, other information, includ-
23 ing written or recorded information of all kinds, and property
24 which belongs to, or is in the possession or control of, the
25 Central Intelligence Agency in order to perform audits and
26 evaluations pursuant to subsection (a). The Comptroller Gen-

1 eral shall also be provided access to the officers and employ-
2 ees of the Central Intelligence Agency at such reasonable
3 times as the Comptroller General considers necessary to
4 carry out such audits and evaluations. Notwithstanding the
5 preceding sentence, the Comptroller General shall not be
6 provided access to any officer or employee of the Central
7 Intelligence Agency if the President determines that access
8 to any such officer or employee is not in the national interest.
9 The President shall prepare and transmit a report to the
10 Comptroller General and the chairman and ranking minority
11 member of each committee referred to in subsection (a)(2) of
12 this section setting forth his determination. The President
13 may not delegate the making of a determination under this
14 subsection to any officer or employee of the Executive
15 Branch.

16 “(d)(1) After consultation with the Select Committee on
17 Intelligence of the Senate and with the Permanent Select
18 Committee on Intelligence of the House of Representatives,
19 the Comptroller General shall establish procedures to protect
20 from unauthorized disclosure all classified and other sensitive
21 information furnished to the Comptroller General or his rep-
22 resentatives under this section.

23 “(2) All workpapers of the Comptroller General and all
24 records and property of the Central Intelligence Agency that
25 the Comptroller General uses during an audit or evaluation

1 under this section shall remain in facilities provided by the
2 Central Intelligence Agency. Procedures established by the
3 Comptroller General pursuant to paragraph (1) of this sub-
4 section shall include provisions specifying the method and du-
5 ration of any temporary removal of workpapers from facilities
6 provided by the Central Intelligence Agency.

7 “(3) Before initiating an audit or evaluation under this
8 section, the Comptroller General shall provide the Director
9 of Central Intelligence with the names and other relevant
10 information concerning each officer and employee of the Gen-
11 eral Accounting Office who may have access to, or otherwise
12 be provided with, classified or other sensitive information in
13 connection with an audit or evaluation for purposes of securi-
14 ty clearance reviews. The Director of Central Intelligence
15 shall complete the necessary security clearance reviews on
16 an expedited basis.

17 “(4) The Comptroller General shall provide the Director
18 of Central Intelligence with the name of each officer and em-
19 ployee of the General Accounting Office who has obtained a
20 security clearance from the Central Intelligence Agency and
21 to whom, upon proper identification, the officers, employees,
22 records, and property of the Central Intelligence Agency
23 shall be made available in carrying out this section.

1 “(e) This section may be superseded only by a law en-
2 acted after the date of enactment of this section specifically
3 repealing or amending this section.

4 “(f) The authority provided in this section is in addition
5 to the authority that the Comptroller General has to investi-
6 gate, audit, and evaluate the financial transactions, pro-
7 grams, and activities of any other establishment or agency of
8 the Government of the United States.”.

9 SEC. 3. (a) Section 3524 of title 31, United States
10 Code, is amended—

11 (1) in the first sentence of subsection (a)(1), by
12 striking out “The” and inserting in lieu thereof the fol-
13 lowing: “Except with respect to audits or evaluations
14 of the Central Intelligence Agency as provided in sec-
15 tion 3523a of this title, the”;

16 (2) in subsection (c), by inserting “(other than ac-
17 tivities conducted by the Central Intelligence Agency)”
18 after “activities”;

19 (3) by amending subsection (d) to read as follows:

20 “(d) This section does not apply to expenditures under
21 section 102, 103, 105(d)(1), (3), or (5), or 106(b)(2) or (3) of
22 title 3.”; and

23 (4) in subsection (e), by striking out “or a finan-
24 cial transaction under section 8(b) of the Central Intel-
25 ligence Act of 1949 (50 U.S.C. 403j(b))”.

1 (b) Section 8(b) of the Central Intelligence Act of 1949
2 is amended—

3 (1) by inserting “(other than section 3523a. of
4 title 31, United States Code)” after “Government
5 funds”; and

6 (2) by adding at the end thereof the following new
7 sentence: “The Comptroller General shall audit ex-
8 penditures made for objects of a confidential, extraordi-
9 nary, or emergency nature to be accounted for solely
10 on the certificate of the Director.”.

11 (c) Section 716(d)(1)(A), title 31, United States Code, is
12 amended by inserting “(other than activities conducted by the
13 Central Intelligence Agency)” after “activities” the first
14 place it appears.

○

S 9198

CONGRESSIONAL RECORD — SENATE

July 1, 1987

evaluate the programs and activities of the Central Intelligence Agency, and for other purposes; to the Select Committee on Intelligence.

GENERAL ACCOUNTING OFFICE—CENTRAL
INTELLIGENCE AGENCY AUDIT ACT

Mr. GLENN. Mr. President, I rise to introduce legislation that would allow the United States General Accounting Office [GAO] to audit the books and records of the Central Intelligence Agency [CIA]. The bill strikes an appropriate balance between the need for some accountability, particularly independent oversight of CIA financial activity, and the confidential and secure operation of the CIA. CIA is currently the only agency in this government which contests GAO's authority to audit its activities. This bill carefully limits the manner by which GAO would obtain access to CIA personnel and records, and will limit dissemination of the audit results to the Senate and House Intelligence Committees.

THE NEED FOR INDEPENDENT AUDITS BY GAO

Before discussing the specific provisions of the bill, it may be helpful to discuss why it is essential to have both a strong intelligence capability and independent audits of our intelligence activities. I believe this country needs a strong, independent but accountable Central Intelligence Agency, operated by honorable men and women. Congress and the American people have supported the CIA with our treasure, and even more important, with sweeping powers and authority to complete the CIA's mission. These honorable men and women will not have their missions compromised by a statute requiring a prudent, circumspect and professional review of their activities. Indeed, the CIA maintains its own internal watchdog, the Inspector General's Office, which is currently headed by a distinguished and independent intelligence officer, to ensure that the agency remains true to its mission, obeys the law, and accounts appropriately for its funds.

The Iran-Contra mess is proof, however, that we cannot be content with internal reviews alone. It is simply a fact that self-audit is justifiably subject to suspicion and distrust. To expedite such independent reviews Congress established the GAO.

A principal duty of GAO is to make independent audits of agency operations and programs and to report to the Congress on the manner in which Federal departments and agencies carry out their responsibilities. In establishing GAO, Congress recognized that the Office would require access to the records of the Federal agencies. This need would not be fulfilled if GAO's access to records, information, and documents pertaining to the subject matter of audit or review is limited. This legislation is intended to strengthen the GAO's ability to discharge its functions as an investigation and auditing arm of Congress. Congress relies on GAO to see that

funds are used for their intended purposes; that agency resources are managed efficiently and economically; and that programs are achieving the objectives set forth by law. In 1979 and 1980 I led the successful effort to extend GAO audit coverage to unvouchered accounts in the executive branch, other than the CIA. Today's proposed legislation should be seen as the logical extension of that effort. I also recognize that legislative authority is not a complete panacea. For example, a more active audit of National Security Council [NSC] expenditures might have revealed the extraordinary activities of Mr. North and company, and spared this country the stupidities and perhaps felonies, now being exposed each day at the Iran-Contra hearings.

It is good public policy to have an independent audit of the expenditure and use of all public funds. Such reviews are an instrumentality for engendering public trust by those outside government, and act as a deterrent against abuse by those on the inside. Exceptions to the requirement for independent audits must be based not only upon exceptional factual circumstances, but require that there be a broad acceptance, public trust, and understanding of the rationale behind any such exceptions. I do not see the need for, the public support for, and trust of a complete exemption for the CIA.

There is a strong public acceptance of the necessity to have a powerful U.S. intelligence gathering and analytical capabilities, given the potentially hostile environment in many parts of the world, and the realities of the nuclear age. I share that acceptance. There is far less public acceptance or understanding of other intelligence activities, particularly covert operations, that may not always comport with the image of the United States as a defender of international law and of democratic principles democratically arrived at. The most successful covert activities are those that—by definition, and without acknowledgment—have been proposed, approved, planned, undertaken, completed, and closed in support of established public policy, and without exposure in either the target country or domestically in the United States. Despite such successes, there has been sharp, and sometimes bitter, controversy over CIA—and now NSC—activities that have begun covertly, but have become exposed to public scrutiny, particularly where the covert operation is inconsistent with the public policy espoused by our Government. Nor are covert programs alone excepted from GAO review. No CIA activities are subject to independent audit review.

The lack of outside audits for any CIA activities is also in marked contrast with procedures throughout this Government. Every other agency and department is already subject to the audits of the GAO—including intelli-

By Mr. GLENN:
S. 1458. A bill to clarify and restate the Comptroller General's authority to audit the financial transactions and

July 1, 1987

CONGRESSIONAL RECORD — SENATE

S 9199

gence gathering by the National Security Agency (NSA), and the nonpublic development efforts at the Department of Defense programs requiring handling of highly classified national security information. The CIA is institutionally alone, and I believe honestly mistaken, in its belief that GAO is not legally authorized to audit their agency. In order to clearly resolve that dispute I am introducing this legislation. In the long run, I believe carefully controlled GAO audits of CIA will lower the probability of future abuses of power, boost the credibility of CIA management, increase the essential public support the Agency's mission deserves, assist the Congress in conducting meaningful oversight, and in no way compromise the CIA mission.

SECRECY NEEDS MUST EVENTUALLY YIELD TO CONGRESSIONAL OVERSIGHT IN A FREE SOCIETY

I recognize the legitimate concerns for tight security concerning CIA activities. There are many mechanisms within the CIA and all intelligence agencies to protect sensitive activities from unauthorized disclosure and security compromise. Information such as true names, financial data and locales, for example, may be segregated so that only those who have a direct "need-to-know" can have access to it. There is a discipline within professional intelligence organizations that calls for personnel to avoid ferreting out information that does not apply specifically to their own assigned activities and responsibilities. It is an accepted truism that the risk of security compromise expands with the number of people who have access to information on an activity. Intelligence officers must be concerned with maintaining the viability of activities that we will assume are authorized to be undertaken, perhaps covertly, recognizing that sometimes even the smallest slip can be fatal, or lead to enemy countermeasures. There are risks of compromise even with the most scrupulous attention to protective details and the application of professional intelligence techniques. As a result, there ordinarily is no internal incentive, whatsoever, for intelligence personnel to support granting access to outsiders even from their own government. Such access only complicates matters, and any independent outside audit will inescapably add some risk of compromise to the activities audited.

There is a perception on the part of many intelligence officials that the Congress "leaks like a sieve"—including the select committees on intelligence, to which special access and arrangements have been granted. I believe this preception is incorrect, but there is little question that this concern is shared by many intelligence officials on this subject, albeit in private.

Of course we have decided to require that secrecy needs give way to some amount of Congressional oversight by the Select Committees. This compact between the intelligence community and these committees has been, on

balance, evolving in the desired direction. The Intelligence Committees have provided policy guidance, and the intelligence community has, with some notable exceptions, advised the committees in a timely manner of impending activities. But the Intelligence Committees do not have the personnel to establish audit trails, a lack that was demonstrated in the early congressional review of the Iran-Contra mess, when Congress borrowed GAO personnel to establish the money trail.

Since February, I have been discussing with colleagues the need to have independent audits at the CIA. I recognize and applaud the Senate Select Committee on Intelligence's decision to begin remedying the lack of independent audits at the CIA by hiring several auditors as committee staff. This action underscored for me the need to have the GAO available for such audits, with access to all GAO's resources, rather than merely depend on a talented, but very limited number of Senate staffers, to assist Congress in performing its oversight chores.

BALANCING SECRECY AND INDEPENDENT REVIEW IN THIS LEGISLATION

The crucial public policy issue is centered on whether a perceived gain in public trust and successful congressional oversight outweighs any increased risk of disclosure. Once we accept the need for conducting some measure of independent, and not in-house, review of CIA expenditures, the key policy concern is whether GAO's reviews can be conducted in a manner consistent with the safety and security of the CIA's operations. I believe all the available evidence shows it can be done.

By existing law and specific language in this bill, GAO's review power is carefully limited in at least six major ways to prevent damage to CIA operations. First, all GAO auditors must obtain appropriate security clearances from CIA before they are granted access to CIA information. Second, CIA records are to be kept at secure locations controlled by CIA. Third, any GAO documents created as a result of the audit will receive the same "derivative" security classification to the original document. Fourth, GAO personnel will be subject to criminal prosecution for breaches of security. Fifth, the congressional request for a GAO audit must come from the chairman or ranking minority member of the Select Committee on Intelligence of the Senate or the Permanent Select Committee on Intelligence of the House of Representatives. This will necessarily pose a significant limitation on the reminder of Congress, and emphasizes the central role of the Intelligence Committees in their area of oversight. If the GAO self-initiates an audit or review, the resulting report will only be shared with those committees and the Director of the CIA. Sixth, the President will have the power to exempt any individual CIA officer or employee from GAO

access. These controls on the proposed GAO audit and dissemination process constitute an appropriate balancing of the need to protect CIA security and the need to ensure adequate oversight.

I urge my colleagues in the Senate to support this legislation, and I ask unanimous consent that an analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF S. 1458

I. BACKGROUND

Concerns about the accountability of government intelligence programs and activities carried on outside public scrutiny are not new. The Iran-Contra affair and other recent events underscore the need to review the balance between financial and program accountability and program flexibility and secrecy.

This bill addresses a single aspect of this issue—General Accounting Office (GAO) access to and audit of the financial transactions and programs and activities of the Central Intelligence Agency (CIA or Agency). In the past, GAO has successfully audited secret military weapons projects that require special access and are known to a relatively small number of people. GAO has also reviewed highly classified weapons programs and tactical and strategic command, control, communications, and intelligence programs.

GAO, however, has been unsuccessful in gaining similar audit access to the CIA. The CIA has taken the position that GAO's involvement in reviewing its financial transactions and activities is unnecessary in light of the oversight roles of the congressional select committees on intelligence matters.

The purpose of this bill is to clarify GAO's authority to audit the CIA. The bill's approach is a balanced one, calculated to enhance Congress' oversight of these important and sensitive activities by clarifying the Comptroller General's audit and access authority, while at the same time providing the necessary protection of sensitive CIA activities from any unauthorized disclosure.

The bill contains safeguards to ensure that particularly sensitive activities are not jeopardized. Only suitably cleared GAO personnel will be allowed to participate in audits and evaluations. The results of GAO's audits or evaluations may be provided only to the House and Senate Intelligence Committees and the CIA Director. Finally, the bill leaves unimpaired the criminal sanctions applicable to the intentional disclosure of information identifying cover agents by individuals authorized access to such information. (50 U.S.C. § 421).

II. SECTION BY SECTION ANALYSIS

Section one of the bill would add a new section (3523a) to title 31, United States Code, which clarifies GAO's authority to audit the financial transac-

tions and to evaluate the programs and activities of the CIA. Subsection (a)(1) provides that GAO shall audit the financial transactions and evaluate the programs and activities of the CIA either on the initiative of the Comptroller General or when requested by the chairman or ranking minority member of the Select Committee on Intelligence of the Senate or the Permanent Select Committees on Intelligence of the House of Representatives.

The results of such audits may be disclosed only to the specified committees and the CIA Director. Since the method GAO uses to communicate the results of its audits varies, the section is drafted to restrict the dissemination of GAO's findings, whether through testimony, oral briefings, or written reports, to only the named committees and the CIA. The last sentence of subsection (b) makes clear, however, that neither the provisions of subsection 716(e), title 31, nor the on-site retention provisions of (d)(2) of this section, limit or restrict GAO's disclosure of source documents or information to the specified committees of the Congress.

Subsection (c) provides that notwithstanding any other provision of law GAO may inspect and copy any relevant books, records, documents, property or any other information, regardless of the medium used to record the information, necessary to the performance of the audit. GAO's access extends to any books, records, documents or property which belong to, or is in the possession of control of, the Agency regardless of who was the original owner of such information or property. The "in notwithstanding any other provision of law" clause is included to remove any potential restrictions on GAO access to CIA information that may be inferred from the various provision of the Central Intelligence Act of 1949 (See for example, section 6 (50 U.S.C. § 403g)) in addition to other legislation concerning the CIA.)

