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The RAND 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 BROSE, 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 (ADMINISTRATION), MR. D. O. COOKE. MOREOVER, MY DEPUTY PARTICIPATED IN THE MEETING AT THE WHITE HOUSE WHICH RESULTED IN ~~THE~~ REQUIREMENTS TO IDENTIFY ALL PERSONNEL WITH TOP SECRET CLEARANCES AND THE FOLLOW-ON EFFORT TO DRASTICALLY REDUCE THE NUMBER OF SUCH CLEARANCES.

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① —
THE RAND CASE

THE PURPOSE OF THIS BRIEFING IS TWO-FOLD:

(1) TO INFORM YOU OF THE RESULTS OF OUR ADMINISTRATIVE 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.

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~~IN ORDER TO PROVIDE A PROPER FRAME OF REFERENCE FOR THIS BRIEFING, I~~ WOULD LIKE FIRST TO IDENTIFY THE SPECIFIC MATERIALS WITH WHICH WE ARE CONCERNED AND THE PRINCIPALS INVOLVED IN THE INCIDENT.

a. ~~THE TOP SECRET-SENSITIVE-LIMITED DISTRIBUTION MATERIALS~~ INVOLVED CAN BE BROKEN DOWN INTO THREE CATEGORIES: FIRST IS THE FORMAL VIETNAM STUDY CONSISTING OF 46 VOLUMES PLUS AN INDEX. TWO COMPLETE SETS OF THIS STUDY WERE PROVIDED THE RAND CORPORATION. SECONDLY 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 THIRD CATEGORY OF PAPERS IS IDENTIFIED AS THE "PRIVATE PAPERS" OF MESSRS. WARNKE, HALPERIN, AND BUNDY/McNAUGHTON.

b. ~~THE PRINCIPALS INVOLVED IN THE HANDLING OF THESE PAPERS~~ INsofar AS THEY RELATE TO THE ELLSBERG INCIDENT ARE IDENTIFIED AS FOLLOWS:

- (1) DR. DANIEL ELLSBERG.
- (2) MR. PAUL G. WARNKE, FORMERLY ASSISTANT SECRETARY OF DEFENSE (ISA) UNTIL 15 FEBRUARY 1969 AND SUBSEQUENTLY A CONSULTANT TO OSD UNTIL 7 JULY 1971.

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1971.

(3) MR. LESLIE H. GELB, ASSIGNED TO THE OFFICE OF ASSISTANT SECRETARY OF DEFENSE UNTIL 18 APRIL 1969, SUBSEQUENTLY ASSOCIATED WITH BROOKINGS INSTITUTION AND A CONSULTANT TO OASD 30 JUNE 1969.

(4) MR. MORTON H. HALPERIN, 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 BROOKINGS INSTITUTION SINCE SEPTEMBER 1969.

(5) MR. HENRY S. ROMAN, 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.

(8) MR. A. E. ARCHER, ADMINISTRATOR AND SECURITY OFFICER, WASHINGTON FACILITY, THE RAND CORPORATION.

③ ~~MEMORANDUM OF 15 JANUARY 1968 FROM MR. ROMAN TO MR. HALPERIN~~ AND ASKED IF CERTAIN HIGHLY CLASSIFIED DOCUMENTS COULD BE STORED AT RAND SUBJECT TO APPLICABLE FEDERAL SECURITY REGULATIONS. MR. ROMAN AGREED TO THIS AND ~~CONSEQUENTLY RECEIVED A MEMORANDUM, DATED 18 DECEMBER 1968, SUBJECT: UNDER-REPORTING REGARDING DISTRIBUTION AND USE OF VIETNAM PAPERS~~. THIS MEMORANDUM WAS SIGNED BY MR. WARNEKE, HALPERIN AND GELB AND PROVIDED SPECIFIC INSTRUCTIONS CONCERNING THE DISTRIBUTION OF THESE PAPERS AND THE REQUIREMENT FOR ACCESS THERETO.

