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Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

The President's Actions Concerning
the Foreign Intelligence Community

SUMMARY

The President has today taken the following comprehensive actions to strengthen the United States foreign intelligence departments and agencies: (1) issued an Omnibus Executive Order establishing policy guidelines and restrictions for the intelligence agencies and a new command structure and oversight mechanism for the intelligence community; (2) proposed new legislation to protect the secrecy of particularly sensitive intelligence information, announced that he will meet with Congressional leaders to develop legislation concerning electronic surveillance and to prevent unauthorized opening of mail, and he endorsed legislation to prohibit assassinations of foreign leaders; and, (3) proposed a framework in which constructive Congressional oversight can be established without disclosing intelligence secrets.

OBJECTIVES OF THE PRESIDENT'S ACTIONS

The President's actions are designed to insure that:

- (1) The United States has a strong and effective capability to gather and evaluate foreign intelligence and conduct necessary covert operations; and
- (2) These activities are conducted in a Constitutional and lawful manner and never aimed at our own citizens.

The President's actions will strengthen our foreign intelligence capability and establish an effective process to prevent abuses by.

- (A) Setting forth in Executive Order, policy guidance for the foreign intelligence agencies which define what functions they are supposed to carry out and which clearly states what they are not permitted to do.
- (B) Creating a streamlined command structure for intelligence community leadership which makes specifically designated individuals accountable.
- (C) Requiring the NSC to conduct semi-annual reviews of the adequacy of the foreign intelligence product and establishing the Intelligence Oversight Board to monitor compliance with the restrictions which have been placed on the intelligence community's activities.

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OMNIBUS EXECUTIVE ORDER(1) Control and Direction of Intelligence Organizations

(A) Overall Policy Development

1. The National Security Council (NSC) will continue to exercise overall policy control over the foreign intelligence community.
2. Statutory members are:
 - The President
 - Vice President
 - Secretary of State
 - Secretary of Defense
3. The NSC will conduct a semi-annual policy review of foreign intelligence activities focused on, but not limited to, the following:
 - . Needs of government foreign policy-makers and the responsiveness of foreign intelligence to these needs, including the quality, scope and timeliness of the intelligence product,
 - . The effective and efficient use of resources in the collection of intelligence information; and
 - . The continued appropriateness of ongoing covert operations and sensitive intelligence collection missions.

The Assistant to the President for National Security Affairs will have staff responsibility for the semi-annual policy reviews. Heads of the departments and agencies which use foreign intelligence will be consulted.

(B) Management and Resource Control

1. Responsibility for management and resource control of the foreign intelligence community is vested by Executive Order in the Committee on Foreign Intelligence (CFI), which reports directly to the NSC.
2. Membership of the CFI is:
 - The Director of Central Intelligence (DCI),
Chairman
 - Deputy Secretary of Defense for Intelligence
 - Deputy Assistant to the President for
National Security Affairs

(NOTE: Staff support shall be provided by the intelligence community staff.)
3. The Committee on Foreign Intelligence shall:
 - . Control budget preparation and resource allocation for the National Foreign Intelligence Program (defined as excluding tactical intelligence).

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- . Establish management policies for the Foreign Intelligence Program.
 - . Carry out policy decisions of the NSC with particular emphasis on collection and production of national intelligence.
4. Decisions of the CFI may be reviewed by the NSC upon appeal by the Director of Central Intelligence or any member of the NSC.

(C) Production of National Intelligence

1. Responsibility for the production of substantive national (i.e., not tactical or departmental) intelligence is vested in the Director of Central Intelligence. The DCI is the President's primary advisor on foreign intelligence.
2. To assist in developing national intelligence requirements and priorities, and in developing finished national intelligence, the DCI shall establish such boards and committees (similar to the former USIB) of the intelligence community as will enable him most effectively to utilize the talent of the community to produce the best possible intelligence product.

(D) Covert Action and Other Special Operations

1. Responsibility to review and advise the President on covert operations and certain sensitive foreign intelligence collection missions is assigned by Executive Order to the Operations Advisory Group (Operations Group).

2. New membership is:

Assistant to the President for National Security Affairs, Chairman

- Secretary of State
- Secretary of Defense
- Director of Central Intelligence
- Chairman of the Joint Chiefs of Staff

Observers are:

Attorney General
Director of OMB

3. The Special Intelligence Operations Group shall:
 - . Consider and make recommendations to the President on all proposals for covert action and certain sensitive intelligence collection missions.
 - . Submit to the NSC a periodic review of ongoing covert operations and sensitive intelligence collection missions.
 - . Meet formally to carry out its responsibility to make recommendations to the President.

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(E) The following existing committees or organizations are abolished:

- (1) United States Intelligence Board
- (2) Intelligence Resources Advisory Committee
- (3) National Security Council Intelligence Committee
- (4) Executive Committee for resource control of certain intelligence collection activity
- (5) 40 Committee

(2) Responsibilities and Duties of the Intelligence Community

- (A) The Senior Official of each organization of the intelligence community shall insure his organization operates in accordance with the Executive Order. He shall establish a system of independent inspection within the organization and provide information to the NSC, CFI and Intelligence Oversight Board. Other responsibilities as designated in Section IV of the Order.
- (B) CIA is responsible, among other duties as defined in Section IV of the Order, for:
- . Production of national intelligence
 - . Maintaining and improving a national intelligence analytic base
 - . Collection by other than normal, overt means
 - . Foreign counterintelligence activities
 - . Undertaking activities defined in the Executive Order necessary to implement the above
- (C) The Department of State is primarily responsible for overt collection of foreign, non-military information. Its Bureau of Intelligence and Research shall also produce departmental intelligence and contribute to national intelligence production.
- (D) The Department of Treasury is responsible for overt collection of foreign, economic information.
- (E) The Department of Defense is responsible for:
- . Overt collection outside the United States of foreign military and military-related information.
 - . Producing that intelligence required to fulfill the responsibilities of DOD.
 - . Managing the Defense Attache system.
 - . Providing intelligence staff support to the Joint Chiefs of Staff.

