



National Academy of Public Administration
Chartered by Congress

July 5, 1988

[Redacted]
Intelligence Community Staff

[Redacted]
Washington, D.C.

Dear Rick,

Enclosed are copies of material prepared for the July 12
NAPA Panel meeting. We would like any comments the SSG has
on this material by noon, July 7.

The enclosures are:

--Paper on the future mission of the IC agencies as
it impacts human resource planning. (S)

--Paper on the uniqueness of the IC agencies in the
Federal civil service. (U)

--Paper on staffing issues. (C)

--Paper on training and career development issues.
(C)

--Paper on personnel security issues. (C)

--An outline of conclusions to be included in the
September 1 report to Congress.

The analysis on creating a more diverse workforce has not
been completed. This issue will therefore be considered at
the Panel's next meeting.

Also enclosed for information is a copy of the agenda for
the Panel meeting.

In addition to substantive comments on these papers, please
confirm the classification levels assigned to this material.

Sincerely,

Don Wortman

Enclosures: As Stated

#231/4July1988

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INTELLIGENCE COMMUNITY PERSONNEL STUDY 21

INTELLIGENCE UNIQUENESS

Background

With the passage of the National Security Act of 1947 and the Central Intelligence Act of 1949 the Congress recognized the need to maintain a secret foreign intelligence program. Congress provided extraordinary authorities to the Director of Central Intelligence (DCI) for protecting sources and methods from unauthorized disclosure and for coordinating foreign intelligence collection.

"Uniqueness" of intelligence is founded on three central themes: secrecy of operation, protection of sources and methods, and National Security. The following excerpt from an April 1, 1988 Court of Appeals, Fourth District, in U.S. v Morison capsulizes the substance of this point:

"National Security is Public Security, not government security from informed criticism.... Intelligence gathering is critical to the formation of sound (public) policy and becomes more so every year with the refinement of technology and growing threat of terrorism. Electronic surveillance prevents surprise attack by hostile forces and facilitates international peace-keeping and arms control efforts. Confidential diplomatic exchanges are the essence of international relations. None of these activities can go forward without secrecy. When the identity of intelligence agents are known, they may be killed. When our surveillance activities are revealed, counter measures can be taken to circumvent them. When other nations fear that confidences exchanged at the bargaining table will only become embarrassments in the press, our diplomats are left helpless. When terrorists are advised of our intelligence, they can avoid apprehension and escape retribution."

"Uniqueness" of intelligence work has been repeatedly recognized in public records. For example, Senator Durenburger, addressing the U.S. Senate as Chair of the Senate Select Committee on Intelligence, stated, after a detailed listing to the Senate of the impact of intelligence work on IC personnel and families, "In short, intelligence is unlike any other work in government ... their responsibilities are unique". Similarly, the court order rendered in the Pittman case held, "the CIA, because of its unique and specialized function, was granted by Congress authority to formulate its own personnel policies consistent with the unique needs of the Agency."

This "uniqueness" is formally recognized in that all principal intelligence agencies covered by the National Academy of Public Administration (NAPA) study (except INR/State) are excepted

by law or executive authority from all or part of Title V of the competitive civil service on various grounds, including (a) the special sensitivity of classified missions, (b) consequent requirements for secrecy, (c) a high degree of personnel selectivity for specialized tasks, and (d) need to protect the covert nature and identity of foreign intelligence operatives. These exceptions have been granted over time, i.e., from a 1941 Executive Order excepting the FBI; to direct legislated exclusions for CIA under the National Security Act 1947 and CIA Act 1949; the National Security Agency under the National Security Act of 1959 (Public Laws 86-36 as amended) and PL 88-290; and the Defense Intelligence Agency and Military Intelligence Agencies under Public Laws 98-618, 99-145, and 99-569.

Further, the record contains Comptroller general decisions and OPM decisions over time which also recognize the need for exception. Congress has provided selective exemption to intelligence agencies from reporting requirements levied by and on other executive agencies with respect to various functions. Another example is that all of the main intelligence agencies exercise independent policies and procedures for terminating employees and these have been upheld by the courts.

To further illustrate the uniqueness argument, the attached table provided by CIA, lists the restrictions that each IC agency places on its staff because of the nature of the intelligence mission and compares these restrictions to the non-intelligence executive branch agencies.

Discussion

It is true that the IC agencies are substantially different from other government and private organizations. However, many other government organizations can establish their uniqueness and also limitations placed on their staff due to agency mission. The Security and Exchange Commission lawyer working on a stock market insider trading case faces restrictions on social life, on taking work home, and on making financial investments. The National Institutes of Health AIDS researcher faces unique personal risks in the laboratory. The Bureau of Prisons requires frequent geographic moves of professional staff who aspire to senior positions in the Bureau; a requirement that creates significant family strains.