Nevertheless, subsection (c) limits the Comptroller General's normal authority to interview officers and employees of an agency or department to obtain information necessary to the performance of the audit. Thus, where the President finds in writing that access to certain officers and employees, would not be in the national interest, the Comptroller General shall have no access to such officers or employees. The President's determination is, however, nondelegable, and he or she must provide the specified committees and the Comptroller General with an explanation of the decision.

The Comptroller General may enforce the access rights provided under this subsection pursuant to the provisions of section 716(b)-(d), title 31, United States Code.

Subsection (d) contains several safeguards to protect the confidentiality of Agency materials and information. Paragraph (1) directs the Comptroller

General, after consulting with the specified committees of Congress, to establish procedures to protect classified and other sensitive information. Paragraph (2) requires the Comptroller General to retain on site his workpapers and records in suitable facilities provided by the Agency. The only exceptions are the rare occasions when Congress or its committees may need certain information from GAO's workpapers or where temporary removal off-site is needed, for example, for internal review processes. The Committee, however, expects off-site removals to be limited in numbers and strictly controlled and accounted for under the procedures established by the Comptroller General pursuant to paragraph (1) directs the Comptroller General, after consulting with the specified committees of Congress, to establish procedures to protect classified and other sensitive information. Paragraph (2) requires the Comptroller General to retain on site his workpapers and records in suitable facilities provided by the Agency. The only exceptions are the rare occasions when Congress or its committees may need certain information from GAO's workpapers or where temporary removal off-site is needed, for example, for internal review processes. The committee, however, expects off-sites removal to be limited in numbers and strictly controlled and accounted for under the procedures established by the Comptroller General pursuant to paragraph (1) of this subsection. In this regard, GAO employees must maintain the same level of confidentiality for the records of any agency as the agency itself and are also subject to the same statutory penalties for unauthorized disclosure or use of an agency record as the agency's employees. (See 31 U.S.C. § 715(e).)

Paragraph (3) provides that GAO employees are subject to CIA security reviews and procedures. Such procedures should be similar to those applied by the CIA to employees of other establishments of the Government. The Director is urged to expedite GAO employees security clearances.

Section (e) is a savings provision added to make clear that the authority contained in this section is in addition to other authority of the Comptroller General to audit and investigate. This subsection emphasizes that section 3523a is not to be construed to limit the authority of the Comptroller General to audit or investigate any other agency or department, including any agencies involved in foreign or domestic intelligence or counter-intelligence activities.

Section 3 of the bill amends section 3524 of title 31 United States Code, to conform section 3524 to GAO's audit of the unvouchered accounts of the CIA under section 352ea. Thus, paragraph (1) adds an introductory clause to section 3524(a) to provide that audits of the financial transactions of the CIA, including those accounted for

only on the certificate of the Director, CIA, such as expenditures made under the authority of section 8(b) of the Central Intelligence Agency Act of 1949, 50 U.S.C. 403(b), are subject to the provisions of section 3523a of title 31, United States Code. Similarly paragraphs (2), (3) and (4) make conforming amendments to sections 3524(d)(2) and 3524(e) to reflect this change.

Subsection (b) adds a similar conforming amendment to section 8(b) of the Control Intelligence Act of 1949 to make absolutely clear GAO's authority to audit unvouchered accounts under new section 3523a. Subsection (c) conforms GAO's authority to enforce its access to CIA records to changes made by 31 U.S.C 3523a and 3524.

LEGISLATIVE HISTORY OF S. 1458,

General Accounting Office-Central Intelligence Agency Audit Act of 1987

--Introduced on July 1, 1987 by Senator Glenn

--Referred to Senate Select Committee on Intelligence

--No hearings held thus far



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30 June 1978

GAO

OLD RECORD COPY

Honorable Elmer B. Staats
Comptroller General of the
United States
General Accounting Office
Washington, D. C. 20548

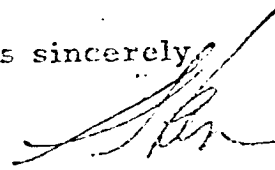
Dear Elmer:

As a result of your June 1, 1978 letter and our recent informal discussions on the subject, I have reexamined our current policy with respect to providing you and members of your organization with access to sensitive intelligence information. While I can understand your point of view with respect to GAO needs for such information I feel I must maintain at least for the time being, the policy which I have previously adopted in this matter.

I have reached this decision only after extensive discussions with my colleagues and considerable in-depth thought on the subject. In light of the damage to intelligence activities that has been caused by the numerous leaks of sensitive intelligence information which have occurred recently, I feel my responsibilities as the Director of Central Intelligence to protect intelligence sources and methods compel me to reach this conclusion. I do not mean to imply that the leaks have come from GAO and I appreciate your concern with and your efforts to ensure that information in the possession of GAO is appropriately safeguarded. However, as you know, the probability of leaks occurring of sensitive intelligence information is directly related to the number of people having access to such information and I feel I must do all within my power to restrict the dissemination of such information in all branches of Government.

I will continue to study the matter to see if some method can be found whereby each of our responsibilities can be adequately fulfilled, but at this time I feel I must maintain the present policy.

Yours sincerely,



STANSFIELD TURNER

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100TH CONGRESS
2^D SESSION

S. 2076

To amend the Inspector General Act of 1978.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19 (legislative day, FEBRUARY 15), 1988

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend the Inspector General Act of 1978.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "FBI Inspector General
4 Act of 1988".

5 ESTABLISHING AN OFFICE OF INSPECTOR GENERAL IN
6 THE FEDERAL BUREAU OF INVESTIGATION

7 SEC. 2. (a) Section 9(a)(1) of the Inspector General Act
8 of 1978 is amended by inserting after the final subparagraph
9 the following new subparagraph:

10 “() of the Federal Bureau of Investigation,
11 the division of that agency referred to as the ‘In-
12 spections Division’ and, notwithstanding any other

1 provision of law, that portion of each of the divi-
2 sions or offices of that agency which is engaged in
3 internal audit activities;”;

4 (b) The Inspector General Act of 1978 is amended by
5 inserting at the appropriate place the following new section:

6 “SPECIAL PROVISIONS REGARDING THE FEDERAL BUREAU
7 OF INVESTIGATION

8 “SEC. . (a)(1) Notwithstanding any other provision in
9 this Act, the Inspector General of the Federal Bureau of In-
10 vestigation shall be under the authority, direction, and con-
11 trol of the Director of the Federal Bureau of Investigation
12 with respect to audits or investigations, or the issuance of
13 subpoenas, which require access to information concerning—

14 “(A) ongoing criminal investigations or proceed-
15 ings;

16 “(B) sensitive undercover operations;

17 “(C) the identity of confidential sources, including
18 protected witnesses;

19 “(D) deliberations and decisions on policy matters,
20 including documented information used as a basis for
21 making policy decisions, the disclosure of which could
22 reasonably be expected to have a significant influence
23 on national security, or

24 “(E) other matters the disclosure of which would
25 constitute a serious threat to national security or to the

1 protection of any person authorized protection by sec-
2 tion 3056 of title 18, United States Code.

3 “(2) With respect to the information described in para-
4 graph (1), the Director may prohibit the Inspector General
5 from initiating, carrying out, or completing any audit or in-
6 vestigation, or from issuing any subpoena, after the Inspector
7 General has decided to initiate, carry out, or complete such
8 audit or investigation or to issue such subpoena if the Direc-
9 tor determines that such prohibition is necessary to preserve
10 the confidentiality of or prevent the disclosure of any infor-
11 mation described in paragraph (1).

12 “(3) If the Director exercises any power under para-
13 graph (1) or (2), the Director shall notify the Inspector Gen-
14 eral of the Federal Bureau of Investigation in writing of such
15 exercise. Within thirty days after receipt of any such notice,
16 the Inspector General of the Federal Bureau of Investigation
17 shall transmit a copy of such notice to the Select Committee
18 on Intelligence of the Senate and of the House of Represent-
19 atives, to the Judiciary Committees of the Senate and of the
20 House of Representatives, and to other appropriate commit-
21 tees or subcommittees of Congress, together with any com-
22 ments the Inspector General deems appropriate.

23 “(b) Section 5315 of title 5, United States Code is fur-
24 ther amended by adding at the end thereof the following new
25 item:

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1 “ ‘Inspector General, Federal Bureau of Investiga-
2 tion’.”.

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gate and audit—~~independently~~—every phase of the FBI's activities. The result of these inspections, investigations and audits would be reported to the Director of the FBI, the Attorney General, and to the appropriate committees of the Congress.

I think this new office will well serve the FBI, by promoting consistency in its interpretation and enforcement of existing guidelines for the investigation of Federal criminal acts and foreign espionage activities. Current allegations that the Federal Bureau of Investigation, in recent years, may have overstepped its bounds by investigating a wide array of lawful domestic political and religious groups raises a fundamental question about the effectiveness of the FBI's current system of internal oversight. After all of the lessons of the Hoover years at the FBI, and all of the lessons of Watergate, it is startling that we still do not have in place a statutory inspector general as we do in so many other branches of government, which in my view is essential to effective oversight.

Episodes like the embarrassing one just revealed provide ammunition for critics of the FBI and of the U.S. Government, and realistically viewed undermines the activities of the FBI. We can be sure that the claims being leveled by some against the FBI are being widely circulated in the press in foreign countries and being used to undermine the legitimate activities of the FBI. In Judge Webster, and now in Judge Sessions, we have selected FBI Directors who have a proven understanding of the Constitution and the rule of law, and a demonstrated respect for the principles of individual freedom upon which this country was founded.

But it is not possible for the Director of the FBI or any one individual to manage personally the vast oversight necessary for such an organization. Judge Webster was quoted as saying that the activities involved in the recent criticism of the FBI were not of a sufficient nature to come to his personal attention. That, Mr. President, is why additional oversight within an organization like the FBI is necessary.

I am personally convinced that, with extremely few exceptions, the men and women of the FBI share that respect for law of men like Judge Webster and Judge Sessions, and that the men and women are loyal, hardworking Americans who are dedicated to upholding the laws and Constitution. We owe them a debt of gratitude for their untiring fight against crime, and their enormously successful efforts to counter the growing threat of domestic and international terrorism and foreign espionage.

I personally have had the opportunity to work with many members of the Federal Bureau of Investigation as assistant counsel for the Warren Commission in 1964. I also worked with members of the FBI on the prepara-

By Mr. SPECTER:

S. 2076. A bill to amend the Inspector General Act of 1978; to the Committee on the Judiciary.

F.B.I. INSPECTOR GENERAL ACT

Mr. SPECTER. Mr. President, the bill I am introducing today proposes a statutory inspector general for the FBI. This inspector general would be nominated by the President and approved by the Senate, similar to 18 other existing inspectors general in government today, and would have the authority and duty to inspect, investi-

tion of complex cases as an assistant district attorney in Philadelphia and later for 8 years as district attorney. I know of their competence, their dedication, and their capability.

Sometimes, however, a complex organization does not work as designed because the design itself is flawed. We must build more checks and safeguards into our powerful Government organizations so that we are not relying on one well-intentioned but greatly overburdened official at the top to keep an entire organization on course. We saw the problems of this, with the CIA, in the Iran-Contra affair, and the Congress is now considering an independent I.G. for the CIA as well. Hearings are now scheduled before the Intelligence Committee on this subject. By creating independent inspectors general, we can protect important agencies like the FBI and the CIA from embarrassing themselves and our entire Government in the process, and from realistically impeding their work.

It seems clear that there was a lack of overall direction in some of the FBI's investigations of domestic political and religious groups over the past several years. As recently as 1984, one FBI document reflected the views of the Denver and New Orleans FBI field offices that "in spite of attempts by the Bureau to clarify guidelines and goals for this investigation, the field is still not sure of how much seemingly legitimate political activity can be monitored." Why was there such confusion and what did the FBI do internally to address it? Who was watching the watchdogs, as they proceeded with their investigations, unsure of the bounds of the law?

The legislative branch plays an important oversight role with respect to the FBI, but usually after the fact. Two congressional committees from each House of Congress have overlapping responsibility for FBI activity. The two Judiciary Committees oversee FBI activity relating to criminal law enforcement, while the two Intelligence Committees oversee FBI activities relating to foreign counterintelligence and international terrorism. The dividing line is not always so neat, however, and many cases involve both of these spheres. The Attorney General's guidelines under which the FBI operates differ significantly depending on whether a criminal investigation or a foreign counterintelligence investigation is involved. The latter guideline is classified, and that is a matter which will be the subject of scrutiny and inquiry by the intelligence committees. The FBI's decision to use one guideline or the other determines which congressional committee will exercise oversight of the FBI involvement.

It is a complicated system, with many opportunities for things to go wrong. As we have seen, they do go wrong, even with strong leadership, and the largely post-facto congressional oversight which realistically viewed is structurally insufficient to catch

and correct small errors of judgment and policy before they become on some occasions embarrassing disasters. Simply put, the FBI's authority is so great, its potential for abuse or miscalculation so high, and its organizational structure so complex that independent internal monitoring on a day by day basis is essential. This is the case with 108 other Governmental agencies, and perhaps among that list the FBI would rank high in its requirement and the necessity for an independent inspector general.

I feel very strongly that we in Congress should protect our intelligence and law enforcement agencies from being scapegoats for every policy failure or unsuccessful venture by our Government. We can only do this, however, if our constituents are confident that these agencies are adequately monitored—the public confidence is vital—and that we in Congress are willing to take steps to correct mistakes when they are made, and make structural changes in the designs of organizations like the FBI or CIA. The current system of oversight is inherently incapable of providing us with the information we need in order to do this.

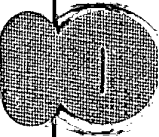
Statutory inspectors general already are providing an independent internal system of checks and balances for more than 18 departments and agencies of the Federal Government. The Comptroller General, who inspects these IG's, has concluded that they are serving the executive and legislative branches far better than the IG's under the previous system, who were beholden to the system which they inspected. It is time to add the FBI to the list.

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U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

**AN INTERIM PUBLIC REPORT ON THE
COMMITTEE IN SOLIDARITY
WITH THE PEOPLE
OF
EL SALVADOR
(CISPES)**

FEBRUARY 22, 1988

**FEDERAL BUREAU OF INVESTIGATION
CRIMINAL INVESTIGATIVE DIVISION
COUNTERTERRORISM SECTION**

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CISPES - Formation Of The Organization

According to its own literature, CISPES was established as a result of the U.S. National Conferences in Solidarity with the Salvadoran People held in October, 1980, in Washington, D.C., and Los Angeles, California. CISPES publicly claimed to have been created to provide international support to the anti-Government movement in El Salvador. According to information available to the FBI, CISPES is believed to have been established with assistance of the Communist Party USA (CPUSA), the U.S. Peace Council (USPC) and the Salvadoran Communist Party (PCS).

A document provided to the U.S. Government which was reportedly taken from Salvadoran guerrillas indicates that the CPUSA and USPC may have been involved in the establishment of CISPES. The seized document is allegedly a report by Farid Handal, the brother of PCS Secretary General Shafik Handal. The document describes Handal's February to March, 1980, trip to the United States. Recounted are meetings with members of the CPUSA, USPC, and representatives of the Palestine Liberation Organization and the Government of Cuba. During Handal's meeting with Cuban officials assigned at the Cuban Mission to the United Nations, he provided these officials with information on the purpose of his trip to the United States and the participation of the PCS in Salvadoran politics. The Cuban officials arranged unspecified contacts for Handal in Washington, D.C.

