

Information
Security
Oversight
Office





Information Security Oversight Office
Washington, DC 20405



March 26, 1990

Dear Mr. President:

I am pleased to submit the Information Security Oversight Office's (ISOO) 1989 Report to the President.

This is the seventh Report that ISOO has issued on the information security program under Executive Order 12356, "National Security Information," issued in 1982. The Report reveals substantial progress in the classification, safeguarding and declassification programs throughout the executive branch. ISOO attributes much of this success to the stability associated with the current system.

Nevertheless, the extraordinary developments taking place around the world do not permit complacency on our part. This year ISOO will conduct an interagency examination of the classification system. Our goal is to propose those changes to the system that will enable us to meet the challenges that lie ahead. We look forward to reporting back to you with our recommendations.

Respectfully,

A handwritten signature in cursive script that reads "Steven Garfinkel".

Steven Garfinkel
Director

The President
The White House
Washington, DC 20500



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Summary of FY 1989 Program Activity

The FY 1989 Report to the President is the seventh to examine the information security program under E.O. 12356. The following data highlight ISOO's findings.

Classification

- The number of original classification authorities continued to decline to a record low of 6,467.
 - Reported original classification decisions decreased 80% to 501,794.
 - Reported derivative classification decisions decreased 21% to 6,294,707.
 - The total of all classification actions reported decreased 35% from FY 1988, to 6,796,501.
- Improvements in statistical sampling methods largely accounted for the significant decreases in reported classification activity.
- DOD accounted for 49% of all classification decisions; CIA 35%; Justice 12%; State 3%; and all other agencies 1%.

Declassification

- Agencies received 4,202 new mandatory review requests.
- Under mandatory review, agencies declassified in full 58,769 pages; declassified in part 49,724 pages; and retained classification in full on 23,346 pages.
- Agencies received 257 new mandatory review appeals.
- On appeal, agencies declassified in whole or in part 10,674 additional pages.
- Under the systematic review program, agencies reviewed 11,208,687 pages of historically valuable records, 7% more than in FY 1988; and declassified 7,021,857 pages, 43% more than in FY 1988.

Safeguarding

- Agencies conducted 23,713 self-inspections.
- Agencies reported 22,005 infractions, 32% more than in FY 1988.

