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Authority, WD 73643

FY 69

My assigned subject is the Naval Investigative Service. With your indulgence, however, I will broaden my presentation as necessary to provide a more comprehensive picture of Navy's overall security policy, counterintelligence, and investigative effort. This is appropriate because, while the NIS does have a broad counterintelligence responsibility, its efforts must be set in the context of the overall Navy effort in this subject area.

So, this morning I will discuss Navy's organization for, and give some operational and statistical details on, the following items:

- a. Security policy, and related departmental level security responsibilities. ①
- b. Censorship planning.
- c. Counterintelligence support.
  - (1) To the Navy Department
  - (2) To other echelons of the Navy
  - (3) To the National Intelligence effort
- d. Investigations.
  - (1) Security
  - (2) Espionage, sabotage, subversion
  - (3) Criminal

We are nothing if not flexible in our organizational approach within the Navy to handling these matters. So, I will start essentially in the middle of our organization, and digress up and down as necessary, to try to show how all the pieces fit in.

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I will start with the Naval Investigative Service.

The mission of the Naval Investigative Service is to fulfill the investigative and counterintelligence requirements of the Department of the Navy (less those combat related counterintelligence matters within the functional responsibilities of the Marine Corps).

You will note that the Marine Corps has an assigned counterintelligence responsibility. I might best define that responsibility by referring to it as combat-related counterintelligence. You in the Army should easily perceive the content of this. The Marines are the Navy's ground forces. They need tactical counterintelligence in combat situations. Is the head man of a Vietnam village a loyal subject of the Republic of Vietnam or is he the Viet Cong's chief informer in the area. The Marines have been heavily involved in the pacification effort in Vietnam. Information on the attitudes of local people are essential to this effort.

The Marine counterintelligence effort is integral with Marine Corps commands. That is, it is part of the G-2 of the Commander's staff.

The Marines rely on the Naval Investigative Service for normal counterintelligence support -- the research, investigations of espionage, sabotage, subversion, etc. The Marines have a very small -- but, I say, with great respect -- an excellent counterintelligence group. They are organized into teams -- and they have about 14 teams of around 16 men each. I might say that part of their effectiveness lies in the training they receive -- most of it through your school here at Holabird.

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The Naval Investigative Service is a field command, under the Naval Intelligence Command. It consists of a Headquarters at Arlington, and various field commands, dispersed world-wide. I will discuss the resources distribution later.

The Headquarters, is, of course, the source of investigative and counterintelligence doctrine and policy. It is the command center. It performs many services which experience has indicated can be best accomplished in a centralized manner, and which can best be performed at the seat of government.

The Headquarters tasks, then are:

③

Command/control

Policy development and promulgation

Programming

Workload forecasting

Resources forecasting

Budget formulation

Preparation of the CIP

Management

Resources allocation

Career development

Quality Control

Case Review

Critiques of Field CI effort

Inspections

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Liaison with National level intelligence agencies

Investigative and counterintelligence training

Navy Department level CI production

Operation of the Navy's PSI effort

Central Administrative Services, including

Procurement, Files, indices

Security Services

The mention of security services provides a take-off point for a digression upward in discussing our organizational approach.

The development and promulgation of security policies of Navy-wide application is, of course, a departmental level function. Until a few months ago (when the NIC was created), our security policy people were departmental employees. That is, they were on the staff of CNO, working under the ACNO(I). One of the underlying objectives in the creation of the NIC was the transfer of all so-called production functions from the departmental to field staffs. Most, then, of the staff people engaged in day to day development of security doctrine were transferred to the Naval Investigative Service. The concept, of course, was that such people should be as integral as possible with the substantive/operational effort in counterintelligence and security related investigations. That is, we hoped to insure that security doctrine is not developed too remotely from the lessons learned in actual operations and experience.

This, however, posed one problem. 95% of the work of these various people has All Ships and Stations distribution. That is, it is policy of

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Department-wide applicability. Much of the work involves daily relationships with the Office of the Secretary of Defense -- the security policy people there. It involves staffing JCS and other papers with security content.

