FOR COM ILL FIRST PAGE

The BAND CASE

GENERAL ROBINSON:

THE OFFICE OF INDUSTRIAL SECURITY BECAME DEEPLY INVOLVED IN THE AFTERMATH OF THE UNAUTHORIZED RELEASE OF THE SO-CALLED "PENTAGON PAPERS." DCAS,

OF COURSE, HAS SECURITY COGNIZANCE OF RAND. WHEN THE STORY BROKE, WE

RECOVERED THE "PENTAGON PAPERS" FROM THE RAND WASHINGTON FACILITY, IN THE

"WEE HOURS" OF A SUNDAY MORNING. WE ALSO RECOVERED THE MATERIAL FROM THE

SANTA MONICA FACILITY, AND OUR PEOPLE COURIERED MATERIAL FROM LOS ANGELES

BY SPECIAL MILITARY AIRCRAFT BACK TO WASHINGTON, 0300 HOURS. AT THE REQUEST

OF THE DEPARTMENT OF JUSTICE, THE CHIEF OF OUR NEW YORK OFFICE OF

INDUSTRIAL SECURITY, IN THE COMPANY WITH THE ATTORNEYS OF THE NEW YORK TIMES,

BROUGHT THE CLOSED COURT RECORDS FROM NEW YORK TO THE SUPREME COURT ON

THE FRIDAY NIGHT PRECEDING THE EXTRAORDINARY SATURDAY MORNING SUPREME COURT

HEARING IN THE CASE.

THROUGHOUT THIS WHOLE EPISODE, OUR OFFICE HAS BEEN WORKING IN VERY

CLOSE COORDINATION WITH MR. BUZHARDT, THE OSD GENERAL COUNSEL, WHO IS THE

POINT OF CONTACT WITH THE WHITE HOUSE ON THE CASE, AND WITH THE ACTING

ASSISTANT SECRETARY OF DEFENSE (AIMINISTRATION), MR. D. O. COOKE. MOREOVER,

MY DEPUTY PARTICIPATED IN THE MEETING AT THE WHITE HOUSE WHICH RESULTED

IN A DECORAL OF REQUIREMENTS TO IDENTIFY ALL PERSONNEL WITH TOP SECRET

CLEARANCES AND THE FOLLOW-ON EFFORT TO DRASTICALLY REDUCE THE NUMBER OF

SUCH CLEARANCES.

FOR OFFICE AND A T

THE RAND CASE

THE PURPOSE OF THIS BRIEFING IS TWO-FOLD:

AND THE PRINCIPALS INVOLVED IN THE INCIDENT.

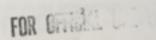
- (1) TO INFORM YOU OF THE RESULTS OF OUR AIMINISTRATIVE INQUIRY
 RELATING TO THE UNAUTHORIZED PUBLICATION OF THE VIETNAM STUDY DOCUMENTS.
 THIS INQUIRY WAS CONDUCTED TO DETERMINE IF INDUSTRIAL SECURITY DEFICIENCIES
 CONTRIBUTED TO PUBLICATION BY THE PRESS.
- (2) SECONDLY, TO ADVISE YOU AS TO THE RESULTS OF SPECIAL INDUSTRIAL SECURITY INSPECTIONS CONDUCTED AT THE WASHINGTON AND SANTA MONICA FACILITIES OF THE RAND CORPORATION DURING THE PAST TWO WEEKS.

 ENGINEER TO PROVIDE A DROPER FRAME OF REFERENCE FOR THIS EXCEPTING. WOULD LIKE FIRST TO IDENTIFY THE SPECIFIC MATERIALS WITH WHICH WE ARE CONCERNED
- a. THE TOP SECRET-SENSITIVE-LIMITED DISTRIBUTION MATERIALS
 INVOLVED CAN BE EROKEN DOWN INTO THREE CATEGORIES: TIEST IS THE FORMAL
 VIETNAM STUDY CONSISTING OF 46 VOLUMES PLUS AN INDEX. TWO COMPLETE SETS
 OF THIS STUDY WERE PROVIDED THE RAND CORPORATION. SECURITY A GROUP OF
 PAPERS LOOSELY REFERRED TO AS "WORKING PAPERS" WHICH CONSISTED OF AN
 INCOMPLETE SET OF 38 VOLUMES OF THE VIETNAM STUDY TASK FORCE REPORT"
 PLUS RELATED MISCELLANEOUS DOCUMENTS. THE THIRESCATEGORY OF PAPERS
 IS IDENTIFIED AS THE "PRIVATE PAPERS" OF MESSES. WARNEE, HALPERIN,
 AND BUNDY/McNAUGHTON.
- b. OHE PRINCIPALE INVOLVED IN THE HANDLING OF THESE PAPERS? INSOFAR AS THEY RELATE TO THE ELLSBERG INCIDENT ARE IDENTIFIED AS FOLLOWS:
- (1) DR. DANIEL ELLSHERG.
- (2) MR. PAUL G. WARNEE, FORMERLY ASSISTANT SECRETARY OF DEFENSE (ISA)
 UNTIL 15 FEBRUARY 1969 AND SUBSEQUENTLY A CONSULTANT TO OSD UNTIL 7 JULY
 1971.

