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Date: 21 SEP 98 Unit: NCIS 22

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
Washington

In reply refer to No.

Op-16-B
(SC)A8-4
A2-11/EN3-10
Serial No. 0309416

November 19, 1940

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From: Chief of Naval Operations.
To : Commandant, First Naval District;
Commandant, Third Naval District;
Commandant, Fourth Naval District;
Commandant, Fifth Naval District;
Commandant, Sixth Naval District;
Commandant, Seventh Naval District;
Commandant, Eighth Naval District;
Commandant, Ninth Naval District;
Commandant, Tenth Naval District;
Commandant, Eleventh Naval District;
Commandant, Twelfth Naval District;
Commandant, Thirteenth Naval District;
Commandant, Fourteenth Naval District;
Commandant, Fifteenth Naval District;
Commandant, Sixteenth Naval District;
Commandant, Navy Yard, Washington, D. C.;
Commandant, U. S. Naval Station, Guantanamo Bay, Cuba;
Commandant, U. S. Naval Station, Tutuila, Samoa;
Commandant, U. S. Naval Station, Guam.

Subject: Naval Intelligence Informers.

Reference: (a) CNO confidential letter Op-16-B-3; QR3/ND, Serial No. 2369, dated December 7, 1939.
(b) CNO confidential letter Op-16-B-3; A2-8; (SC)A8-5; Serial No. 0102916 dated July 6, 1940.

1. It is assumed that officers of the Naval Intelligence service appreciate the importance of establishing and maintaining contacts with Informants in general for the purpose of facilitating the collection of information. At this time, with world conditions what they are, there is special need for providing all possible safeguards against potential or actual espionage or sabotage. It is more important to guard against and prevent these inimical actions than simply to apprehend the guilty. These considerations indicate both the necessity and the propriety in the execution of the mission of Naval Intelligence of making use of Informers.

2. For the purpose of this letter, "Informer" may be defined as follows: "An individual who confidentially informs a

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member of the Intelligence Service of a violation of law or furnishes other information indicative of actual or potential tendencies inimical to the Naval establishment, Naval interest, or the National Defense in general, with special reference to actual or potential espionage or sabotage."

3. The regular personnel of the Naval Intelligence Service, including Agents, is neither adequate in numbers, nor suitably located, to insure obtaining all the information of legitimate interest required by the Intelligence Service. Discreet use should, therefore, be made of the services of Informers to the number and in the locations indicated as necessary. However, Informers should be used only for strictly legitimate and proper purposes to further the accomplishment of the mission of the Naval Intelligence Service.

4. Informers may be volunteers working without pay or may be paid. They may be in the armed services, in other government employ, or have no government connection or status.

5. As a general rule, before employing Informers, it should be ascertained by an appropriate investigation that they are loyal, and otherwise generally reliable. It is recognized that there may be occasions when it is necessary to employ Informers who do not fulfill these desirable basic requirements, but, in such special cases, alleged information obtained from them should be accepted with appropriate reserve.

6. Certain individuals already having government connection should, when it is not unduly inconvenient for them, generally be willing to serve without special pay. No person in the Naval Service shall ever be given extra pay for acting as an informer although reimbursement may be made to such persons for actual necessary and extraordinary expenses incurred in obtaining or transmitting information. When an individual having Government connection appears to be mercenary in connection with acting as an Informer, reserve is indicated in connection with such employment. Also caution must be exercised in regard to the motives of an Informer. These motives may be of a personal nature, springing from a grudge, or a desire to damage a competitor.

7. Good Informers may be located, incidentally, while carrying on regular investigative and intelligence activities and a lookout for them should be maintained in areas in which their services are needed.

8. Members of the Naval Intelligence Service should exercise the greatest care not to disclose the identity of or compromise the security of Informers. Reports received from them should, as a rule, be copied and the original reports destroyed.

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Notes on information supplied by them should not disclose the source of the information.

9. Informers will be designated by a uniform system of symbols which are common to all Naval activities under the jurisdiction of the Naval Intelligence Service. For Naval Districts, the symbols used will be the letters "ND" followed by the district number and by the serial number of the individual, such as "ND-1-1", "ND-3-2", "ND-4-6", etc. The Washington office will use the letters "Wn" followed by the serial number. Naval Stations, Guantanamo, Samoa and Guam will use "GTM", "S", and "GU", respectively, followed by the serial number. Each District Intelligence Office and that of each outlying Naval Station will keep a file of Informers properly cross-indexed as to symbol, pseudonym, right name or other designation and the type of information furnished.

10. It is generally necessary to develop the use of Informers upon an individual basis. That is, Informers, as a general rule, will prefer to confide their information only to a specific individual or individuals in the Intelligence Organization and will not wish to do business with anyone not well known to them and, therefore, not enjoying their confidence.

11. Compensation should be given Informers only when it is deemed the information is worth the price. As a general rule, information should be paid for only on a C.O.D., and after verification, basis. Payment of a regular salary to an Informer is, except in very rare cases, a waste of funds. A duly signed receipt should be obtained and filed for every payment made. The alias, non de plume, or other designation may be signed thus in each case handwriting and possibly fingerprints are obtained after the individual has signed a number of receipts, even though his proper name is not known. This receipt also substantiates payments if called for at any time by superior authority.

12. In connection with the use of Informers attention is again invited to the requirement of general cooperation with the Federal Bureau of Investigation and the Military Intelligence Division in investigations concerning espionage and sabotage. Any duplication or interference will be avoided by maintaining good personal liaison locally with the representatives of the other agencies. There should be sufficiently full, frank, and specific exchange of information as to prevent, for example, more than one agency paying the same Informer.

13. Within strictly Naval establishments there should be no possible complications as neither of the other agencies will be operating except by Naval arrangement. Outside Naval (and Military)

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establishments, the general cognizance and responsibility is the Federal Bureau of Investigation's. However, there are situations in which there is a definite and important Naval interest which Naval Intelligence should insure is safeguarded. For example, in a private plant important building or production for the Navy may be in progress.

14. That there is adequate coverage of Naval interests against the covert threat or act of espionage or sabotage Naval Intelligence must insure, especially with world conditions what they are today. Naval Intelligence representatives should ascertain specifically from the local Federal Bureau of Investigation representatives whether the coverage in Commercial Plants having Navy classified contracts is adequate, and, if not, should assist to that end as may be mutually agreed upon. In such locations it is highly desirable the field be left to Federal Bureau of Investigation to cover if the Federal Bureau of Investigation can do it. No unnecessary or unwarranted spreading out by Naval Intelligence should be undertaken in this or any other field. The distinction between Naval Intelligence insuring that there is coverage, and Naval Intelligence providing the coverage, should ever be kept in mind. It is a fundamental concept that Naval Intelligence will never provide coverage in the United States outside of Naval jurisdiction where coverage can, to the satisfaction of the Naval interest, be adequately provided by another qualified and legally empowered agency.

W. S. Anderson

W. S. Anderson,
By direction.

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