The apparent purpose of Handal's trip to the United States was to secure financial and moral support for the revolutionary organizations in El Salvador. During his trip, he met with Sandra Pollack, CPUSA Central Committee member, to discuss the establishment of a national solidarity movement in the United States to be focused against the Government in El Salvador and United States policies in Central America. Pollack, during her early-1980 meeting with Handal, proposed a national conference under the auspices of the USPC and other activist groups in the United States. The objective of the conference, according to Pollack, would be to establish a support mechanism for Salvadoran solidarity committees in those states where it did not already exist. CISPES was subsequently established by national conferences in Washington, D.C., and Los Angeles, California, during October, 1980.

CISPES - Organizational Objective And Connection To The Salvadoran Guerrillas

Information characterized as source information in this interim public report was provided by multiple individuals who have furnished reliable information in the past. Information provided by Frank Varelli, a former FBI source, was assessed as reliable at the time.

Frank Varelli, on his own volition, acknowledged his confidential relationship with the FBI. Information furnished by Mr. Varelli comprised not only a substantial portion of the investigative predicate in the CISPES investigation, but was also used to support the justification for continuation of the investigation. Furthermore, the FBI is carrying out an internal inquiry with respect to specific allegations leveled by Mr. Varelli, regarding the conduct of Special Agents during the CISPES investigation. Though many allegations have not been substantiated, appropriate administrative action was taken where warranted and other administrative actions may be taken upon completion of the inquiry.

After achieving official organizational stature in October, 1980, CISPES had as one of its principal objectives, according to its own literature, support of Frente Democratico Revolucionario (Democratic Revolutionary Front) (FDR) and the Frente Farabundo Marti de Liberacion Nacional (Farabundo Marti National Liberation Front) (FMLN). The FMLN is comprised of five guerrilla groups and is the organization principally responsible for anti-Government military and terrorist activity directed against the Salvadoran Government and U.S. interests in El Salvador. Such terrorist activities include bombings, kidnapings, assaults and assassinations, and, by its own claim, the May 25, 1983, assassination of Navy Lieutenant Commander Albert A. Schaufelberger who was serving as the U.S. Military Advisor in El Salvador. The FDR, on the other hand, is the organization within the Salvadoran anti-Government movement which is primarily responsible for international propaganda and gathering political and other support for the guerrilla movement. These two organizations, with their aforesaid functions, are the principal components of the Directorio Revolucionario Unido (United Revolutionary Directorate) (DRU), the controlling Central Committee over the campaign to overthrow the Salvadoran Government.

The DRU, according to information supplied by another component of the Federal Government, was formed as a result of a meeting in Havana, Cuba, in May, 1980. At this meeting, Fidel Castro set unity among the various groups attempting to overthrow the Government of El Salvador as a precondition for greater Cuban aid and assistance in procuring weapons from East-bloc nations. The DRU was also established to ensure that the leadership of the various Salvadoran anti-Government organizations put aside their ideological differences and work together. Functionally, the DRU consists of leaders from the various factions of the Salvadoran leftist movement and serves as the executive body which guides and directs the revolution. This body also coordinates all propaganda, logistics, and command decisions, as well as maintains control over member groups and insures the maintenance of internal discipline over the various cadres. The DRU, it may be concluded, serves as an umbrella organization which shelters the FMLN and FDR.

In 1983, a source reported that individuals in contact with the FDR and FMLN were planning to establish clandestine cells in the United States for political, ideological and military support, as well as for intelligence activities. The military cells allegedly would commit killings, sabotage and other illegal acts such as bank robberies. In addition, this source indicated that one proposed cell, to which the source was to belong, was to coordinate its activity with already established cells. Therefore, the acknowledgment of CISPES in their literature that they were acting in support of the FDR, an organization reported to be in the process of establishing a network of clandestine cells, was significant when evaluated in the light of the CISPES connection to the FMLN and FDR.

When the 1983 report was provided by the above source, it was known that certain FDR activities in the United States were largely overt. Some FDR representatives, according to information available to the FBI, traveled extensively throughout the country and met with organizations, including CISPES, to obtain monetary and other support for the FMLN. These resources were obtained under the claimed purpose that the money, food, clothing, medical and school supplies would be furnished to Salvadoran victims suffering from the effects of war in El Salvador. Frank Varelli had already reported that funds collected by CISPES were forwarded through Mexico for ultimate use by the guerrilla forces in El Salvador.

Investigation Of CISPES

First, it must be made clear there were two separate FBI investigations of CISPES. The first was a Foreign Agents Registration Act (FARA) investigation, initiated as a result of a memorandum dated June 25, 1981, from the Department of Justice (DOJ) which conveyed a document in the Spanish language that was reportedly seized from Salvadoran guerrillas. The document described details of travel in the United States by Farid Handal, the brother of PCS Secretary General, Shafik Handal. The DOJ indicated that their records failed to disclose any information concerning CISPES or Handal, and they requested the FBI furnish all available information pertaining to CISPES and Farid Handal in order to assess any possible violation of the Foreign Agents Registration Act of 1938 as amended, Title 22, United States Code, Section 611, et seq. On August 25, 1981, the FBI furnished the DOJ a memorandum entitled Farid Handal which summarized a news article published by The Review of News on April 8, 1981. This news article concerned the visit of Farid Handal to the United States during February and March, 1980. This memorandum concluded that Handal had contacted United States citizens sympathetic to the anti-Government forces in El Salvador. Apparently those contacts were made in order to elicit financial

and moral support for the revolutionary groups in El Salvador. By memorandum dated August 27, 1981, D. Lowell Jensen, Assistant Attorney General (AAG), DOJ, requested that the FBI conduct an appropriate investigation to develop sufficient facts to determine whether CISPES was required to register under FARA. Subsequently, the FBI, on September 3, 1981, communicated a request to five field offices that a FARA preliminary inquiry of CISPES be conducted in order to comply with the DOJ request for investigation.

By memorandum dated February 23, 1982, the FBI provided the DOJ with results of the limited FBI investigation pertaining to CISPES. It was concluded that money collected from CISPES' fund-raising events was being donated to refugees in El Salvador. The memorandum also noted there was no specific evidence indicating CISPES was acting on behalf of, or at the direction of a foreign power or group. Consequently, the FBI closed its FARA investigation of CISPES; however, it was noted that if a formal link between the FMLN and CISPES could be determined in the future, the FBI would reopen its investigation.

The second investigation of CISPES was opened as a counterterrorism investigation on March 30, 1983. This investigation was predicated primarily upon information furnished by Mr. Varelli that the activities of CISPES were being directed by the FDR and FMLN, giving reason to believe that certain members of CISPES were or may have been engaged in international terrorism, or activities in preparation for terrorism, or knowingly aiding or abetting those engaging in terrorist activities, specifically the FMLN. The FMLN, as previously stated, is a component of the DRU which had been established at the direction of Fidel Castro in May, 1980.

Major investigative results of CISPES generally galvanized around two topical areas. They were: 1) contacts with officials of hostile foreign governments and organizations sponsored by those governments in the United States; and 2) criminal or terrorist-type activities or threatened activities. These areas, taken together, provided much of the justification for the continuation of the investigation of CISPES. Following are the partial results of the CISPES investigation:

Contacts With Hostile Intelligence Services

In 1983, a source reported that the Chicago, Illinois, CISPES chapter would sponsor a public forum on Cuba and Central America in the near future with attendance by representatives from the Antonio Maceo Brigade and the Venceremos Brigade (VB). The Antonio Maceo Brigade is an organization made-up of young Cubans who were either born outside Cuba or who left Cuba at a

young age. The stated purpose of the organization is to re-establish cultural ties with Cuba. The VB was originally formed in June, 1969, in cooperation with the Government of Cuba to show support for the Cuban revolution and to encourage American youth to travel to Cuba. The VB seeks participation of Americans who support the communist regime and who desire to assist Cuban workers in harvesting agricultural products and construction projects in Cuba.

During 1982, a source advised that a CISPES leader met with a representative of a country whose actions are hostile to the United States. The source indicated that an ensuing discussion dealt with both monetary and lethal aid in Central America. Although this discussion took place in 1982 the FBI did not correlate this information to the CISPES investigation until December, 1983.

In addition to the above-identified contacts, FBI investigation of the activities of intelligence officers and other representatives of hostile foreign countries in the United States reveals that CISPES leaders have been in contact with these individuals.

Criminal And Terrorist Type Activity

In addition to the above-identified contacts with hostile foreign governments and their officials, the FBI received reports from Frank Varelli that a CISPES member had been tasked by CISPES leaders to travel in and around the Dallas, Texas, area and make detailed maps and reports on various sites throughout Dallas, including Government offices. The individual was also tasked to determine the response time of emergency services to those locations. Evaluation of information provided by Mr. Varelli about such items as the timing of public safety response vehicles led to the conclusion that such activity may well be consistent with the activities of terrorists who were actively preparing to execute an act of violence.

On April 26, 1983, an improvised explosive device (IED) detonated at Fort McNair, Building 61, Washington, D. C., causing extensive damage. A communique was subsequently issued by the Armed Resistance Unit (ARU), a left-wing domestic terrorist group claiming responsibility for the bombing. The communique stated the action was taken "...in solidarity with the growing liberation movements in El Salvador, in Guatemala, and throughout Central America, and with the socialist government in Nicaragua." Also printed on the bottom of the communique were the slogans "Victory to the FMLN/FDR!" and "Solidarity with the Peoples of Central America." This bombing occurred during the same time period as a CISPES demonstration in Washington, D. C. A second bombing occurred on August 18, 1983. At approximately 12:05 a.m., a bomb exploded in Building 196 at the U.S. Navy Yard, Washington, D.C. At approximately 12:15 a.m., a recorded

message was telephonically received by The Washington Post stating the "FMLN" was responsible for the bombing. The message used such phrasing as "...strike a blow against U.S. imperialism" and "...solidarity with Nicaragua and Puerto Rico." The ARU later claimed credit for this bombing in a communique distributed in New York City. The above acts of terrorism were believed to be significant inasmuch as both CISPES and the ARU were espousing similar support for the FMLN; however, no direct links were discovered between CISPES and the ARU.

Other FBI investigation revealed that a CISPES chapter in the Midwest received communications from the the United Freedom Front (UFF), a left-wing domestic terrorist organization. A source reported the UFF had sent seven letters to CISPES between November, 1983, and February, 1984. Although the contents of the letters and the extent of cooperation, if any, between this CISPES chapter and the UFF are unknown, the CISPES members wanted the letters destroyed. Although there was no known connection between the UFF and CISPES, the receipt of the letters by CISPES was of interest because the UFF was carrying out violent terrorist activities in the United States.

The UFF was an extremely violent left-wing domestic terrorist group that committed several bombings and one attempted bombing in the New York City area between December, 1982, and September, 1984. The group attacked corporate offices and military recruiting stations, among other targets, as part of its armed campaign against the U.S. Government. The UFF was against U.S. involvement in Central America and violently supported the cause of the Puerto Rican Independence Movement. The seven individuals who comprised this group were arrested in November, 1984, and April, 1985. All have subsequently been convicted of at least one criminal violation.

An indication of possible preparation for terrorist activity by CISPES occurred in March, 1984, when a source reported that a CISPES member, while attending a meeting of the pro-Sandinista Nicaraguan Solidarity Committee, stated that if the United States invaded Nicaragua, either directly or indirectly, Latin Americans, particularly Nicaraguans, would commit terrorist acts both abroad and in the United States. The CISPES member also stated that he and others who possessed the technical capability had discussed and worked out a theoretical plan to knock out an important public utility in a major Midwestern city. The foregoing is significant from the standpoint that violent acts of terrorism were discussed by a CISPES member as a reaction to certain responses the U.S. Government might elect regarding Central America.

In August, 1984, another component of the Federal Government advised the FBI that information had been received from Frank Varelli, indicating that members of CISPES were plotting to assassinate President Reagan and disrupt the

Republican National Convention in Dallas, Texas. This report indicated that during a January, 1984, CISPES meeting members discussed the possibility of a member running in front of the presidential motorcade to stop traffic and then other members would take unspecified action. Varelli also reported that CISPES members were planning other actions to disrupt the Convention including disrupting electric, water and communication services to the Convention site.

Management And Oversight Issues

Guidelines

The Inspection Division within FBI Headquarters is conducting an exhaustive inquiry of all CISPES and CISPES-related file materials. They will issue a comprehensive report addressing, among other areas, compliance with the Attorney General Guidelines and other laws and regulations which govern FBI investigations.

The CISPES investigation, it will be recalled, was initiated on March 30, 1983, as a counterterrorism rather than a counterintelligence investigation inasmuch as information was received that certain leaders and key members of CISPES were supporting the international terrorist activities of the FMLN by covertly furnishing funds and materials. Furthermore, it was reported that the FMLN and FDR were directing CISPES activities. The approval for initiating this investigation was based upon the judgment of appropriate members of FBI Headquarters supervisory staff and was determined to be in full conformance with the Attorney General Guidelines for FBI Foreign Intelligence Collection and Foreign Counterintelligence Investigations. There have been recent observations that the CISPES investigation may have been better suited for investigation under the Attorney General Guidelines on General Crimes, Racketeering Enterprise and Domestic Security/Terrorism Investigations. Such is clearly not the case. A Domestic Security/Terrorism investigation may be initiated only when the facts or circumstances reasonably indicate that two or more persons are engaged in an enterprise for the purpose of furthering political or social goals, wholly or in part, through activities that involve force or violence and a violation of the criminal laws of the United States. Domestic Security/Terrorism investigations involve groups or individuals who are based and operate entirely within the United States and whose acts are directed at elements of the U.S. Government and population. The CISPES investigation was based on facts which gave reason to believe that certain members of CISPES were or may have been engaged in international terrorism wherein such activities transcended international boundaries. Therefore, the Attorney General Guidelines for FBI Foreign Intelligence Collection and Foreign Counterintelligence Investigations were the appropriate guidelines.

Field Office Guidance

Following the opening of the CISPES investigation, FBI Headquarters was in frequent contact with FBI field offices, detailing instructions and responding to requests for guidance. In the March 30, 1983, communication authorizing the investigation of CISPES, FBI Headquarters stressed that the investigation should not focus on activities associated with the exercise of rights guaranteed by the United States Constitution, but rather focus on the involvement of individuals in international terrorism. Field offices were instructed to assign this investigation to investigators who were thoroughly familiar with the Attorney General Guidelines as they apply to international terrorism. It was further iterated that the investigation should be closely coordinated with FBI Headquarters.

In addition to the initial instructions, as identified above, FBI Headquarters periodically provided further instructions and guidance to FBI field offices. The following represents a digest of this coordination and direction:

On October 28, 1983, FBI Headquarters transmitted a communication to all FBI field offices which clarified the basis for which the CISPES investigation was opened, and provided instructions to the offices to concentrate on developing information on the locations, leadership, and activities of CISPES chapters within each field office's jurisdiction. Reiterated in this communication were instructions that the purpose of the investigation was not to investigate the exercise of First Amendment Rights of CISPES members who politically opposed U.S. policy in El Salvador and Central America, but to ferret out the identities and activities of those members who were knowingly supporting and furnishing financial and military support to the FDR and FMLN elements in the United States and Central America.

On July 26, 1984, FBI Headquarters sent a communication to pertinent field offices. The communication reiterated guidelines and instructions for the CISPES investigation, advising specifically that political activities or political lobbying by members of CISPES, unless those activities could be shown to be in violation of specific Federal statutes, were not to be included in the focus of the investigation and should not be monitored.

On July 31, 1984, the New Orleans, Louisiana Office requested guidance and instructions regarding the CISPES investigation to further clarify its investigative goals and/or techniques. On August 8, 1984, the Denver, Colorado Office advised that it also needed FBI Headquarters to clarify the guidelines and goals for the investigation as it was unclear as to how much seemingly legitimate political activity could be

monitored. In response to requests for assistance, FBI Headquarters' supervisory staff frequently engaged in policy related and instructive conversations with field offices having principal investigative responsibilities. In addition, on October 17, 1984, FBI Headquarters dispatched a communication to a number of field offices which specifically addressed New Orleans' and Denver's concerns. These field offices were instructed to look for possible criminal activity such as Neutrality Act and FARA violations; identify contacts of CISPES members, financial linkages, and indications of preparation and planning for terrorist activity in the United States; and identify leaders and key CISPES members who may have been in direct contact with Salvadoran terrorist elements. The instructions articulated by FBI Headquarters stated that information collected in the CISPES investigation may be used to prosecute individuals in violation of the law and/or prevent terrorist support activity or terrorist activity in the United States.