These and other agencies can properly claim that their uniqueness and the demands placed on their staff require special personnel policies. Also it must be recognized that the nature of the staff and the risks faced by the staff in the IC agencies have changed significantly over the past 40 years. The increasingly technical nature of intelligence activities has created a significantly different workforce than existed when CIA was established.

The "Not Official Cover" positions and the para-military operations officers are now a far smaller proportion of the total IC community staff. Much of the current staff have skills and perform work comparable in many ways to that performed in other government agencies and private sector organizations. And in fact, the arguments made in recent years for special personnel authorities for DIA and the military intelligence agencies have not been based on the uniqueness of the intelligence activity but rather on the need for greater personnel management flexibility in order to be able to better able to compete with the other IC agencies for quality staff.

For example, in a period when Federal pay has been progressively less competitive, CIA and NSA have successfully hired and retained, both in numbers and quality, engineers, computer scientists, and mathematicians. This success is largely due to the ability of these agencies to independently recruit for staff without the constraints of the general civil service system, including the ability to establish occupationally specific salary schedules.

Similarly, the ability to dismiss staff with relative ease, while not used in a large number of cases, has enhanced the ability to manage these organizations.

NAPA Staff Views

It is clear that the special personnel authority granted to the IC agencies has been increasingly used to meet market, and to some extent employee morale, needs. These concerns appear to far out-weigh security and personal risk considerations.

In the judgment of the staff, the change in the nature of the intelligence activity calls for a change in the criteria for establishing special personnel authorities for the IC agencies. A distinction needs to be made between the personnel management flexibilities needed to effectively manage and the need for special benefits for some staff engaged in the intelligence activity.

It is clearly essential to the IC agencies that these personnel management flexibilities which enhance the ability to manage these organizations be retained. However a distinction should be made between this essential management flexibility and the need for special treatment in terms of better benefits for IC staff because of their uniqueness.

Special treatment of IC staff, as compared to non-IC civil servants, should be limited to those persons in the IC agencies who are truly unique. This will require developing a rationale to identify people warranting special treatment. For example, the need to work in deep cover or where post-retirement employment opportunities are severely limited might call for special treatment for the affected staff.

Any rationale developed will have to be regularly reexamined. However the overall guide should be to limit truly special treatment of staff to the relatively few who truly serve in unique positions and situations.

The SSCI and the HPSCI should authorize special pay and benefits only for IC staff who meet the defined rationale. Other staff should receive benefits comparable to the overall civil service.

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INTELLIGENCE COMMUNITY PERSONNEL STUDY

OVERVIEW OF STAFFING ISSUES

Recruitment and Retention of Critical Skills

The Intelligence Community (IC) Agencies report that they have been able to satisfy most of their critical skill requirements (engineers, computer scientists, mathematicians and linguists) despite a highly competitive market. CIA and NSA have been especially successful and both have sophisticated and effective recruiting mechanisms. DIA, FBI and the Military Services hire fewer engineers, computer scientists and linguists, but report greater recruitment difficulties. Also, DIA and many service recruitment efforts are aimed at experienced, full-performance professionals, whereas CIA and NSA concentrate their efforts on recent college graduates at the entry level. CIA and NSA attribute their recruiting success to three major reasons:

- (1) their premium pay scales which make them competitive with the private sector;
- (2) a challenging and interesting work environment; and,
- (3) good advancement and career opportunities.

Difficulties in filling engineering, S&T, computer science and mathematics jobs experienced by some agencies (notably the military services) result primarily from higher salaries and better career opportunities elsewhere, including elsewhere in the IC. CIA and NSA report having difficulty in hiring the highest quality critical skill college graduates and top individuals with advance degrees. The salary and benefits packages they are able to offer simply cannot compete.

All agencies have problems recruiting linguists, due primarily to the small pool of potential applicants. Requirements for native or near-native language capability, especially in the esoteric, Slavic, Far East, Near East and Mid East languages are very hard to satisfy. FBI has difficulties recruiting agents with bi-lingual capability, especially Spanish. Security requirements, which make many foreign-born or native speaking linguists ineligible for employment, compound the problem. One solution, as advocated and practiced by NSA, is to hire individuals with an aptitude for and interest in languages and train them in the languages needed. Although it has proven successful, this is a time-consuming and costly process.

The military services report that they are not able to effectively compete with the private sector for ex-military personnel with requisite knowledge and experience. Higher salary offers and the dual compensation limitations on military retirees

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are the major problems. The services are becoming increasingly concerned about the diminishing direct military experience among their civilian workforce.

