



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

IN REPLY REFER TO

Op-942C/kac
Ser 532P942

MEMORANDUM FOR THE CHIEF OF NAVAL OPERATIONS

Via: Vice Chief of Naval Operations

Subj: Status of Naval Investigative Service (NIS) Agents

Ref: (a) CNO/VCNO Action Sheet #646/70, s/s
(b) CNO/VCNO Action Sheet #587/70, Subj: Administrative Discharge Procedures

1. The following information and recommendations are provided in response to reference (a), which noted that at the 22 October meeting of CNO with DCNO/SYSCOMS, the Chief of Naval Personnel commented on the adverse impact that reductions in the number of NIS agents would have on the timely investigation and disposition of drug abuse offenders in the Naval Service.

2. Interim Developments

a. Shortly after reference (a) was issued, the House of Representatives reduced Navy's Intelligence and Cryptologic programs by around \$6 million. The Senate ultimately denied a reclama of approximately \$1 million, and the final Budget action carried the full \$6 million loss. A series of OSD and intra-Navy decisions apportioned \$926,000 of this loss to the NIS. This, together with general cost inflation, has required the separation (by voluntary and involuntary action) of over 150 NIS personnel, including 116 Special Agents, since 1 July, 1970. The Special Agent separations translate into a 60 to 65 investigative man year loss--or 3 to 4,000 investigations, depending upon type of case.

b. ASN (Manpower and Reserve Affairs) has recently authorized the Marine Corps to conduct drug abuse investigations on those Marine Corps bases the commanders of which have General Court Martial jurisdiction.

c. As a result of reference (b), and presuming Op-100 approves the billets, it appears that CNP will be able to supply a limited number of Naval personnel to NIS for investigative duties relating to narcotics offenses. Considerable lead time will be required to select, train, and position these personnel, but the program will be helpful once these actions are taken.

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d. The NIS investigative workload is trending downward, generally consistent with the decline in the size of the Navy and Marine Corps, though at a considerably lower rate than the decline in NIS resources.

e. Items b. through d. will assist appreciably, though to an as yet indeterminate event, in absorbing the losses described in a. above.

3. Recommendation. The Congressional action (cf. 2.a. above) in effect establishes a ceiling on Navy intelligence expenditures in FY 71. Thus even if any excess funds might be found in other Programs, they could not be transferred to Intelligence without specific Congressional approval--a highly unlikely prospect since the amount would be very small, and a request to Congress would entail running the whole budget-ary and programming gamut: DIA, OSD, (BuBud), Congressional Committee, etc. It thus appears that the sole action now feasible is to await FY 72 developments. The major increment of special agent loss occurred with the involuntary separation of 85 agents on 1 February. It can be expected that the results of this loss will show in gradually rising increments for the remainder of the fiscal year, and investigative and counterintelligence operational response time will increase proportionately. However, the FY 72 PBD offers some hope for a reasonably adequate resource posture in that fiscal year. Under the circumstances, it is recommended that primary emphasis be placed on the effort to obtain favorable FY 72 et seq programming and budgeting actions. In this connection, the NIS needs the next several months to adjust to its new personnel level, to redistribute its remaining trained personnel, etc. Any significant amount of additional funds could not be expended with any real cost effectiveness in the few months remaining in FY 71.

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