

The attached presentation was given by
Mr. Norrian Smith of CI/SPG.

SECRET

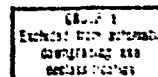
COUNTERINTELLIGENCE OPERATIONS

Talk to be given at an OSI Intelligence Collection Seminar to
be held on 22 and 23 February 1971.

Yesterday and today you have held discussions on the intelligence
collection process, targetting, and exploitation. In this hour long dis-
cussion of counterintelligence, I am going to continue that process. I
am going to talk about intelligence collection, the process of targetting,
and the process of exploitation. However, in contrast to the other
speakers in the seminar, I am going to discuss you as a target.

For most of us serving in the Directorate of Science and Tech-
nology or the Directorate of Intelligence, security on a daily basis
consists of showing your badge to the man at the door and making sure
that your safe is closed at night. During the day we associate with our
colleagues who wear badges to testify to the fact they have been cleared.
Outsiders who come into view also wear badges indicating that they too
have been cleared. Thus wrapped in this cloak provided us by security,
few of us give much thought to the fact that a major power with endless
funds considers the United States and in particular the Central Intelli-
gence Agency to be the "main enemy, the primary adversary, the
prime target." There is documentary proof of this. I can go on to

SECRET



This document is made available through the declassification efforts
and research of John Greenewald, Jr., creator of:

The Black Vault



The Black Vault is the largest online Freedom of Information Act (FOIA) document clearinghouse in the world. The research efforts here are responsible for the declassification of hundreds of thousands of pages released by the U.S. Government & Military.

Discover the Truth at: <http://www.theblackvault.com>

SECRET

say that in this age of technology where, in my view, the United States has no equal, the Directorate of Science and Technology and its offices such as the Office of Scientific Intelligence rate pretty high on the priority list of targets. It has to -- look at the publicity -- and look at the fact that as so many of you know, the Soviet technological gap is something the Soviets are trying to close fast. Interestingly enough, the KGB S&T effort has expanded in roughly the same time frame as DDS&T. Before 1956, there were small S&T sections which were part of geographic area divisions. About 1956/57, these isolated scientific units were consolidated into an S&T department and in 1963, the department was upgraded into a full fledged directorate. As far as overseas representation is concerned, the USSR has 41 slots in IAEA. Twenty percent of these are occupied by KGB S&T case officers.

O.K., so you never heard of any Russians snooping around OSI and besides security is there with badges and locked safes, etc., so we are protected from attack. Don't you believe it. Let us for a moment pretend that we are KGB or GRU operations officers and that we wish to penetrate OSI. How do we go about it? Do we send one of our nice Soviet lads to call? Do we use a case officer from one of the Eastern European satellites? Just for an idea of the magnitude of

SECRET

SECRET

the known resources available to us as KGB officers. consider that in 1969 there were more than 21,000 Soviet citizens resident in some 77 non-Communist countries. Of these almost six thousand were official Soviets and sixty percent or 3,560 of these official Soviets were intelligence officers. Putting this in local terms, there are 100 Soviets officially listed as diplomats at the Embassy here in Washington. It would be more than prudent to assume that at least 60 of these people are Soviet intelligence officers. In addition to this formidable array to which I have just alluded, the seven Eastern European Communist countries have among them nineteen different intelligence services. Adding to the Washington contingent from these services brings our number up to about 100 Bloc intelligence officers. Ah, but you say the FBI watches them. Do they? Consider the statistics. Assuming a 3 man surveillance team, which is far too few for a good surveillance operation, 24 hour per day coverage of these people would on the basis of 3 eight hour shifts require 900 people in the street seven days per week. With these figures, you are talking about some 20% of the entire FBI staff of agents just to handle this small piece of the problem. Nevertheless, if all we had to worry about were these 100 Bloc agents in Washington, we could rest easy. At the moment for example, the FBI is terribly concerned about the proposed new Soviet

3

SECRET

SECRET

Consulate in San Francisco which will turn loose the KGB on the coast.

No, the chances are that the fellow we need to worry about is a nice friendly American or his liaison counterpart who is in the building and who is wearing a badge. In other words, a penetration agent. With the use of that term, let me digress for a moment and try to lay out for you what counterintelligence is all about.