1971.

- (3) MR. LESLIE M. GELB, ASSIGNED TO THE OFFICE OF ASSISTANT SECRETARY OF DEFENSE UNTIL 18 APRIL 1969, SUBSEQUENTLY ASSOCIATED WITH BROOKINGS INSTITUTION AND A CONSULTANT TO GASD 30 JUNE 1969.
- (4) MR. MORTON H. MALPERIN, PREVIOUSLY ASSIGNED TO THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (ISA) UNTIL JANUARY 1969, ON THE STAFF OF THE NATIONAL SECURITY COUNCIL, JANUARY 1969 UNTIL 19 SEPTEMBER 1969 AND A MEMBER OF THE EROOKINGS INSTITUTION SINCE SEPTEMBER 1969.
- (5) MR. HENRY S. ROWAN, PRESIDENT, RAND CORPORATION, SANTA MONICA, CALIFORNIA.
- (6) MR. L. J. HENDERSON, VICE PRESIDENT, RAND CORPORATION AND CHIEF EXECUTIVE OFFICER AT THE WASHINGTON FACILITY DURING THE TIME THE VIETNAM PAPERS WERE IN THEIR POSSESSION. NOW RETIRED AND RESIDING IN ST. THOMAS, VIRGIN ISLANDS.
- (7) MR. RICHARD BEST, SECURITY MANAGER, RAND CORPORATION, SANTA MONICA.
- (6) MR. A. E. ARCHIR, AIMINISTRATOR AND SECURITY OFFICER, WASHINGTON FACILITY, THE RAND CORPORATION.

IF CERTAIN HIGHLY CLASSIFIED DOCUMENTS COULD BE STORED AT RAND SUBJECT
TO APPLICABLE PEDERAL SICURITY REGULATIONS. MR. ROWEN ACREED TO THIS AND
EXTENSIVE EXCEIVED A MESOGRAPHY, DATED IS DELECTED 1965, SUBJECT: UNDEREXTENDING REGARDING DISTRIBUTION AND DESCRIPTION PAPERS. THIS MEMORANDUM
WAS SIGNED BY MR. WARNER, HALPERIN AND GELB AND PROVIDED SPECIFIC INSTRUCTIONS
CONCERNING THE DISTRIBUTION OF THESE PAPERS AND THE REQUIREMENT FOR ACCESS
THERETO.



CENTED JANUARY 1969, CONCURRENT WITH THE CHANGE IN ADMINISTRATION)

COXES OF CLASSIFIED DOCUMENTS FROM THE CASP(ISA). THESE BOXES CONTAINED THE

38 VOLUME PARTIAL SET OF THE "VIETNAM TASK FORCE STUDY" PLUS MISCELLANEOUS

CLASSIFIED DOCUMENTS IDENTIFIED AS THE "WARNKE PRIVATE PAPERS" AND "THE BUNCY/

McNAUGHTON PRIVATE PAPERS." THIS MATERIAL WAS THEN STORED IN SECURITY CON
TAINERS AT THE WASHINGTON FACILITY BUT WAS NOT ENTERED INTO RAND'S ACCOUNTABILITY

SYSTEM AS REQUIRED BY THE TERMS OF IT'L SECURITY AGREEMENT. IT CAN ONLY BE

ASSUMED THAT THIS ACTION MAY HAVE BEEN PREDICATED IN PART UPON THE SO-CALLED

"CARVE OUT PHILOSOPHY" WHICH WOULD HAVE INFERRED THAT THE PAPERS CONCERNED

WERE OUTSIDE THE PURVIEW OF THE DOD INDUSTRIAL SECURITY PROGRAM, AND THEREFORE

NOT SUBJECT TO INSPECTION BY 18A.