Most IC organizations experience continuing problems recruiting and retaining secretaries/clerical and other such support people, especially in the large metropolitan high-cost areas. Higher salaries attract away many candidates, and many of the best on-board employees leave for the same reason. High turnover of support people in large urban areas is a fact of life, however, and, special rates of pay notwithstanding, will likely continue in the future. The problem is not as severe in areas of smaller populations. NSA, for example, located near but not directly in a major metropolitan area enjoys relative stability among its clerical workforce.

NAPA Staff Views

Although the problem of hiring qualified and experienced ex-military personnel is of growing concern to the military services, the staff does not believe that there is sufficient justification to seek exception from the dual compensation limitations for the military intelligence organizations. Such action would undoubtedly spur similar requests for exception throughout the government. The services would be better served by concentrating their efforts on the recruitment of ex-military who are not retirees and to work to retain them by providing good career opportunities and a good job environment.

Quality of Hires

CIA and NSA have been able to attract and hire at a quality level which equals or exceeds any past hiring experience. DIA is also satisfied with its overall quality, especially with its intelligence specialists, but does have some difficulty with respect to the engineering and S&T skills. The FBI is selective in its hiring of agents, but also experiences problems in attracting sufficient number of quality technical applicants.

The Military Services, have a great deal of difficulty attracting engineers, computer scientists and mathematicians. With the exception of AF jobs at Electronic Security Command (ESC) and Foreign Technology Division (FTD), hiring is focused on experienced, full performance candidates. Low salaries and limited career potential find the services at a distinct disadvantage when competing with the private sector and other government agencies, including other IC agencies. ESC and FTD fare somewhat better as they recruit at the entry level and their positions are located in lower-cost of living areas.

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NAPA Staff Views

The staff believes that notwithstanding the overall high quality of IC personnel, IC agencies are rarely able to compete for the truly outstanding technical skills personnel. Whether it be the top 10 percent of the graduates of the best engineering schools in the country, a top PhD mathematician or other highly skilled technical professional, salary and benefits that the IC agencies are able to offer simply do not measure up. It is a rare case when a top quality applicant decides that dedication to the national security mission outweighs a fat pay check and generous benefits.

Looking ahead, flexibility is the key. Assuming availability of adequate applicant pools and the effective use of proven employment screening processes, input of high quality hires should be possible so long as the IC agencies continue to be given the management flexibility to compete in the future job market.

Attrition

Attrition rates within the IC agencies are all well below the national average for the private sector and the US government average. CIA is 4.7 percent, NSA 5 percent, FBI 8.2 percent and DIA 8.7 percent. Turnover of support personnel generally runs considerably higher in all agencies, but this is typical of other organizations, especially in the larger urban areas.

The military services intelligence agencies experience somewhat higher attrition, but they have no specific data due to their assorted record keeping and reporting systems. Only the military agencies emphasized that the staff they were losing were among their quality staff. They believed they were losing some of their best staff, many to other agencies in the IC.

While losses were not a large proportion of the total workforce, any loss is costly, given initial recruitment and processing expenses. The CIA estimates these figures to be in excess of \$11,000 per hire. Also, mission is affected when billets go unfilled for any length of time.

NAPA Staff Views

No organization likes to lose the staff they believe to be among their best and brightest. Within the IC, there is the added factor of the time it takes to recruit and the cost of security clearances, so agencies want to retain their high quality people.

Considering the low attrition rates and the fact that only the military services said they are losing their top staff, it appears that this is not a major issue. Given the reported high quality of the staff recruited, it may be that the agency-wide top

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quality eases some of the problems associated with losing particularly effective staff.

Future Staffing Needs

All IC agencies see advancing technology as having significant effect on their future workforces. More sophisticated systems and greater complexity of skills will require finding and hiring people who possess the requisite skills. Computer literacy will be vital for many jobs.

NSA forecasts a need for people to possess a blend of skills, rather than the single skill of most specialists of today. CIA predicts that advancing technology will produce a need for more engineers and engineer support personnel, as well as growth in counterintelligence and arms control requirements. FBI foresees a requirement for more foreign language qualified people, especially special agents, due to the growing international aspects of counterintelligence, international terrorism, and criminal and legal attache programs. Technical advances in fingerprinting and information processing will also require people with better skills.

The demographics of the future US workforce is also of concern. The decline in the birthrate at the end of the "baby boom" will result in fewer college graduates in the 1990's, hence increased competition for the available talent. An increase in the number of foreign born college graduates, especially in the scientific and technical area, will likely further reduce the shrinking pool of eligible candidates. More effective recruiting mechanisms and incentives will have to be developed to meet this future challenge.

Cooperation With the IC on Staffing

The view of the NAPA staff is that there is very little cooperation or coordination exists on staffing matters within the IC. The only formal mechanism in being is the Defense Intelligence Career Automated System (DISCAS), which is used primarily by DIA and to a lesser extent by the military services. Each agency concentrates on meeting its own hiring requirements, which vary from one agency to another. No attempt is made to share employment information or to refer potential candidates when a hiring requirement does not materialize. In times of large hiring programs, there are likely few good candidates to refer who are not given job offers, but in times of little or no growth, such referrals might prove very beneficial. Also, the sharing of information on hiring techniques and strategies, as well as the possible sharing of recruitment resources might prove beneficial.

