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My fellow speakers have talked collect vital

intelligence.

I'm sure their counterpare countries make somewhat similar presentations to their program and budget people each year. In the case of the Soviets, it's rather obvious that their program and budget people are very receptive. For the scale of the Soviet intelligence effort against the United States is phenomenal. The Soviet's mount a technical intelligence offensive against us, as witness their various ELINT trawlers, photographic missions, etc. But they also mount a massive effort to gain their ends by direct, human collection effort. That is, by espionage.

It is the responsibility of the NIS to seek to counter that human individual spy effort, as it may be directed against the Navy.

This NIS counterintelligence udes the more usually known background investigations a passive but nevertheless vital defensive, effort, as well as more sophisticated operations, which are dreadfully consuming of manpower but of inestimable value in frustrating the Soviet intelligence Declassified Downgrade to apparatus.

Approximately 10% of our effort is in counterintelligence -- measures taken to negate the efforts of hostile intelligence services and hostile efforts to induce defection or to subvert our Naval personnel

actively involved in The Naval Investigative Service has recently become much more/counterespionage operations. These consist of inducing contact between specially

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selected and trained military "double agents" and known agents of hostile intelligence services. By establishing our "double agent" as a valuable agent of the Communist service and the ultimate termination of the operation in such a way as to discredit the enemy handler and his service, the Navy achieves several major benefits; sowing distrust for the real walkin, better knowledge of the operational procedures and targets of the Soviets, the surfacing of Soviet illegal operatives in deniad areas, and the recall in disgrace of several Soviet GRU affiliates in the country under "legal" cover for their "mishandling" of anti-U.S. espionage. Last year 74 such operations were conducted.

Notwithstanding the success of our effects, the Soviet intelligence services continue aggressive targeting of military personnel. STI WINES was just sentenced by a General Court Martial to 3 years and DD when he attempted to contact the Soviet Mission to the UN to sell highly sensitive information concerning submarine operations. Also, within the past year we devoted hundreds of investigative man hours to the identification of a PTI from the USS INTREPID who called the services in Tokyo offering to provide highly classified information. He was identified, closely surveilled, enroute from Japan and picked up in Washington just before making an approach to the Soviet Embassy.

Date: 2.1 Sansa Lagrand.

Closely akin to direct Soviet efforts, insofar as Navy security and personnel integrity is concerned, is the current world-wide phenomenon: the new left philosophy, the anti-American attitude in many countries, and the effort,

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both domestic and foreign, to induce U. S. service personnel to desert their duties and their country. The effort has certainly had results — the best known example being the defection of the INTREPID Four, the four sailors who left their ship in Japan and were smuggled by a Japanese organization, the Beheiren, and, finally, by a Soviet ship to Moscow and ultimately to Sweden.

Beheiren, a Japanese organization against the war in Vietnam, that induced the defection of the INTREPID Four, has been a continual thorn in our side. Last fall we introduced Hospitalman Filest Rush JOHNSON into the Beheiren pipeline, where he stayed for 30 days. During this period, we identified 12 safe houses; many individuals who are active in the organization and picked up 3 bona fide deserters on the point of leaving for the Soviet Union. JOHNSON was awarded the Legion of Merit for his efforts in this operation — one that could have been disastrous for him.

This type of operation, by the way, is exceedingly costly in manpower. This particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation took over \$5,000 wars (over the particular operation) and the particular operation to the particular operation

Happily our workload in that area seems to have stabilized aibeit at around 54,000 a year — a 12,000 increase over FY65. However, we do anticipate some increase in the man years devoted to PSI's, however, since some of our sources are drying up. We are finding it much more difficult to get information from college records, juvenile courts, the

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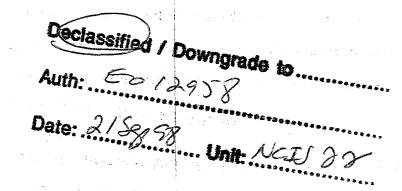
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medical profession, and from credit unions.

Somewhat aside from direct counterintelligence, but still related to naval security, is the Navy criminal rate. The NIS has the criminal investigative responsibility — and in this area we see a dramatic upswing. This, of course, simply reflects the national increase. We have had a 77% increase between Fiscal 67 and Fiscal 69, and indications of the upward trend continue. The major increases are in three areas: fraud, larceny, and narcotics.



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