CASTE: THIS WAS AFTER SOLD LEFT THE SOLF SERVICE)

ANEX GENERAL ROBER STATING THAT "PAUL WARNER, MORT HALPERIN AND I WOULD

LIKE TO STORE TWO FULL SETS AT RAND. AS YOU KNOW, THE SET WHICH WE PREVIOUSLY

STORED AT RAND IS MISSING EIGHT OF THE STUDIES. THE SETS WHICH WE ARE PROPOSING TO STORE WITH YOU NOW ARE FULL ONES, EACH ABOUT 47 VOLUMES, EACH ABOUT

4 FEET LONG. FOR REASONS WHICH I WILL GO INTO WHEN I SEE YOU, PAUL HAS

DECIDED, AND MORT AND I HAVE AGREED, TO RESTRICT THESE FULL SETS TO YOU ALONE

FOR THE TIME BEING. IF IT IS ALL RIGHT WITH YOU TO STORE THIS MATERIAL AT

WASHINGTON RAND, I WILL CONTACT AL ARCHER ACCORDINGLY. IN 19 SEPTEMBER 1900.

MET ARCHER RECEIFTED FOR A FULL SET (36 WOLUMES PLUS INDEX) OF THE VIETNAM?

TASK TENGE STUDIES? THESE VOLUMES WERE ALSO STORED IN A SECURITY CONTAINER

BUT WERE NOT ENTERED INTO THE FACILITY'S ACCOUNTABILITY SYSTEM.

CN D DOTOBER 1959, A SECOND COMPLETE SET OF THE SVIETNAM TASK FORCE STUDY

COMPANY'S ACCOUNTABILITY SYSTEM UPON RECELPT.

TA

FOR OWNERS THE COLD

I NOW WILL DISCUSS THE CIRCUMSTANCES SURROUNDING ELLSBERG'S HAVING
BEEN AUTHORIZED ACCESS TO THE "VIETNAM STUDY" MATERIAL? RAND WAS DEEPLY
INVOLVED IN SOUTHEAST ASIA RESEARCH FOR THE LEFENSE DEPARTMENT AND EXPECTED
TO CONTINUE TO BE INVOLVED FOR SCHETIME. CENTRAL TO RAND'S RESEARCH PROGRAM
WAS AN EFFORT TO LEARN FROM THIS COUNTRY'S 25 YEAR EXPERIENCE IN VIETNAM.
ELLSBERG WAS GRANTED ACCESS TO THE VIETNAM PAPERS BECAUSE OF HIS PARTICIPATION
IN A "LESSONS OF VIETNAM" PROJECT.

PAPERS ON FILE THERE AND STILL SOME TO BE RETURNED TO NAME MONICA IN
FURTHERANCE OF HIS WORK. MR. HENDERSON DECLINED WITHOUT FIRST HAVING RECEIVED
AUTHORITY FROM MR. ROMEN. THIS AUTHORITY WAS SUBSEQUENTLY RECEIVED AND
MR. HENDERSON PERMITTED ELLSBERG TO REVIEW THE MATERIAL. ELLSBERG SELECTED
TEN OF THE VOLUMES TO TAKE BACK TO SANTA MONICA WITH HIM. MATROMER, MAY
OF TOP SECRET MATERIAL OUTSIDE THE FACILITY AS REQUIRED BY THE INDUSTRIAE
SECURITY MANUAL, BE NEVERTHELESS ISSUED ELISBERG A COURTER AUTHORIZATION
TO CARRY THE MATERIAL CONCERNED TO SANTA MONICA. ELLSBERG RECEIPTED FOR
THE 10 VOLUMES ON 3 MARCH 1969. THE MATERIAL BATTER FACT OF ABOUST MR. ELISBERG
GETTURNED TO MASHINGTON AND AGAIN ASRED MR. HENDERSON TO ALLOW HIM TO REVIEW
CITE VIETNAM TASK FORCE PAPERS AS HE NEEDED ADDITIONAL VOLUMES OF THE MATERIAL
TO CONTINUE HIS WORK. WITHOUT FURTHER REFERENCE TO MR. ROWEN, AND AGAIN WITHOUT

FOR OFFICIAL ESE MAN

WRITTEN GOVERNMENT AUTHORITY TO TRANSMIT TOP SECRET MATERIAL OUTSIDE
THE FACILITY, MR. HENDERSON PERMITTED ELLSBERG TO PICK UP EIGHT ADDITIONAL VOLUMES WHICH HE CARRIED BACK TO SANTA MONICA ON 28 AUGUST 1969.

EECRIPTED FOR BY THE SANIA MONICA FACILITY NOR WERE THEY ENTRIED INTO THE SACILITY'S ACCOUNTABILITY BYSTEM AT THE TIME THEY WERE BROUGHT BACK BY ELISBERG. NO POLLOW-UP ACTION WAS INITIATED BY RAND WASHINGTON AS REQUIRED BY THE INDUSTRIAL SECURITY MANUAL FOR THE PURPOSE OF DETERMINING WHY IT HAD NOT RECEIVED A RECEIPT FROM THE SANIA MONICA FACILITY ACKNOWLEDGING DELIVERY OF THE MATERIAL BY ELISBERG.

