



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

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10 November 1971

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MEMORANDUM FOR THE SECRETARY OF DEFENSE

Via: Chairman, Defense Investigative Review Council

Subj: Inspection of Navy Investigative Components; Initial Report
(Report Symbol DD-A(A)1118)

Ref: (a) EOD Directive 5200.26, Subj: Defense Investigative
Program
(b) DIRC Study Report No. 2 of 5 May 1971, Subj: Develop-
ment of DIRC Inspection Techniques

Encl: (1) Report of Inspection of Navy investigative activities
17 February - 1 September 1971

Paragraph V.C.2 of reference (a) requires the Secretaries of the Military Departments to provide for the continuing management, review, and inspection of the investigative activities of their respective departments, and for the submission of a consolidated report of inspection on an annual basis. Paragraph II.B. of reference (b) requires an initial report by 1 November 1971, such report to include inspections conducted through 1 September 1971. Enclosure (1) is the initial report for the Department of the Navy. Enclosure (1) has been prepared in the format prescribed by paragraph II.C. of reference (b).

Warner
John W. Warner
Under Secretary of the Navy

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Report of Inspections of Department of Navy Investigative
Activities, 17 February - 1 September 1971

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Enclosure (1)

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FOREWORD

This Report is submitted in compliance with DOD Directive 5200.26 and DIRC Study No. 2 of 5 May 1971. It is submitted to apprise the Secretary of Defense of the management and related review actions taken by appropriate Department of the Navy authorities to:

(1) assist Navy commands and components in their understanding of the proper role of the Department of Defense in investigative and related counterintelligence matters (the Defense Investigative Program, as defined in DOD Directive 5200.26), and

(2) insure that Department of Navy actions in such matters are fully consonant with DOD policies and directives as such are expressed through implementing Department of the Navy instructions.

The visits and inspections reported herein have been conducted variously by:

(1) the Under Secretary of the Navy (assisted by the Special Counsel to the Secretary of the Navy);

(2) the Commander, Naval Intelligence Command; and

(3) senior members of the Naval Investigative Service (NIS).

The NIS is an element of the Naval Intelligence Command. The commands visited or inspected have been components of the NIS. That Service has received primary consideration because, by assigned mission and by Department of Navy organization, it is the Navy element most directly associated with the Defense Investigative Program (DIP). Other, non-NIS, Navy components will be reviewed in the future should circumstances indicate such to be necessary or advisable.

EXECUTIVE SUMMARY

A.1. It is to be noted that the two basic DOD Directives in this subject area were issued on 17 February and 1 March 1971, respectively. Those Directives were primarily statements of broad principle. More detailed guidance was subsequently developed and promulgated through

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the mechanism of the Defense Investigative Review Council. The development of such guidance, its translation into Department of Navy Instructions, and the distribution thereof to all Navy commands, necessarily consumed a considerable portion of the time lapse between 17 February and 1 September (the end of this reporting period). Most "review" effort has, thus, been in the form of orientation, guidance, and explication. Performance review has not been overlooked, but such has necessarily been accomplished within the framework of general precepts rather than the particulars of the evolving set of formal directives.

2. Copies of all Navy implementing instructions in the "Defense Investigative Program" have been provided the Chairman, Defense Investigative Review Council.

B. It has been readily apparent in the visits, discussions, and inspections conducted to date that little change was required in formal Navy procedures to meet the objectives of the Secretary of Defense in the DIP, viz., full respect for the "constitutional civil and private rights of individuals and organizations" while taking action to protect the national security. No instances of violations of any rights have been discovered. No tendency to overlook constitutional precepts has been noted.

C. It has been noted that there has been over the years a tendency to amass, cross-index, and file, information on many individuals when no relevance to direct Navy interests has been identified. The information, however, has usually been from the open news media or from other government agencies, and the individuals have been "controversial," and, characteristically, have held strong anti-Navy or anti-U.S. points of view. Navy has not been found to have acted in an inappropriate manner insofar as the physical collection of such information is concerned.

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D. The new Defense Investigative Review Council (DIRC) guidelines "information" retention will serve as "purging" directions to dispose of any material on individuals and organizations whose activities do not have a demonstrable relationship to Navy security or other matters of legitimate Navy concern, and to preclude both the processing and retention of any such material in the future. It is noted that there is no way short of physical review of all file holdings to determine the degree of current invalid holdings. Such a review would be extremely costly--an expense that is clearly revealed as not warranted by the extremely small volume of questionable material disclosed through sampling procedures. (This expense factor was recognized in the DIRC guidelines. As provided therein, Naval Investigative Service components have inaugurated formal programs to review for retainability all material as it is recalled from stowage for any reason.)

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E. Noteworthy in all contacts on this matter to date has been the quick recognition by all concerned of the value and validity of the new guidelines and precepts. This is a testimony, it is believed, to the aforesaid point that Navy was already highly consonant in its investigative operations with the precepts now formally enunciated by the Secretary of Defense and the Defense Investigative Review Council.