We resolved this matter of doing departmental work at field level by the double-hatting approach. That is, we kept the military head of the policy work and a senior civilian assistant on the OPNAV (that is, CNO rolls), With a sub-assignment to the Naval Investigative Service Headquarters. Here these two boss the day to day production effort. That effort involves:

Review/comment on

OSD policy proposals

Legislation

Executive Orders

Policy implementation

Departmental directives

Manuals

Guides

Development of guidance publications for security education,

Orientation, training - and conducting training seminars world-wide

Monitorship of all reported security compromises

(All such compromises through <sup>our</sup> Navy are supposed to be reported to CNO. The staff action is accomplished here, but in the name of CNO.)

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Providing technically qualified security experts to accompany the Naval Inspector General on his inspections of various naval commands.

Original thinking.

There was one element of security and counterintelligence interest that remained on the ACNO(I) staff when the NIC was created. This element is concerned with Censorship. Our responsibilities in Censorship are in the area of planning and are concerned with the following functional areas:

Navy participation in Armed Forces Censorship

National Telecommunications Censorship

The Telecommunications element of Civil Censorship

Armed Forces Censorship is, I believe, self-explanatory.

Telecommunications Censorship is concerned with the Censorship of electrical transmissions of a commercial or private nature which transit U.S. borders. Navy has responsibility for planning for such Censorship, for its initial operation if it is ever imposed by the President, and for its subsequent support when/if the function is turned over to a national, i.e., civilian censorship executive.

This is a complicated business. Navy is in it because of the original relationship between the safety of shipping and fast international communications -- primarily, of course, by cable, in World War I. Navy had it in World WAR II also.

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Actually, the whole technology and volume of international electrical/radio communications has so grown that all past Censorship concepts are now outdated. International radio and electrical communications is no longer a matter of callers going through an operator, who plugs into line that might go through one of a few international gateways. In World War II, one could man those gateways with earphones, and shut off a conversation if it appeared appropriate to do so. The whole technology has now changed. There is direct dialing to many parts of the world. The call may go to a gateway by cable where it is automatically switched to radio if the cables are jammed. It might go to a jammed gateway -- where it is automatically routed to <sup>a</sup> point half-way back across the country and then follow a circuitous route to a final destination. One can expect, of course, more communications to be serviced by satellites, and so far we have no volunteers for manning Censorship stations in that environment. Much data now goes not by hard readable copy but by input into overseas computers.

And, aside from the technology, volume has changed. In 1945, there were approximately 1.5 million telephone calls between U.S. and foreign <sup>parties</sup>. The communications companies project 110 million in 1970. There were 16 million hard copy messages in 1945. The companies project 550 million data transmissions in 1970.

We are beginning to wonder if any approach, short of shutting down foreign communications services could possibly do the trick. And since even that probably won't work, as a security measure, due to the growing

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capabilities to tap domestic emanations, perhaps by overhead satellites. We are rethinking the whole problem. Perhaps a lecturer can give you the answers to the problem a few years hence. The answer is not available today.

I have listed two of our functional areas in which we have some standing at the ACNO(I) level. And I have mentioned some of the NISHQ tasks. It might be helpful at this point to flash an organizational sketch, a simplified wiring diagram as it were. Otherwise my next organizational tidbit will leave you completely confused.

The NIS is a field command under the Naval Intelligence Command. The Director, NIS, thus, works for the Commander of the Intelligence Command. However, the Director, NIS, also has additional duty orders to CNO -- as the Assistant for Counterintelligence to the ACNO(I). In this status, he coordinates and supervises the work of the Security Policy Staff (both at the ACNO(I) level and the NISHQ level), and of course, the Censorship people at the ACNO(I) level.

It will probably have struck you that our organizational approach may not be on all fours with standard concepts of command lines, verticality of organization, etc. We would have two answers to that. First, it works. We have a total integration of the effort. We cross-pollinate as between pure policy, operations, the management aspect. Second, we knew what we're doing. That is, we didn't just grow like topsy. We were willing to sacrifice organization theory in the interests of effectiveness.

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I might add, of course, that we have no problems now with the Director, NIS, having his dual role. It can work as long as the ACNO(I) and the Commander, Naval Intelligence Command, are the same person. Should the billets be filled as truly separate and distinct jobs, i.e., by two people, I daresay we'd go back to the drawing board. This, however, is no great cause for apprehension. We have a well used drawing board for making organizational changes. We have undergone 4 major reorganizations within the past 6 years.