PAND'S ACCOUNTABILITY SYSTEM AT SANTA MONICA UNTIL THE LATTER FART OF

SELOW DURING THE PERIOD 3 MARCH/28 AUGUST 1969 UNTIL 20 MAY 1970, THE

18 VOLUMES WERE UNDER THE PERSONAL CONTROL AND CUSTODY OF ELISBERG.

THE CIRCUMSTANCES UNDER WHICH THE PATERIAL WAS INTRODUCED INTO THE ACCOUNTABLETY SYSTEM IN PAY OF 1970 ARE NOT ENTIRELY CLEAR. IN REVIEWING A PAPER

PREPARED BY RAND WHICH PURPORTS TO EXPLAIN THIS ACTION, IT IS SUGGESTED THAT

THE MATERIAL WAS ENTERED INTO THE ACCOUNTABILITY SYSTEM AS A "ROUTINE ACTION"

BECAUSE OF "ELISBERG'S CLEARING OUT OF HIS OFFICE." IT IS INTERESTING TO NOTE,

HOWEVER, THAT ELISBERG TERMINATED EMPLOYMENT WITH RAND ON 15 APRIL 1970

AND DEMEDIATELY BECAME A CONSULTANT UNTIL 30 SEPTEMBER 1970. IT WOULD

APPEAR, THEREFORE, THAT IF THIS WERE A ROUTINE ALMINISTRATIVE ACTION

THAT THE TRANSACTION SHOULD HAVE TAKEN PLACE AT THE TIME OF HIS TERMINATION

OF EMPLOYMENT, 15 APRIL 1969.

CLEAR THE FRAME, ON 27 APRIL 1970 TO PE EXACT, THE FEI CONTACTED

LAND AND ADVISED THAT THEY HAD ALLEGATIONS CONCERNING ELISERS TO THE

EFFECT THAT IN DECEMBER 1969 HE HAD ENTERED THE RAND BUILDING AND REMOVED

SOME CLASSIFIED DOCUMENTS AND TAKEN THEM ELSEWHERE TO BE REPRODUCED. MR.

ROWEN STATED THAT IN VIEW OF THE PENDING NATURE OF THE INVESTIGATION THAT

RAND CHOSE NOT TO TAKE ANY ACTION WITH REGARD TO ELISBERG AT THAT TIME.

AN ADDITION, IT IS VERY SIGNIFICANT THAT RAND DIDENOT REPORT THE EXISTENCE

OF THIS ADVERSE INFORMATION TO THE DEFENSE INMUSTRIAL SECURITY CLEARANCS

OFFICE AS REQUIRED BY THE INDUSTRIAL SECURITY MANDAIL HAD THIS INFORMATION

BEEN SO REPORTED IT IS ENTIRELY POSSIBLE THAT ACTIONS TAKEN UNDER THE PURVIEW

OF THE INDUSTRIAL SECURITY PROGRAM MAY HAVE PRECLUDED THE SUBSEQUENT

DISSEMINATION OF CLASSIFIED DOCUMENTS TO THE PRESS. OUR INQUIRY ESTABLISHED

THROUGH INTERVIEW WITH ROWN AND GOLDSTEIN (VICE PRESIDENT) THAT THIS FAILURE

TO REPORT ADVERSE INFORMATION WAS NOT AN OVERSIGHT BUT A CONSIDERED DETERMINATION

ON THE PART OF RAND TOP MANAGEMENT (e.g., ROWAN/GOLDSTEIN/BEST).

EMPERS. MAND PREPARED A MOCUMENT ENTITLED THE VIETNAM PAPERS? WHICH PURPORTS TO TELL THE CIRCUMSTANCES SURROUNDING THE RECEIPT OF THE STUDY BY RAND AND THE ACTIONS TAKEN CONCERNING IT. INTESSENCE, THIS MUNICIPE PAPER EXPLAINS? THAT THE 1968 MEMORANDUM, WHICH I PREVIOUSLY DISCUSSED, PROVIDED THE BASIS FOR RECEIPT, CUSTODY AND CONTROL, AS WELL AS LIMITATION ON ACCESS THERETO OF THE PAPERS CONCERNED. THE MEMORANDUM HOW THE MATERIAL, THE MAJORITY OF WHICH WAS CLASSIFIED TOP SECRET, WAS CONTROLLED AND ACCOUNTED FOR, AND IT FURTHER DESCRIBES THE BASIS UPON WHICH ACCESS WAS AUTHORIZED.

