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TO : OP-921E

DATE: 19 Sept 1957

FROM : OP-921K

SUBJECT: "Intelligence Pamphlet for Distribution to Flag Officers of the US Navy"

1. The attached draft is submitted for inclusion in the subject pamphlet, replacing the present section dealing with Security Policy and Guidance as it relates to foreign disclosure of classified information.

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...the Soviet Union to achieve their ends--events in the Middle East and in Southeast Asia testify to this. In addition, since Stalin's death and the internal reorganization of the MVD and KGB there is convincing evidence of a sharp upturn in Soviet foreign espionage activity.

Our global commitments, including participation in NATO, SEATO, and the Baghdad Pact, the importance of our overseas bases, and our research and development programs, all place the Navy high on the Soviet target list for espionage and subversion. Moreover, it is known that the Soviets continue to train themselves and maintain a capability for a large-scale sabotage effort.

The Role of Counterintelligence and Security. In the face of this threat to the Navy, as well as the nation, Navy Counterintelligence and

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Security have a very important job to do. Our philosophy of counterintelligence is that it is part and parcel of intelligence. Specifically it is that phase of intelligence which seeks out and destroys inimical foreign activities and which helps to protect our installations and material against sabotage, our information against espionage, and our personnel against subversion. Its aim is to help command achieve security, a condition in which sabotage cannot take place, classified information cannot reach the enemy, and subversion does not exist.

This is such a big job that it cannot be performed just by those at Navy headquarters in the Pentagon. Much of the burden falls upon those at other command levels and much of the responsibility is ultimately theirs.

Organization and Operation of ONI for Counterintelligence and Security.

Under the Director of Naval Intelligence the Navy Counterintelligence effort and certain phases of the security effort are carried out by the Deputy Director of Naval Intelligence for Security. In addition to the planning and execution of counterintelligence programs within the Naval Establishment, ONI is concerned with developing and promulgating policies for the protection of classified matter; directing and controlling the security-investigative efforts of Naval Intelligence; providing warnings of threats to the Naval Establishment from Sabotage, Espionage and Subversion; and providing intelligence support for those who are responsible for personnel security programs. Assisting the Deputy Director of Naval Intelligence, Security are the Security Division of ONI, the District Intelligence Officers, and the Intelligence Security Units which are a part of the intelligence staffs attached to Fleet

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commands. The Security Division is an integral part of ONI, since counter-intelligence is basically a phase of intelligence.

All elements of Navy counterintelligence operate in close cooperation with other military and civilian counterintelligence agencies. Over the years this community effort has been made so effective that ONI's counter-intelligence resources have been able to do a high volume of work which would normally be beyond the capacity of an organization of its size. For example, the Director of Naval Intelligence is a member of the Inter-Departmental Intelligence Conference which coordinates intelligence matters related to internal security. The FBI and the military services compose this conference. ONI is also linked to international counterintelligence activity through NATO, SEATO, and the Baghdad Pact.

The Navy Security-Investigative Effort. The Navy's Security-Investigative effort parallels that of the FBI and the other two services. In fact, since 1939 there has been in existence a so-called "Delimitations Agreement" among the three military services and the FBI which spells out what each of these agencies having an investigative capability will do in the investigation of sabotage, espionage, and subversion cases. In essence, the Navy has the investigative responsibility for its own uniformed personnel in such matters. Not only does the Navy investigative force deal with counterintelligence cases, it also works on major violations under the Uniform Code of Military Justice.

This investigative effort is centrally directed in that the progress of all cases is monitored in Washington. The number of cases handled in a

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single year (1956) reaches the total of 30,000. These 30,000 cases involved about 71,000 separate investigations. Additionally ONI processed about 135,000 National Agency Checks which were required for personnel of interest to the Navy. Incidentally, we neither grant nor deny clearances, but we provide the information on which command decisions in such matters can be based.

To carry out its investigative mission, the Navy has a force of about 425 Special Agents, all of whom are civilians. Additionally some officers and enlisted investigators are used in commands where military personnel are more appropriate. It has been found highly advantageous in the majority of cases to use civilians because of the long training and experience required to develop agents. ONI conducts basic, refresher, and special training for these agents at a school located in Washington. The agents, however, are located in areas where they can best serve command, principally at the District Intelligence Offices, at some Intelligence Units overseas, and at the Potomac River Naval Command.