On October 25, 1984, the Baltimore, Maryland Office advised of information about an organization which was collecting money and encouraging people to advise Salvadoran refugees to seek sanctuary in Baltimore area churches. Since available information appeared to link this organization with CISPES, the Baltimore Office requested guidance and authority to investigate the group's possible involvement with CISPES and determine if it met the criteria set forth in previous FBI Headquarters communications. On November 15, 1984, FBI Headquarters responded to the Baltimore Office advising that the portrayal of the organization in question and the characterization of its activities appeared to justify investigation to identify members and determine if they were engaged in terrorist acts or in support of terrorism inside the United States. However, FBI Headquarters further directed that should it be determined the group was not engaged in support of terrorism, the investigation should immediately be closed.

It is evident from the above instructions communicated to FBI field offices that the scope of the investigation was to be limited. Furthermore, instructions enunciated by FBI Headquarters cautioned that the investigation should avoid infringing upon any persons Constitutional guarantees.

Department of Justice Review Of The CISPES Investigation

The CISPES investigation was conducted pursuant to the applicable Attorney General Guidelines and was thoroughly coordinated with the Department of Justice (DOJ). The system of checks and balances built into the Attorney General Guidelines require periodic review by the DOJ in order to determine if the reported investigative developments are sufficiently strong or

compelling to retain the investigation in an active status. The FBI submitted letterhead memoranda concerning this case to the DOJ dated June 22, 1983, June 29, 1984, and March 4, 1985. The DOJ evaluated the investigation conducted as set forth in these memoranda. Following the review of the March 4, 1985, submission, the DOJ responded, on June 3, 1985, stating that the information provided no longer appeared to meet provisions of the Attorney General Guidelines. On June 18, 1985, after further evaluation of the investigation, FBI Headquarters ordered all field offices to close their CISPES investigation. No investigation has been authorized regarding CISPES since that time.

Investigative Techniques Utilized

During the investigation, a variety of investigative techniques authorized by the applicable Attorney General Guidelines were utilized by field investigators. While the Foreign Intelligence Surveillance Act provides for the use of electronic surveillance in international terrorism investigations, this technique was not used in the CISPES investigation. Furthermore, based on a review of the FBI Headquarters CISPES file, no physical searches of personal or real property were executed in this case.

Dissemination Of Information To Other U.S. Government Agencies

In accordance with the provisions of the Attorney General Guidelines, information developed by the FBI concerning protests, threats, and rallies is provided to the U.S. Secret Service (USSS) when it is determined that a threat may be posed to the President, Vice President, or any USSS protectee. During the time of the CISPES investigation, approximately thirty disseminations were made to the USSS and a much smaller number were made to the White House Situation Room. The communications were disseminated for information purposes only. A review of the FBI Headquarters CISPES file, as well as contact with appropriate supervisory personnel, revealed that there were no indications of direction, instructions, or inquiries received or solicited from the White House concerning this investigation.

The CISPES Investigation As A Catalyst For Other Investigations

Names of other organizations, some of them nationally known, appear in CISPES case documents. This has given rise to the allegation that the FBI improperly expanded the CISPES case to investigate the other organizations. Based upon a review of all material available in the FBI Headquarters CISPES file, those allegations are not correct. During the CISPES investigation, CISPES members were in contact with large numbers of people who were affiliated with numerous organizations; however, the focus

of the investigation remained on CISPES, not other organizations as evidenced by the very precise instructions and caveats provided to our field offices.

Prior Congressional Testimony

Activities pertaining to CISPES have been previously presented before Congress. For example, during the July, 1982, hearings before the House Permanent Select Committee on Intelligence, then FBI Assistant Director Edward J. O'Malley, provided testimony concerning Soviet active measures. This term applies to active measures clandestinely undertaken by the Soviet Union to, among other things, influence the political processes of other countries. Soviet active measures against the United States include clandestine efforts to reinforce and mobilize domestic opposition to U.S. Government policies that are inimical to Soviet interests.

One of the Soviets' very successful active measures tactics has been the circulation of forged U.S. documents. One such forgery was a supposed Department of State "dissent" paper which claimed to represent the views of certain foreign policy experts within the Department of State. CISPES was, according to testimony, involved in the distribution of this Soviet forgery to the U.S. media. Furthermore, as Mr. O'Malley testified, the thrust of the forged document distributed by CISPES was that policies of the Carter administration and statements issued by the Reagan transition team were going to lead the United States into military involvement in Central America and El Salvador.

In summary, the initiation of the CISPES investigation was based upon sound predication and was retained in an active status until investigative developments were unable to sustain justification for continued investigation. Consequently, this counterterrorism case was closed on June 18, 1985, having remained in an active investigative status for little more than two years.

OPENING STATEMENT FOR DIRECTOR WILLIAM S. SESSIONS

Recent allegations suggest the FBI has mounted a massive surveillance campaign against American citizens opposed to the Administration's Central American policy. This is not true. Let me clarify our role. As you know, the allegations stem from documents obtained under the Freedom of Information Act. Our responsibilities under this Act are very serious and it is unfortunate that information exempted from release to the public is not available. A total review of the CISPES investigative file would provide a much clearer picture of our actions in this matter.

The FBI opened its full international terrorism investigation on the leadership of CISPES on March 30, 1983. This investigation was predicated on information received from several sources that certain leaders and key members of CISPES were involved in covertly furnishing funds and materials to a foreign terrorist organization namely the Frente Farabundo Marti Para La Liberacion Nacional (FMLN). The terrorist activities of FMLN included bombings, kidnappings, assaults and assassinations. The FMLN had also taken credit for the assassination of a U.S. military attache in San Salvador, Navy Lieutenant Commander Albert A. Schauffelberger. The extent of the FBI investigation was narrow in focus and was limited to those leaders and key members to ascertain if they were involved in the illegal support of the FMLN through such criminal violations as the Foreign Agents Registration Act; Neutrality Act; Arms Export Control Act; Immigration Laws; and Seditious Conspiracy as well as to collect Counterterrorism intelligence information.

The FBI was aware that CISPES consisted of people from many organizations, most of whom were involved for legitimate political and humanitarian reasons. Therefore, on repeated occasions throughout the investigation, FBI Headquarters explicitly instructed our field Agents that the investigation must not interfere with the exercise of First Amendment rights of those CISPES members who politically opposed U.S. policy in Central America.

In addition to setting forth the facts, FBIHQ noted that many members of CISPES and/or subgroups might not be aware that the fund raising activities, and other support which they furnished to CISPES, may be directed by CISPES officials to support activities of the movement to overthrow the existing Salvadoran government. According to the FBIHQ teletype, "this investigation is not concerned with the exercise of rights guaranteed by the United States Constitution, but rather, with the involvement of individuals in the CISPES organization in international terrorism as it affects the El Salvadoran Government, and the collection of foreign intelligence and counterintelligence information as it relates to the international terrorism aspects of this investigation." FBI Headquarters directed that Agents handling this investigation be thoroughly familiar with the Attorney General Guidelines for foreign counterintelligence as they apply to international terrorism investigations.

Names of other organizations, some of them nationally known, appear in CISPES case documents. This has given rise to the allegation that the FBI improperly expanded the CISPES case to investigate the other organizations. That is not so.

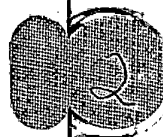
During the CISPES investigation, CISPES members were in contact with large numbers of people who were affiliated with numerous organizations. Limited investigation was conducted to

follow-up information that was not complete. The focus remained on CISPES, not the other organizations, and was to round out or develop information on the scope of activities and influence of CISPES.

The CISPES investigation was authorized in accordance with the Attorney General Guidelines for Foreign Intelligence Collection and Foreign Counterintelligence Investigations (FCI). This investigation, like all full international terrorism investigations, was coordinated with the Office of Intelligence Policy and Review, U.S. Department of Justice. The FBI submitted status reports to this Office throughout the conduct of the investigation. That Office evaluated the investigation and during June, 1985, advised the FBI that on the basis of information made available to the Department of Justice it appeared that CISPES was involved in political activities involving First Amendment Rights and not international terrorism. On June 18, 1985, after further review by FBI Headquarters, all FBI offices were instructed to close their investigations on this organization. No investigation has been conducted regarding CISPES since that time.

In conclusion, it should be noted that the FBI has not confined its investigations with respect to Central American matters to organizations with any particular political ideology. Since 1982, the FBI has conducted several Neutrality Act investigations involving groups operating inside the United States which were allegedly involved in illegally furnishing funds, weapons and other support to what are traditionally identified as right-wing organizations.

I would now like to answer your questions regarding the CISPES investigation to the extent possible.



SUMMARY OF FBI TESTIMONY BEFORE

SENATE SELECT COMMITTEE ON INTELLIGENCE REGARDING CISPES

February 23, 1988

SENATOR BOREN (Opening Statement): (See attached opening statement for full text.) This matter first came to the attention of the Intelligence Committee in the context of the confirmation hearings of William Webster to be Director of Central Intelligence. The purpose of these hearings is three fold: to hear an interim report on the status of the FBI investigation into the CISPES investigation; to learn the predicate for the CISPES investigation; and to review the general policy for such investigations that is followed at the FBI. These proceedings constitute a formal investigation. We are in the process of an independent investigation that will include a review of the classified FBI headquarters and field office documents. ~~It is my hope that the Committee will be in~~ a position to produce an unclassified report with respect to this matter.

I am concerned about the FBI's handling of the sensitive investigation of a group that was practicing political dissent. I am concerned with the effectiveness of the mechanism we have put in place to determine whether things have gone wrong in such an investigation. There has to be a

system in place that will surface and address complaints and problems that arise in terms of surveillance of domestic political dissent. In the case of CISPES, we had an investigation of a group that was engaged in political dissent, and we now believe there was a lack of sufficient evidence of illegal or terrorist-related activity to continue an investigation against that group. We must insure that the FBI does not interfere with legitimate political dissent in this country.

SENATOR COHEN (Opening Statement): The CISPES investigation was approved by the Department of Justice under the Attorney General Guidelines for Foreign Counter-intelligence. It was a terrorism investigation. The investigation was reported annually, like all domestic terrorism cases, to the SSCI. I believe that the information collected during the course of the investigation should be purged from FBI files. The FBI used classified guidelines to conduct a dragnet investigation into CISPES. But the same did not happen for Contra activity taking place in the United States. Are the guidelines for foreign counter-intelligence investigation too broad? Was this investigation handled too broadly? Was too much irrelevant information retained? Was the investigation not handled by knowledgeable enough agents within the FBI? These are some of the concerns that I hope to address in this hearing.

SENATOR SPECTER (Opening Statement): Should this investigation have proceeded under the FCI or the domestic terrorism guidelines? If it had been conducted under the domestic terrorism guidelines, there would have been more protection of rights. Was there sufficient predication to initiate the investigation under either set of guidelines? Did OIPR at the Department of Justice adequately supervise the investigation? What did the Director do when he received memoranda from the field asking for guidance on how much seemingly legitimate political activity could be investigated? How far up the line did the review go at the FBI? It should be noted that the FBI, not the Attorney General or the Department of Justice, stopped the investigation into CISPES.

SENATOR METZENBAUM (Opening Statement): The CISPES investigation raises questions about Judge Webster. The FBI is a crucial institution in this country, and we want it to work. I am troubled by the fact, though, that the FBI relied on a right wing group's accusations against CISPES. The predicate and the scope of the investigation both must be proper. I am troubled by the fact that it took two years for the Department of Justice to say that CISPES is engaged only in legitimate First Amendment rights. It is unfortunate that Director Sessions chose not to be here.

BILL GAVIN (Opening Statement): I would like to reaffirm Director Sessions' commitment to conducting a full investigation of the CISPES matter within the FBI. A full investigation of the CISPES investigation was initiated by the Inspection Division on February 3, 1988. We are looking at the predication as well as every action taken both at headquarters and field offices, and we will analyze the information that was developed during the course of the investigation. Director Sessions sat down with every member of the Inspection Staff to stress the need to develop everything fully, and to let the chips fall as they may. The scope of the investigation will be complete. Director Sessions is committed to getting the full story. My time-table for completion is open-ended right now, although I hope that 90 days will be sufficient.

SENATOR SPECTER: What is the scope of your independence in this investigation? Can you ask anyone anything, including Director Sessions and Judge Webster?

MR. GAVIN: Yes.

SENATOR SPECTER: What if your investigation takes a direction that is not liked by Director Sessions? Do you really have enough independence to do what you need?

MR. GAVIN: My mandate is to go anywhere. I don't think that Director Sessions will change that mandate.

SENATOR SPECTER: Can't he remove you from your position as head of the Inspection Division?

MR. GAVIN: Yes he can.

SENATOR SPECTER: So you have the authority to go anywhere and ask any question, but the Director can remove you if he does not like it?

SENATOR MURKOWSKI: Will you give your finished report to the Hill?

MR. GAVIN: I will give my report to Director Sessions and he will decide that.

SENATOR MURKOWSKI: What do you intend to communicate to this Committee on your evaluation of the CISPES case?

MR. GAVIN: I will prepare a report detailing my findings. I have no reason to believe that Director Sessions will not share it with the Committee.

SENATOR MURKOWSKI: I am troubled by your answers on this matter. I am concerned about your independence and objectivity when you can't even tell this Committee whether it will see your report.

OLIVER B. REVELL (Opening Statement): (See attached opening statement for full text.) Topics discussed: description of how the FBI has been able to achieve its current level of success in the counter-terrorism program; summary of activities pertaining to CISPES; summary of FBI investigations of CISPES; levels of FBI authority supervising the case; review by Department of Justice; and denial that this investigation was politically motivated. Other points: Although the investigation failed to lead to indictments of CISPES members, we did find indications that some CISPES members were at least discussing and planning violence. The predication was based on what was known at the time. There was no conspiracy to inhibit freedom of speech or their right to dissent.

SENATOR BOREN: What wrongdoing have you found with respect to Varelli?

MR. REVELL: We found misconduct on behalf of one special agent handling Varelli. I will not call it criminal conduct since it has been referred to the U.S. Attorney. Varelli was one of multiple sources of information on CISPES, but he was a substantial source.

SENATOR BOREN: What is your current assessment of Varelli?

MR. REVELL: Varelli has disavowed his allegations of FBI misconduct. Some of the information he provided to us was fabricated; some was correct. But we did not know that some of the information was fabricated until after the fact. This resulted in the investigation being misled in certain material respects. At the time the case was predicated, though, Varelli was very credible.

SENATOR BOREN: On July 12, 1984, FBIHQ sent to its field office an analysis by a right wing private group regarding the finances of CISPES. Is that the normal policy?

STEVE POMERANTZ: No, it is not a normal or frequent procedure. The author attended a meeting and then furnished us with that information. We did not solicit the information. On this basis, it was sent to the field. The decision to do so is based on whether it pertains to an on-going investigation. We

have sent information provided by the Anti-Defamation League to the field. It was classified when it was sent to the field offices, because it could reveal an investigative interest.

MR. REVELL: The case was properly placed within the FCI guidelines, which requires Section Chief approval. Domestic security guidelines would require Assistant Director or Director approval. If individual members are knowingly acting on behalf of a foreign power, it would warrant an investigation. If we only know that they are disseminating information on behalf of the USSR, for example, we would conduct a limited inquiry to determine whether they are doing so knowingly.

SENATOR COHEN: What is the difference between an international terrorist organization and rebels trying to overthrow a foreign government?

MR. REVELL: That is the subject of a great debate within our society. I think the difference is whether the group engages in acts against the civilian population. We have investigated groups on the right end of the political spectrum as well and would have investigated evidence of lethal support to the Contras had an independent counsel not been named.