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FOR OFFICER THE

PROVIDE A LOGICAL EXPLANATION FOR THE FAILURE TO PROPERLY ACCOUNT FOR
AND CONTROL THE TOP SECRET MATERIAL AT THE WASHINGTON FACILITY. SECONDEY
IT FAILS TO EXPLAIN WHY ELLSBERG WAS PERMITTED TO COURIER TOP SECRET
MATERIAL FROM THE WASHINGTON TO THE SANTA MONICA FACILITY WITHOUT WRITTEN
AUTHORITY FROM THE APPROPRIATE GOVERNMENT AGENCY: AND THATEY IT FAILS
TO PROVIDE ANY LOGICAL BASIS FOR HONORING THE SO-CALLED AGREEMENT ON ACCESS
AFTER THE OFFICIALS SIGNING THE DOCUMENT WERE NO LONGER EMPLOYED BY THE
GOVERNMENT.

CIRCLESTANCES SURECE NOISE STATE PAPERS IN CENERAL TERMS AND THE
CIRCLESTANCES SURECE NOISE STATE ACCESS THERETO. IT IS IMPORTANT ATS
THIS TIME THAT ME TAKE A LITTLE CLOSER LOOK AT BUSSERG BIBSELS. BY LAY
OF BACKGROUND, IT SHOULD BE NOTED THAT AN ORIGINAL BACKGROUND INVESTIGATION
WAS CONDUCTED ON ELLSBERG BY THE OFFICE OF SPECIAL INVESTIGATIONS (OSI),
DATED 19 JANUARY 1959. ELLSBERG WAS SUBSEQUENTLY CLEARED AS A GOVERNMENT
EMPLOYEE BASED UPON A FULL FIELD INVESTIGATION BY THE STATE DEPARTMENT
DATED 15 SEPTEMBER 1965. HE WAS LATER CLEARED TOP SECRET BY DISCO AS A RAND
EMPLOYEE BASED UPON THE STATE DEPARTMENT INVESTIGATION. THIS WAS A CONVERSION
OF THE GOVERNMENT CLEARANCE. HE CONTINUED IN THAT STATUS UNTIL 15 APRIL 1970.
HIS TOP SECRET CLEARANCE WAS CONTINUED AS A CONSULTANT TO RAND UNTIL 30 SEPTEMBER
1970 WHEN HIS CONSULTANT STATUS WAS TERMINATED.

EDISEERG HAD SIGNED A LETTER TO THE NEW YORK TIMES IN WHICH HE WAS QUITE!

CRITICAL OF THE COVERIGENT'S VIETNAM POLICIES! UPON FURTHER INQURIV

INTO THIS MATTER, DISCO FORMARDED ALETTER ON 19 NOVEMBER 1969 TO THE OSI

REQUESTING THE INVESTIGATION ON ELLSBIRG BE RE-OPENED AND EXPANDED. IT WAS

EMPHASIZED IN THIS LETTER OF REQUEST THAT THE PURPOSE OF THE INVESTIGATION NOT BE MISCONSTRUED AND IT WAS RECOMMENDED THAT THE SUBJECT BE IMPRESSED WITH THE FACT THAT IT WAS NOT HIS ALLEGED OPPOSITION TO THE VIETNAM WAR THAT WAS A MATTER FOR CONCERN, BUT RATHER THAT IT WAS THE POSSIBLE (AND OBVIOUS) CONFLICTS WHICH WOULD BESET A PERSON WHO IS EMPLOYED IN A CAPACITY WHEREIN HE MUST HAVE ACCESS TO CLASSIFIED INFORMATION AND PERFORM DUTIES WHICH ARE IN DIRECT SUPPORT OF A WAR AND/OR A NATIONAL POLICY TO WHICH HE IS STRONGLY OPPOSED, 60N 30 Der 1969, OST RESPONDED TO THE DISCO REQUEST STATING THAT THEY PROBLEM HAD REFERRED THE MATTER TO THE INDUSTRIAL SECURITY CLEARANCE REVIEW DIVISION (ISCRD), OASD, FOR A POLICY DECISION, AND ADVISING THAT IT WOULD NOT PURSUE THE INVESTIGATION UNTIL THEY HAD RECEIVED A FAVORABLE REPLY. ALTHOUGH WE FIND NO RECORD OF A SPECIFIC POSITION HAVING BEEN TAKEN AV OSD WITH REGARD TO RELISERO, GENERAL POLICY CUIDANCE WAS SUBSEQUENTLY DISSEMBATED TO THE EPPRIT THAT "PARTICIPATION IN NON-VIOLENT POLITICAL DEMONSTRATIONS. . . OR THE HOLDING OF VIEWS IN OPPOSITION TO THE PRESENT ADMINISTRATION'S POLICY IN VIETNAM IS NOT, IN AND OF ITSELF, A BASIS TO EXPAND AN INVESTIGATION." IT IS IMPORTANT TO NOTE THAT DISCO WAS NOT RECOMMENDING ANY ADVERSE CLEARANCE ACTION BUT ONLY FURTHER INVESTIGATION.

