

In reply refer to initials  
and No.

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Op-16-B-7

NAVY DEPARTMENT

A9/EN3-10

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Office of the Chief of Naval Operations

Serial 0397716

WASHINGTON

20 March 1944

From: Director of Naval Intelligence  
To : All District Intelligence Officers,  
All Naval Attaches  
Intelligence Officer, Potomac River Naval Command  
Intelligence Officer, Severn River Naval Command  
All ONI F Group Theatre Commanders and Section Heads

Subject: Counter-Intelligence Activities

Reference: (a) Op-16-B-7 Operating Plan, dated October 1942.

Enclosure: (A) Op-16-B-7 Operating Plan, dated 4 March 1944.

1. Reference (a) is cancelled and replaced by  
Enclosure (A), which becomes effective upon receipt.

2. For the sake of convenience in handling for  
purposes of indoctrination, Enclosure (A) is classified as  
CONFIDENTIAL. It is imperative, however, that the document be  
most closely held within the U.S. Naval Intelligence Service and  
that no part be divulged or made known to outside agencies or  
individuals not connected with the service.

3. All copies of reference (a) will be destroyed by  
burning upon receipt of Enclosure (A).

/s/ B. F. Perry

B. F. Perry,  
By direction.  
X

Approved

/s/ R. E. SCHUIRMANN

R. E. Schuirmann  
Rear Admiral, U.S. Navy  
Director of Naval Intelligence

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COUNTER-INTELLIGENCE

(Op-16-B-7)

OPERATING PLAN

Dated 4 March 1944

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Enclosure (A) to Serial 0397716

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I N D E X

Section 100

Op-16-B-7 (Office of Naval Intelligence)

Articles

- 1000 - Mission and Tasks
- 1100 - Organization
- 1200 - Relations with Other NIS Units, the  
Navy Department and the Naval Establishment
- 1300 - Liaison with Other Agencies
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## Section 100 - Op-16-B-7 (Office of Naval Intelligence)

## Article

- 1000 Mission and Tasks of Op-16-B-7
- ~~1001~~ Mission

The mission of Op-16-B-7 is to evaluate information of Naval Interest, collected from all available sources, pertaining to enemy espionage, sabotage, counter-espionage and subversion and to disseminate intelligence derived therefrom to appropriate Naval Authority to enable such authority to plan and execute effective counter and protective measures.

~~1002~~ Tasks

The tasks of the section under the above mission as restricted by Naval Interest are:

- (a) To determine the type and source of information the enemy desires or is getting, the methods of obtaining it and of transmitting it to the effective enemy destination.
- (b) Determine methods and means available to or used by the enemy for sabotage and subversion.
- (c) Conduct continuous studies for background information.
- (d) Maintain liaison with other appropriate government agencies.

~~1003~~ Fulfillment of Mission

It is considered that the mission of the section has been fulfilled when proper Naval Authority has been advised, before the act, of enemy plans, organization and personnel involved in espionage, sabotage, counter-espionage or subversive activities directed against the Naval Establishment and its mission, as set forth in the statement of Naval Policy.

~~1004~~ Because of the importance of basic ideologies, Op-16-B-7 is organized on an ideological basis, as distinguished from the geographic basis. Hence, the scope of Op-16-B-7 is world wide, and covers all areas in which Naval Interest is found, within the limitations of the section mission.

~~1005~~ The function of the section is to provide Naval Authority, ashore and afloat, at home or abroad, with evaluated intelligence to aid that authority in preventing interference with the Navy's war effort by means of espionage, sabotage, counter-espionage or

subversion of service or civilian personnel of the Navy. This requires that the section maintain material related directly to its mission and tasks in such form as to be readily available.

1006 The Op-16-B-7 mission and tasks clearly indicate, and experience has demonstrated, that they are headquarters staff functions, to correlate information from all sources and develop intelligence to be utilized for preventive and protective purposes to be used by the responsible Naval Authority in countering the espionage, sabotage and subversive activities of the enemy.

- 1100 Organization of Op-16-B-7
- 1101 Head of Section

The Head of the Section, under the Branch Head, is responsible for the organization, indoctrination, operation and performance of the duty of the section. He is assisted by an executive officer and a staff whose special knowledge and experience are utilized in collecting, analyzing and evaluating information.

- 1102 Desk Organization

The character of the work involved in fulfilling the mission of execution of the tasks of the section requires specialization of background and research facilities to cover adequately the scope of the section's field. This is best achieved by the establishment of desks charged with the responsibility of handling specific ideologies or activities. The size of each desk is dependent upon the magnitude and importance of the specific task or tasks assigned.