Now perhaps I should talk more directly to my assigned subject. Before I do, however, you might have some questions on this. If so, I'd be happy to answer them now -- or seek to -- or, of course, I'll be happy to entertain questions later.

The NIS was created and organized a couple of years ago along lines very similar to OSI of the Air Force, except, <sup>of course,</sup> ~~as you can see,~~ we report in intelligence channel<sup>s</sup> rather than to the IG. ~~Simulation of the~~

~~Naval Intelligence Command is to provide counterintelligence~~  
~~the~~ We ~~are~~ are a centrally directed and controlled world-wide investigative and counterintelligence organization. This new organization came about to meet a very basic problem. The man who had the operational responsibility<sup>a couple of years ago</sup> did not have the control over the resources allocated to the responsibility. He now does. The Director, NIS, can shift resources from one of his field commands to another. Within his total budget and personnel allowances, he has practically unfettered

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ability to put the resources where the work is. We have had some very remarkable increases in production and productivity as a result.

We have 23 Naval Investigative Service Offices (NISO's), 11 of which are in the principal U.S. metropolitan areas, plus 150 Resident Agencies and their satellites located <sup>throughout the U.S.</sup> as population and service to naval activities dictate.

Overseas we have 12 more commands in areas of Navy interest. These also have subordinate residencies. <sup>P</sup>Overall, we number approximately 2,000 people, including our investigative corps of some 900 civilian special agents.

Our two major overseas commands are in EUCCOM and the PACFLTAREA. In the latter, under a Commander at Pearl Harbor, we have five principal offices: Honolulu, Japan (with 5 subordinate offices), the Marianas, the Philippines with 3 locations in the PI, and because of responsibilities to the VN R&R program a newly opened office in Hong Kong and in Sydney. We will shortly be in operation in Brisbane, as well. In VN our Headquarters is at Saigon and we have sub-offices at Danang, Can Tho, Nha Be, Cam Ranh Bay and Hue.

In Europe, our NIS Headquarters is in London with representation at Holy Loch, Bremerhaven and Stuttgart: Rota, Spain: Naples: Nea Makri, Greece: and Kenitra, Morocco.

All in all, we operate from around 200 locations.

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Authority AWD 73643Personnel

I might say a few words about our personnel structure. We are, of course, a military organization, with, essentially, unrestricted line officers in command of our various NISO's. Our Director is a line officer. We usually have intelligence specialists as Executive Officers. This gives the advantage of keeping our efforts more oriented to the mission of the Navy and yet infusing in the professional expertise.

This is the theory, and, within the limits of the <sup>available</sup> intelligence specialists and certain historical facts, it is applied. Actually, the number of military available to our organization, line or specialist, is limited. It is becoming even more limited as a result of the civilian substitution program. We have lost about 75 military spaces in the past couple of years. As a consequence, we are, by count, considerably more civilian than military. Around 80% of our personnel are civilians. All of our professional investigative capability is civilian. There are around 900 of them. ~~These are contract personnel.~~ We are scheduled for around 950 in FY69. We have around 700 Civil Service personnel -- around 100 at the senior, i.e., GS-11-15 level: around 120 officers; the rest are enlisted personnel. This table shows our personnel resources by category and general location.

<sup>Our</sup> ~~These~~ agents are a special breed, both organizationally and personally. They are federal employees in every sense of the word, but they are not Civil Service. They serve under contract to the

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Director of the Naval Investigative Service. They are paid from a special fund made available to the Secretary <sup>of the Navy</sup> by the Congress.

I said they were a special breed personally. I can best illustrate that by saying that they constitute our real working force in Vietnam. We have around 20 of them over there. They ride the ships of the fleet. In the Mediterranean, for example, they rotate, from Naples, riding the 6th Fleet carriers. They are on for a month, then serve ashore for a while. They put in a 16 hour day, 7 day a week stint, while assigned to the carriers. Most of our Agents in Europe have made more carrier and high-line landings than the tail hookers themselves. For purposes of administrative control and logistic support, these afloat agents are attached either to the Task Force Commander or the ship Captain's staff. But they are under our direct operational control.