SECURITY PROCESS. ILE., PERSONAL INTEGRITY AND SOUND SECURITY PRACTICES AND PROCEDURES, WHILE IT IS NOT POSSIBLE TO PREDICT, WITHOUT EXCEPTION, THE COURSES OF ACTION INDIVIDUALS MAY TAKE, THE PERSONNEL SECURITY INVESTIGATION IS DESIGNED TO ENABLE THE ADJUDICATOR TO MAKE REASONABLE VALUE JUDGMENTS AS TO THE INTEGRITY

OF THOSE BEING CLEARED. THE SECURITY PRACTICES AND PROCEDURES PRESCRIBED

IN THE INDUSTRIAL SECURITY MANUAL, WHICH A CONTRACTOR IS OBLIGED TO FOLLOW

AT THE TIME HE SIGNS A SECURITY AGREEMENT, PROVIDES AN ADEQUATE BASIS FOR

THE CONTROL AND PROTECTION OF CLASSIFIED MATERIAL. THE OBVIOUS QUESTION IS

THE CONTROL AND PROTECTION OF CLASSIFIED MATERIAL. THE OBVIOUS QUESTION IS

THE CONTROL AND PROTECTION OF CLASSIFIED MATERIAL. THE OBVIOUS QUESTION IS

THE CONTROL AND PROTECTION OF THIS QUESTION, LET ME POINT OUT THAT THE SYSTEM

DID IDENTIFY THAT THERE MAY BE A CONFLICT OF INTEREST BETWEEN THE VIEWS

OF ELLSBERG AND THE GOVERNMENT OF SUCH A NATURE AS TO POSE A POTENTIAL SECURITY

PROBLEM. IN ADDITION, A CLOSE AND CAREFUL REVIEW OF THE PROCEDURES ESTABLISHED

AFTER IT CAMPE INTO POSESSOR THE CONTROL OF CLASSIFIED MATERIAL INDICATE THEM TO BE ADEQUATE HAD THEY

BEEN PROPERLY IMPLEMENTED BY THE RAND CORPORATION.

THE RICHTEIGANT PROCEDURAL DEPICIENCIES IDENTIFIED AS A RESULT OF OUR

THE PRACTICE OF STORING SO-CALLED CLASSIFIED PRIVATE PAPERS BY A
CONTRACTOR FOR THE ACCOUNT OF FORMER GOVERNMENT OFFICIALS. THE PROVISION
FOR SUCH PRACTICE IS NOT CONTAINED IN THE INDUSTRIAL SECURITY PROGRAM AND,
LENDS ITSELF TO PRACTICES WHICH ARE NOT COMPATIBLE WITH SOUND SECURITY.

SYSTEM. AS I PREVIOUSLY NOTED, NONE OF THE MATERIAL IN QUESTION WAS ENTERED INTO THE SYSTEM AT THE WASHINGTON FACILITY, AND MUCH OF IT WAS LEFT OUT OF CONTROL AT THE SANTA MONICA FACILITY FOR APPROXIMATELY 15 MONTHS.

FAILURE TO GET WRITTEN GOVERNMENT APPROVAL TO TRANSMIT TOP SECRET
MATERIAL OUTSIDE THE FACILITY. THIS IS A BASIC REQUIREMENT SET FORTH IN THE
ISM AND NO PROVISIONS ARE MADE FOR EXCEPTION THERETO.

FOR OFFICIAL CASE ONLY

- MATERIAL TRANSMITTED OUTSIDE OF THE FACILITY. HAD THE WASHINGTON FACILITY
 PREPARED THE NECESSARY RECEIPTS AND FILED IN SUSPENSE, AND TAKEN THE REQUIRED
 FOLLOW-UP ACTION, THE MATERIAL COURIERRED BY ELLSBERG WOULD NOT HAVE REMAINED
 OUT OF CONTROL OUT OF THE SANTA MONICA FACILITY FOR APPROXIMATELY 15 MONTHS.
- FAILURE TO MAINTAIN WRITTEN RECORD OF PERSONS AFFORDED ACCESS TO