- 1103 War conditions and the sudden shifts of emphasis on various phases of the general counter-intelligence problem dictate the necessity for not only maintaining high degree of flexibility in the internal organization of the section, but also making such changes and alterations as current or impending circumstances require.

- 1104 With this in view, the following outline of Op-16-B-7 is given as reflecting the current needs of the section, in the Office of Naval Intelligence, in which material is received from all parts of the world and from the many cooperating

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intelligence units and other sources of information. The desks in Op-16-B-7 are:

- B-7-A - Service and Processing Unit
- B-7-C - Marxian Ideology
- B-7-F - Spanish, French and Latin American Ideologies
- B-7-G - Nazi Ideology
- B-7-I - Fascist Ideology
- B-7-O - Oriental Ideologies
- B-7-S - Sabotage

1105 B-7-A is the service and processing unit of the section, charged with maintenance of clerical and duplicating facilities for all desks. It is also an ideology desk in that miscellaneous activities not precisely falling into any of the major ideologies come under B-7-A. B-7-S is primarily a method desk, dealing with the study of sabotage techniques. The other desks are essentially ideological. The various ideological desks have additional assigned responsibility for nations or groups most logically associated with the primary ideology, though not necessarily identical or parallel.

1200 Relations with Other Naval Intelligence Service Units, the Navy Department and the Naval Establishment.

✓1201 Op-16-B-7 coordinates all activities, coming within the purview of the section mission and tasks, of the units of the Intelligence, (including the sections under the Theatre Commanders,) and Counter-Intelligence Groups in the Office of Naval Intelligence, the District Intelligence Officers and the Naval Intelligence units ashore and afloat outside the continental United States, including Naval Attaches, Naval Observers and Naval Liaison Officers.

✓1202 Through established channels, the Office of Naval Intelligence communicates with the Navy Department bureaus and offices and with the appropriate Commander of units of the Naval Establishment ashore or afloat outside of the Naval Districts concerning matters within the purview of the section's mission. Intelligence of value to those Commanders within the jurisdiction of a Naval District is communicated to them through the District Intelligence Officer, who is responsible for proper dissemination.

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✓1203

Information and intelligence pertaining to the Op-16-B-7 mission and tasks are forwarded to this section by all units of the Office of Naval Intelligence for evaluation and such further dissemination or action as may be required.

✓1204

The free interchange of information and intelligence within the purview of the section's mission and tasks between all intelligence units and the section is essential to fulfillment of the mission and the availability of significant intelligence to appropriate Commands.

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## Liaison With Other Agencies

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The Office of Naval Intelligence maintains close liaison with the Military Intelligence Division, the Federal Bureau of Investigation, the Office of Strategic Services, the Office of the Alien Property Custodian, the War Relocation Authority, the Maritime Commission, the War Shipping Administration, Foreign Economic Administration, the Office of Censorship, the Civil Service Commission, the Federal Communications Commission, the State Department, the Treasury Department (Bureau of Customs and U. S. Secret Service), and the Department of Justice (Immigration and Naturalization Service and the Alien Enemy Control Unit). The liaison is maintained either directly through Op-16-B-7 or through other established channels between the agency and the Office of Naval Intelligence. The liaison includes the interchange of appropriate information and data of interest mutually and the rendering of service as may be required by the war effort.

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## Definitions and Delimitations.

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Naval Interest - It is very difficult to formulate a definition of Naval Interest which will cover all situations other than that implied by the words themselves. In order to avoid any overlapping, or duplicating the functions of other agencies, or unduly restricting the functions of the Naval Intelligence Service, it is believed that those subjects which merely "may" or "might" be of interest to the Navy should be viewed with suspicion. Good common sense must govern any decision as to whether a subject should be pursued or not. In addition, sound judgment must be used to determine the immediacy of the subject or situation in relation to the Navy's war effort in order that the effectiveness of Op-16-B-7 activities be not dissipated on problems which can safely be postponed for future attention. When doubt arises as to existence of Naval Interest in a topic, the question should be referred to the Office of Naval Intelligence.

✓1402

In the normal course of business, the Naval Intelligence Service may receive information concerning activities not of direct Naval Interest, or which may be of prime interest to some other federal agency. In such cases, the information must be promptly transmitted to the agency having prime interest, responsibility and jurisdiction and to the Office of Naval Intelligence.