#### Accomplishments

Just what do all these people do.

The primary responsibilities are investigations and counterintelligence.

This chart shows our distribution of effort in percentages of resources <sup>(7)</sup> applied.

Perhaps I'd better explain the intelligence and miscellaneous categories. Miscellaneous is easy. It's a catch-all for such items as our work in Security Policy, Education and Training, Inspection, etc.

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The intelligence category requires a little more discussion. Prior to the creation of the Naval Investigative Service, our field organizations within the Naval Districts were known as ~~the~~ District Intelligence Offices. They had a positive intelligence collection mission, as well as investigative and counterintelligence tasks. Their collection was primarily from maritime sources: ships that had called at foreign ports were boarded and the officers debriefed. We created the Naval Investigative Service ~~reestablished~~ as a result of a diktat from SecDef that the Navy's investigative arm was to have no mission other than investigations. (This decision proceeded from an erroneous assumption that our involvement in intelligence was responsible for a severe investigative backlog we had at the time.) <sup>R</sup> But if one diktat may be wrong, it can be rectified by another. So, when the HUMINT Plan came out, the Naval Investigative Service was listed as an "Intelligence Collection" organization. And to avoid utter irreconcilability between the two courses we were told to take, the HUMINT Plan provides that our intelligence collection is to be done on a "not to interfere basis" with our investigative and CI mission. As long as we have enough resources for both, there won't, of course, be any interference.

As I said earlier, we operate from around 200 separate locations. Many of these are in U.S. ports into which, occasionally, a vessel with a foreign itinerary may enter -- a vessel we have some reason to assume has some worthwhile intelligence. It would be expensive -- and, perhaps,

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impossible, due to ship turn around time -- for some other element of the Navy to TAD someone to that port to board the ship. So, having the resources there, we do it.

This effort doesn't distract from our basic mission, and, so, we occasionally, to the extent of the aforementioned 2% dabble in the intelligence <sup>collection</sup> game.

### Investigations.

Investigations account for around 86% of our total effort and personnel.

Our investigative functions are a combination of those of the Army Intelligence Command i.e., security and counterintelligence -- and those of your Provost Marshal.

Our interest in the criminal field is generally limited to what might be considered in civilian jurisdiction as felonies. In essence, we are supposed to be called in when in-depth professional investigative techniques are in fact required.

This criminal investigation responsibility is, of course, a service to command. We investigate criminal matters only on request from a command. The question might well be asked why the command's can't do their own investigations. ~~There are many answers to this, but I will give only three for the moment.~~

~~As you are aware, the courts are giving increased emphasis to the matter of the rights of accused individuals. A successful prosecution~~

~~these days does not require proven guilt. It requires that such proof be assembled in a manner totally mindful of the constitutional rights of the individual. Command personnel are simply not likely to have that right combination of aggressive investigative talent and training in constitutional nuances necessary to both proof and proper regard for the individual.~~

Another reason command investigations wouldn't work too well is the geographic spread of the average investigation. Investigations too often require leads to other command areas -- and that means communications, priorities, organized effort. Actually, we do a lot of complete investigations in one area. But the average investigation is not done in one area. For example, a personnel security investigation requires coverage in 3.4 command areas; a security investigation (espionage/sabotage/security compromise, etc.) requires work in 1.5 command areas; a criminal case involves 1.4 command areas. And these figures don't, of course, tell the whole story, for there might be leads in several localities within the various command areas.

And finally, investigations is a profession. ~~Substantive the FBI and the training and expertise these people have, and the other the~~  
~~Professionals in the profession.~~

As I said earlier, our investigative effort is a service to naval command -- but the service is not of or under the control of the command. The question then arises how, organizationally, we are situated in respect to commands.