Impact of Changing Authorization Levels

Most agencies of the IC have experienced wide fluctuations in authorized strengths over the past 20 years, and these

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fluctuations have affected mission accomplishment and workforce structure. Only the military service intelligence organizations have escaped these rather radical changes in authorized strength.

CIA, NSA and DIA experienced large personnel reductions in the 1970s following the end of the war in Southeast Asia. This resulted in serious loss of intelligence capability in many areas. Cuts in DIA, for example, reduced them to one-deep in analysts and completely eliminated any capability to generate product on many areas of the world, notably the Third World countries and Latin America.

The rapid and sizeable buildup in the IC agencies beginning in 1981 and continuing through 1987 has had a great impact. Agencies did not achieve the productivity authorized because of the many vacancies which existed until the recruitment process could catch up. Also, experienced staff had to be diverted from operational missions to train the large numbers of new, inexperienced employees being hired.

The workforce structure at NSA, in terms of age and length of service, was greatly affected by these severe changes in authorized strength. Today, because of the large hiring programs in the 1980's, 40 percent of that agency's total strength have under five years of service, and 50 percent are under age 35. At the same time, 29 percent of NSA employees have over 20 years of service and most of these will be eligible to retire within the next 10 years. NSA will likely be faced with difficult management problems as older workers leave the workforce and there is a dearth of experienced middle and senior level managers and technicians ready to take their place.

The staff notes that strength fluctuations are inevitably the result of budget and political considerations and are often passed along to IC agencies as "fair share" reductions, seemingly without regard to their impact on national security priorities. If cuts must be made for overriding political considerations, then the Intelligence Committees of the Congress and the President must realign priorities consistent with those adjustments.

NAPA Staff Conclusions and Recommendations

There is no doubt that the success in hiring critical skill personnel enjoyed by CIA and NSA in recent years was made possible by their management ability to remain competitive through effective use of their authorities to set special salaries where needed. Since DIA obtained similar special authorities in 1984, their recruitment problems have eased. The military services have also recently been granted like authorities, and the NAPA staff recommend that Congress grant the same authorities to the FBI, thus putting all the major members of the IC on equal terms as regard their basic personnel authorities.

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The NAPA staff also recommend that all IC agencies be allowed to freely use their special authorities to solve their respective problems in meeting staffing goals. This will be especially important if they are to be competitive in the expected difficult future job market. A clear delineation should be made as to the scope and extent of such authorities, and thereafter oversight should concentrate on equitable application of pay and staffing policy and practices with the Community.

The NAPA staff recommend that an IC Inter-Agency Working Group be established to examine the feasibility of developing a mechanism to share staffing and staffing related information and resources. An applicant referral system, exchange of recruitment strategies and ideas, and a possible sharing of staffing resources could result. For example, focusing attention of the problems of hiring linguists could well prove beneficial to all concerned.

Finally, the NAPA staff recommend that Congress be especially sensitive to the impact on the IC Agencies of severe fluctuations in authorized strengths. The inverted bell-shaped curve of NSA's staff in terms of years of service and age places inordinate pressure on that organization in developing the next generation of managers and senior experts. If reductions in staff do occur as a result of government-wide policies or if tasks continue to increase while staffing remains level, then it is incumbent on the Intelligence Committees to assist in reordering priorities.

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INTELLIGENCE COMMUNITY PERSONNEL STUDY
OVERVIEW OF TRAINING AND CAREER DEVELOPMENT ISSUES

All agencies of the Intelligence Community (IC) conform to the policies of the Government Employees Training Act which are supplemented by directives and regulations of their parent departments and/or individual agencies. In most intelligence agencies, training is seen as primarily a management responsibility; supervisors assess the needs of subordinates and initiate training or prepare development/training plans, a process in which subordinates may usually elect to take part. Although in CIA the supervisor is also responsible for securing the immediate training of subordinates to ensure they perform effectively, primary responsibility is placed on the individual to be alert to training opportunities and to take the initiative toward self-improvement.

Overview of Training Programs: In general the curricula offered by providers of training of IC agencies are rich in variety and extensive in the numbers of who are trained each year. Based on the data provided and discussion with IC agencies representatives, it appears the training given for Intelligence Community personnel may rank at the top of the Executive Branch. In some areas training is critical to mission accomplishment. Without the unique courses of NSA's National Cryptologic School in cryptanalysis, traffic analysis, cryptomathematics, intelligence reporting and computer science applications, NSA could not carry out its SIGINT missions. Similarly, without the operations or tradecraft training given by CIA's Office of Training and Education, the several organizations engaged in HUMINT could not carry out their missions.

