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CHAPTER III

THE ORGANIZATION AND ADMINISTRATION OF THE CENTRAL INTELLIGENCE AGENCY

ORGANIZATION

The National Security Act of 1947 does not make detailed provision for the organization of the Central Intelligence Agency. It provides that the Agency shall be headed by a Director of Central Intelligence and that he "shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the Armed Services or from among individuals in civilian life".

With one exception, noted below, the Director is free to organize the Central Intelligence Agency as he chooses and to appoint to positions within the organization persons of his own selection, as well as to terminate their employment without regard for normal Civil Service procedures.

In this chapter we discuss the administrative organization of the Central Intelligence Agency, leaving for Chapter I, when we have completed our examination of the various activities of the Agency, an appraisal of the over-all direction of the organization in relation to its assigned mission.


In carrying out his task of organizing the Central Intelligence Agency, the Director has designated as his immediate subordinates a Deputy Director and an Executive Director*. Assisting this directing group in a staff capacity are the Interdepartmental Coordinating and Planning Staff (ICAPS); the General

* General Order No. 11 of the Central Intelligence Agency, dated September 14, 1948, which is to become effective shortly, abolishes the post of Executive Director.

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Counsel who handles all legal and legislative work; the Advisory Council, a small staff which represents the Director in handling communications intelligence matters; the Executive for Administration and Management, in charge of financial and budgetary matters, administrative services, supply and general housekeeping, personnel and management advice and surveys; and the Executive for Inspection and Security, responsible for internal security policies and investigations, physical security arrangements, inspections and audits. (For Organization Chart as of January 1, 1949, see Annex No. 5).

The Interdepartmental Coordinating and Planning Staff (ICAPS), comprising persons nominated by the Departments of State, Army, Navy and Air Force, has the primary responsibility for assisting the Director and the Intelligence Advisory Committee with respect to the coordination of intelligence activities. (See Chapter IV).

The other functions of the Central Intelligence Agency are performed in five Offices*, each headed by an Assistant Director. These are the Office of Reports and Estimates (ORE), Office of Special Operations (OSO), Office of Policy Coordination (OPC), Office of Operations (OO), and Office of Collection and Dissemination (OCD). A chart showing the personnel strength of the various parts of the Agency as of December 24, 1948 is given in Annex No. 6.

The responsibility of the Central Intelligence Agency to "correlate and evaluate intelligence relating to the national security" is assigned to the Office of Reports and Estimates (ORE). However, as we will point out later, (See Chapters V and VI), a clear distinction has never been made within the

* We understand that since this report was written steps are being taken to create a separate Office of Scientific Intelligence.

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Office of Reports and Estimates between the duty of correlating national intelligence and performing other miscellaneous reporting activities which are more in the nature of "static" common service functions.

The "operating" services of common concern which have been assigned to the Central Intelligence Agency are carried out by three Offices. The Office of Special Operations is responsible for foreign espionage and counter-espionage (See Chapter VIII). The Office of Operations is charged with the exploitation of domestic contacts for foreign intelligence, the monitoring of foreign broadcasts and the exploitation of intelligence information found in foreign documents, press and other publications (See Chapter VII). The Office of Policy Coordination is charged with conducting secret operations abroad under a special mandate from the National Security Council which stipulated that the Assistant Director, Office of Policy Coordination, must be nominated by the Secretary of State, and that his appointment by the Director is subject to approval by the National Security Council. This is the only case, as mentioned above, in which the National Security Council has prescribed internal arrangements within the Central Intelligence Agency or limited the appointive authority of the Director. (See Chapter IX).

The Office of Collection and Dissemination combines a variety of functions, each somewhat differently related to the over-all mission of the Central Intelligence Agency. It performs static services of common concern in that it compiles and maintains certain biographical, library and other reference materials. It also performs a coordinating function in handling intelligence collection requests of the Central Intelligence Agency and the other departments. Finally, it performs administrative functions such as the reception and dissemination of documents and reports. (See Chapter IV).

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ADMINISTRATION

The administrative requirements of an organization such as the Central Intelligence Agency, which carries out overt and covert activities, many of which are highly specialized, cannot be expected to conform to normal administrative practice. The entire organization is, to some extent, affected by special security requirements, and these are particularly difficult to handle with respect to secret intelligence and related operations.

It is for these reasons that we are opposed to proposals for increasing the degree of administrative centralization in the Central Intelligence Agency*. In particular, the administrative problems associated with secret work abroad are of such an unconventional character that they need to be given special treatment. (See below, page 116).