SENATOR COHEN: Why was a July 1984 HQ cable that urged the offices to focus on criminal acts and not legitimate political dissent sent to the field?

MR. REVELL: We sensed that this investigation was close to the line of investigation of political dissent and that it had to be supervised carefully. We may have seen some wavering over that line. As headquarters saw that tension, it went back and reiterated its instructions to be careful not to trample First Amendment rights.

MR. POMERANTZ: The investigation of political statements may not always be improper. Political statements may constitute evidence in a Foreign Agent's Registration Act prosecution, for example.

SENATOR COHEN: Did subsequent cables from the field comport with these instructions?

REVELL and POMERANTZ declined to answer until the investigation is completed.

SENATOR SPECTER: I just saw the report you made public yesterday, entitled "An Interim Public Report on the Committee

in Solidarity with the People of El Salvador." It essentially justifies the FBI investigation of CISPES. But Mr. Gavin has not finished his internal investigation. How is it realistic that Mr. Gavin will be able to conduct an independent investigation given the fact that these conclusions have already been set forth in official FBI documents?

MR. REVELL: The interim report is only the terrorism section's preliminary review of the case. Mr. Gavin is conducting a separate, independent investigation. The Committee asked for the white paper; the Bureau preferred to wait until the investigation was completed.

SENATOR SPECTER: Was Director Webster involved in any way in the CISPES investigation?

MR. REVELL: He was aware of several cables sent to him for informational purposes. He was aware of cables going to other agencies about demonstrations conducted by CISPES. These cables, however, did not summarize the investigation. They related only to public safety issues rather than to the investigation. Judge Webster did not authorize the investigation or any activities conducted pursuant to the investigation. That was done at the supervisory level. If the investigation had involved any special techniques, he would

have been the one to authorize those techniques. But those techniques were never used.

SENATOR SPECTER: ~~How could such a large investigation into~~ a group clearly involved with the exercise of First Amendment rights not come to the attention of Director Webster?

MR. REVELL: The FBI conducts 170,000-200,000 investigations every year. Not every one of those investigations can be approved by the Director or by me. Guidelines approved by the Attorney General and briefed to Congress are used in the conduct of these investigations. They set the approval authority at the supervisory level. The case was never raised to the Director's level for review, as it would have if special techniques had been requested. I should note, however, that we have taken intermediate steps to raise the level of review at the FBI in cases such as these.

SENATOR SPECTER: You have spoken of "indications" that certain members of CISPES may have been involved in criminal and/or terrorist activities, but I see very little, if any, evidence to support that conclusion. For example, the Bureau appeared to attach significance to the fact that a CISPES rally occurred on the same day that a bomb exploded at the U.S. Navy Yard. I don't see any relevance at all. I was in town that day, too. Is that relevant?

MR. REVELL: First, there is a difference between evidence and indications. But in foreign counterintelligence and terrorism investigations, the Bureau must look to more than hard evidence. If we had waited for evidence in the 53 cases where the Bureau prevented terrorist actions, we would be picking up the pieces after the bombings.

SENATOR METZENBAUM: Your White Paper suggests possible involvement by the Communist Party USA in the creation of CISPES, but I do not see any proof.

MR. POMERANTZ: Most of that is in a classified form which we would be happy to provide in a closed hearing.

SENATOR LEAHY: Why did the FBI gather information on 185 other organizations during the course of the CISPES investigation?

MR. POMERANTZ: The focus of the investigation was always on CISPES, but the names of other organizations did surface. For example, in material produced by CISPES (leaflets, flyers, etc.), CISPES frequently would list additional organizations that would be participating in their activities. In fact, the names of more than 185 organizations appear in the CISPES files. Most of these were never indexed in the file and are

not retrievable. If they were indexed, it would have been as a reference in a file, not as the subject of an investigation.

SENATOR LEAHY: What led to the termination of the investigation?

MR. REVELL: OIPR at the Department of Justice stated that based on information we had furnished to them in a letterhead memorandum in 1985, there was not enough information to continue the investigation. They asked for additional information. We then determined that the case should be closed. OIPR also reviewed the case in 1984.

SENATOR LEAHY: Was there any indication during these annual reviews that the scope of the investigation should be narrowed?

MR. REVELL: I think a fair reading of the file indicates concern about how to deal with this potential political activity and still carry out an effective investigation. It was a very fine line.

SENATOR LEAHY: If OIPR had conducted its review six months earlier, would they have recommended shutting down the investigation?

MR. POMERANTZ: I have no idea.



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

**OPENING STATEMENT OF
OLIVER B. REVELL
EXECUTIVE ASSISTANT DIRECTOR
FEDERAL BUREAU OF INVESTIGATION
BEFORE AN OPEN SESSION OF THE
SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE
WASHINGTON, D. C.
FEBRUARY 23, 1988**

Good morning. Let me begin by saying - The FBI's counterterrorism program is sound and based on a solid foundation, in conformance with both the spirit and letter of the law. You have heard and read many things which have been incompletely, inaccurately, and unfairly reported in the media concerning the FBI's investigation of a group known as the Committee in Solidarity with the People of El Salvador or CISPES.

Before delving into the CISPES case itself, allow me to describe how the FBI has been able to achieve its current level of success in the counterterrorism program.

During the 1960's and 1970's the people of our Nation were subjected to a number of terrorist incidents which included the murder of a researcher at the University of Wisconsin and numerous bombings of law enforcement and corporate facilities. In 1972, members of the Black September Organization, a Palestinian terrorist group, demonstrated at the Summer Olympic Games in Munich, Germany that they had both the propensity and capability to conduct terrorist activities outside the Middle East. During the 1970's, as the numbers of terrorist incidents grew in our Nation, we also saw a sharp increase in attacks on Americans and American interests abroad by international terrorists. These attacks took place in many parts of the world to include the Middle East as well as both South and Central America.

During 1976, guidelines established by then Attorney General Levi were promulgated to set parameters for FBI investigations to include counterterrorism investigations. For the first time in our history, the FBI not only had a mandate to insure the welfare of our citizens, but also Attorney General guidelines which would govern the conduct of these investigations.

Congress also recognized the emerging threat of terrorism and in 1981 created within the Committee on the Judiciary, the Subcommittee on Security and Terrorism, to monitor these issues and to ensure that those agencies of Government responsible for dealing with terrorism were performing in a manner sufficient to meet the threat. From its creation in 1981 until it was abolished in early 1987, the subcommittee, chaired by Senator Jeremiah Denton, had oversight responsibilities for the FBI. Then Director William H. Webster and other FBI officials, including myself, testified frequently before this subcommittee in both closed and open sessions on the Bureau's responsibilities for combatting terrorism.

The subcommittee was in frequent contact with the FBI and often requested detailed information from Judge Webster regarding the FBI's investigations of groups suspected of engaging in domestic terrorism, as well as those believed to have a connection with either international terrorist organizations, or hostile foreign nations.

In March 1983, Senator Denton's subcommittee posed questions to then Director Webster which resulted from testimony at the FBI Oversight and Authorization hearing on February 2, 1983. The subcommittee sought information regarding how the FBI's capabilities within its Counterterrorism Section had been enhanced; how the FBI's counterterrorism analytical capabilities had been strengthened since 1978; why the FBI had no program to monitor and read publications of suspected terrorists, violent or subversive groups; why the FBI believed it was prohibited from placing into FBI files public documents published by such groups; and how the FBI had improved intelligence gathering on domestic terrorist organizations.

The above are merely a few examples of the numerous inquiries received by the FBI from congressional committees regarding the investigations and intelligence gathering that the FBI was conducting, or some thought should be conducting, in order to become and remain aware of activities of domestic terrorist organizations, and of groups affiliated with international terrorist organizations and hostile foreign nations. As Director Sessions stated to this committee on February 2, 1988, we are accountable for our investigations. However, the FBI has, and continues to be, criticized for allegedly conducting at the same time, too many and too few investigations in these areas.

Although the FBI's statistical base to record numbers of terrorist incidents in the United States was not fully operational until 1982, we estimate that terrorist incidents in this country and Puerto Rico went over 100 per year in the mid-1970's. In fact, there were 112 in 1977. These numbers include incidents perpetrated by both domestic and international terrorist organizations.

In 1982, then Director Webster in response to this widely recognized and growing problem, designated terrorism to be a national priority program for the FBI. As such, it was elevated to a status on par with White-Collar Crime, Organized Crime and Foreign Counterintelligence investigations.

Statistically, the counterterrorism program has been extremely successful. Between 1980 and 1982 there were 122 terrorist incidents in the United States with 51 occurring in 1982. From that point, the numbers generally declined - to 31 in 1983, 13 in 1984, and 7 in 1985. During 1986 we recorded 17 incidents, 9 of which were bombings or attempted bombings in Puerto Rico. None have been documented in 1987 or 1988; however, we are analyzing information which may change the figures for 1986 and 1987. Additionally, we have not had the commission of a terrorist incident in this country by a member of an international terrorist organization since 1983 despite the highly publicized events these groups have orchestrated abroad through the same years.

In addition, through intelligence collection, cooperation and diligent investigation, the FBI has been able to prevent at least 53 terrorist incidents since 1982 that, if not detected, could have resulted in a substantial number of casualties. Let me highlight several to illustrate my point.

During 1983 the FBI developed information that several pro-Khomeini students were involved in a plan to fire bomb a Seattle, Washington theater while an Iranian singing group performed. This plan, which could have resulted in the deaths of several hundred theatergoers was interdicted when these Iranian activists were surveilled and then interviewed by the FBI and local law enforcement authorities prior to the proposed fire bombing. The students had planned to attack the theater because a large number of pro-Shah Iranians were expected to attend this performance.

During January 1985 eight individuals were indicted in Miami, Florida following their arrest in connection with a plan to stage a coup against the Government of Honduras which was to include the assassination of the incumbent president of Honduras, Roberto Suazo. Eight convictions as well as the seizure of narcotics resulted from this investigation.

In May 1985, based on information developed by the FBI, five Sikhs were arrested in New Orleans, Louisiana, on a variety of charges. Our investigation subsequently determined

that they had planned to assassinate the Chief Minister of the Indian State of Haryana during his visit to New Orleans as well as Prime Minister Rajiv Gandhi during his visit to the United States in June 1985. To date, 4 of the 5 have been convicted.

In May 1986 the Royal Canadian Mounted Police (RCMP) arrested five Sikhs who conspired to place a bomb aboard an Air India Airliner at John F. Kennedy Airport in New York. Information developed by the RCMP and the FBI, in a joint effort, led to these arrests and aborted what could have been a devastating terrorist incident. 2 of the 5 have been successfully prosecuted and convicted. Sikh terrorists are also suspect in the June 1985 Air India disaster off the coast of Ireland which claimed 329 lives and an explosion in the baggage area at Tokyo's Narita Airport which demonstrates that these terrorists are willing and capable of carrying out extremely violent criminal activity.

During July 1986, the FBI, in concert with the U.S. Customs Service, developed information that 14 individuals had attempted to recruit persons from the United States who would travel to the country of Suriname for the purpose of overthrowing that government. As a result they were arrested and charged with violations of the Neutrality and Arms Export Acts. All 14 persons were eventually convicted in this case.

In December 1986, the FBI received information that there was a plot to assassinate Nicaraguan President Daniel

Ortega. Information developed during the investigation indicated that two individuals attempted to recruit people with military backgrounds to carry out this mission and they solicited funds and/or investors for a proposed venture to assassinate President Ortega. This plot was thwarted as a result of FBI investigation during 1987 and one of those arrested has been convicted.

There have been a number of instances where international terrorists have utilized U.S. persons to carry out terrorist activities in the United States. One example is the May 1982 attempt by individuals belonging to the Armenian Secret Army for the Liberation of Armenia (ASALA) who were observed by the FBI attempting to bomb the Air Canada cargo entry area at Los Angeles International Airport. As a result of the FBI's investigation all three individuals were subsequently arrested and convicted.

~~During 1985 individuals belonging to the El Rukn Street~~ Gang, an organized criminal group prone to violence, with links to the Libyan Government, were arrested by the FBI for firearms violations as they attempted to purchase a rocket which was allegedly to be used in a terrorist attack which involved the shooting down of an airliner. Five individuals belonging to this group have been convicted of a number of criminal violations in connection with this and other incidents. Both of these situations indicate the potential for international terrorist organizations to use

U.S. individuals in efforts to engage in terrorist activity in the United States.

This leads me directly into the CISPES matter.

Activities pertaining to CISPES have been previously presented before Congress. During the July, 1982, hearings before the House Permanent Select Committee on Intelligence, then FBI Assistant Director Edward J. O'Malley, provided testimony concerning Soviet active measures. This term applies to active measures clandestinely undertaken by the Soviet Union to, among other things, influence the political processes of other countries. Soviet active measures against the United States include clandestine efforts to reinforce and mobilize domestic opposition to U.S. Government policies that are inimical to Soviet interests.

One of the Soviets' very successful active measures tactics has been the circulation of forged U.S. documents. One such forgery was a supposed Department of State "dissent" paper which claimed to represent the views of certain foreign policy experts within the Department of State. CISPES was, according to testimony, involved in the distribution of this Soviet forgery to the U.S. media. Furthermore, as Mr. O'Malley testified, the thrust

of the forged document distributed by CISPES was that policies of the Carter administration and statements by the Reagan transition team were going to lead the United States into military involvement in Central America and El Salvador.

According to its own literature, CISPES was established as a result of the U.S. National Conferences in Solidarity with the Salvadoran People held in October, 1980, in Washington, D.C., and Los Angeles, California. CISPES publicly claimed to have been created to provide international support to the anti-Government movement in El Salvador. According to information available to the FBI, CISPES is believed to have been established with assistance of the Communist Party USA (CPUSA), the U.S. Peace Council (USPC) and the Salvadoran Communist Party (PCS). The believed involvement of the CPUSA in the formation of CISPES is significant inasmuch as the CPUSA has historically been one of the most loyal pro-Soviet communist parties in the world and has received substantial financial support from the Soviet Union. More importantly, the CPUSA continues to receive direction and guidance from the International Department, Central Committee, of the Communist Party of the Soviet Union.

After achieving official organizational stature in October, 1980, CISPES had as one of its principal objectives, according to its own literature, support of Frente Democratico Revolucionario

(Democratic Revolutionary Front) (FDR) and the Frente Farabundo Marti de Liberacion Nacional (Farabundo Marti National Liberation Front) (FMLN). The FMLN is comprised of five guerrilla groups and is the organization principally responsible for anti-Government military and terrorist activity directed against the Salvadoran Government and U.S. interests in El Salvador.

The documented terrorist activities of FMLN have included bombings, kidnappings, assaults and assassinations. The FMLN had also taken credit for the assassination of U.S. military attache in San Salvador, Navy Lieutenant Commander Albert A. Schaufelberger. Terrorist activity by this group continues today. In fact, The Washington Post reported on February 18, 1988 that FMLN rebels attacked a city in El Salvador killing 15 people, including four children. Another Washington Post report of February 21, 1988 detailed a plan by the FMLN to "eliminate" U.S. military advisors in El Salvador.

An investigation of CISPES was first opened by the FBI on June 25, 1981, when the Registration Unit of the U.S. Department of Justice requested a check of FBI indices concerning the CISPES organization. The FBI responded on August 25, 1981 and furnished the Department with two items of information which had been reported to the FBI concerning CISPES and a Farid Handal. On August 27, 1981 the Department of Justice requested

that the FBI conduct a preliminary investigation to determine if CISPES was required to register under the Foreign Agents Registration Act. The limited investigation conducted by 5 FBI field offices was opened by FBIHQ on September 3, 1981 and was closed on February 23, 1982.

On March 30, 1983 the Counterterrorism Section at FBI Headquarters (FBIHQ) authorized an investigation of CISPES citing that CISPES and some of its members are or may be engaged in international terrorism, activities in preparation therefor, or knowingly aiding and abetting the terrorists (guerrillas) in El Salvador and other countries in the conduct of international terrorist activities. FBIHQ noted in this opening communication that this investigation was not concerned with the exercise of rights guaranteed by the United States Constitution, but rather, with the involvement of the CISPES organization in international terrorism as it affected the El Salvadoran Government, and the collection of foreign intelligence and counterintelligence information as it related to the international terrorism aspects of the investigation. Summary letterhead memoranda were prepared on June 22, 1983, April 2, 1984, June 29, 1984, and March 4, 1985, and disseminated to the Department of Justice.