There are several ways to look at counterintelligence. One thing that it is not is another name for security, even though there are security factors involved. Within CIA, we try to defend or protect three things: our people, our installations, and our activities. Protecting people and things is the primary job of the Office of Security. Within the Clandestine Service the third item, protecting our activities, is a joint responsibility between the various area divisions and the Counterintelligence Staff. Traditionally speaking, there has not been a function similar to a Counterintelligence Staff in DDS&T because traditionally they were not engaging in operational activities which had to be protected. This, as you are aware, is no longer true. Some of us who have been exposed to both sides of the house are somewhat

4

SECRET

SECRET

uneasy that such highly sensitive scientific and technical information and operations are not better protected than they are. However, this is, for my part, a personal opinion.

Under the terms of NSCID No. 5, the CIA and in turn the CI Staff has USIB responsibility for counterintelligence abroad. This means that CI Staff is to provide the lead in developing a central register of people of counterintelligence interest, developing counterintelligence doctrine, setting up channels for sharing CI information, etc. It does not mean that we act as policeman for the community. Each agency is responsible for policing its own house, and frankly some do a better job than others. However, there is direct overlapping in the jet age between CIA's responsibilities and the internal security responsibilities of the FBI. There is no clear line of demarcation between U.S. Agencies. All work together.

As an activity, CI work can be considered to be two matching halves; security and counterespionage. Security consists of establishing passive or static defenses against all hostile and concealed attempts to interfere with our intelligence functions regardless of who tries to interfere and protecting our secrets. Counterespionage on the other hand requires the identification of a specific adversary, a knowledge

SECRET

SECRET

of what specific operations he is carrying out and the countering or neutralizing of his operations by penetrating or manipulating them so that their thrust is turned back upon the aggressor.

Finally, and this to me is the real guts of CI as I know it, a defensive service, such as a Counterintelligence Staff, cannot simply sit and build defensive barriers. It must accept a responsibility beyond the requirements of security if we read security to mean protection against clandestine or covert attacks on our people, installations, and activities. If this is all we seek to do, any sophisticated intelligence service such as the KGB or GRU will be too strong for us; and we will find ourselves unequal to the task. Good counterintelligence must be aggressive. It must learn all it can about our enemies, learn their secrets and be privy to their councils. In other words, the one transcending objective of counterintelligence is the penetration of the enemy intelligence service. A Soviet defector is of much less value than a clandestine penetration of the Soviets service because with a defector, the Soviets know precisely what he knew and thus how badly they are hurt. With a penetration, you have the only means of really knowing whether you yourself are penetrated.

Insofar as the organization and activities of a counterintelligence

6

SECRET

SECRET

staff are concerned, its structure and functions are to a large extent determined by the activities of its chief adversary and by national objectives. In our case this would of course be the KGB and GRU. Basically speaking, most CI Staffs break down into an operations group and a research and analysis group, with the usual administrative support including a very strong technical unit. The operations group carries on such activities as surveillance and countersurveillance, penetrations, provocations, double agent operations, technical operations and countertechnical operations, counterintelligence interrogations and debriefings, the handling of walk-ins and defectors and joint operations with various foreign liaison services and operational security reviews. I will be glad to define and/or expand on the meaning of any of these as you desire. Are there any questions?

A CI operations group with world-wide responsibilities is usually broken down into geographic areas with an operations branch for each area. A typical operations branch would have a counterespionage unit, a countersubversion unit, a counterpropaganda unit, and an operational security unit.

While the operations group and branches are worrying about the day-to-day problems involved in the handling of operations of the type

7

SECRET

SECRET

we have just described, the R & A unit is analyzing all of the data obtained, devising doctrine and guidance and putting out reports about developments and trends as well as specific studies re the enemy in much the same manner as you write a report in OSI, with of course the big difference that CI reports are intended primarily for CI audiences and policy purposes so that the circulation is much less than is the case for an OSI or FMSAC product. The R & A unit looks at the activities of an individual KGB officer as tactical reporting. Activity of the Soviet Embassy as a whole is considered to be operational reporting while operations of the KGB in toto are assessed as strategic reporting. Since all intelligence organizations handle certain situations in certain ways and each has its hallmarks which reflect among other things the society which it represents, long-term analysis by the R & A unit is crucial to establish the standard operating procedures for recognizing Soviet operations for what they are and then countering them.