Administrative arrangements which do not at first sight appear to be efficient or economical may be necessary in the Central Intelligence Agency. Personnel requirements for certain types of work cannot conform to normal Civil Service standards, and the demands of security often impose special and unusual procedures. This situation must be understood not only by those responsible for the internal organization of the Central Intelligence Agency but also by Congress and the Bureau of the Budget.

The charge is sometimes made that there are too many administrative personnel and that the Central Intelligence Agency organization is top heavy in this respect. The Executive for Administration and Management and the Executive for

* General Order No. 11 provides for the centralization under an Executive for Administration (former Executive for Administration and Management) of all budget, services, personnel and management functions, both overt and covert. This measure is, in our opinion, unsound and contrary to the principles advocated in this report.

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Inspection and Security together represent a large number of personnel totaling over 600 out of a total of about 3000. This figure does not include personnel performing administrative functions in other parts of the organization. However, regardless of the criticism directed against numbers, criticism should be properly directed against policies and procedures. (See Chapter X).

BUDGET

The Central Intelligence Agency appears to have no serious budgetary problem and is favored by adequate Congressional support. The budget proposals, as approved by the Director, are submitted each year with the authorization of the National Security Council to the Bureau of the Budget where they are handled by one official who has full security clearance. Then the budget is supported before special sub-committees of the Appropriations Committee of the two Houses of Congress. After approval, arrangements are made with the Bureau of the Budget so that various parts of the budget are appropriated to other departments. Thus, there is no official appropriation to the Central Intelligence Agency, but there are a number of separate blanket and unidentified appropriations to other departments, which act as the vehicles for transmitting the funds to the Central Intelligence Agency.

Both Congress and the Bureau of the Budget have refrained from examining in detail the internal workings of the Central Intelligence Agency in order to determine the justification for the budget. It is important that such discretion and security be continued and that special treatment be accorded. However, in order to justify this, it is necessary that the National Security Council continuously assure itself as to the proper management and operations of the Central Intelligence Agency, serving as the informed sponsor of the Agency and as the protector of its security.

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In summary, we believe that the present arrangements for handling the difficult question of the budget for the Central Intelligence Agency are sound and that the Agency has not been hampered in carrying out its present responsibilities by lack of funds.

SECURITY

Although there is no evidence of any laxness in the administrative arrangements for security, there are a number of circumstances and policies which detract from the general security of the Central Intelligence Agency. It is very difficult to create adequate security, other than mere physical security, around an organization which was publicly created by statute, employs about three thousand individuals, and encompasses a wide variety of activities. The fact that some of these activities are carried on is a matter of public record; the existence of others and particularly operating details are highly secret. Yet, by combining in a single organization a wide variety of activities, the security of the covert activities risks being compromised by the lower standards of security of the overt activities.

In the Washington area, the Agency occupies about twenty buildings, all of which can be readily identified as buildings of the Central Intelligence Agency. In various cities throughout the United States, the regional offices of the Office of Operations conduct their business under the name "Central Intelligence Agency". Over two thousand individuals publicly identify themselves with the Central Intelligence Agency which has unfortunately become publicized as a secret intelligence organization.

This security problem is an aftermath of the wartime period, with its public dramatization of espionage and other secret operations and a rapid

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turnover of personnel. Intelligence has become a subject of general discussion to which the publicizing of inter-agency rivalries has contributed. For example, after the Bogota riots in April 1948 there was a public airing before a Congressional Committee of the handling of secret intelligence concerning developments in Colombia. Damaging disclosures were made regarding certain operating details of secret intelligence activities conducted by the Central Intelligence Agency. During the past year, there have been newspaper and magazine articles concerning the Central Intelligence Agency and its secret activities abroad.

Lest further incidents of this character occur, every effort should be made to prevent the public disclosure of secret information relating to the operations of the Central Intelligence Agency. Under the National Security Act (Section 102 (d) (3)), the Director of Central Intelligence is made responsible for protecting intelligence sources and methods from unauthorized disclosure. This mandate appears to give the Director authority to resist pressure for disclosure of secret information.

If, however, in his relations with Congress or with other Government departments, the disclosure of secret information is sought from the Director, and if he has any doubt as to whether he should comply, it should be established practice for him to refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest.