During the time period this case was open, this investigation received oversight from the Counterterrorism Section and field supervisory personnel as well as the Office of Intelligence

Policy and Review at the Department of Justice. The Department of Justice indicated on June 3, 1985, that additional information would be necessary to substantiate the continuance of this international terrorism investigation. FBIHQ, after further review, on June 18, 1985, instructed its field offices to close their CISPES investigation.

Our investigation was managed by field supervisory personnel with review and oversight from both the Counterterrorism Section at FBIHQ and Department of Justice attorneys. While we have conducted a limited examination of the Headquarters CISPES file, a complete review and analysis are currently being performed by the FBI Inspection Division which will determine if Attorney General Guidelines, FBI policy and procedures as well as applicable laws were followed during the investigation.

Some have insinuated that this investigation was politically motivated as many individuals associated with CISPES were opposed to Reagan administration policies in Central America. Nothing could be further from the truth. We have investigated a number of groups on the other side of the political spectrum such as the right wing groups, the Aryan Nations, the Sheriffs Posse Comitatus and The Covenant, Sword and Arm of the Lord. In the same region of the world as El Salvador we have conducted several Neutrality Act investigations of persons affiliated with Contra groups seeking to overthrow the Sandanistas in Nicaragua.

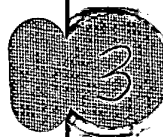
The focus of FBI investigations has been and is criminality, or the collection of intelligence which will keep our Nation and citizens safe from terrorism. An examination of the CISPES case shows that FBIHQ instructed its field offices on several occasions that care be given to not violate a citizen's constitutionally protected rights.

Those in the FBI responsible for authorizing the counterterrorism investigation believed information which had been brought to their attention, that CISPES was acting as the agent of a foreign terrorist organization, the Frente Farabundo Marti de Liberacion Nacional (FMLN) and certain of its members (identities unknown) were suspected of violating Federal laws. Although our two-year counterterrorism investigation failed to lead to indictments of CISPES members, we did find indications that some CISPES members were at least discussing and planning violence. Namely, our investigations uncovered one CISPES member who was tasked to determine response times of emergency services in a major American city; another CISPES member stated he had developed a system to shut down a public utility in a major Mid-western city; as well as plans to violently disrupt the 1984 Republican Convention. In addition, about the same time as a major CISPES rally was being held in Washington, D.C., a bombing took place at Fort McNair near Washington which was claimed by "(those) in Solidarity with the People of El Salvador."

Those responsible for authorizing and supervising the investigation believed at the time that CISPES was covertly furnishing funds and materials to the Salvadoran rebels and that U.S. laws may have been broken. After conducting this inquiry for two years, no prosecutable criminal activity was uncovered. At this point, our investigation was closed.

Our internal inquiry will determine if mistakes were made during the investigation. The predication for the investigation was based on what was known at the time. There was no conspiracy on the part of the FBI to inhibit freedom of speech or the right to dissent.

The FBI has a successful Counterterrorism program which is vigorous, aggressive and effective, yet is constructed to recognize the balance between the rights of individuals as well as the need for security. I can assure you that the FBI is committed to carrying out its responsibilities in a manner consistent with our legal obligations.



6-147 (1-18-81)

CRIMINAL INVESTIGATIVE DIVISION

INFORMATIVE NOTE

SECRET

Date 6/30/83

Re: COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES); FCI-EL SALVADOR-TERRORISM] OO: San Antonio

This communication is classified ~~Secret~~ in its entirety. u

Attached teletype concerns the planned demonstrations organized by the "Ad Hoc Committee for a July 2 Emergency Mobilization." They had planned to demonstrate at a location where President Reagan would be attending; however, President Reagan will be in California during the weekend of July 4. (u)

Chicago has advised that the contact points for the above group in Chicago are the Workers World Party, the November 29th Coalition (subject of a full FCI-Terrorism case), All Peoples Congress, and the Peoples Anti-War Movement. (S)(u)

According to a local police source of unknown reliability, major demonstrations are planned for 7/2-4/83 throughout the United States. The purposes of these demonstrations are to discredit the U.S. policy in Nicaragua and El Salvador and to use violence to discredit and defeat Senator Jessie Helms in North Carolina. (u)

- 1 - Mr. O. B. Revell
- 1 - Mr. J. B. Hotis
- 1 - Mr. W. R. Gilbert
- 1 - Mr. F. I. Clarke
- 1 - Mr. S. Klein
- 1 - Mr. B. R. Furman
- 1 - Mr. K. A. Mendenhall
- 1 - Mr. G. H. Van Balen
- 2 - Mr. R. D. Dayenport

SEE REVERSE SIDE FOR CLASSIFICATION

SECRET ACTION Classified by G3 Declassify on: OADR

Classified by 5446/abw Declassify on: OADR

AD:skp

SECRET

ON 7/9/87 3945W/KFA

Administrative routing lines

FBI/DOJ

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This same source advised that 250 to 300 protesters will travel to Nicaragua to erect a "human shield" on the Nicaraguan-Honduran border. A small group of Marxist demonstrators will try to cause injury or death to some of these demonstrators and blame the United States or U.S. backed groups. *(u)*

It is uncertain whether the violence is to occur in the United States or Central America. WFO has been instructed to recontact the Capitol Police and request their source be recontacted to clarify this information and obtain whatever additional information the source can provide. *(u)*

The attached teletype has been relayed to the CIA, DOJ, USDS, and USSS. *(u)*

WFO has been advised to afford appropriate coverage to the planned demonstration. *(u)*

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	Exec. AD-LES _____	Intell. _____	Tech. Servs. _____
			Training _____

(u)

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R 292215Z JUN 83

FM WASHINGTON FIELD (199-2710)

TO DIRECTOR, FBI ROUTINE

FBI ATLANTA ROUTINE

FBI BALTIMORE ROUTINE

FBI BOSTON ROUTINE

FBI CHARLOTTE ROUTINE

FBI CHICAGO ROUTINE

FBI DALLAS ROUTINE

FBI DETROIT ROUTINE

FBI HOUSTON ROUTINE

FBI LOS ANGELES ROUTINE

FBI MIAMI ROUTINE

FBI NEW ORLEANS ROUTINE

FBI NEW YORK ROUTINE

FBI SAN ANTONIO ROUTINE

FBI SAN FRANCISCO ROUTINE

BT

SECRET

*D-73
CIA, DOJ,
DOS, USSS
6/30/83 RL*

RL

SEARCHED	
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CIS PERS

*Van Allen
Davidson
Furman*

PAGE TWO DE WF 0035 S E C R E T

COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF SALVADOR
(CISPES) (OO:SA)

ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION
CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "SECRET"
UNLESS OTHERWISE NOTED.

RE WFOTEL, DATED JUNE 2, 1983, CENTRAL AMERICAN
AND CARIBBEAN POLITICAL ACTIVITIES, FCI-LATIN AMERICAN-
TERRORISM (199-2769).

FOR INFORMATION OF CHARLOTTE, REFERENCED TELETYPE
ADVISED THAT A GROUP CALLED AD HOC COMMITTEE FOR A
JULY 2 EMERGENCY MOBILIZATION WAS PLANNING A MARCH AND
DEMONSTRATION ON JULY 2. THEIR PLANS WERE TO DEMONSTRATE
AT A LOCATION WHERE PRESIDENT REAGAN WAS TO ATTEND A
SOCIAL FUNCTION IN WASHINGTON, D.C. (WDC). UNITED STATES
SECRET SERVICE (USSS) HAS ADVISED THAT PRESIDENT REAGAN
WILL BE IN CALIFORNIA DURING THE JULY 4TH WEEKEND.

ON JUNE 7, 1983, FBI CHICAGO ADVISED THAT THE ADDRESS
AND TELEPHONE NUMBER THAT WAS GIVEN AS A CONTACT POINT
FOR THE AD HOC COMMITTEE WAS ALSO CONTACT POINT FOR THE
WORKERS WORLD PARTY (WWP) AND THE NOVEMBER 29TH COALITION,

PAGE THREE DE WF 0035 S E C R E T

ALL PEOPLES CONGRESS AND PEOPLES ANTI-WAR MOVEMENT (PAM).

ON JUNE 28, 1983, A LOCAL POLICE AGENCY SOURCE OF UNDETERMINED RELIABILITY ADVISED THAT THERE ARE PLANS TO HAVE MAJOR DEMONSTRATIONS ON JULY 2, 3, AND 4TH THROUGHOUT THE U.S., WITH THE BIGGEST DEMONSTRATION BEING IN WDC. THE MAIN PURPOSES OF THE DEMONSTRATION ARE "TO DISCREDIT U.S. POLICY IN NICARAGUA AND EL SALVADOR AND TO USE VIOLENCE TO DISCREDIT AND DEFEAT SENATOR JESS HELMS, NORTH CAROLINA.

SOURCE ADVISED THAT AN "INTERFAITH GROUP" WITH HEADQUARTERS IN NORTH CAROLINA WAS COORDINATING A WAR MISSION BY LEFT WING CHRISTIAN AND COMMUNIST GROUPS FROM THE U.S. TO NICARAGUA ON JULY 3 TO THE 8TH, TO PROTEST U.S. POLICY. THE PROTEST ALLEGEDLY HAS THE SUPPORT OF THE MARXIST REGIME IN NICARAGUA. THIS PROTEST WILL TRY TO LINK THE ANTI-WAR IN CENTRAL AMERICA MOVEMENT WITH THE ANTI-FREEZE, DISARMMENT MOVEMENT, WHICH IS SAID TO BE HEAVILY INFLUENCED BY THE KGB.

SOURCE REPORTED THAT HE HAD BEEN TO A MEETING AT THE QUIXOTE CENTER IN MOUNT RAINIER, MARYLAND. THE CENTER

PAGE FOUR DE WF 0235 S E C R E T

IS SAID TO HAVE RECRUITED BETWEEN 250 TO 300 PROTESTORS THAT WILL TRAVEL TO NICARAGUA TO ERECT A HUMAN SHIELD AT THE NICARAGUA HONDURAS BORDER. MOST DEMONSTRATIONS WILL BE PEACEFUL, HOWEVER, THERE WILL BE A SMALL GROUP OF HARD CORE PRO MAXIST DEMONSTRATORS WHOSE MISSION WILL BE TO CAUSE INJURY OR DEATH TO THE DEMONSTRATORS AND BLAME THE U.S. AND U.S. BACKED GROUPS. THIS GROUP IS LED BY REV. WILLIAM CALLAHN, IN NORTH CAROLINA.

IT IS HOPED THAT ANY INJURIES OR DEATHS THAT OCCUR WILL HELP DEFEAT SENATOR HELMS, THE CHAMPION OF FREEDOM AND LIFE.

ADMINISTRATIVE.

LOCAL POLICE AGENCY IS THE U.S. CAPITAL POLICE, WDC. THEIR SOURCE IS OF UNDETERMINED RELIABILITY. IT IS THE OPINION OF WFO THAT THESE PLANNED DEMONSTRATIONS COULD HAVE CISPES INVOLVEMENT DUE TO THE FACT THAT THIS GROUP HAS BEEN ACTIVELY INVOLVED IN ANTI U.S. ACTIVITY IN CENTRAL AMERICA FOR SEVERAL MONTHS, AND THIS GROUP HAS OFFICES THROUGHOUT THE U.S. OTHER GROUPS HAVE TURNED UP THROUGH INVESTIGATION, THE PEOPLES ANTI-WAR MOVEMENT

PAGE FIVE DE WF 0035 S E C R E T

PAM, THE NOVEMBER 29TH COALITION, (PLO ORIENTED)
AND ALL PEOPLES CONGRESS. THESE GROUPS ARE ALLIED
WITH CISPES.

C BY G-3; DECL, OADR

BT

#0035

NNNN

6-447 (1-13-81)

CRIMINAL INVESTIGATIVE DIVISION

INFORMATIVE NOTE

SECRET

Date 7/1/83

Re: COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES) (FCI-EL SALVADOR-TERRORISM) OO: Dallas (u)

This communication is classified ~~Secret~~ in its entirety. (u)

The attached teletype advises of a CISPES-organized counterdemonstration against a scheduled Ku Klux Klan (KKK) march scheduled in Dallas, Texas, 7/16/83. The KKK has already obtained a demonstration (march) permit for 7/16/83. CISPES has requested a permit for 1:30 p.m., 7/16/83, from the Dallas Police Department which was rejected. They were granted a demonstration permit for 3 p.m., 7/16/83. During the CISPES meeting wherein this counterdemonstration was discussed, a proposal was made that the CISPES demonstrators show up at 1:30 p.m. on 7/16/83, without regard for their lack of permit, and "take their chances." CISPES noted that any violence occurring during the two demonstrations would be instigated by the KKK. (u)

Attending the meeting sponsored by CISPES were representatives from the: Black Liberation Army, American Federation of Machinists, Socialist Workers Party, American Federation of Teachers, National Lawyers Guild, Gay Pride, Dallas Times Herald (reporter), Amigos-Chicano Power, American Civil Liberties Union, Brown (u)

- 1 - Mr. O. B. Revell
- 1 - Mr. J. B. Hotis
- 1 - Mr. W. R. Gilbert
- 1 - Mr. F. I. Clarke
- 1 - Mr. S. Klein
- 1 - Mr. B. R. Furman
- 1 - Mr. G. H. Van Balen
- 2 - Mr. R. D. Davenport

RPD:skp

EXEMPT FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION
SECRET
Classified by G3
Declassify on: OADR
2025
Classified by SP4EJL/KFA
Declassify on: OADR

(u) 7/7/87
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Classified by SP4EJL/KFA

Declassify on: OADR

~~SECRET~~

Hispanics, U.S. Committee Against Nuclear War, Peoples Anti-War Movement, and CISPES. The Dallas source furnishing the above information noted that most of the individuals present at this meeting were also members of an organization called the National Hard Times Conference (NHTC), a project group started by the Weathermen Underground in the early 1970s. (S)(u)

During the meeting, an individual named Rich Hernandez advised he had obtained information from the U.S. Secret Service (USSS) through his boss, who was not further identified. According to Hernandez, a USSS agent had advised that the people who were going to march for the KKK were not Dallas residents, but were coming from Austin, Texas. The agent also indicated that some of the police officers (believed to be of the Dallas Police Department) are Klan members. (S)(u)

The attached teletype has been relayed to DOJ, USSS, USDS, and the White House. The copy sent to USSS contained a caveat stressing that the information was not to be disseminated outside of their agency based on the above comments by Hernandez. (S)(u)

Of all above groups involved in this proposed demonstration, [Only CISPES is the subject of a full investigation.] (S)

Dallas has been instructed to provide appropriate coverage to this demonstration based on the possibility of violence and the fact that CISPES is the subject of a full FCI-Terrorism investigation. (S)

APPROVED: *[Signature]*

Director <i>[Signature]</i>	Adm. Servs. <i>[Signature]</i>	Laboratory _____
Exec. AD-Adm. _____	Crim. Inv. <i>[Signature]</i>	Legal Coun. _____
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Exec. AD-LES _____	Inspection _____	Rec. Mgnt. _____
	Intell. _____	Tech. Servs. _____
		Training _____

- 2 -

(S)(u)

SECRET

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RR HQ AT BA BS CE CG DL DE HN LA MI NO NY SA SF

DW WF] 0035 181 0425

ZNY SSSSS

R 292215Z [JUN 83] (u)

FM WASHINGTON FIELD (199-2710)