Warnings of Threats to the Navy from Sabotage, Espionage, and Subversion.

The job of providing warnings of threats to the Navy from sabotage, espionage, and subversion involves much the same process followed by those who produce so-called positive intelligence. In fact, those working in the counterintelligence field make use of common facilities to a marked degree. Research and study of counterintelligence problems is conducted within the widest possible framework. To provide warnings and other finished intelligence to all levels of the Navy, it is first necessary to guide the collection of counterintelligence information, thus to analyse it, and relate it to the vast body of current and background information available at the Washington headquarters.

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Security Policy and Guidance. A problem frequently faced by flag officers in charge of Fleet commands and technical bureaus relates to the release of classified Navy information to our Allies. The Director of Naval Intelligence is the Navy's member of the State-Defense Department Military Information Control Committee which formulates joint policies governing the release of classified military information to our Allies. The policy produced by this committee is national, but the Director of Naval Intelligence has the job of interpreting and implementing it for the Navy. It should be emphasized that DNI seeks only to control and assist the flow of information to friendly powers, having due regard for the ability of the friendly country to prevent the information from falling into unfriendly hands. The Director of Naval Intelligence does not seek to prevent that flow where the Navy and the United States will realize a net benefit. All too often the security control measures are taken as a pretext for not exchanging information even when a great net advantage would accrue to the Navy. DNI attempts to apply a common sense approach to all requests for release of information to our Allies and can do much to help those whose mission would be furthered by the exchange of information with friendly foreign powers.

Another policy task performed at the headquarters level is the formulation of policies designed to safeguard classified information of interest to the Navy. The Navy Security Manual which contains the guidance needed by command for its day-to-day work in achieving security is a good example. The Security Manual is produced by ONI, but in fact it reflects the experience and requirements of the entire Naval Service. ONI also helps

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formulate security policies and regulations designed to protect Navy classified information when used by private industry.

ONI is responsible for developing Armed Forces Censorship Joint Instructions and coordinating the operation of Armed Forces Censorship plans. It is also responsible for the development of plans and preparations for, and when so directed, the operation of Telecommunications Censorship as an element of National Censorship. Telecommunications Censorship is a prime source of information in time of war. The task of Telecommunications Censorship planning requires, in addition to the preparation of effective plans and instructions, the recruitment of both military and civilian personnel, the training thereof and assignment to mobilization billets, the stockpiling of essential supplies and equipments and the establishment and maintenance of effective liaison with communications companies, federal agencies, foreign governments, joint commands and others on technical operational planning and activation matters.

Personnel Security Programs. ONI's security and counterintelligence mission includes providing intelligence support for those who actually administer the Personnel Security Programs. The Chief of Naval Personnel, the Commandant of the Marine Corps, the Chief of Industrial Relations, and the Chief of Naval Material all have a responsibility for insuring that personnel of Navy interest are not susceptible to the communist sabotage, espionage, and subversion effort, and in fact administer the personnel-security program directly concerned with this problem.

In the case of military personnel intelligence, support is given to the Chief of Naval Personnel and the Commandant of the Marine Corps in their work

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of determining whether personnel are acceptable for entry and retention in the service. A similar service is performed for the Chief of Industrial Relations who administers the Navy civilian personnel security program, and for the Chief of Naval Material who implements the industrial personnel security program.

The Navy has a strong interest in the Merchant Marine screening program which is administered by the Coast Guard. The responsibility would be the Navy's in the event of an emergency, and it is known that maritime workers and the shipping industry have long been prime targets for the communists.

Support Provided by ONI on Security and Counterintelligence Problems.

Over the years ONI has built up a corps of officer and civilian specialists in security and counterintelligence matters. Many of them are persons of outstanding ability who have had long experience in this specialized field. Their services can be made available, through ONI, in the event that a major counterintelligence or security problem is faced by a command. In such instances ONI should be regarded in the same light as a good law firm would be regarded by someone with a legal problem. Just as the law firm can do the most good if it is called into the problem early, so can ONI do its best job if called on as early as possible. With its years of experience and its contacts throughout the entire national and international counterintelligence communities, ONI can sometimes provide the needed information or advice in a surprisingly short time.

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