SUMMARY OF INSPECTIONS

NOTE: Only two formal "command" inspections of NIS components have been accomplished during the reporting period. Fiscal constraints have precluded the Director, Naval Investigative Service, from following the normal biennial inspection schedule considered appropriate to NIS operations. Other considerations have limited the participation of the Under Secretary of the Navy. Contacts with NIS components have, then, usually been on an "opportunity" basis. Contacts during the period 17 February to 1 September 1971, are listed below.

<u>Date</u>	<u>Component</u>	<u>Visitor (or Inspector)</u>
8 Mar 1971	Naval Investigative Service Office San Francisco	Rear Admiral F. J. Harlfinger, II, U.S.N., Commander, Naval Intelligence Command. This was a partial "inspection;" consisting of a quick review of the new DOD Directives, an analysis of current routines to ascertain if major changes were needed, and a "sample" review of file holdings.
12 Mar 1971	Naval Investigative Service Headquarters	Mr. John W. Warner, Under Secretary of the Navy. This was a "familiarization" visit by Mr. Warner. An in-depth briefing on organization and precepts was followed by a quick review of file methodology, and a sampling of file holdings.
2 Apr 1971	Naval Investigative Service New Orleans	Rear Admiral F. J. Harlfinger, II, U.S.N., Commander, Naval Intelligence Command. (The program was the same as that followed in San Francisco, as reported above.)

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<u>Date</u>	<u>Component</u>	<u>Visitor (or Inspector)</u>
2 Apr 1971	Naval Investigative Service Resident Agency, Houston, Texas. (A sub-component of the New Orleans Office.)	Rear Admiral Harlfinger paid a quick, informal, visit to this Resident Agency to ascertain viewpoints, to gain an understanding of the degree to which these sub-units were aware of the DIP developments.
21 Apr 1971	Naval Investigative Service Resident Agency, Newport, Rhode Island. (A sub-component of the Boston Office.)	Rear Admiral Harlfinger paid a quick, informal, visit to this Resident Agency to ascertain viewpoints, to gain an understanding of the degree to which these sub-units were aware of the DIP developments.
24 May 1971	Naval Investigative Service Resident Agency, Pensacola, Florida. (A sub-component of the Charleston Office.)	Under Secretary Warner queried the local personnel on their understanding of the new directives and their reaction thereto, and inquired into their file holdings.
7-18 Jun 1971	Naval Investigative Service Office, Charleston, South Carolina.	Captain P. J. Foley, U.S.N., Deputy Director, Naval Investigative Service, conducted a formal inspection of this Office. Inspection was intermittent during the indicated period.
10 Jun 1971	Naval Investigative Service Headquarters	On this date, Under Secretary Warner addressed the Commanding Officers of the CONUS Naval Investigative Service Offices (who were at Naval Investigative Service Headquarters for a command conference), as well as representatives of all major Naval Commands in the Naval District of Washington. He spoke on the new DIP precepts, solicited questions, provided interpretations.
15 Jun 1971	Naval Investigative Service Resident Agency, Monterey, California. (A sub-component of the San Francisco Office.)	Under Secretary Warner queried the local personnel on their understanding of the new directives and their reactions thereto, and inquired into their file holdings. (He later discussed DIP matters with various West Coast Flag Officers.)

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<u>Date</u>	<u>Component</u>	<u>Visitor (or Inspector)</u>
16 Jun 1971	Naval Investigative Service Office, Marianas.	Captain F. C. Satterthwaite, C.O., Naval Investigative Service Pacific (NISIPAC) conducted a formal inspection of this office. Captain Satterthwaite is the "Intermediate Senior in Command" between the Director, Naval Investigative Service, and all Naval Investigative Service Offices west of the West Coast of the U.S. The office in the Marianas has responsibility for the island of Guam--a territory, and, hence, within the geographic limits of DOD Directive 5200.27.

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MAJOR FINDINGS

The major findings on the various visits were discussed in the "Executive Summary" above. Subject to those comments with respect to file purging, the formal inspections--those of the Naval Investigative Service Offices, Charleston, and Marianas,--found complete compliance with all the new directives. There were, thus, no major deficiencies to be corrected.

SUMMARY OF ACTIONS TO CORRECT MAJOR DEFICIENCIES

None needed.

SUMMARY OF MANAGEMENT/ORGANIZATIONAL CHANGES

None made or needed.

COMMENTS AND RECOMMENDATIONS

The inspections and visits made to date have served to (1) highlight the importance attaching to observance of proper limitations on DOD activities in investigative and counterintelligence matters; (2) to clarify minor doctrinal misunderstandings; (3) to stimulate the disposal of unneeded file material on individuals and organizations. A continuation and intensification of inspections is proposed, until all senior Naval Investigative Service personnel world-wide have had the opportunity for face to face discussions with appropriate Departmental personnel.

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TENTATIVE DEPARTMENTAL INSPECTION PROGRAM FOR NEXT
REPORTING PERIOD

Subject to funds availability, the following tentative inspection schedule has been developed for the period 1 November - 30 June 1972. (These will be formal "command inspections" by the Director, Naval Investigative Service.

<u>Component</u>	<u>Dates</u>
Naval Investigative Service Office, New York	November 1971
Naval Investigative Service Office, Norfolk	January 1972
Naval Investigative Service Offices, Pacific/Hawaii/Japan/Philippines	February/March 1972
Naval Investigative Service Office, Chicago.	May 1972

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