TO DIRECTOR, FBI ROUVTIN

FBI ATLANTA ROUTINE

FBI BALTIMORE ROUTINE

FBI BOSTON ROUTINE

FBI CHARLOTTE ROUTINE

FBI CHICAGO ROUTINE

FBI DALLAS ROUTINE

FBI DETROIT ROUTINE

FBI HOUSTON ROUTINE

FBI LOS ANGELES ROUTINE

FBI MIAMI ROUTINE

FBI NEW ORLEANS ROUTINE

FBI NEW YORK ROUTINE

FBI SAN ANTONIO ROUTINE

FBI SAN FRANCISCO ROUTINE

BT (u)

~~SECRET~~

4 AUG 17 1983 (u)

[Handwritten initials and scribbles]

7/7/87
Classified by SP4 GUN/KEA
Declassify on: OADR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

~~CLASSIFIED BY SP4 GUN/KEA
ON 7/7/87~~

(u) ~~CLASSIFIED BY SP4 GUN/KEA
ON 7/7/87~~

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UNLESS INDICATED OTHERWISE

199-8548

JUL 24 1983 (u)

0-73
CIA, DOJ,
DOS, USSS
(u) [6/30/83] X

~~SECRET~~

SECRET

PAGE TWO DE WF 0035 ~~SECRET~~ (u)

~~SECRET~~

SECRET

COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF SALVADOR

(CISPES) (OO:SA) (u)

ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "~~SECRET~~" UNLESS OTHERWISE NOTED. (u)

RE WFOTEL, DATED JUNE 2, 1983, CENTRAL AMERICAN AND CARIBBEAN POLITICAL ACTIVITIES, FCI-LATIN AMERICAN-TERRORISM (199-2769). ~~(S)~~(S)

FOR INFORMATION OF CHARLOTTE, REFERENCED TELETYPE ADVISED THAT A GROUP CALLED AD HOC COMMITTEE FOR A JULY 2 EMERGENCY MOBILIZATION WAS PLANNING A MARCH AND DEMONSTRATION ON JULY 2. THEIR PLANS WERE TO DEMONSTRATE AT A LOCATION WHERE PRESIDENT REAGAN WAS TO ATTEND A SOCIAL FUNCTION IN WASHINGTON, D.C. (WDC). UNITED STATES SECRET SERVICE (USSS) HAS ADVISED THAT PRESIDENT REAGAN WILL BE IN CALIFORNIA DURING THE JULY 4TH WEEKEND. ~~(S)~~(u)

ON JUNE 7, 1983, FBI CHICAGO ADVISED THAT THE ADDRESS AND TELEPHONE NUMBER THAT WAS GIVEN AS A CONTACT POINT FOR THE AD HOC COMMITTEE WAS ALSO CONTACT POINT FOR THE WORKERS WORLD PARTY (WWP) AND THE NOVEMBER 29TH COALITION, ~~(S)~~(u)

~~SECRET~~

SECRET

PAGE THREE DE WF 000 ~~SECRET~~

ALL PEOPLES CONGRESS AND PEOPLES ANTI-WAR MOVEMENT (PAM). ~~(u)~~

~~SECRET~~
SECRET

ON JUNE 28, 1983, A LOCAL POLICE AGENCY SOURCE OF UNDETERMINED RELIABILITY ADVISED THAT THERE ARE PLANS TO HAVE MAJOR DEMONSTRATIONS ON JULY 2, 3, AND 4TH THROUGHOUT THE U.S., WITH THE BIGGEST DEMONSTRATION BEING IN WDC. THE MAIN PURPOSES OF THE DEMONSTRATION ARE "TO DISCREDIT U.S. POLICY IN NICARAGUA AND EL SALVADOR AND TO USE VIOLENCE TO DISCREDIT AND DEFEAT SENATOR JESS HELMS, NORTH CAROLINA. ~~(u)~~

SOURCE ADVISED THAT AN "INTERFAITH GROUP" WITH HEADQUARTERS IN NORTH CAROLINA WAS COORDINATING A WAR MISSION BY LEFT WING CHRISTIAN AND COMMUNIST GROUPS FROM THE U.S. TO NICARAGUA ON JULY 3 TO THE 8TH, TO PROTEST U.S. POLICY. THE PROTEST ALLEGEDLY HAS THE SUPPORT OF THE MARXIST REGIME IN NICARAGUA. THIS PROTEST WILL TRY TO LINK THE ANTI-WAR IN CENTRAL AMERICA MOVEMENT WITH THE ANTI-FREEZE, DISARMMENT MOVEMENT, WHICH IS SAID TO BE HEAVILY INFLUENCED BY THE KGB. ~~(u)~~

SOURCE REPORTED THAT HE HAD BEEN TO A MEETING AT THE QUIXOTE CENTER IN MOUNT RAINIER, MARYLAND. THE CENTER ~~(u)~~

~~SECRET~~
SECRET

~~SECRET~~

✓ [PAGE FOUR DE WF 0235] ~~SECRET~~

IS SAID TO HAVE RECRUITED BETWEEN 250 TO 300 PROTESTORS THAT WILL TRAVEL TO NICARAGUA TO ERECT A HUMAN SHIELD AT THE NICARAGUA HONDURAS BORDER. MOST DEMONSTRATIONS WILL BE PEACEFUL, HOWEVER, THERE WILL BE A SMALL GROUP OF HARD CORE PRO MAXIST DEMONSTRATORS WHOSE MISSION WILL BE TO CAUSE INJURY OR DEATH TO THE DEMONSTRATORS AND BLAME THE U.S. AND U.S. BACKED GROUPS. THIS GROUP IS LED BY REV. WILLIAM CALLAHN, IN NORTH CAROLINA. ~~(u)~~

IT IS HOPED THAT ANY INJURIES OR DEATHS THAT OCCUR WILL HELP DEFEAT SENATOR HELMS, THE CHAMPION OF FREEDOM AND LIFE. ~~(u)~~

ADMINISTRATIVE. ~~(u)~~

LOCAL POLICE AGENCY IS THE U.S. CAPITAL POLICE, WDC. THEIR SOURCE IS OF UNDETERMINED RELIABILITY. IT IS THE OPINION OF WFO THAT THESE PLANNED DEMONSTRATIONS COULD HAVE CISPES INVOLVEMENT DUE TO THE FACT THAT THIS GROUP HAS BEEN ACTIVELY INVOLVED IN ANTI U.S. ACTIVITY IN CENTRAL AMERICA FOR SEVERAL MONTHS, AND THIS GROUP HAS OFFICES THROUGHOUT THE U.S. [OTHER GROUPS HAVE TURNED UP THROUGH INVESTIGATION, THE PEOPLES ANTI-WAR MOVEMENT ~~(u)~~(S)

SECRET

~~SECRET~~

~~SECRET~~

(PAGE FIVE DE WF 0035) ^(u) ~~SECRET~~

PAM, THE NOVEMBER 29TH COALITION, (PLO ORIENTED)
AND ALL PEOPLES CONGRESS. ^(S) THESE GROUPS ARE ALLIED
WITH CISPES. ^(u)

~~C BY G-3, DECI, OADR~~ (u)

BT

#0035

NNNN

u

~~SECRET~~

6-147 (1-3-81)

CRIMINAL INVESTIGATIVE DIVISION

INFORMATIVE NOTE

ALL INFORMATION CONTAINED

SECRET

Date 8/19/83

Re: COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES) (u)
ECI - EL SALVADOR - TERRORISM (u)
OO: [San Antonio] u

This communication is classified ~~Secret~~ in its entirety.

By attached teletype, WFO advised that a demonstration is being planned by captioned organization for Monday, 8/22/83, at the entrance to Ft. Leslie J. McNair, P Street, S.W., between Third and Fourth Streets, Washington, D.C. This demonstration is to take place in the form of a blockade beginning at 8 a.m., and organizers for the blockade are calling for civil disobedience. In addition to CISPES [(subject of a full investigation)] the (S) following organizations are also taking part in the blockade with the purpose being to "stop the war in Central America:" U.S. Grenada Friendship Society-D.C. Chapter; People's Anti-War Mobilization; Washington Committee Against Registration in the Draft; Casa El Salvador; Washington Peace Center; and the Progressive Student Network (PSN). It is unknown at this time whether the demonstration planned by CISPES is in any way connected with the explosion of an improvised (u)

- 1 - Mr. O. B. Revell
- 1 - Mr. J. B. Hotis
- 1 - Mr. W. R. Gilbert
- 1 - Mr. F. I. Clarke
- 1 - Mr. S. Klein
- 1 - Mr. B. R. Furman
- 1 - Mr. G. H. Van Balen
- 1 - Mr. R. D. Davenport
- 1 - Mr. P. E. Storer

~~Classified~~
~~Declassify on: OADR~~
SECRET
~~Classified~~
~~Declassify on: OADR~~
 Classified by SP4ELW/KFA
 Declassify on: OADR
 FBI/DOJ

RES:SKP

7/9/87
Classified by SP4ELW/KFA

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explosive device (IED) which occurred at the Naval Regional Data Automation Center (NARDAC), Building 196, Washington Navy Yard, Washington, D.C., on 8/18/83. (u)

WFO is planning to provide coverage of the demonstration in order to identify potential CISPES organizers and other individuals potentially involved in civil disobedience. (u)

Information in attached teletype has been disseminated to the CIA, USDS, DIA, [NSA], NIS, AFOSI, INSCOM, USSS, JSCC, DOJ, and the Metropolitan Police Department. (S)

Handwritten signature/initials in a box

APPROVED:

Director <i>WAM</i>	Adm. Servs. _____	Laboratory _____
Exec. AD-Adm. _____	Crim. Inv. <i>OB/A</i>	Legal Coun. _____
Exec. AD-Inv. _____	Ident. _____	Off. of Cong. & Public Affs. _____
Exec. AD-LES _____	Inspection _____	Rec. Mgnt. _____
	Intell. _____	Tech. Servs. _____
		Training _____

SECRET

VZCZCWFO 545

[OO HQ DL EP HO LA MM NO SA SD SF] (u)

(u) [DE WF] 0034 231 0112

ZNY SSSSS

0 182228Z [AUG 83] (u)

FM WASHINGTON FIELD (199-1397) (P) (SOD-1)

- TO DIRECTOR, FBI IMMEDIATE
- FBI, DALLAS IMMEDIATE
- FBI, EL PASO IMMEDIATE
- FBI, HOUSTON IMMEDIATE
- FBI, LOS ANGELES IMMEDIATE
- FBI, MIAMI IMMEDIATE
- FBI, NEW ORLEANS IMMEDIATE
- FBI, SAN ANTONIO IMMEDIATE
- FBI, SAN DIEGO IMMEDIATE
- FBI, SAN FRANCISCO IMMEDIATE

RECEIVED TELETYPE UNIT

[19 AUG 83 01 48] (u)

FEDERAL BUREAU OF INVESTIGATION

SECRET

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

3

ALL INFORMATION ON THIS DOCUMENT IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

DE-61
Classified by SP4 ELW/KFA
Declassify on: OADR

UAF/Baker
Dawson
Stein
S. H. [unclear]

[BT] (u)

7/9/87
Classified by SP4 ELW/KFA
Declassify on: OADR

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES)

FBI-EL SALVADOR-TERRORISM; [OO SA] (u) DE-61

199-8848-61
AUG 20 1983 (u)

ALL MARKINGS, NOTATIONS, AND ITEMS OF INFORMATION CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "SECRET" UNLESS OTHERWISE NOTED. (u)

100 Furman Ave
[17 NOV 15 1983] (u)

SECRET
C/NB/K

PAGE TWO DE WF #0034 ~~SECRET~~

FULL INVESTIGATION AUTHORIZED MARCH 30, 1983. (S)

RE WFO TEL TO BU, ET AL, DATED AUGUST 13, 1983, CAPTIONED
"UNSUBS; BOMBING OF NAVY REGIONAL DATA AUTOMATION CENTER (NARDAC)
(BUILDING 196), WASHINGTON NAVY YARD, WASHINGTON, D.C. 20374,
AUGUST 13, 1983; EID; OO:WFO; WF 174-993." (u)

~~SECRET~~

WF T-1 PROVIDED WFO WITH A COPY OF A LEAFLET CAPTIONED,
"BLOCKADE, FORT MCNAIR", REFERRING TO FT. LESLIE J. MCNAIR,
P STREET, N.W., BETWEEN 3RD AND 4TH STREETS, WASHINGTON, D.C.
THE BLOCKADE IS TO TAKE PLACE ON AUGUST 22, 1983, BEGINNING AT
:00 A.M., AND A LEGAL PICKET AND ACTS OF CIVIL DISOBEDIENCE
ARE CALLED FOR. PARTICIPANTS IN THE PEACEFUL CIVIL DISOBEDIENCE
ARE REQUIRED TO ATTEND SPECIAL TRAINING SESSIONS. THE PURPOSE
OF THE BLOCKADE IS TO STOP THE WAR IN CENTRAL AMERICA. THE
BLOCKADE IS SPONSORED BY: D.C. CISPES; U.S. GRENADA FRIEND-
SHIP SOCIETY-D.C. CHAPTER; PEOPLE'S ANTI-WAR MOBILIZATION;
WASHINGTON COMMITTEE AGAINST REGISTRATION IN THE DRAFT; CASA
EL SALVADOR; WASHINGTON PEACE CENTER; AND THE PROGRESSIVE
STUDENT NETWORK. FURTHER INFORMATION REGARDING THE BLOCKADE
CAN BE OBTAINED FROM D.C. CISPES, AT 822-9712." (u)

IT IS NOTED THAT ON APRIL 26, 1983, A BOMB EXPLODED AT (u)

~~SECRET~~

u
[PAGE THREE DE WF #0034] ~~SECRET~~

THE NATIONAL WAR COLLEGE, FT. MCNAIR, WASHINGTON, D.C., CAUSING DAMAGE TO THE FRONT ENTRANCE AND FACADE OF THE BUILDING. THE ARMED RESISTANCE UNIT IN SOLIDARITY WITH THE FMLN/FDR HAS SINCE CLAIMED CREDIT FOR THAT BOMBING. THE FMLN/FDR (FARABUNDO MARTI FRONT FOR NATIONAL LIBERATION/DEMOCRATIC REVOLUTIONARY FRONT) IS THE POLITICAL ARM OF THE EL SALVADOR LEFTIST MOVEMENT. *(u)*

~~SECRET~~

REFERENCED TELETYPE DESCRIBES A BOMBING AT THE U.S. NAVY YARD, WASHINGTON, D.C., ON AUGUST 18, 1983. PRIOR TO THE BOMB EXPLODING, THE FMLN TELEPHONICALLY CLAIMED CREDIT FOR A BOMB THAT WAS ABOUT TO EXPLODE AT THE NAVY YARD. *(u)*

RECEIVING OFFICES SHOULD BE ALERT FOR INFORMATION REGARDING THE PROPOSED BLOCKADE OF FT. MCNAIR, WASHINGTON, D.C. POSITIVE INFORMATION SHOULD BE IMMEDIATELY REPORTED TO THE BUREAU AND WFO. *(u)*

ADMINISTRATIVE *(u)*

WF T-1 IS WALTER E. LAVINS, SPECIAL INVESTIGATIONS, U.S. CAPITOL POLICE, WASHINGTON, D.C. *(u)*

~~COPY 5554; DECL; OADR~~ *(u)*

BT
#0034
NNNN] *(u)*

~~SECRET~~

6-147 (1-12-81)

CRIMINAL INVESTIGATIVE DIVISION

INFORMATIVE NOTE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

SECRET

Date 8/23/83

Re: COMMITTEE IN SOLIDARITY WITH
THE PEOPLE OF EL SALVADOR (CISPES)
FCI - EL SALVADOR - TERRORISM (u)
OO: SAN ANTONIO

7/9/87
Classified by SP4ELW/KFA

Declassify on: ~~SECRET~~ This communication is classified
"Secret" in its entirety. Classified by SP4ELW/KFA

The attached teletype advises results of a demonstration organized by the CISPES organization at Fort Leslie J. McNair, Washington, D.C., 8/22/83. The demonstration began at approximately 8 a.m. and lasted until approximately 10 a.m., 8/22/83. There were approximately 100 demonstrators of which 24 were arrested for blocking the gate at Fort McNair. Of the 24 arrested, 14 were male and 10 were female. Except for the above arrest, there were no other incidents involved with this demonstration. The Washington Field office is obtaining the names of the individuals arrested and will be conducting appropriate investigation to obtain background information regarding those individuals. * (u)

During a telephonic conversation on 8/22/83, Washington Field Supervisor Emanuel Johnson advised the Terrorism Section (u)

- 1 - Mr. O. B. Revell
- 1 - Mr. J. B. Hotis
- 1 - Mr. W. R. Gilbert
- 1 - Mr. F. I. Clarke
- 1 - Mr. S. Klein
- 1 - Mr. G. H. Van Balen
- 1 - Mr. R. D. Davenport

~~SECRET~~
Classified by G-3
Declassify on: OADR

~~SECRET~~
SECRET

RWD:dmr * CISPES UNDER FULL FCI INVESTIGATION S

FBI/DOJ

that the demonstrators had indicated another demonstration was planned for 11/12/83 which would encompass many cities in the United States. The purpose of this demonstration is to protest the U.S. activities in Central America. The demonstrators indicated that they would return to Fort McNair on this date. The Terrorism Section will monitor this situation and take appropriate action.