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~~ON 21 JANUARY 1969, CONCURRENT WITH THE CHANGE IN ADMINISTRATION,~~
~~SECURITY OFFICERS, RAND, WASHINGTON, SIGNED THE RECEIPT FOR~~
~~38 BOXES CLASSIFIED DOCUMENTS FROM THE RAND (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 BUNDI/
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 ITS 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 DSA.

~~ON 15 SEPTEMBER 1969, RAND BROOKINGS INSTITUTION, WASHINGTON,~~
~~(NOTE: THIS WAS AFTER GELB LEFT THE GOV'T SERVICE)~~
~~MANAGER, RAND, BROOKS,~~ STATING THAT "PAUL WARNKE, 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 PRO-
POSING 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. ~~ON 19 SEPTEMBER 1969,~~
~~MANAGER, RAND, RECEIVED FOR A FULL SET (46 VOLUMES PLUS INDEX) OF THE VIETNAM~~
~~TASK FORCE STUDY.~~ THESE VOLUMES WERE ALSO STORED IN A SECURITY CONTAINER
BUT WERE NOT ENTERED INTO THE FACILITY'S ACCOUNTABILITY SYSTEM.

~~ON 30 OCTOBER 1969, A SECOND COMPLETE SET OF THE "VIETNAM TASK FORCE STUDY"~~
~~WAS SENT TO RAND, SANITARIUM FACILITY.~~ THIS SET WAS ENTERED INTO THE
COMPANY'S ACCOUNTABILITY SYSTEM UPON RECEIPT.

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4 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 DEFENSE DEPARTMENT AND EXPECTED TO CONTINUE TO BE INVOLVED FOR SOMETIME. 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.

~~DURING THE LATTER PART OF FEBRUARY 1969, MR. ELLSBERG ARRIVED AT THE RAND WASHINGTON FACILITY AND ASKED MR. HENDERSON TO ALLOW HIM TO REVIEW THE PAPERS ON FILE THERE AND ATTEMPT SOME TO BE RETURNED TO SANTA MONICA IN FURTHERANCE OF HIS WORK. MR. HENDERSON DECLINED WITHOUT FIRST HAVING RECEIVED AUTHORITY FROM MR. ROWEN. 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. ALTHOUGH MR. HENDERSON DID NOT HAVE WRITTEN AUTHORITY FROM THE GOVERNMENT FOR THE TRANSMISSION OF TOP SECRET MATERIAL OUTSIDE THE FACILITY AS REQUIRED BY THE INDUSTRIAL SECURITY MANUAL, HE NEVERTHELESS ISSUED ELLSBERG A COURIER AUTHORIZATION TO CARRY THE MATERIAL CONCERNED TO SANTA MONICA. ELLSBERG RECEIPTED FOR THE 10 VOLUMES ON 3 MARCH 1969. DURING THE LATTER PART OF AUGUST MR. ELLSBERG RETURNED TO WASHINGTON AND AGAIN ASKED MR. HENDERSON TO ALLOW HIM TO REVIEW THE 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~~

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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.

~~IT IS SIGNIFICANT TO NOTE THAT IN BOTH INSTANCES WHERE THE VOLUMES~~
~~ACCEPTE~~~~D FOR BY THE SANTA MONICA FACILITY, NOR WERE THEY ENTERED INTO THE~~
~~FACILITY'S ACCOUNTABILITY SYSTEM~~ AT THE TIME THEY WERE BROUGHT BACK BY ELLSBERG. NO FOLLOW-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 SANTA MONICA FACILITY ACKNOWLEDGING DELIVERY OF THE MATERIAL BY ELLSBERG.