CIA, DIA, NSA and the FBI each have their own training capability through a central provider of training which is supplemented by training by other components in selected areas of specialization. Army, Navy and Air Force intelligence personnel receive both general and cryptographic training in specialized schools under the commands responsible for training across each of the military services; major emphasis is on training uniformed personnel at the tactical level, not civil personnel on joint, strategic or national level intelligence.

In terms of annual investment of staff time in training status, in fiscal year 1987, NSA was the leader with an average of 13 days per employee. In contrast, naval intelligence civilians received an average of slightly over one day of training. CIA was highest in expenditures for external training with an average of \$435 per employee, followed by NSA's \$335 per employee.

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Comparable data are not available for all IC organizational elements, but is clear that expenditures for military service intelligence civilians lag far behind.

Overview of Career Development: As with training, the career development programs of IC agencies are extremely varied. NSA, in terms of coverage of its personnel, and the exceptional integration of training, career development and related planning processes for human resource management, may well have the most highly developed system within the Executive Branch. NSA's professionalization program which certifies employee qualification in different career fields through training and developmental assignments, its intern program of three years for up to 400 new hires at any one time, and its senior executive program for approximately 60 participants for up to three years are supplemented by other career development programs and activities.

The career development program for FBI Foreign Counterintelligence (FCI) personnel is the same as for all Bureau employees: career development is synonymous with management development of special agents. The management development track has a well-articulated progression of assignments of increasing responsibility interspersed with subject matter and management training.

CIA does not have an overall career development program for its employees. With its decentralized career service system for each of the four directorates and the Director's area, there are several programs which range from minimal to highly developed. For agency elements which have well-developed career programs, such as the Science and Technology and the Intelligence Directorates, training and career development are closely linked. CIA reports that work is underway to develop the tools needed to strengthen planning aspects of human resource management.

Career development has been mandated for intelligence civilian employees of the Army, Navy and Air Force under the DOD-wide Intelligence Career Development Program. Responsibility for career development falls, however, on the immediate supervisor who frequently lacks knowledge of training and the capability for getting subordinates into training. Implementation of career development plans is regarded by many supervisors as at odds with mission accomplishment; training and/or developmental assignments for an employee means not only a temporary loss of services, but is usually followed by permanent loss through transfer to one of the larger intelligence agencies or to private sector organizations.

Cooperation on Training and Career Development: Cooperation on training, career development and personnel management matters among the IC agencies of the Intelligence Community is quite

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limited. At the meeting with NAPA Staff on 29 February-1 March 1988 many IC agency representatives commented that the meeting was particularly valuable as it was an opportunity to exchange information and views about their organizations and to learn about problems they faced in common. The current lack of structured contact between agencies limits the effectiveness of the Intelligence Community as a whole in training, career development and human resource management. The causes appear to derive from a sense of individual agency self-sufficiency and a lack of awareness of the benefits to be derived from cooperation to the Community as a whole and to each individual organization. NAPA staff recommends that, in order to encourage greater sharing of information and views and greater cooperation among training and personnel specialists within the Intelligence Community, there be established, under the DCID committee structure, a Committee on Training and Career Development.

Understanding of Intelligence Work: Based on conversations with training and career development personnel, it is clear that many personnel of the Intelligence Community do not have a rudimentary understanding of the Community and its missions and in many instances lack a thorough grasp of how their organization contributes to the broader IC missions. The situation inhibits the ability of IC Agencies to perform their work on a fully effective basis. The causes stem from parochialism, a sense of self-sufficiency within agencies and historic factors involving a misplaced sense of security requirements. NAPA staff recommends that, to give employees across the Intelligence Community a more accurate identity of their profession and an understanding as to how their work contributes to the overall foreign intelligence mission, inter-service and inter-agency orientation programs be developed; the JCS-DIA orientation given by CIA is such a program. NAPA staff also recommends the opening of training courses to a greater extent than at present to personnel outside the training provider's parent organization.

Lifting of Training Limitations: The Government Employees Training Act, prohibits government support of training (paying of tuition or permission to attend training during regular duty hours) for the sole purpose of obtaining a degree or for training courses which are not related to the incumbent's current job or identified next assignment. National Security Agency representatives observe that lifting of the GETA restrictions would enable NSA to compete more effectively with firms in private industry, which promise prospective new hires support for obtaining graduate degrees, in attracting high potential persons in hard-to-hire fields in science and technology. Representatives of several agencies noted that GETA restrictions inhibit developing the careers of personnel who have high potential but lack education. The effects of the restrictions are to place limitations on the government as employer and on the potential of Intelligence Community employees.