We believe that other steps can also be taken toward an improvement of security. There should be greater flexibility in the Central Intelligence Agency's organization by distinguishing between those functions which are written into the statute and hence are public and those whose existence, and

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certainly whose operations, should remain secret. The two should be administratively and functionally separated, and appropriate concealment should be given to the secret activities as discussed below. (See page 116).

At the same time, a serious endeavor should be made to reverse the present unfortunate trend wherein the Central Intelligence Agency finds itself advertised almost exclusively as a secret service organization. It should be presented instead to the public as the centralized coordinator of intelligence. This would help to cover rather than uncover its secret operations. Even with these specific steps, in the long run only organizational discipline and personal discretion will insure security.

PERSONNEL

The Central Intelligence Agency labors under a difficult personnel problem, in part because a comprehensive intelligence organization such as this has extremely varied personnel requirements. It is handicapped in meeting them because of the sensitive security considerations which limit recruitment, the anonymity which should properly be demanded of a large part of its personnel, and the special relationships which need to be maintained with the other branches of the Government. It needs persons with highly specialized talents, as well as persons with broad experience. It also requires personnel who are familiar with the problems of the agencies which the Central Intelligence Agency serves and with which it works.

The youth of the organization and the conditions of change and uncertainty which have prevailed in our central intelligence organization during the past few years have made the task of recruiting and holding personnel even more difficult.



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Persons who might otherwise be qualified and interested in intelligence as a career have been discouraged from entering this field or have left it.

On the whole, morale within the Central Intelligence Agency is not good. The chief reasons appear to be uncertainty as to the future of a career in intelligence, the widespread criticism of the performance of the Central Intelligence Agency and dissatisfaction with leadership. Among the civilians there is a realization that military personnel who come and go occupy many of the key positions; and among some of the military personnel there is often discontent arising from a lack of interest in intelligence and a belief that a tour of duty in the Central Intelligence Agency will not lead to Service advancement.

Delay in obtaining security clearances has caused particular difficulty in recruiting personnel. Although the security of its personnel needs to be beyond question, procedures and restrictions should not be so rigid that security is obtained only by sacrificing talent, imagination and initiative.

There is a relatively high proportion of Service personnel in key positions in the Central Intelligence Agency. Although this figure has decreased over the past year, Service personnel still occupy the three top positions. In certain instances, officers have been accepted for responsible positions who are without adequate intelligence experience or aptitude. There are the further drawbacks that Service personnel are in many cases assigned for a brief tour of duty, preventing continuity.

It is, of course, important that highly qualified Service personnel be included in responsible positions where they can use their particular background

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and training, and work for the closer association of the Central Intelligence Agency and the Services. However, we believe that the proportion of Service personnel now in key positions is too high.

In our terms of reference, we are asked to submit our findings and recommendations as to the "utilization and qualifications of Central Intelligence Agency personnel". It is difficult to make any sweeping judgment on this subject. The Central Intelligence Agency is a large, sprawling organization which combines many diverse functions and has correspondingly difficult personnel requirements. Moreover, the organization has grown fast and, in many cases, quantity has been attained at the expense of the quality of the personnel selected. Many able persons have left the organization and few qualified ones have been attracted to it. On the higher levels, quality is uneven and there are few persons who are outstanding in intelligence work.

An appraisal of the directing personnel of the Central Intelligence Agency and of general administrative policies goes so much to the heart of this Survey that we reserve discussion of these questions until a later chapter. (See Chapter X).

CONCLUSIONS AND RECOMMENDATIONS

- (1) The centralization of all administration in one office is undesirable since secret operations require their own separate administration.
- (2) The present arrangements for handling the difficult budgetary questions of the Central Intelligence Agency are soundly conceived, and the Agency has not been hampered in carrying out its present responsibilities by lack of funds.

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(3) To assist the Director in carrying out his statutory duty of protecting intelligence sources and methods he should, in cases where the disclosure of secret information is sought from him and he has doubt as to whether he should comply, refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest.

(4) In the interest of security, the Central Intelligence Agency should increasingly emphasize its duties as the coordinator of intelligence rather than its secret intelligence activities in order to reverse the present unfortunate trend where it finds itself advertised almost exclusively as a secret service organization. In this way it can help to cover up rather than to uncover the secret operations entrusted to it.

(5) The placing in key positions of a large percentage of military personnel, many of them on relatively short "tour of duty" assignment, tends to discourage competent civilian personnel from looking to employment in the Central Intelligence Agency as a career.

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