✓1403

Subversion - Subversion within the Op-16-B-7 mission may be defined as the over-throw, wholly or in part, of Naval Authority, the thwarting of or the diversion from the basic mission of the Navy as set forth in the statement of Naval Policy by the program of any foreign or domestic person, group or movement through adversely influencing service or civilian Naval Personnel and causing or tending to cause the destruction or impairment of the morale, primary loyalty and confidence of such personnel. From this it will be seen that subversion is a device utilized against personnel and is designed to impair or destroy morale and their effectiveness in the naval organization, principally by causing a loss of confidence and faith in Naval Authority. Subversion implies mental and psychological destruction or damage as distinguished from physical injury, damage or destruction of personnel, ships and material.

✓1404

Propaganda in its many and varied forms is the principal method of attack on personnel for the purpose of creating subversion. Op-16-B-7 interest and responsibility pertaining to propaganda is restricted to this phase - the impact and effect upon Naval Personnel, or personnel under Naval Control.

✓1405

The Naval Intelligence Service is not an action agency in that its responsibility is discharged when it has collected information, processed it by evaluation and disseminated it to appropriate administrative authority.

✓1406

Requests "for information" or "for information available" are not to be construed as justifying or authorizing formal investigation. Such requests when within the purview of the section's mission are to be construed as requiring only a canvas of other Naval Intelligence units and other intelligence agencies or competent sources of information with whom authorized liaison or cooperation exists.

✓1407

Op-16-B-7 is not an investigative unit. Op-16-B-7, in the analysis and evaluation of information may discover the need for an investigation to develop additional information. In such cases, the request for an investigation must be made to Op-16-B-3 which unit has the responsibility of determining whether to

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undertake the investigation itself, to cooperate with or to turn over to the investigative unit of some other appropriate intelligence agency the problem in toto. In forwarding the request, Op-16-B-7 must advise Op-16-B-3 of the specific points desired to be investigated and such information as will enable Op-16-B-3 to recognize and develop unexpected leads to collateral information which will be of value to Op-16-B-7 in evaluation.

- ✓1408 Misconduct of Naval Personnel or fraud against the Navy does not come within the purview of the Op-16-B-7 mission or tasks, except in so far as such cases also involve espionage, counter-espionage, subversion or sabotage. Any information received or developed by the section indicating misconduct or fraud must be passed promptly to the Naval Agency having cognizance and responsibility. When Naval Personnel is involved, the procedure outlined in the Confidential Letter of the Vice Chief of Naval Operations dated 4 June 1943, Serial No. 01473416 shall be followed if fraud is suspected.

1500 Collection of Information

- ✓1501 All information pertaining to espionage, sabotage, counter-espionage and subversion originating in or received by the Naval Intelligence Service is transmitted to Op-16-B-7 for evaluation and dissemination. In addition, the section maintains direct liaison or contact with other sources of information in the Federal Government as indicated in article 1301.
- ✓1502 Op-16-B-7 does not passively wait for information within the purview of the section's mission to be uncovered, but actively seeks it through requests to the appropriate units of the Naval Intelligence Service and the cooperating agencies. Analysis of information during the evaluation process frequently reveals a lack of information which would be germane to the subject. It is the responsibility of Op-16-B-7 to determine the advisability of endeavoring to obtain the missing information through the activities of the appropriate unit as indicated above and in articles 1301 and 1407.
- ✓1503 The collection of counter-intelligence information within the purview of the section's mission is made more effective by indoctrination of all Naval Intelligence Service personnel so that the significance of information of counter-intelligence value may be recognized. Experience has shown that information of substantial value from a counter-intelligence standpoint is obtained from reports dealing primarily with intelligence per se. This does not mean that Op-16-B-7 does or should review all material coming into the Office of Naval Intelligence. As in the case of Naval Interest,

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good common sense and judgment must be used, along with indoctrination of personnel handling intelligence so counter-intelligence value may be recognized and the material containing this value sent to Op-16-B-7.

✓1504 One of the most important functions of Op-16-B-7 is to know what sources are most likely to have information of value to the section so that time can be saved by going directly to the proper source. In this manner, the section increases its usefulness and effectiveness by having material quickly available without maintaining a duplication of files and material with other agencies. This has proven effective when requests for unexpected types of counter-intelligence data have been made.

✓1505 Collection of information includes having such general background information as is required for evaluation, readily available, although the background data may not be disseminated. This includes the obligation of each Op-16-B-7 officer to continuously increase his store of background data by individual study.