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NAPA staff recommends that the NAPA Panel consider support for the DOD legislative proposal to authorize government payment for a degree.

Strengthening Career Development: In CIA the lack of an overall career development policy and program, stemming from the decentralized career service system, has hobbled human resource management planning and career development activities which cross career service boundaries. This issue was addressed by the CIA Human Resource Task Force which in 1986 studied all aspects of human resource management in CIA. NAPA staff recommends implementation of the proposal of the Task Force for an agency-wide career development policy and the establishment of a "corporate" planning-support staff. Reporting to top management, such a staff element would: develop agency-wide policies; undertake research and planning in such areas as workforce projection; provide staff support to cross-directorate programs such as developmental assignments and succession planning; and arrange expert assistance on career development matters for the career services and sub-groups.

The limited or inadequate career development programs for military service intelligence civilians, as compared with the highly developed programs of some IC agencies, has been discussed above. The Intelligence Authorization Act of 1987 authorized the Secretary of Defense to establish a separate excepted service civilian personnel management system (CIPMS) for the intelligence elements of the Army, Navy and Air Force. Service representatives expect the new system to improve the training and career management of military intelligence civilians. NAPA staff suggest that the Panel register support for the full and early implementation of CIPMS. Even with CIPMS, civilian career development within military intelligence will remain the primary responsibility of supervisors who receive little professional assistance. NAPA staff also recommends that there be established within each of the three services' principal intelligence units a central staff capability for planning, providing information, consulting and training of supervisors on career development matters.

More Effective Use of Resources: All IC agencies supplement their internal training programs by sending employees to external training which is not available or less costly than that inside government. External training includes courses supplied by vendors, often in response to new or special requirements. For example, agencies use vendors to provide personnel with training on automated intelligence dissemination and other unique ADP systems. Supervisory training adapted to intelligence environment is another example. Like government contracting in general, the process for letting contracts with a prospective vendor is laborious and time-consuming. DIA is currently working on a new

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system to replace awarding of individual contracts with a Basic Ordering Agreement under which a number of vendors will have competed and been cleared to provide classified, intelligence-related training, after which approved they could be tasked by purchase order to provide individual courses. NAPA staff believes that the Basic Ordering Agreement system would be more efficient and timely. NAPA staff recommends that, in order to ensure that IC agencies' funds for external training be expended with maximum utility, DIA be authorized to establishing an intelligence training revolving fund. (Establishing a revolving fund would require statutory authority.) Such a revolving fund, coupled with DIA's proposed Basic Ordering Agreement, would promote efficiency by assisting IC agencies to pool training requirements and funds for intelligence-related external training.

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INTELLIGENCE COMMUNITY PERSONNEL STUDY
OVERVIEW OF PERSONNEL SECURITY ISSUES

Personnel security programs in the intelligence agencies operate under the Director of Central Intelligence Directive on "Minimum Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information" (DCID 1/14). This is supplemented by internal agency procedures.

DCID 1/14 provides specific requirements, and many portions of it are applied in the same manner. For example, the adjudication guidelines are supplemented with community-wide courses that most adjudication staff will attend. Thus, while there remains an element of individual judgment, security managers believe staff are exposed to a common frame of reference.

In other areas, the requirements are applied quite differently. The NAPA review of personnel security did not evaluate the varying security procedures in terms of their potential impact on national security, but did examine the disparate practices to see if they made a difference in human resource or operational activities.

The four subjects discussed here are the: level of investigation done for access to SCI; timeframes for security investigations; agency policies about accepting one another's clearances; and variations in the procedures for handling staff who are involuntarily removed from an IC agency.

Level of Investigation Done for SCI Access

Each of the seven agencies (CIA, NSA, DIA, FBI, Army, Navy and Air Force) have slightly different clearance procedures, with the three services being similar to one another.

The five year periodic reinvestigation (PR) requirement in DCID 1/14 states that, as a minimum, the PR should include: appropriate national and local agency checks (and overseas, if pertinent); credit checks; and a personal interview if necessary to resolve significant adverse information or inconsistencies. Agency procedures add to these requirements. CIA and NSA include field investigations and a polygraph, in addition to records checks similar to those for the initial investigation. The FBI conducts a credit and arrest record check and a review of personnel records. Procedures for DOD agencies are similar to those of NSA and CIA, but without the polygraph.

For initial clearance, procedures are similar to those in the PR in each agency. The exception is the FBI, which does a full-field on all staff before they enter on duty. Also when staff move from criminal to foreign counterintelligence work, the FBI

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reviews the personnel record if the staff member EOD'd in the past five years. If they entered before that, the FBI adds a credit/arrest check and a National Agency Check (NAC) for immediate family members before granting SCI access.