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Over the past couple of years, we have been on a sustained drive to position our field operating resources as close as possible -- and as economically as possible -- to the locus of work. Our organizational unit therefor is a Resident Agency. Such Resident Agencies are sub-units of our NISO's. We are positioning Resident Agencies on -- or close to, depending upon various logistics factors -- our major installations. These sub-units are headed by a Senior Resident Agent -- an SRA. The SRA has the authority and responsibility to accept and act on command requests for investigations. On receipt of a request, he does the investigation -- utilizing the entire NIS as back-up -- and reports directly back to the command. We monitor -- and assist -- his efforts. But he has the responsibility to get the job done. The commands, incidentally, are most pleased with this arrangement.

~~Now I might say a word about our~~ Investigative case load. FY69 Project.

Jim

Essentially, our percentage of cases versus our % of resources utilized thereon is about as follows:

	<u>% Cases</u>	<u>% Resources</u>
Personnel Security	81	68
Criminal	15	27
Counterintelligence	4	25
<del>Special Activities</del>	<del>          </del>	<del>          </del>

⑧

I should explain, ~~here~~, hopefully to avoid confusion, that when I use the term counterintelligence here, I'm talking of actual on-street

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investigative operations relating to counterintelligence matters -- investigations of espionage, sabotage, subversion, etc. This percentage figure is not included in the 9.5% figure I flashed earlier. The latter is related to research, collation, synthesis, and pure CI, initiative, operations -- not responses to alleged criminal actions.

I would now like to turn to a discussion of ~~our counterintelligence~~  
~~services~~. This ~~chart~~ reflects the counterintelligence services we provide. (Flash chart. Give audience time to read.)

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We do these various things, whether at Headquarters or in our NISO's.

Naturally, at Headquarters we provide the advice/guidance/and over-all supervision. We do in-depth research on foreign espionage/intelligence organizations, with special reference, of course, to the espionage thrust in foreign naval organizations. Through appropriate liaison and coordination with DIA, CIA, FBI, etc., we avoid duplication in this, while hopefully, meeting our responsibilities in the national intelligence picture. Specifically, we input Section 56 of National Intelligence Survey. This is the section on foreign Naval Intelligence organizations. And we have made contributions to various NIE's, SNIE's, etc. on initiative, or on request.

At Headquarters, our customers for spot-reports, in-depth research, etc., and other counterintelligence support, are the Secretary of the Navy, CNO, the other senior OPNAV echelons, *DIA*.

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Also at Headquarters, we engage in an aggressive program of evaluations via DD Form 1480, both to our own contributors, who submit about 1,000 IR's a month, and to the rest of the community. We find that this is the best single vehicle by which field collectors can be advised as to the needs of Headquarters, and consumers of our collection activities.

Our field activities provide the service to local senior commands, as well as to individual operating units.

A good example is the work of our agents on the carriers in the Med.

These agents not only conduct investigations. Their presence is also manifest in their presentations to ship's crews of estimates of the subversive and the criminal situation in selected liberty ports, and their collection of information during port visits.

*overseas*  
Our Naval Investigative Service Offices, ~~notably at Pearl Harbor~~  
~~Cuba Bay, and~~ have a continuing program for counterintelligence briefings of the staffs of major ships deploying thru these locations. These offices provide area briefings for the commanders of operating forces, and also present security briefings to fleet unit crews. With the constant rotation of Navy personnel in and out of critical areas, this counterintelligence briefing program is a recurring responsibility, and one that is well-received.

*Shackel*  
A service to commanders which has been well accepted is the taping (video and audio) of lectures emphasizing difficulties which can be anticipated by crew members on liberty in various overseas areas.

Counterespionage.

In the Naval Investigative Service we are aware of the increasing threats to our operating forces by hostile intelligence elements. To combat the espionage and subversive efforts against the fleet and shore installations, we are more and more re-focusing our efforts towards increasing participation in positive counterintelligence and counter-espionage operations. <sup>Less passive role.</sup> We are placing more emphasis on the establishment of closer and continuing liaison with host country intelligence services and those of our sister services. In recognition of our growing <sup>involvement</sup> ~~responsibilities~~ in counterespionage, we are embarking on an extensive training program with CAS assistance to develop knowledgeable and mature operatives in counterespionage work.