Now, back to you as a target. Naturally the KGB would like to achieve that ultimate success - a penetration of CIA. Having an agent in the enemy intelligence service is a particularly rewarding pastime because people in intelligence services know so much about what is going on in their own country that is classified. Many of you, for instance,

SECRET

SECRET

know a great deal about highly classified projects in the Pentagon which have little or nothing to do with our intelligence collection or analysis. If you are working the Soviet ABM problem you get to know a great deal about our own ABM.

Many people work long hard hours to try to insure that the KGB does not succeed in getting a staff employee on their payroll.

Over the past five years attempts by foreign intelligence officers, principally Soviet, to recruit U.S. Government employees have been reported at the rate of about two a day. During this period there were more than 1,000 incidents in which the foreigner felt he had developed the employee to the point that he could come right out and make the recruitment pitch. Most of those targeted were State Department employees, with the Agency and the Department of Defense tied for second. This at least shows that the KGB is trying. But perhaps the most significant thing to think about is this. If this many cases were reported, how about the recruitment attempts that were not.

My purpose in reviewing the above is not to make you start looking cross-eyed at your colleagues, but merely to suggest that you give the matter some thought from time to time.

9

SECRET

SECRET

Let's assume that we have been successful in keeping any KGB agents off the payroll. What do they do next? Who else comes into the CIA Headquarters building? I found out recently, to my great surprise, that there are 100,000 visitors to this building in a year's time. But let's get specific, let's talk about OSI.

Between August 1970 and early this month, OSI had 793 visitors. Of this number, the bulk, or 454, were from other Government agencies, 138 were contractors cleared by CIA, while the remaining 201 were private individuals who either hold no clearances at all or hold some kind of clearance from another Government agency.

Unfortunately, CIA is rather unique in spending the slots, money and manhours in clearing people. As you know, we have our own clearance system and do not rely on the checks of others for our employees or our contractors. With other agencies, and particularly with the Department of Defense, with employees and contractors in the millions the kind of investigative checks we perform in CIA would run to the thousands of people and the billions of dollars, and in all likelihood the whole defense effort would grind to a screeching halt if they did.

Too often then an individual with a top secret clearance from another agency is simply an individual whose name, when checked

10

SECRET

SECRET

against the lists of the various security agencies (National Agency Check), failed to disclose any so-called derogatory information. I can tell you off the record that there are a number of individuals who worked abroad on classified projects for foreign governments for several years who then returned to this country and promptly were granted top secret clearances by U.S. agencies without a word asked.

With this the case it follows that some of these people may well be working for someone besides Uncle Sam. Along that line, I can also say off the record that there were among those 793 OSI visitors in the last six months people who were in fact working for someone besides Uncle Sam.

Again, the foregoing is not calculated to make you into a suspicious security officer type at all. Hopefully it will get you away from the state of mind where this sort of thing never occurs to you. In conclusion I have some specific suggestions to make which are not big deal but which, if implemented, can be of help to us all.

If you are dealing with people outside the Agency, or inside for that matter, there is no need to tell them everything you know about everything just because they are cleared. If they come to talk about apples, stick to apples. Don't give them a gratis tour of the orchard.

11

SECRET

SECRET

If one of your contractors or a former colleague in industry really tries to pump you about things that are none of his concern, shut him off. If he persists, tell someone. While he is probably trying to get more business from us for his firm, there may be more to it than that.

If CIA Headquarters seems a glamorous place to your former colleagues and neighbors, leave it that way. Don't give them a guided tour just for the hell of it.

Don't assume that just because the guy does not have a Russian name or speak with an accent that he is 100% OK. The ideal KGB agent is the W. A. S. P. with a Yale degree and a pedigree that gets him into the Sons of the American Revolution. Even if your guy is just great, he may have a boss or colleague back at the ranch who is not so great. This is something to be kept particularly in mind when dealing with foreign liaison people. Be particularly wary of the liaison type -- remember Fuchs, Vassal, Philby, and Bossard. And finally, just because your friend was cleared for top secret whatsis six months ago, don't automatically assume he still is. Check. He may have been fired in the interim.

Are there any questions?

12

SECRET