Length of Security Processing Times

There was not a great deal of data to support anecdotal statements that lengthy security processing time causes the agencies to lose qualified applicants. Medians and ranges (depending on how data was kept by agencies) for security processing times are:

<u>Agency</u>	<u>Median</u>	<u>Range of Time</u>
CIA	2 1/2 months	
NSA*	5 months	
DIA*	3 months for DIS, 3 weeks for DIA	
FBI		1 to 2 months
MI agencies*		6 to 12 months

*Field work done by the Defense
Investigative Service (DIS)

CIA statistics on the status of applicant cases indicate that there are very few losses (16 percent) during employment processing, and these are for all reasons, not just security processing. In contrast, the FBI indicated that applicants for special agent positions generally understood processing timeframes -- again, not all security-related -- but even among this group they encounter increasing numbers of skilled candidates who cannot wait a long time for an offer. The problem is especially critical for applicants for computer related and electronic engineering positions in headquarters. The Bureau "regularly loses the opportunity to compete for some of these people" because of preemployment processing requirements.

NSA maintains that the five months for security processing are essential for a thorough investigation. As the only IC agency whose personnel security program has a statutory base, NSA cannot issue interim SCI access clearances. NSA can make a modified commitment to hire after a favorable polygraph, and after an NAC can issue a Limited Interim Clearance. This permits NSA to bring someone on board before the SBI is completed. While such new staff members cannot work in areas requiring SCI clearances, they can take entry training courses and work in other areas, and NSA doesn't risk losing a good recruit. NSA emphasized that very few staff granted a Limited Interim Clearance are later denied SCI access.

DIA noted that security processing means there is a long vacancy period for positions that must be filled from outside the agency. To avoid losing clerical staff, DIA brings them on board in non-sensitive positions and begins the security processing afterwards.

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The military intelligence agencies, as might be expected from their timeframes, most often mentioned losing good candidates because of the security processing delays. Staff indicated some applicants went to other IC agencies, which could process clearances faster.

NAPA staff views

While it is not clear that the IC agencies lose a lot of good applicants because of delays in security processing, the staff believe the intelligence agencies lose a great deal of mission-related flexibility if they cannot bring new staff on board as quickly as they need them. No matter how effectively the agencies anticipate world events and estimate workforce needs accordingly, they cannot predict the full range of, for example, terrorist activities or popular uprisings. They thus need to be able to add new expertise when needed -- often quickly -- and the security investigation timeframes may sometimes inhibit this.

Security procedures must be sufficiently rigorous to give the agencies full confidence in their accuracy. However, the NAPA staff believe that there may be room for innovation -- such as that employed by NSA in issuing Limited Interim Clearances. The staff further suggests that agencies examine their processing times and determine whether the timeframes are due to thorough investigative procedures, backlogs or other factors.

Given the "farm club" image the military intelligence agencies have of themselves because they lack career opportunities for their civilian staff and the length of time it takes to clear new employees -- six to nine months -- it is amazing they can function as well as they do. Corrective action on the clearance delays must proceed immediately and DIS should be protected from arbitrary force reductions unrelated to its workload. To the extent that the timeframe is largely due to processing in the Defense Investigative Service, these IC agencies should work together with that service to address these issues.

Policies About Accepting Other Agencies' Clearances

Only the military intelligence agencies immediately accept the clearances of other agencies. Other agencies will usually review an individual's file and supplement prior investigative work. For example, the CIA administers a polygraph and may do other field work to bring the investigation work to their clearance standards.

The Army administers a polygraph for their staff going on special assignment to NSA, CIA and critical intelligence positions at DIA. The DIA has locally available, SCI access-cleared candidates, come in for an interview. They have found that this may be the first interview for some candidates, and information uncovered makes them unsuitable for SCI access in DIA. This

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information is passed to the current hiring agency, and the potential employee is not hired. If the interview is favorable, the security staff will clear the candidate and then review the investigation file once the candidate is on board. They do this to determine whether there is data they want to monitor.

NAPA staff views

The staff believe this reticence to immediately accept one another's clearances to be a result of the disparity among the agencies' investigation requirements. Because the NAPA staff did not do an efficiency evaluation, it did not develop data needed to estimate whether this practice leads to wasted funds or adds to investigation processing delays. However, as stated above the staff believe that the level of investigation required for access to SCI should be the same throughout the intelligence community.

The major difference between IC agencies in investigation procedures involves the use of the polygraph and the lack of a periodic background investigation of FBI FCI staff. While there is no indication that these differences are resulting in security problems, they do limit flexible use of staff between agencies and create a lower level of certainty of staff security where agencies have lesser initial investigation or reinvestigation requirements. The NAPA staff recommends the IC agencies establish greater uniformity in investigation procedures in order to facilitate ready clearance of staff between agencies. The intelligence agencies could then immediately accept one another's investigations as the basis for Agency security determinations.