Happily, our relationships and ~~growing~~ <sup>of</sup> expertise have developed to the point where we are now actively and aggressively teaming with these associated intelligence services in mounting double agent operations against Eastern European intelligence organizations. To date, our participation has <sup>stressed</sup> ~~involved~~ hostile targetting against U.S. Navy <sup>in secret.</sup> ~~installations~~. <sup>We do not go beyond this.</sup> ~~and units in the~~ We can, thus, perform our fundamental mission while remaining within ~~the~~ prescribed jurisdictional bounds.

Conclusion.

I have talked quite self-centeredly, perhaps, on our organization. I have not felt it necessary to show how we fit into the overall U.S. intelligence and investigative community. I believe that other parts of your curricula cover that. I should, however, spend a moment on the point.

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We are a ~~relatively~~ small organization. We could not function effectively without the help and assistance of our sister agencies. Nor could we operate without regard to prescribed jurisdictional areas, without stubbing our toes -- and, perhaps, embarrassing the efforts of those other agencies.

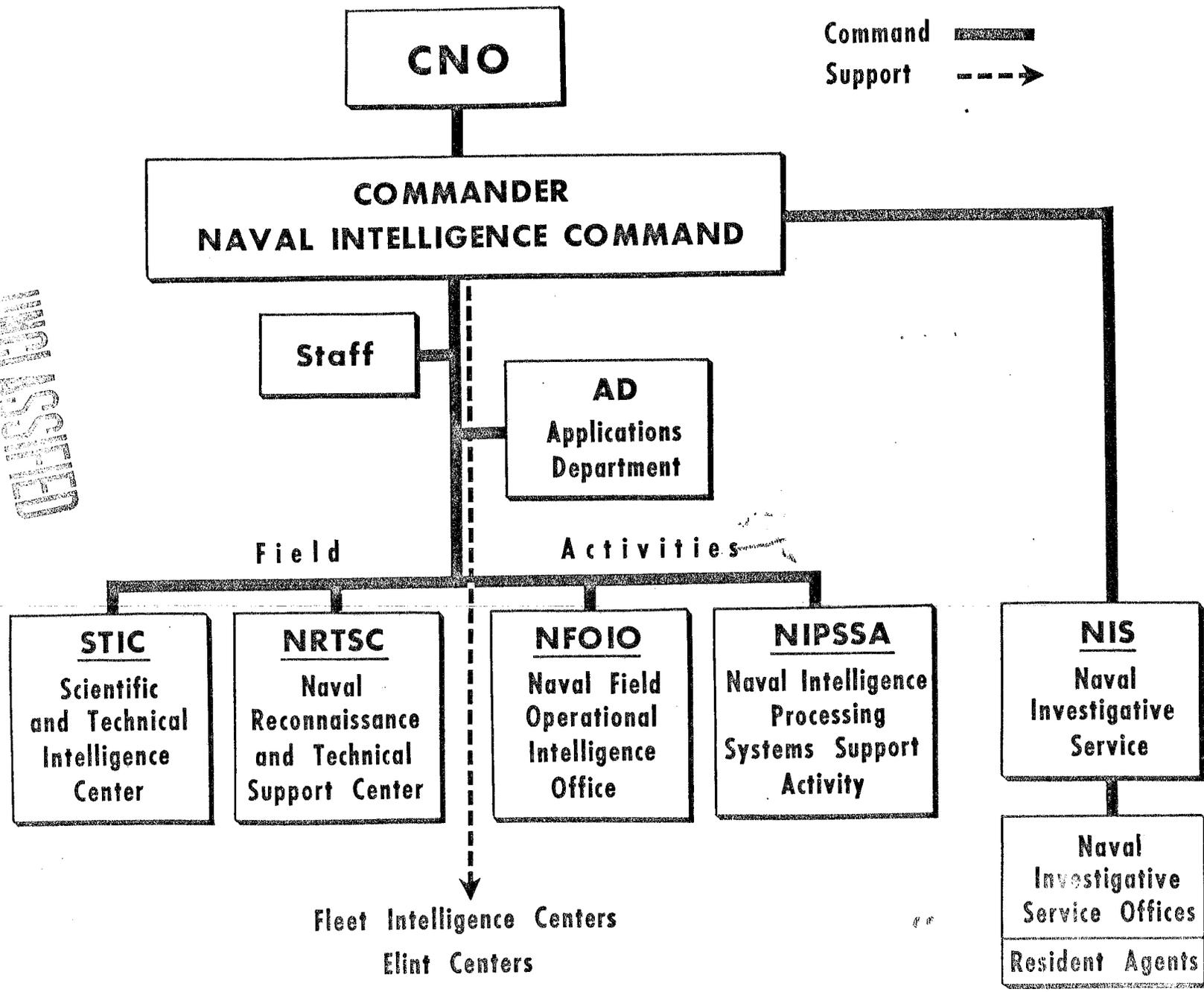
But we do have a specialized customer -- the operating forces of the Navy and the Marine Corps.