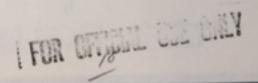
 TOP SECRET MATERIAL. THIS IS A COMPANION DEFICIENCY WITH THAT OF FAILURE
 TO ENTER THE MATERIAL INTO THEIR ACCOUNTABILITY SYSTEM.
- FAILURE TO REPORT EXISTENCE OF TOP SECRET MATERIAL IN THE FACILITY
 TO THE COCNIZANT SECURITY OFFICE. ALTHOUGH SEVERAL INDUSTRIAL SECURITY
 INSPECTIONS WERE CONDUCTED AT THE RAND FACILITY SUBSEQUENT TO THEIR RECEIPT
 OF THE VIETNAM PAPERS, THE EXISTENCE OF THIS MATERIAL WAS KEPT FROM THE
 INDUSTRIAL SECURITY INSPECTOR.
- SECRET MATERIAL FOR SOME 15 MONTHS. A PRACTICE OF THIS TYPE CERTAINLY
 FACILITATES THE IMPROPER USE OF MATERIAL BY THE INDIVIDUAL CONCERNED IF HE
 IS SO INCLINED.
- NOTIFICATION OF ELLSBERG'S INVESTIGATION BY THE FBI, ALTHOUGH CLOSE LIAISON

 IS MAINTAINED BETWEEN DSA AND THE FBI ON MATTERS AFFECTING THE INDUSTRIAL

 SECURITY PROGRAM, THIS IN NO WAY NEGATES THE REQUIREMENT OF A CONTRACTOR AND TIMELY

 TO REPORT ADVERSE INFORMATION IN ORDER THAT DSA CAN TAKE APPROPRIATE ACTION

 IN RELATION THERETO.



FOR CAPACIAL USE CANLY

AS A RESULT OF THE SECURITY VIOLATIONS WHICH I HAVE JUST REFERRED TO, A SPECIAL TEAM INSPECTION WAS COMPUCTED AT BOTH THE PASHINGTON AND SANIA MONICA PACILITIES OF MAND. SINCE THESE FACILITIES WERE BOTH CLEARED TOP SECRET, THEY WERE SUBJECT TO A FACILITY INSPECTION EVERY THREE MONTHS. HOWEVER, IT SHOULD BE NOTED THAT BECAUSE OF THE NUMBER OF CLEARED FACILITIES AND THE NEED TO MAKE THE MOST ECONOMICAL AND EFFECTIVE USE OF INSPECTION PERSONNEL, THE SAMPLING TECHNIQUE IS USED IN OUR INSPECTIONS. IT WAS BECAUSE OF THIS APPROACH THAT THE TOP SECRET MATERIAL LOCATED IN THE WASHINGTON FACILITY WAS NOT IDENTIFIED, SINCE RAND INTENTIONALLY EXCLUDED IT FROM THE ACCOUNTABILITY SYSTEM AND FAILED TO INFORM THE INDUSTRIAL SECURITY OFFICE OF ITS PRESENCE. THE MEAN INSPECTIONS OF THE FACILITIES, JUST COMPLETED, WERE DETAILED AND COMPREHENSIVE AND INCLUDED ALL ASPECTS OF THE INDUSTRIAL SECURITY PROGRAM APPLICABLE TO THE RAND FACILITIES. WHILE REPORTS AS TO THE RESULTS OF THESE INPSECTIONS HAVE NOT BEEN FINALIZED, THERE WERE SUFFICIENT DEFICIENCIES NOTED TO SUPPORT A DETERMINATION THAT RAND'S SECURITY PROGRAM WAS UNSATISFACTORY.

OF ALL CLASSIFIED HOLDINGS AT RAND, A FINAL DETERMINATION AS TO THE STATUS
OF THIS PATERIAL MUST BE WITHHELD PENDING ITS COMPLETIONS

OUR AIMINISTRATIVE INQUIRY AND THE INSPECTIONS CONDUCTED AT THE TWO
PACILITES INDICATE THE FOLLOWING ACTIONS ARE REQUIRED:

RATE THE RAND FACILITIES AS UNSATISFACTORY BECAUSE OF THE MAJOR SECURITY DEFICIENCIES WHICH I HAVE CITED.

FOR OFFICIAL ESE CIRY

FORWARD CASES ON ROWEN, HENDERSON AND ARCHER TO ISCRD FOR
DETERMINATION AS TO WHETHER THE CONTINUATION OF THEIR CLEARANCES ARE
CLEARLY CONSISTENT WITH THE NATIONAL INTEREST IN VIEW OF THEIR WILLFUL
AND INTENTIONAL CIRCUMVENTION OF SECURITY DIRECTIVES.