~~S~~(u)

Just

URG
OR

SK/AT

APPROVED: <i>[Signature]</i>	Adm. Servs. <i>[Signature]</i>	Laboratory _____
Director _____	Crim. Inv. <i>[Signature]</i>	Legal Coun. _____
Assoc. Dir. _____	Ident. _____	Off. of Cong. & Public Affs. _____
Spec. Asst. _____	Inspection _____	Rec. Mgnt. _____
Exec. AD-LES _____	Intell. _____	Tech. Servs. _____
		Training _____

- 2 -

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~~S~~(u)

~~SECRET~~

N000092452038Z

RR HQ

DE NO

R 022014ZSEP83

RECEIVED TELETYPE UNIT

2 SEP 03 10 49Z

FEDERAL BUREAU OF INVESTIGATION

SECRET

Exec AD Adm.	
Exec AD Inv.	
Exec ADLES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	<i>[initials]</i>
Ident.	
Inspection	
Intell.	<i>[initials]</i>
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

OB

N000092452039Z

RR HQ

DE NO

R 022014ZSEP83

CIP
[handwritten marks]

FM NEW ORLEANS (199-382)

TO DIRECTOR (199-8848) ROUTINE

BT

7/9/87
Classified by *SP4ELW/KFA*
Declassify on: **OADR**

2-28-86
Classified by *[signature]*
Declassify on: **OADR**
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EXCEPT WHERE SHOWN
OTHERWISE

~~SECRET~~

CISPES FCI - EL SALVADOR. [OO: DALLAS.]

MARKINGS, NOTATIONS, AND OTHER ITEMS OF INFORMATION CONTAINED IN THIS COMMUNICATION ARE CLASSIFIED "~~SECRET~~" UNLESS OTHERWISE NOTED.

RE BUREAU TELETYPE AUGUST 31, 1983. NEW ORLEANS DIVISION WAS OF THE OPINION THAT KEY LEADERS OF CISPES WERE UNDER THE CISPES FULL INVESTIGATION "UMBRELLA," THEREFORE FULL INVESTIGATIONS COULD BE INITIATED ON THEM. RE BUREAU TELETYPE ADVISES TO THE CONTRARY.

NO ACTIVE INVESTIGATION HAS BEEN CONDUCTED TO DATE ON EITHER SUBJECT. INVESTIGATION WILL CONTINUE UNDER PI PARAMETERS.

24253

OCT 24 1983

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

6 - [signature]
[signature]
SECRET

PAGE TWO NO 199-8848 ~~SECRET~~

WE WILL SUBMIT JUSTIFICATION FOR FULL INVESTIGATIONS ON EACH AND ALSO CONSIDER PURSUING FARA OBJECTIVES. (S)

~~BY G 3; DECL. GADR (u)~~

BT (u)

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE~~

SECRET

CRIMINAL INVESTIVE DIVISION

INFORMATIVE NOTE

Date 11/14/83 *(u)*

DECLASSIFIED BY SP4ELW/KFA
ON 7/15/07

Re: **COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES)** - EL SALVADOR; *(u)*
OO: San Antonio *(u)*

This communication is classified Secret in its entirety. *(u)*

Attached teletype furnishes information concerning the CISPES sponsored march on Saturday, 11/12/83. CISPES members and leaders gathered with other demonstrators at the Headquarters of the Immigration and Naturalization Service office building and at the Health and Human Services office. Prior to the march, besides handing out CISPES literature and selling posters, pins, and T-shirts, there were also speeches denouncing U.S. involvement in Nicaragua, El Salvador, and Grenada. The crowd was estimated by the Metropolitan Police Department at about 20,000. *(u)*

The only problems occurred when a group called Collegian Association for the Research of Principals confronted the CISPES sponsored marchers. A rock throwing incident ensued near 17th Street and Pennsylvania Avenue, Northwest, at approximately 3:30 p.m. About 25 people were arrested.

Classified by SP4ELW/KFA (CONTINUED - OVER)

Declassify on: OADR

ALL INFORMATION CONTAINED
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OTHERWISE

- 1 - Mr. O. B. Revell
- 1 - Mr. J. B. Hotis
- 1 - Mr. F. I. Clarke
- 1 - Mr. W. R. Gilbert

1 - Mr. S. Klein



Classified by G3
Declassify on: OADR

b7c

b1

The attached teletype was relayed to the White House, [redacted] Department of Justice, U.S. Department of State (SY/TAC Defense Intelligence Agency, and U.S. Secret Service on 11/14/83. *(u)*

APPROVED:	Adm. Servs. <i>[initials]</i>	Laboratory _____
<i>[initials]</i> Director <i>[initials]</i>	Crim. Inv. <i>[initials]</i>	Legal Coun. _____
Exec. AD-Adm. _____	Ident. _____	Ch. of Cong. & Public Affs. _____
Exec. AD-LES _____	Inspection _____	Rec. Mgmt. _____
	Intell. _____	Tech. Servs. _____
		Training _____

(u)

SECRET

ZCZCF0977

~~SECRET~~

BT HC BA CC DL DE EP HC LA MX

NY NO NY SA SE SJ SF (u)

[13 Nov 83] (u)

NY SSSSS

P 122200Z [NOV 83] (u)

osep
3p2

FM WASHINGTON FIELD (199-1397) (P) (C-9)

TO DIRECTOR FBI PRIORITY

FBI BALTIMORE PRIORITY PRIORITY

FBI CHICAGO PRIORITY

FBI DALLAS PRIORITY

FBI DETROIT PRIORITY

FBI EL PASO PRIORITY

FBI HOUSTON PRIORITY

FBI LOS ANGELES PRIORITY

FBI MIAMI PRIORITY

FBI NEW ORLEANS PRIORITY

FBI NEW YORK PRIORITY

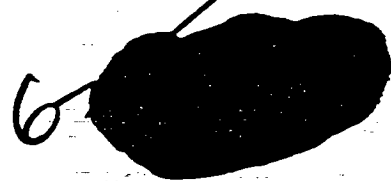
FBI SAN ANTONIO PRIORITY

FBI SAN DIEGO PRIORITY

FBI SAN JUAN PRIORITY

FBI SAN FRANCISCO PRIORITY

(u)



Classified by SP4/clw/gom
Declassify on: OADR

ALL INFORMATION ON THIS PAGE IS CLASSIFIED UNLESS INDICATED OTHERWISE

199-8810-1001

BT (u)
~~SECRET~~

7/15/87
Classified by SP4/ew/kfa
Declassify on: OADR

[1 NOV 83] (u)

0-23
WH [redacted] DNT, DM, [redacted]
Dok (S/T/F/S) [redacted]
USSS (11/14/83) [redacted] u

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

~~SECRET~~

~~SECRET~~

PAGE TWO OF WF 0283 ~~SECRET~~

COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR INTERNATIONAL
THE INS-EL SALVADOR (OO:SAN ANTONIO) (u)

ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION CONTAINED IN
THIS COMMUNICATION ARE CLASSIFIED ~~SECRET~~ UNLESS OTHERWISE NOTED. (u)

[REDACTED] (S) b1

INVESTIGATION ON 10/11/83 OF THE CISPES OFFICE AT 938 F ST, NW
REVEALED THAT THERE WAS A LOT OF ACTIVITY IN PREPARATION FOR THE
MARCH PLANNED ON NOVEMBER 12, 1983. THERE WERE BANNERS AND POSTERS
VISIBLE IN THE HALLWAYS. (u)

ON NOVEMBER 12, 1983, AT APPROXIMATELY 8:30 AM, PEOPLE STARTED
TO GATHER ACROSS THE STREET FROM THE HEALTH AND HUMAN SERVICES OFFICE
(HHS), AT THE HEADQUARTERS OF THE IMMIGRATION AND NATURALIZATION SER-
VICE OFFICE BUILDING (INS), AND AT THE U.S. DEPARTMENT OF STATE. THE
MAJORITY OF CISPES ACTIVITY WAS CONCENTRATED AT THE INS BUILDING AND
THE HHS BUILDING. THEY WERE INVOLVED IN PASSING OUT CISPES LITERATURE,
SELLING CISPES POSTERS, PINS AND T-SHIRTS. SAID ITEMS CONTAINED PO-
LITICAL STATEMENTS DEALING WITH ANTI U.S. MILITARY INVOLVEMENT IN
THE CARIBBEAN AND CENTRAL AMERICA. THERE WERE SPEECHES MADE CONCERNING
U.S. INVOLVEMENT IN NICARAGUA, EL SALVADOR AND GRENADA. (u)

THE METROPOLITAN POLICE DEPARTMENT ESTIMATED THE CROWD AT (u)

~~SECRET~~

[PAGE THREE DE WF 0033] (u)

~~SECRET~~

25, 330. MPD ADVISED THAT A GROUP CALLED COLLEGIAN ASSOCIATION FOR THE RESEARCH OF PRINCIPLES (CARP), HAD A CONFRONTATION WITH MEMBERS OF THE NOVEMBER 12 COALITION. APPROXIMATELY 25 PEOPLE WERE ARRESTED. THE INCIDENT INVOLVED ROCK THROWING AND OCCURED IN THE VICINITY OF 17TH ST. AND PENNSYLVANIA AVE. N.W. AT APPROXIMATELY 3:30 PM. U.S. PARK POLICE AND MPD HAD REGIONAL CONTROL OF THE SITUATION. (u)

~~6-3, Dec 1968 (u)~~

BT] (u)

~~SECRET~~

8-147 (1-13-83)

CRIMINAL INVESTIGATIVE DIVISION

INFORMATIVE NOTE

Date 4/18/84

8/20/87
Classified by SP4ELW/KRA SECRET

Declassify on: OADR

Re: COMMITTEE IN SOLIDARITY WITH
THE PEOPLE OF EL SALVADOR (CISPES);
(U/S) [IT - EL SALVADOR] OO: Dallas

~~SECRET~~

This communication is classified "Secret" as noted. (U)

Attached teletype provides information concerning the 4/16/84 demonstration sponsored by the CISPES organization, San Francisco, California. This demonstration involved approximately 1,000 jeering people who threw rocks, eggs, and debris at the police. The police arrested 191 demonstrators, 3 of whom were charged with assaulting a police officer. (U)

The demonstration organizer stated the police overacted to prove they will be able to handle emergencies during the upcoming Democratic National Convention. The demonstration, however, was one of the angriest and noisiest in San Francisco history. (U)

The demonstrators were protesting U.S. involvement in Latin America. (U)

One demonstrator was taken to the hospital by ambulance but smiled and raised a clenched fist as he was carted away. (U)

b1

[REDACTED] (S)

- 1 - Mr. O. B. Revell
- 1 - Mr. J. B. Hotis
- 1 - Mr. W. R. Gilbert
- 1 - Mr. F. I. Clarke
- 1 - Mr. S. Klein

* against Harvey
Kislinger
Classified by SP4ELW/KRA (S)(U)

[REDACTED] class, on: OADR

b7C
dmt
[Handwritten initials]

SECRET

Classified by SP4ELW/KRA

Declassify on: OADR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

FBI/DOJ

~~SECRET~~

Attached has been forwarded to the Department of State, U.S. Secret Service, White House, [redacted] and Department of Justice. (S)(u)

b1

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Y

APPROVED:	Adm. Servs. _____	Laboratory _____
Director <i>WHL</i>	Crim. Inv. <i>WHL</i>	Legal Coun. _____
Exec. AD Adm. _____	Ident. _____	Off. of Cong. & Public Affs. _____
Exec. AD Inv. _____	Inspection _____	Rec. Mgnt. _____
Exec. AD LES _____	Intell. _____	Tech. Servs. _____
		Training _____

(u)

~~SECRET~~

SFO 997 1090215Z

RR HQ
DE SF 023

R 170210Z [APR 84]

FM SAN FRANCISCO (199C-1195)(P)(SQUAD 13)

TO DIRECTOR, FBI (ROUTINE)

ALL OFFICES (ROUTINE)

BT

~~SECRET~~

[16 APR 84 02 26Z] (u)

FEDERAL BUREAU OF INVESTIGATION

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Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Laboratory	
Legal Coun.	
Off. of Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

ALL INFORMATION ON THIS PAGE IS CLASSIFIED UNLESS INDICATED OTHERWISE

COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES)
IT-EL SALVADOR, [OO: DALLAS]

[REDACTED] (S) Classified by SP4 ELL/KFA

ON APRIL 16, 1984, A CISPES-SPONSORED DEMONSTRATION WAS HELD IN FRONT OF THE HILTON HOTEL, SAN FRANCISCO, CALIFORNIA, WHERE FORMER SECRETARY OF STATE HENRY KISSINGER WAS DELIVERING A NOONTIME SPEECH. (u)

Classified by SP4 ELL/KFA
Declassify on: OADR

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

THERE WERE APPROXIMATELY 1,000 JEERING DEMONSTRATORS WHO HURTLED ROCKS, EGGS AND DEBRIS AT THE POLICE. NO OFFICER WAS INJURED, BUT THREE OF THE 191 ARRESTED DEMONSTRATORS WERE CHARGED WITH ASSAULT ON A POLICE OFFICER.

100/233

[REDACTED] b1

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APR 24 1984 (u)

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[AT] to ALLSACS 4/18/84

PAGE TWO

WY [199C-1195] (u)(u)

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PROTEST ORGANIZER SAID THAT POLICE OVERREACTED IN DEALING WITH THE DEMONSTRATORS TO PROVE THEY WILL BE ABLE TO HANDLE ANY CROWD CONTROL EMERGENCIES DURING THE DEMOCRATIC CONVENTION WHICH WILL BE HELD IN SAN FRANCISCO IN JULY. (u)

THE DEMONSTRATION HAS BEEN DESCRIBED AS ONE OF THE ANGRIEST AND NOISIEST IN RECENT SAN FRANCISCO HISTORY. (u)

THE DEMONSTRATORS BEAT ON TAMBOURENES AND DRUMS AND CARRIED SIGNS WHICH READ, "KISSINGER IS A KILLER," AND "MASH U.S. IMPERIALISM," AS THEY PROTESTED U.S. INVOLVEMENT IN LATIN AMERICA. (u)

IDENTIFIED AS SPOKESMEN FOR THE DEMONSTRATORS WERE PETER AMEJO. [REDACTED] AND (X) JOHN SEFTON (X) [REDACTED] OF OAKLAND, WHO WAS SPEAKING FOR THE (X) CENTRAL AMERICAN NON-INTERVENTION COALITION. (u) (u)(u)

ONE DEMONSTRATOR WAS TAKEN TO THE HOSPITAL, HOWEVER, AS HE WAS BEING CARRIED TO THE AMBULANCE, HE WAS SMILING AND RAISING A CLENCHED FIST. (u)

BT (u)

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by 6-3, Dec. OADR (u)

[REDACTED] (u)(u)

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