1600 Evaluation of Information

✓1601 Information alone is not intelligence. It is merely the thread from which intelligence is woven. Through the process of sound evaluation, information is converted into intelligence on which cognizant administrative authority may take such action as he deems appropriate.

✓1602 All information must be evaluated as to:

- (a) The degree of truthfulness
- (b) The degree of accuracy
- (c) The degree of possibility and probability
- (d) Relationship with known facts and information
- (e) Significance
- (f) Source

✓1603 All sources of information must be evaluated as to:

- (a) Motive in passing on information
- (b) Capacity to report accurately
- (c) Capacity to recognize correctly significance of things seen or learned
- (d) Ability to gain the information
- (e) Credibility

1604 Information is evaluated by Op-16-B-7 officers in terms of known fact. Thus, generally accepted patterns of enemy activity

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assist in determining the credibility of new reports as does the reliability of the source. There are two essential requisites of intelligence evaluation: (a) alertness to the subtleties of fluctuating enemy activity patterns and, (b) an ingenious interpretation of the implications arising out of new data. The process of evaluation is designed essentially to produce an understanding of the organization, complement, activities and future plans of the enemy.

✓1605

Evaluation requires an analytical mind. Care must be exercised in analysis of a situation to avoid too quickly accepting the first reasonable explanation as revealed by the known facts.

✓1606

When information reveals a situation or condition of possible immediate danger to the Naval Establishment and time does not permit thorough and complete evaluation, appropriate Naval Authority should be informed and advised that evaluation is impossible.

✓1607

Analysis is an essential factor in evaluation. In addition to analyzing the items of information in relation to each other, and the accepted patterns, the body of information should be analyzed for sufficiency. In this manner, the existence of missing information which may be made available through inquiry or investigation is revealed.

✓1608

It must always be borne in mind that evaluation must be made on the basis of information at hand, often despite the fact that the existence of additional information not yet received may be known. In such cases, great care must be taken not to do an injustice to an individual or organization by the evaluation of incomplete information, but when there is doubt, that doubt must be resolved in such manner as to afford the greatest protection to the Navy and the United States.

✓1609

In counter intelligence work, it is not necessary that sufficient evidence exist, or that it be of such character as to withstand the legal scrutiny of court proceedings before making an evaluation indicating a dangerous or possibly dangerous situation exists. When the evidence is of such extent and character, the matter should be placed in the hands of appropriate Naval Authority for action.

✓1610

Op-16-B-7 is in a position and has the responsibility of determining whether a situation or activity indicates a possible danger to the Naval Establishment. The section will not determine

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the relative danger and production or service value, that being the responsibility of the cognizant Naval Agency. Op-16-B-7's mission has been fulfilled when the intelligence has been disseminated to the appropriate Naval Authority.

✓1611 In addition to summarizing information of activities indicating a dangerous or probably dangerous situation, Op-16-B-7 has an obligation to make such statement of evaluation as required to advise the appropriate Naval Authority of the significance of items included in the report.

1700 Dissemination of Intelligence

✓1701 Dissemination of intelligence necessary to Naval Commanders or Naval Authority in making decisions and plans for the safety and protection of their activities is one of the major functions of Op-16-B-7.

✓1702 Only in extraordinary circumstances, where the character of the information clearly indicates a need for such speed in dissemination as to preclude evaluation, will unevaluated information be disseminated. In such cases, the addressee shall be advised that it has not been possible to evaluate the information. As soon thereafter as evaluation can be made, the addressee receiving the unevaluated data should be informed of the conclusions reached.

✓1703 Primary responsibility for dissemination is to the appropriate bureaus and offices of the Navy Department and the Naval Establishment.

✓1704 Dissemination also is made to the Military Intelligence Division, the Federal Bureau of Investigation, the Office of Strategic Services and to the State Department, as required.

✓1705 Dissemination shall be made to other Federal Agencies (article 1301) when circumstances are such as to indicate their direct and proper interest in the matter.

✓1706 In disseminating intelligence to Naval Authority outside the Naval Intelligence Service, only such general background information shall be given as is required to enable the addressee to understand and appreciate the significance of the situation covered in the dissemination. It has been found advisable to prepare lengthy and complicated material in two parts, one a statement of information, and, two, the evaluation of the material including its significance.

✓1707 Op-16-B-7 has the responsibility of disseminating evaluated intelligence of situations revealed as result of its research and analysis of information when Naval Interest is developed.