Variations in Handling Staff who are Involuntarily Removed

Given the caliber of staff in the intelligence agencies, it is rare that organizations are faced with involuntary removal of their employees. Data provided NAPA staff indicate relatively few adverse actions.

The DCID 1/14 says only that, "A determination of ineligibility for individuals who currently hold SCI access shall result in immediate debriefing and termination of access for cause." Reasons for involuntary removal include criminal acts, unapproved marriage or continuing association with a foreign national, espionage, mishandling classified information or material, illegal drug use, unsatisfactory performance, gross misconduct or medical discharge. The procedures for assessing the potential national security risk posed by disgruntled former employees differ somewhat, but address many of the same factors.

What differs most is how the agencies handle employees once the decision has been made to remove them involuntarily. Some agencies expend more effort on outplacement, in an effort to resolve employee bitterness and potential risk to the agency before termination.

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The CIA requires that the employee's office complete a risk assessment for staff considered for removal or access denial, and this is assessed by a review panel. The FBI, which is reviewing this area, received a briefing on the CIA system. The CIA has only limited outplacement assistance, the FBI has no formal program.

NSA does a similar security review when considering involuntary outplacement, and has developed a Crisis Intervention Program to "prevent counterintelligence emergencies caused by desperate or resentful affiliates or ex-affiliates." Because of staff limitations, the program is not fully developed.

DIA assesses potential impact in a similar fashion. If they judge an employee to be a security risk if terminated immediately, DIA places the staff in a less sensitive position for six months to a year. At the end of that time, the sensitive data to which the employee had access will be desensitized and the person can be removed. The military services have similar risk review processes, but staff were not aware of outplacement or counseling opportunities.

NAPA staff views

The staff recognizes that there is no precise method for assessing an involuntarily removed employee's risk to national security. This is a matter of judgment, and the agencies have developed approaches which they believe can minimize risks. The NAPA staff recommends the IC agencies develop a more proactive effort to assess the risk created by involuntary separation of staff. There may be a need for more effort to minimize employee resentment and assist them in adjusting to the involuntary removal. While on the surface this may appear to be a purely humane act and not the responsibility of an intelligence agency, there are very practical reasons for not wanting angry former staff -- who are soon out of touch with their former employer -- planning acts of vengeance.

Concluding Thoughts

The IC agencies did not provide any data which indicates there are any significant adverse impacts caused by the security program on the ability of the IC agencies to recruit and retain high quality staff. No major adverse impacts were found in the recruitment area, although the FBI and the military service agencies cite anecdotal evidence of problems. Data, where available, shows no adverse impact on retention of quality staff.

The NAPA staff's recommendations in the personnel security can be implemented by the intelligence agencies. Most of the ideas would be better pursued with the Intelligence Community Staff, or a group of the IC agencies' choice, moderating the decision making.

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While NSA's personnel security program is rooted in a statute, the staff do not believe this need be done for other agencies. Thus, the staff have no recommendations for congressional action in this area.

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Suggested Content of September 1 Report

1. Panel conclusions on future mission and uniqueness; degree of management flexibility required
2. Panel conclusions and recommendations in staffing area, including:
 - mission critical occupations
 - turnover and retention problems in these occupations
 - agency views of the quality of new hires.
 - extent of recruitment coordination among agencies.
3. Panel conclusions and recommendations on training and career development; specifically, how well each agency's training and career development programs support current and projected future agency mission accomplishment.
4. Panel conclusions and recommendations on personnel security; specifically, the impact of personnel security requirements on the ability of the IC agencies to recruit and retain top quality staff.
5. CIA changes:
 - leave changes
 - administrative changes in awards program
 - flexible benefits proposal
6. INR staffing problems; hiring and age of workforce.
7. Panel conclusions on SSCI's FY 89 NFIP comments re manpower cost reductions.

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INTELLIGENCE COMMUNITY PERSONNEL STUDY

JULY 12, 1988, PANEL MEETING AGENDA

PHILLIP ODEEN - CHAIR

Location: Room 412, Key Building
Telephone: 1200 Wilson Blvd., Rosslyn, VA.

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9:00-9:15	Report on Activity since April 1 Meeting	Odeen Wortman
9:15-11:00	Presentation and Discussion of Tasks I-III: --Future Mission of IC Agencies --Workforce of the Future --IC Agency Uniqueness	Wortman
11:00-11:15	Overview of Staff Studies	Yeager
11:15-12:30	Staffing--Presentation and Discussion	Sweet
12:30-1:15	Lunch	
1:15-2:15	Training and Career Development Presentation and Discussion	Smith
2:15-3:15	Personnel Security Presentation and Discussion	Orr
3:15-3:30	Compensation and Benefits Outline of Workplan	Howe
3:30-4:30	Discussion of Contents of September Report	Odeen

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