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DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

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MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE (ADMINISTRATION)

Subj: DOD Intelligence and Counterintelligence

Ref: (a) SecDef Memorandum of 22 January 1971

In response to reference (a), there is supplied below relevant information on counterintelligence and investigative files that are maintained by Department of the Navy activities in the continental United States, Hawaii, Alaska, Puerto Rico, and other United States possessions.

The Naval Investigative Service (NIS) was established in 1966 to provide investigative and counterintelligence support to the entire Department of the Navy (less certain combat-associated Marine elements.) By virtue of its mission the NIS (which replaced various fragmented and only informally coordinated Navy organizational components having functions in counterintelligence and investigations) became the sole Navy element that might be expected to maintain Navy investigative and counterintelligence files. As of 26 January 1971, all Navy "area coordination" authorities (i.e., Naval District Commandants) in the geographical areas listed in paragraph 1 above have affirmed that neither they nor any other Naval commands (except Naval Investigative Service Offices) within their area of jurisdiction are in fact maintaining such files. (This affirmation does not relate to certain security type file holdings by individual commands with respect to base access such as the issuance of local base passes for visitors and vendors, or for denial of access to the base by individuals for previous trespass or violation of station rules and regulations. Such files are not considered counterintelligence files of the type maintained by the Naval Investigative Service.)

U.S. Marine Corps commands in the indicated geographic areas also rely on appropriate Naval Investigative Service Offices for Counterintelligence files and records. Therefore, the pertinent records concerning USMC installations are maintained by NIS and no independent central Marine Corps files exist.

The policy governing the conduct of Naval Investigative Service investigations and collection of counterintelligence information also governs what reports, regardless of origin, are retained. Policy

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guidelines on the collection of information vary according to the several categories of personnel of direct concern to the Department of the Navy:

- a. Military personnel
- b. Department of Navy civilian employees
- c. Industrial personnel assigned to NIS for investigation under the DOD Industrial Security Program
- d. Non-DOD related civilians.

Regarding the last-named, NIS policy provides that counterintelligence information is to be collected and retained only when there are indications that the following situations exist:

(1) Attempts to subvert loyalty, discipline, or morale of Department of Defense military or civilian personnel by actively encouraging desertion, disobedience of lawful orders or regulations, or disruption of military or naval activities.

(2) Theft of arms, ammunition, or equipment, or destruction or sabotage of facilities, equipment, or records belonging to Navy/USMC units or installations.

(3) Threats to the security of Navy/USMC elements or operations or to classified defense information through espionage on behalf of any recipient, foreign or domestic.

(4) Unauthorized demonstrations on active or reserve Navy/USMC installations or through demonstrations immediately adjacent to them which are of such a size or character that they are likely to interfere with the conduct of military or naval activities.

(5) Threats of physical violence to Department of Defense military or civilian personnel in connection with their official activities.

(6) Threats to the physical safety of government officials who have been authorized protection by NIS resources.

(7) Threats of sabotage or espionage directed against federal installations for which the Navy or USMC has been delegated Department of Defense security responsibility.

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NIS files on the foregoing items of information on non-DOD civilians are maintained both in field offices (Naval Investigative Service Offices--NISO's) and in the Naval Investigative Service Headquarters Central Files--hereinafter referred to as NIS Central Files. In actuality, NIS file holdings on this category of personnel consists almost totally of information received from civilian law enforcement agencies at the local, state, and Federal level--primarily the FBI--or from public source material such as newspapers, periodicals, handbills, "underground press", etc. Some information has also been obtained through overt attendance at public rallies of counterintelligence interest. Although not of a counterintelligence nature, NIS files do contain entries of security certification on a number of prominent private and public officials in connection with access to Navy classified information and material (e.g., attendance at Global Strategy Seminars.)

The NIS Central Files include hard copy and microfilm material held at both the Naval Investigative Service Headquarters, and at servicing Federal Records Centers. It is in a variety of formats--depending upon the agency reporting such information, the date, the content, etc. The material is not automated, or subject to computer print-out. It is filed in such a way that tight controls can be, and are, maintained on access thereto. Actually, access to information on individuals and organizations, requires ascertaining the location (dossier number, microfilm reel number, etc.) of the material through a check of the Defense Central Index of Investigations. It might be added that individual file folders (or record entries) exist for each different individual or organization, and that the index and coding arrangement are such that neither statistical data nor identity by personnel category can be ascertained short of actually reviewing the individual files. That is, it would be impossible to conduct an actual inventory of the NIS holdings by such personnel categories, as was requested in reference (a). There are approximately 3,000,000 individual NIS records--such records having been accumulated over two to three decades.

In addition to the "permanent" holdings in the NIS Central Files, NIS field offices operate and maintain a "temporary" file system--such system consisting of reports and other information items on matters pertinent to their respective area of geographic responsibility. This information is, by current policy, to be retained in two year increments, and then destroyed unless there is a specific need for retention beyond the two year period. These field holdings are on microfilm or other hard copy medium. They are not automated. Access is attained

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through locally created 3x5 index cards. The total field holdings—dossiers and index cards—number in the hundreds of thousands (if not millions), such numbers resulting from (1) years of generally haphazard retention practices (prior to the advent of the NIS in 1966), and (2) continuing shortages of the personnel necessary for proper purging efforts over the past several years. (Hundreds of cubic feet of such material, and many thousands of index cards, have been destroyed in the past few years, but the task remaining is far beyond the capabilities of presently available personnel. Here again, the absence of any indexing by personnel category, or of any ability to create an inventory of holdings by type, etc., makes it impossible to approach the purging effort by any means other than piece by piece review of the material held.)

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