~~IT IS INTERESTING TO NOTE THAT THESE VOLUMES WERE NOT ENTERED INTO~~
~~RAND'S ACCOUNTABILITY SYSTEM AT SANTA MONICA UNTIL THE LATTER PART OF~~
~~1970~~ DURING THE PERIOD 3 MARCH/28 AUGUST 1969 UNTIL 20 MAY 1970, THE 18 VOLUMES WERE UNDER THE PERSONAL CONTROL AND CUSTODY OF ELLSBERG. ~~THE CIRCUMSTANCES UNDER WHICH THE MATERIAL WAS INTRODUCED INTO THE ACCOUNT-~~
~~ABILITY SYSTEM IN MAY 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 "ELLSBERG'S CLEARING OUT OF HIS OFFICE." IT IS INTERESTING TO NOTE, HOWEVER, THAT ELLSBERG TERMINATED EMPLOYMENT WITH RAND ON 15 APRIL 1970 AND IMMEDIATELY BECAME A CONSULTANT UNTIL 30 SEPTEMBER 1970. IT WOULD APPEAR, THEREFORE, THAT IF THIS WERE A ROUTINE ADMINISTRATIVE ACTION THAT THE TRANSACTION SHOULD HAVE TAKEN PLACE AT THE TIME OF HIS TERMINATION OF EMPLOYMENT, 15 APRIL 1969. ~~IT MAY ALSO BE SIGNIFICANT TO OBSERVE THAT~~

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~~SUBJECT THIS MATTER, ON 22 APRIL 1970 TO RE-EXAMINE THE FBI CONTACTS~~
~~RAND AND ADVISED THAT THEY HAD ALLEGATIONS CONCERNING ELLSBERG~~ 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 ELLSBERG AT THAT TIME.
~~IN ADDITION, IT IS VERY SIGNIFICANT THAT RAND DID NOT REPORT THE EXISTENCE~~
~~OF THIS ADVERSE INFORMATION TO THE DEFENSE INDUSTRIAL SECURITY CLEARANCE~~
~~OFFICE AS REQUIRED BY THE INDUSTRIAL SECURITY MANUAL~~ 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 ROWEN 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., ROWEN/GOLDSTEIN/BEST).

5 ~~SUBSEQUENT TO THE PUBLICATION BY THE PRESS OF THE VIETNAM TASK FORCE~~
~~PAPER, RAND PREPARED A DOCUMENT ENTITLED "THE VIETNAM PAPERS"~~ WHICH PURPORTS
TO TELL THE CIRCUMSTANCES SURROUNDING THE RECEIPT OF THE STUDY BY RAND AND
THE ACTIONS TAKEN CONCERNING IT. ~~IN ESSENCE, THIS WHITE 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 WHITE PAPER ALSO EXPLAINS~~ 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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~~THERE ARE, HOWEVER, SEVERAL SIGNIFICANT OMISSIONS.~~ ~~FIRST,~~ IT FAILS TO PROVIDE A LOGICAL EXPLANATION FOR THE FAILURE TO PROPERLY ACCOUNT FOR AND CONTROL THE TOP SECRET MATERIAL AT THE WASHINGTON FACILITY. ~~SECONDLY,~~ IT FAILS TO EXPLAIN WHY ELLSBERG WAS PERMITTED TO CARRIER TOP SECRET MATERIAL FROM THE WASHINGTON TO THE SANTA MONICA FACILITY WITHOUT WRITTEN AUTHORITY FROM THE APPROPRIATE GOVERNMENT AGENCY; AND ~~THIRDA,~~ 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.

⑥ ~~UP TO THIS POINT, I HAVE DISCUSSED THE PAPERS IN GENERAL TERMS AND THE CIRCUMSTANCES SURROUNDING ELLSBERG'S ACCESS THERETO. IT IS IMPORTANT AT THIS TIME THAT WE TAKE A LITTLE CLOSER LOOK AT ELLSBERG HIMSELF.~~ BY WAY 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.

~~IN THE FALL OF 1969, DISCO RECEIVED INFORMATION TO THE EFFECT THAT ELLSBERG HAD SIGNED A LETTER TO THE NEW YORK TIMES IN WHICH HE WAS QUOTE CRITICAL OF THE GOVERNMENT'S VIETNAM POLICIES UNQUOTE.~~ UPON FURTHER INQUIRY INTO THIS MATTER, DISCO FORWARDED A LETTER ON 19 NOVEMBER 1969 TO THE OSI

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REQUESTING THE INVESTIGATION ON ELLSBERG 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. ~~ON 30 SEP 1969, DISCO RESPONDED TO THE DISCO REQUEST~~ STATING THAT THEY ~~HAD~~ 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~~ ~~AS TO THE MATTER REGARD TO ELLSBERG, GENERAL POLICY GUIDANCE WAS SUBSEQUENTLY DISSEMINATED TO THE EFFECT 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.

