

# Counterintelligence

## Executive Budget Summary

### Mission

The Counterintelligence (CI) mission is to provide the Department of Energy (DOE), other U.S. Government policymakers, and the Intelligence Community (IC) with the capability to successfully identify, neutralize, and deter intelligence threats directed at the Department's facilities, personnel, information, and technologies.

The Department of Energy Counterintelligence Program is established in accordance with Presidential Decision Directive/NSC-61 (PDD-61), "U.S. Department of Energy Counterintelligence Program," dated February 11, 1998; Executive Order 12333, "U.S. Intelligence Activities", dated April 12, 1981; and, "The Atomic Energy Act of 1954, as amended." In accordance with PDD-61, the DOE Office of Counterintelligence (OCI) was established in March 1998. The Office of Counterintelligence is responsible for ensuring effective counterintelligence programs throughout the Department of Energy complex, including at the department's laboratories.

### Strategy

The Department of Energy has long been and remains an attractive target for foreign intelligence services due to its substantial weapons and non-weapons related scientific expertise. Specifically, the Department's goal of technological superiority requires that DOE scientists interact with their international counterparts on a regular basis. This interaction, while essential, often results in concerns of a counterintelligence nature. Therefore, in order to protect against espionage and other threats, DOE established its own Counterintelligence Program in 1988.

Since its inception, the CI Program has been fraught with systemic problems. Several U.S. Government reports published over the past ten years, including two studies conducted by the General Accounting Office, one by the Federal Bureau of Investigation (FBI), and others by U.S. Intelligence Community (USIC) groupings, concluded that the Department was not doing enough to adequately protect its property and personnel against the collection activities of foreign intelligence services. These reports resulted in the signing of PDD-61 which galvanized senior level USIC and Departmental interest in the Department's CI Program. The PDD mandated numerous changes to DOE's CI Program, addressing for the first time the structural flaws identified in the aforementioned U.S. Government reports.

In response to the requirements of PDD-61, Secretary of Energy Peña reorganized the CI

activities of the Department, creating an independent Office of Counterintelligence that reports directly to the Secretary of Energy, as apposed to sub-elemental function reporting to the Director of the Office of Nonproliferation and National Security. Mr. Edward J. Curran, a senior Foreign Counterintelligence Official at the FBI was appointed as Director of the Office of Counterintelligence. Pursuant to PDD-61, the Department is in the process of making significant improvements to its CI Program.

## Major Changes

The Department's newly established OCI published a classified report 90 days after the PDD was signed. The report was based on three months of field research and subsequent analysis by professional counterintelligence officers from the USIC, and set forth 46 specific and substantive recommendations aimed at strengthening the Department's CI Program. The majority of the recommendations were aimed at creating a more centralized Program, with the resources necessary to carry out the analytical, investigative, personnel security, information security, and training aspects of OCI's mission. Specifically, the report's major findings focus on:

1) Accountability of Laboratory Directors for CI activities at their locations; 2) Organization and management of the CI Program; 3) Security Programs that support the CI mission; 4) Weaknesses in the Foreign Visits and Assignments Program; 5) The Counterintelligence-Cyber threat; and 5) FBI and Intelligence Community relationships. As the direct result of the report findings, DOE has requested from the Congress a significant increase in the fiscal year 1999 and 2000 budget for counterintelligence activities. The requested levels provide for mission essential counterintelligence analyses, debriefings, training, information technology, and counterintelligence inspections throughout the DOE Complex. The report and its recommendations were endorsed by Secretary Richardson in November 1998 and the Department has recently begun implementing these recommendations.

The Department's conduct of highly advanced research and development activities ensures that it will always be a target for foreign intelligence services. With the implementation of the report recommendations and establishment of an aggressive CI Program at the Department of Energy, the Department's personnel and sensitive technologies will be much less vulnerable to future exploitation by foreign intelligence services. The new Office of Counterintelligence provides the first ever centrally managed Counterintelligence Program within DOE, including mission essential counterintelligence analyses, debriefings, training, information technology, and counterintelligence inspections throughout the Complex.