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The National Security Agency is responsible for:

- . Full control over signals intelligence collection activities.
- . Production and dissemination of signals intelligence.
- . Providing communications security services to the U.S. Government.
- . Research and development related to signals intelligence.

(F) The Energy Research and Development Administration is responsible for producing intelligence relating to atomic and nuclear matters.

(G) The Federal Bureau of Investigation is responsible for:

- . Making available to foreign intelligence agencies foreign intelligence and foreign counterintelligence which it collects.
- . Conducting foreign counterintelligence activities within the United States.

(3) Restrictions on Intelligence Activities

The Executive Order prohibits or severely restricts the following activities by United States foreign intelligence agencies:

- . Collection and analysis of information on the domestic activities of United States citizens, corporations and organizations and permanent resident aliens (referred to as U.S. persons).
- . Physical or electronic surveillance or physical searches of United States persons.
- . Opening of United States mail in violation of law.
- . Illegally obtaining federal tax returns or information.
- . Infiltration of domestic groups for the purpose of influencing or reporting on them.
- . Experimentation with drugs on humans without the subject's informed consent.
- . Sharing among agencies information on the domestic activities of United States persons except in compliance with stringent safeguards.
- . Assignment of personnel to other agencies.
- . Providing assistance to law enforcement agencies in violation of law.
- . Testing of electronic surveillance equipment within the United States.

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Limited exceptions are permitted to allow the agencies to meet the legitimate foreign intelligence needs of the Nation. These narrow exceptions are expressed in detail in the Order. They are designed to permit the following activities under carefully defined circumstances:

- . Collection of information on the domestic activities of U.S. persons in order to: conduct security checks on intelligence agency employees, contractors, people who are given access to classified information and persons who may assist the agency in the future. Overt collection of certain foreign intelligence information from other government agencies.
- . Counterintelligence and counterespionage activities.

(4) Oversight of Intelligence Activities

1. Responsibility to assist the President, the NSC and the Attorney General in overseeing the intelligence community is assigned by Executive Order to the Intelligence Oversight Board (Oversight Board).
2. New membership consists of three members from the private sector designated by the President. One of these will be designated by the President to be Chairman. They will also be made members of the PFIAB.
3. The Board shall:
 - . Receive and consider reports by Inspectors General and General Counsels of the intelligence community concerning activities that raise questions of legality or propriety.
 - . Review periodically the practices and procedures of the intelligence community Inspectors General and General Counsels designed to assist the Oversight Board.
 - . Report periodically and in a timely manner, as appropriate, to the Attorney General and the President on any activities that raise serious questions about legality. It shall report to the President on activities that raise questions of propriety of intelligence community activities.
 - . Receive staff support from persons not connected with the intelligence community.

(5) Secrecy Protection

All persons given access to information containing intelligence sources and methods shall be required to sign an agreement that they will not disclose that information to persons not authorized to receive it.

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MESSAGE TO CONGRESS AND PROPOSED LEGISLATION(A) Message

Today the President sent a message to the Congress which:

- (1) Advised the Congress of the actions he has taken by Executive Order.
- (2) Transmitted the legislative proposal as indicated below.
- (3) Urged Congress to establish effective oversight consistent with the following general objectives:
 - . The oversight functions should be centralized in a Joint House-Senate Committee to provide better security.
 - . Both the House and Senate should adopt rules to insure that secrets will not be improperly disclosed.
 - . The President's injunction of secrecy over foreign intelligence information provided to the Congress by the Executive Branch should be respected.
 - . The Executive Branch should keep the Joint Oversight Committee fully informed of foreign intelligence matters, but there should be no requirement for prior notification of specific activities.
- (4) Section 662 of the Foreign Assistance Act should be **modified**. This requires the intelligence agencies to brief over six committees of Congress on covert actions and has resulted in unauthorized disclosures of classified information.

(B) Legislation

The President submitted the following proposed legislation:

. Secrecy of Sources and Methods

This bill provides for:

- . Criminal penalties for the disclosure to unauthorized persons of information relating to intelligence sources and methods.
- . Limits its coverage to persons whose access to such information **arise** out of their relationship to the Government (Government employees, contractors and contractor employees).
- . Injunctive relief where unauthorized disclosure is threatened and serious damage to the intelligence collection effort would result.

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The President endorsed the objectives of the legislation proposed by the Senate Select Intelligence Committee to prohibit the assassination of foreign officials in peacetime.

The President also will meet with Congressional leaders to develop acceptable proposed legislation to control electronic surveillance in the United States and mail openings for foreign intelligence purposes.

ACTIONS ALREADY TAKEN

The following are examples of agency actions:

- . CIA directives implementing the recommendations of the Rockefeller Commission and other reforms have been issued internally.
- . NSA reform directives have been issued internally.
- . FBI guidelines are being drafted. Some have already been made public.

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