TEAM INSPECTIONS OF ALL RAND TYPE FACILITIES BE CONDUCTED. THIS PROGRAM HAS ALREADY BEEN INITIATED WITH A DEADLINE FOR COMPLETION BEFORE 1 SEPTEMBER.

A SPECIAL REVIEW BE MADE OF ALL TOP SECRET CLEARANCES AND MATERIAL IN INDUSTRY FOR THE PURPOSE OF DETERMINING ESSENTIALITY.

PREPARE A SPECIAL ISSUE OF THE INDUSTRIAL SECURITY LETTER, WHICH IS
DISTRIBUTED BI-MONTHLY TO ALL CLEARED CONTRACTORS, EMPHASIZING THE NEED FOR
STRONG EFFECTIVE INDUSTRIAL SECURITY PROGRAMS AND COMPLIANCE WITH THE PROVISIONS
OF THEER SECURITY AGREEMENT AND THE ISM.

DEVELOP A "LESSONS LEARNED" PAPER TO BE FORWARDED TO ALL INDUSTRIAL SECURITY OFFICES FOR USE IN THEIR FUTURE INSPECTION EFFORTS.

DESIRABILITY AS TO ITS CONTINUATION IN VIEW OF THE FACT THAT IT FREQUENTLY AFFORDS A LESSER DEGREE OF SECURITY THAN WOULD HAVE BEEN OBTAINED HAD THE NORMAL PROVISIONS OF THE INDUSTRIAL SECURITY PROGRAM BEEN APPLIED.

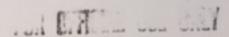
MAY BE AFFILIATED WITH ACTIVITIES OR ORGANIZATIONS KNOWN AS "THE NEW LEFT."

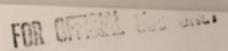
IT IS SIGNIFICANT TO NOTE THAT FOUR OF THE ORIGINAL SIGNERS OF THE LETTER

TO THE TIMES ARE STILL EMPLOYED BY RAND AND HAVE TOP SECRET CLEARANCES.

PROHIBIT THE IDENTIFICATION OF CLASSIFIED DOCUMENTS AS "PRIVATE

PAPERS" AND THE TRANSFER OF THEIR CUSTODY TO ACTIVITIES OUTSIDE OF GOVERNMENT.





THE AREAS IDENTIFIED IN THIS ERIEPING AS REQUIRING FURTHER CONSIDERATION ARE BY NO MEANS ALL INCLUSIVE THE SCOPE AND NATURE OF THE SECURITY QUESTIONS POSED BY THE ELLSBERG INCIDENT NECESSITATES A CAREFUL EVALUATION OF SECURITY POLICY, PRACTICES, AND PROCEDURES AT ALL LEVELS OF GOVERNMENT. IT IS READILY APPARENT THAT SOME OF THE DEFICIENCIES CITED HAVE THEIR ROOT CAUSES IN OUR BASIC INTERFACE BETWEEN GOVERNMENT AND INDUSTRY. RESOLUTIONS OF PROBLEMS IN THIS AREA WILL REQUIRE A FRESH LOOK AT BASIC SECURITY POLICIES.

WE HAVE PREPARED A VERY COMPREHENSIVE REPORT COVERING RAND'S INVOLVEMENT IN THIS UNAUTHORIZED DISCLOSURE, AND THIS REPORT HAS BEEN FORWARDED TO MR. LAIRD.

UNDER PROJECT SEEK, THE DEFENSE INDUSTRIAL SECURITY CLEARANCE
OFFICE, COLUMBUS, ONIO, HAD TO COMPILE A LISTING OF THE 95,000
INDUSTRIAL PERSONNEL HOLDING TOP SECRET CLEARANCES UNDER OUR
PROGRAM.

NEEDLESS TO SAY, WE HAVE SPENT MANY UNPROGRAMMED MANHOURS,
BOTH AT HEADQUARTERS AND IN THE FIELD, IN ORDER TO BE RESPONSIVE.

WE HAVE BEEN ASKED TO FURNISH RECOMMENDATIONS TO PRECLUDE A RECURRENCE.

OUR STUDIES HAVE CONFIRMED THAT THE REQUIRED PROCEDURES FOR SAFE
GUARDING CLASSIFIED INFORMATION ARE ADEQUATE. THE BREAKDOWN OCCURS

WHEN THE PROCEDURES ARE NOT FOLLOWED. HENCE, EMPHASIS WILL CONTINUE

ON IN-DEPTH, QUALITY INSPECTIONS OF OUR CONTRACTORS, AND RENEWED

EMPHASIS ON SECURITY EDUCATION.