7 ~~ATTENTION NOT TURN MY ATTENTION FOR A MOMENT TO THE DOD INDUSTRIAL SECURITY PROGRAM~~ ~~THIS IS BASED ESSENTIALLY ON TWO PREMISES~~ I.E., 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

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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~~

~~WHEN WAS THE INDUSTRIAL SECURITY PROGRAM ADEQUATE TO MEET THE ELLSBERG~~

~~INQUIRY~~ IN RESPONSE TO 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 CAME INTO POSSESSION OF THE} FOR THE CONTROL OF CLASSIFIED MATERIAL INDICATE THEM TO BE ADEQUATE HAD THEY BEEN PROPERLY IMPLEMENTED BY THE RAND CORPORATION.

⑧ ~~THE SIGNIFICANT PROCEDURAL DEFICIENCIES IDENTIFIED AS A RESULT OF OUR~~
~~INQUIRY CAN BE SUMMARIZED AS FOLLOWS:~~

~~THE~~ 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.

~~THE~~ THE FAILURE TO ENTER TOP SECRET MATERIAL INTO AN ACCOUNTABILITY 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.

~~THE~~ 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.

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422 FAILURE TO MAINTAIN SUSPENSE AND FOLLOW-UP RECEIPTS FOR TOP SECRET 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 COURIERED BY ELLSBERG WOULD NOT HAVE REMAINED OUT OF CONTROL OUT OF THE SANTA MONICA FACILITY FOR APPROXIMATELY 15 MONTHS.

423 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.

424 FAILURE TO REPORT EXISTENCE OF TOP SECRET MATERIAL IN THE FACILITY TO THE COGNIZANT 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.

425 ALLOWING ELLSBERG TO RETAIN PERSONAL CUSTODY, CONTROL OF TOP 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.

426 FAILURE TO SUBMIT AN ADVERSE INFORMATION REPORT TO DISCO UPON 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 TO REPORT ADVERSE INFORMATION IN ORDER THAT DSA CAN TAKE APPROPRIATE ACTION IN RELATION THERETO.

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9 AS A RESULT OF THE SECURITY VIOLATIONS WHICH I HAVE JUST REFERRED TO, ~~A SPECIAL TEAM INSPECTION WAS CONDUCTED AT BOTH THE WASHINGTON AND SANTA MONICA FACILITIES OF RAND.~~ 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 RECENT 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 INSPECTIONS HAVE NOT BEEN FINALIZED, THERE WERE SUFFICIENT DEFICIENCIES NOTED TO SUPPORT A DETERMINATION THAT RAND'S SECURITY PROGRAM WAS UNSATISFACTORY.

~~INASMUCH AS THE ATE FORCE IS CURRENTLY MAKING A COMPLETE AUDIT INVENTORY OF ALL CLASSIFIED HOLDINGS AT RAND, A FINAL DETERMINATION AS TO THE STATUS OF THIS MATERIAL MUST BE WITHHELD PENDING ITS COMPLETION.~~

10 OUR ADMINISTRATIVE INQUIRY AND THE INSPECTIONS CONDUCTED AT THE TWO FACILITIES INDICATE ~~THE FOLLOWING ACTIONS ARE REQUIRED:~~

~~1. RATE THE RAND FACILITIES AS UNSATISFACTORY BECAUSE OF THE MAJOR SECURITY DEFICIENCIES WHICH I HAVE CITED.~~

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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 THEIR 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.

A RE-EVALUATION OF THE "CARVE-OUT" PHILOSOPHY TO DETERMINE THE 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.

A REVIEW OF THE POLICY CONCERNING THE INVESTIGATION OF THOSE WHO 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.

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~~THE AREAS IDENTIFIED IN THIS BRIEFING 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.

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Letter (AGE)

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, OHIO, 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 SAFEGUARDING 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.

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