

SECRET

SECURITY
FOR COMMITTEES

11 March 1977

*Kim, please
make copy
for shop*

MEMORANDUM FOR: Mr. James M. Potts
Chief, Africa Division

Mr. Richard S. Sampson
Chief, Europe Division

Mr. Alan D. Wolfe
Chief, Near East Division

Mr. Richard F. Stolz
Chief, Soviet/East European Division

FROM : John D. Walker
O/SA/DO/O

SUBJECT : Guidelines for Providing Information
to the House Appropriations Committee
Surveys and Investigations Staff
Concerning Foreign Intelligence and
Security Services

1. Since members of the S&I Staff will be talking with your Divisions in the near future, it may be worthwhile to review the guidelines as to what may be said concerning relationships with foreign liaison services. In the broad sense, liaison services constitute both a source and a method.

2. We are prepared to discuss the following:

a. The identification and responsibilities of the liaison services in a particular area to the extent that we can draw on sources other than information derived through the established liaison relationship, i.e. overt information **or information from penetrations** which will not endanger the source.

b. In further describing the liaison services, we can provide information on the objectives, key personnel, strength, budget

E2 IMPDET
CL BY 012860

SECRET

SECRET

and methods of operations of services provided that such data will be drawn from open sources or penetrations and not from details of liaison arrangements with the services themselves.

c. Agency manhours and funds devoted to liaison with the foreign services.

d. In the case of SIGINT liaison, further details on such arrangements, including the scope of funds and equipment provided to such foreign services.

d. We are prepared to provide general comments on the degree of operational cooperation with the Station. If technical support, for example, provides a useful input, we can state that the liaison service provides technical support, using a qualifying adjective to define, such as excellent, limited, etc.

3. We have no objection to the provision of foreign intelligence reports based on liaison with such services. Source descriptions should be those used in the disseminated report.

4. We will not make available details on liaison arrangements, information on sources and methods of such services which have been obtained through liaison or jointly controlled sources or other information which would reveal Agency sources and methods or violate the trust on which the official liaison relationship is based.

5. The S&I Staff approves close liaison relationships and believes that these relationships are cost effective.

John D. Walker

O/SA/DO/O:JDWalker:kaw (1542)

Distribution

Original - C/AF
1 - C/EUR
1 - C/NE
1 - C/SE
2 - SA/DO/O

SECRET

funds and equipment provided to such foreign services;

d. Information on the objectives, key personnel, strength, budget and methods of operation of such services, provided that such data will be drawn from open sources or penetrations and not from the details of liaison arrangements with the services themselves;

e. Where relevant, foreign intelligence reports based on liaison with such services.

The Agency will not make available to the oversight committees the details of liaison arrangements with foreign services, information on sources and methods of such services obtained through liaison or jointly controlled sources, or other information which would reveal Agency sources or methods or violate the trust on which these official liaison relationships is necessarily based.

In the event of substantial allegations of improper activities conducted by foreign intelligence or security services with which the Agency is presumed to maintain liaison, every effort will be made to provide all relevant facts which bear on such allegations. Where this would involve departure from the above guidelines, the Director will be prepared to meet with the Chairman or Vice-Chairman of the committee to seek a satisfactory resolution of such problems.

SECRET

had suggested a different orientation. Mr. Anderson, characterizing the enterprise as a survey rather than an investigation, stated that his instructions were from the Chairman of the Committee: they called for a detailed review of the operation of the Directorate in its entirety. Mr. Walters would mention certain particular interests, noted below, but that did not set limits to the ultimate scope of the survey. Mr. Walters then took over:

a. He expects to do a complete review, from the managerial and substantive standpoint, of the Directorate. His initial interests indicated an auditor's approach to these questions - how budgets are compiled, examination of accounting procedures for regular and special funds, cost systems and the like.

b. He went on, however, to the management aspects which they would also pursue to determine the results of the Directorate's operations - the value of intelligence produced versus the costs involved in procuring it, and areas of possible overlap in collection with the military and with NSA.

c. Specific areas which would be explored, given, as examples, included contingency reserves, the "special retirement fund" (presumably referring to MHMUTUAL), the procedures for reimbursing the State Department for cover and support, proprietaries (how created, their justification, value and effectiveness), safe-houses and "CA cadres."

Mr. Anderson reluctantly agreed to Mr. Shackley's request for a memorandum spelling out these objectives in sufficient detail so that we could take the managerial steps necessary to resolve any conflicts in the priority of the time of our managers and senior operations officers who would be involved in current operations as well as overlapping inquiries from other groups concurrently overseeing the Directorate. Mr. Anderson also asked for any ongoing studies which the Directorate might have which would aid the team in its work.

SECRET