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Field of Op-16-B-7 Responsibility

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The primary responsibility of Op-16-B-7 is to keep, in such form as to be immediately available, all information and data received concerning activities within the purview of the mission, to analyze constantly situations and developments in order to direct effort to obtain additional pertinent information, to be prepared to supply Naval Authority with intelligence when requested and to give proper and timely dissemination of intelligence created as result of the section's activities.

1802

Op-16-B-7 makes the decisive evaluation on information, data and intelligence within the purview of its mission for the Office of Naval Intelligence, when other sections have occasion to handle information or intelligence pertaining to espionage, counter-espionage, sabotage or subversion.

1803

Op-16-B-7 will endeavor to keep in touch with the general situation and apprise the District Intelligence Officers and other Naval Intelligence units of any developments swinging toward Naval Interest.

1804

It is the responsibility of Op-16-B-7 to maintain current suspect files on individuals and organizations suspected of espionage, counter-espionage, sabotage or subversion who are civil or service personnel of the Naval Establishment, persons who have access to the Naval Establishment and persons who are suspected of direct interest in the Navy for purposes of espionage, sabotage or subversion. These suspect files shall be kept in such form as to be ready instantly in the event it is necessary to apprehend, bar from access to the Naval Establishment or restrict and control the activities and movements of such persons.

1805

Op-16-B-7 is the central control unit over the Merchant Marine Suspect List and the United States Barred List, so that uniformity of administration may be achieved. Recommendations for changes must be made to the Office of Naval Intelligence, except in the case of the list of persons barred from the waterfront facilities or from shipping on vessels under the control of the United States. Inclusion of such persons on the Barred List is the responsibility of the U.S. Coast Guard.

1806

By terms of the Delimitation Agreement of 9 February 1942, the Office of Naval Intelligence and the Federal Bureau of Investigation have concurrent jurisdiction in the coverage of Japanese activities involving espionage, counter-espionage, sabotage and subversion. Op-16-B-7 work in this special field is planned accordingly and includes maintenance of special files on Japanese persons, organizations and trends.

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OP-16-B

B-7  
Officer-in-Charge  
Policy - Supervision

B-7 Exec.  
Liaison-Personnel  
Inter-Desk Interest  
Processing - Mail

- COLLECTION OF INFORMATION FROM:
- |  |             |                          |
|--|-------------|--------------------------|
| 1. Navy Dept.                                  | 5. U.S.C.G. | 10. JIARC                |
| 2. Naval Districts                             | 6. M.I.S.   | 11. State Dept.          |
| 3. Foreign Stations                            | 7. F.B.I.   | 12. Treasury Dept.       |
| 4. O.N.I.<br>(NFI sections,<br>B-3, B-5, etc.) | 8. P.M.G.   | 13. Other Gov't Agencies |
|  | 9. O.S.S.   | 14. Informants           |

EVALUATION & ANALYSIS

B-7-A	B-7-D	B-7-E	B-7-C
Summary	Marxian Ideology	Nazi Ideology	Oriental Ideology
Company Clearance	Sabotage	Fascist Ideology	Eastern Asian
Transfer Vessels	Communists	Balangist Ideology	incl. India
	U.S.S.R.	European, less USSR	Pacific Ocean
	Native Fascists	Central & So. American	Area
	Negro Agitation	African	
		Western Asian	

- Dissemination with Evaluation
1. Directive
  2. Cards (3x5)
  3. Summaries
  4. Pertinent parts of Investigative Rpts.
  5. Patterns - Trends
    - a) Espionage
    - b) Subversion
    - c) Sabotage
  6. Counter-Intelligence Activities
  7. Special Topical Studies

- Collation & Filing
1. Special Suspect File (B-7)
  2. Terminal Files (B-7)
  3. Summaries (B-7)
  4. ONI General Files (A-7 and B-1)
  5. CMO Secret Files

- PRIMARY
1. Naval Service
    - a) Districts
    - b) Cominch
    - c) Bureaus
  2. U.S.C.G.
  3. M. I. S.
  4. OP-30 for P.M.G.
  5. F. B. I.
  6. OP-16-Z for O.S.S.

- SECONDARY (Special Cases)
1. State Dept.
  2. Justice Dept.
    - a) Alien Enemy Control
    - b) Immigration
    - c) War Policies Unit
  3. Treasury Dept.
    - a) Alien Property Custodian
    - b) Foreign Funds Control
    - c) Secret Service
  4. Other Appropriate Federal Agencies

Chain of Command: \_\_\_\_\_  
Functional: \_\_\_\_\_

23 August 1944

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Command  
Command  
Section Heads

October 1942.

March 1944.

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