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Edward J. Curran

Date\_\_\_\_\_

# Counterintelligence

## Program Mission

The mission of the Office of Counterintelligence is to develop and implement an effective Counterintelligence Program throughout the Department of Energy whose goal is to identify, neutralize and deter foreign government or industrial intelligence activities directed at or involving DOE programs, personnel, facilities, technologies, classified information and unclassified sensitive information. The DOE CI Program is established in accordance with PDD-61; Executive Order 12333, "U.S. Intelligence Activities", dated April 12, 1981; and, "The Atomic Energy Act of 1954, as amended." The DOE OCI is responsible for approving, conducting, and coordinating all policy and investigative matters with the FBI at Headquarters and the Field. OCI's relationship with the FBI is defined by: Executive Order 12333, PDD-61; Director of Intelligence Directive 5/1; Section 811 (c) of the Intelligence Authorization Act of 1995, and the "Memorandum of Understanding between the Department of Energy and the FBI", dated October 7, 1992.

## Program Goal

The goal of the Counterintelligence Program is to enhance the protection of sensitive technologies, information, and expertise against foreign intelligence, industrial intelligence, and terrorist attempts to acquire nuclear weapons information or advanced technologies from the National Laboratories.

## Program Objectives

The Director of the Office of Counterintelligence will direct five core Departmental wide policy and programmatic components from Headquarters to include the Counterintelligence Analysis Program; the Counterintelligence Investigations Program; the Counterintelligence Evaluation Board/Security; the Counterintelligence Inspections Program; and the Counterintelligence Training Program. All Headquarters and Field counterintelligence activities are directed by the Director of the Office of Counterintelligence.

# The CI Analysis Program is predicated on the findings of multiple US Government studies on DOE that state that there is currently a dearth of strategic, value-added analysis to support DOE's counterintelligence efforts and that such analysis is an essential element of an effective program. These studies found that DOE Counterintelligence Officers (CIOs) in the field have little time to dedicate to such analysis, and that they are not well positioned to exploit the collective knowledge of the USIC or the cumulation of raw data generated by the various national laboratories.

# The CI Investigations Program mission is to develop and implement an effective defensive counterintelligence investigative program throughout the Department. The Investigations

Program focus is to detect and neutralize foreign government or industrial intelligence activities in the United States directed at, or involving, DOE programs, facilities, technology, personnel, unclassified sensitive information and classified information.

- # The CI Evaluations Board will conduct comprehensive security and counterintelligence vetting of all DOE personnel assigned to Special Access Programs, Personnel Assurance Programs, and Personal Security and Assurance Programs to include financial disclosure and polygraph.
- # The CI Inspections Program will ensure the adherence of Departmental elements to PDD-61 and other existing requirements.
- # The Training Program will establish the criteria for and ensure the professional training of Counterintelligence Officers throughout DOE.

### Funding Profile

	FY 1998 Current Appropriation	FY 1999 Original Appropriation	FY 1999 Adjustments	FY 1999 Current Appropriation	FY 2000 Request
Counterintelligence	7,641	15,641	0	15,641	18,641
Contribution from labs	0	0	0	0	12,559
Total, Program Level	7,641	15,641	0	15,641	31,200

### Budget Request

The FY 2000 budget request for the Office of Counterintelligence is \$18.641 million. The Department plans to supplement that funding with an additional \$12.559 million that will be obligated to the national laboratories from other DOE defense programs, but spent under the direction of the Director of the new Office of Counterintelligence. Thus, the requested program level for the new Office is \$31.2 million. The FY 2000 budget provides for mission essential counterintelligence analyses, debriefings, training, information technology, and counterintelligence inspections throughout the DOE Complex, all of which are necessary and mandated by PDD-61 for the Department to have an aggressive Counterintelligence Program. The \$31.2 million program level enables the Director of the Office of Counterintelligence to meet the requirements of PDD-61 by ensuring the establishment of and programmatic functionality of the Department's Counterintelligence analysis program; inspection program; training program; financial disclosure program; and polygraph program, as well as enhancing the Counterintelligence personnel at the Department's Laboratories.