So, we seek to have our needs and desires known in the community. Through membership in the IIC, we jealously guard those jurisdictional concepts essential to our <sup>investigative</sup> Service to the Navy. Through our membership in various sub-committees the USIB, TSCC, the USIB Security Committee, the DIA CI Committee, our direct relationships with OSD, including Director for Security Policy and the DINS. Through these, we seek to assert our role. And we seek to make our unique contribution to the security, and, hence, the defense of, the United States.

I will be happy to answer any questions.

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Command ———→  
Support - - - ->

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NISO Tasks

1. Operations

- a. Investigations
- b. Counterintelligence
- c. Liaison
- d. Intelligence Collection

2. Counterintelligence

- a. Research
- b. Production
- c. Briefings

3. Security Services

4. Command/Management

5. Training

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Topics

Security Policy

Censorship Planning

Counterintelligence

Investigations

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COUNTERINTELLIGENCE SERVICE TO COMMANDS:

- . Counterintelligence Information Reporting (DD Form 1396)
- . Persons of Continuing Counterintelligence Interest (PCCI)
- . Counterintelligence Briefs (CIBs)
- . Spot Reports (demonstrations, cranks)
- . Security Opinions/Comments/Advice
- . Record Checks
- . Organizational characterizations
- . Summaries of Information
- . Miscellaneous
  - . Transmittal of investigative data
  - . Security policies re organizational membership
  - . CI briefing assistance

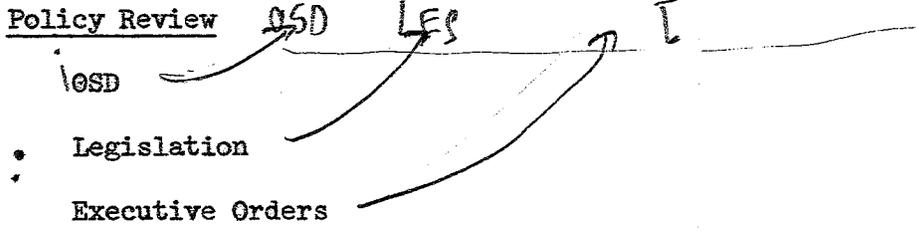
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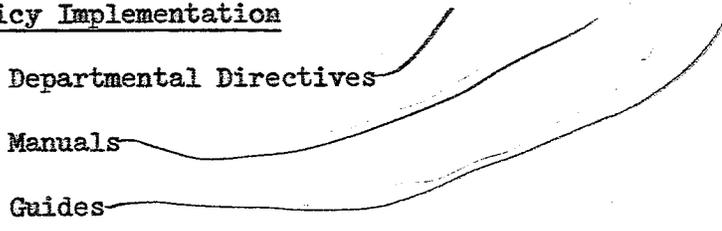
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Security Policy Services

Policy Review



Policy Implementation



Education/Training

Monitorship of Compromises

Inspection Assistance

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Mission - Naval Investigative Service

Maintain, command and operate a world-wide organization to fulfill the investigative and counterintelligence responsibilities of the Department of the Navy (less those combat related counterintelligence matters within the functional responsibilities of the Marine Corps).

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NISHQ Tasks

Command/Control

Policy

National Level Liaison

Programming

Training

Management

National Level CI Production

Quality Control

Central Services

Security Services

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Workload Distribution - Major Tasks

<u>Function</u>	<u>%</u>
Counterintelligence	9.5
Intelligence	2.0
Miscellaneous	2.0
<u>Investigations</u>	<u>86.5</u>
	100%

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