Classification



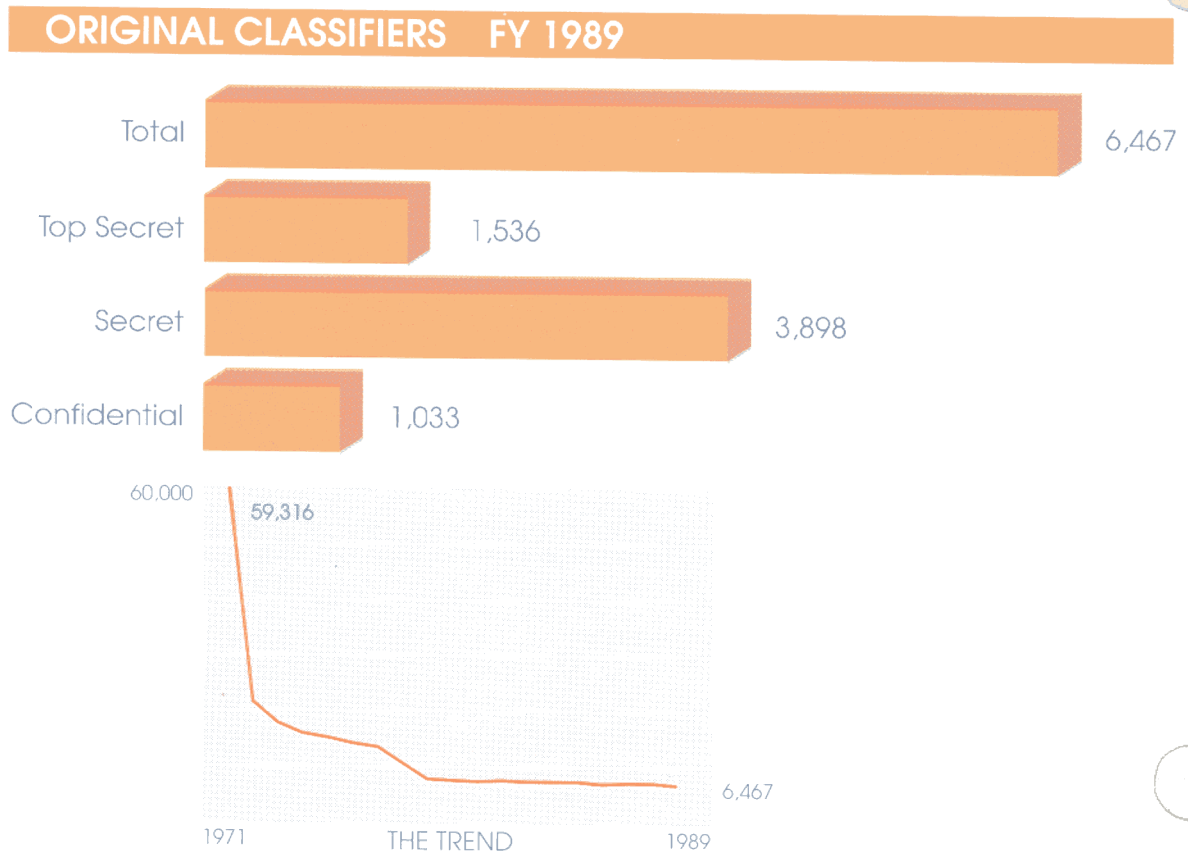
Original Classifiers

Original classification authorities, also called original classifiers, are those individuals designated in writing, either by the President or by selected agency heads, to classify information in the first instance. Under E.O. 12356, only original classifiers determine what information, if disclosed without authority, could reasonably be expected to cause damage to the national security.

For FY 1989, the number of original classifiers throughout the executive branch decreased by 187, to a total of 6,467. There are fewer original classification authorities now than at any other time for which relevant statistics are available.

In ISOO's FY 1988 Report, it noted an increase in the number of persons authorized to classify at the **Top Secret** level, despite a decrease in the total number of original

Fewer original classification authorities than ever before



classifiers. For FY 1989, ISOO is pleased to report a decrease in the number of persons authorized to classify at each level, with the greatest percentage decrease at the **Top Secret** level.

Several agencies merit a great deal of praise for their considerable success in reducing the number of original classifiers during FY 1989. These include AID, DOD (especially Navy, Army, OJCS and OSD), DOE, DOT, NSC, OMB and USIA. ISOO also commends EXIMBANK, Justice, NASA and State, which also reduced their number of original classifiers.

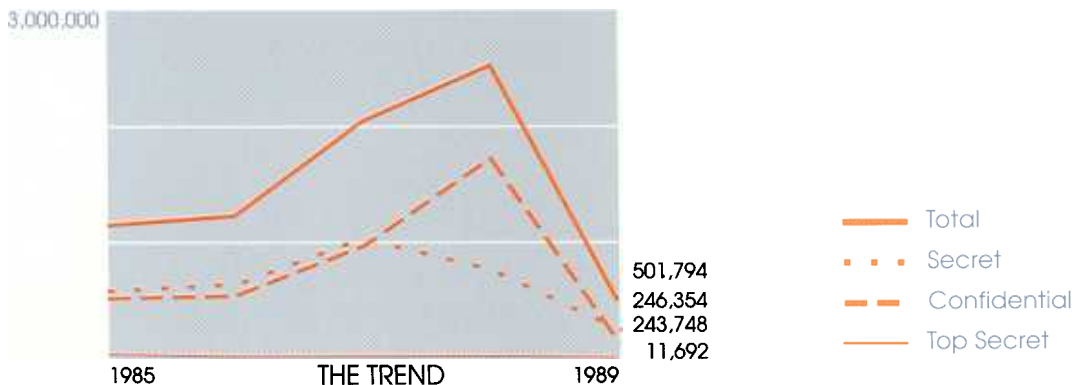
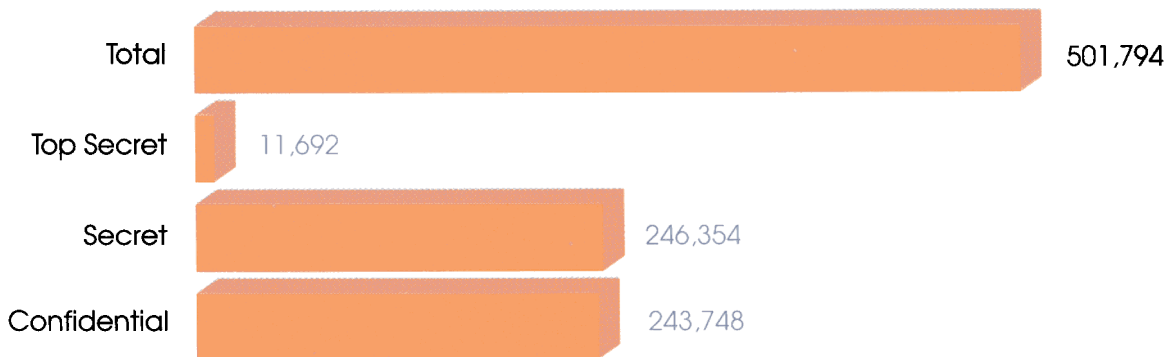
ISOO believes that limiting the number of original classifiers is an important means to control the classification system. The FY 1989 data for combined classification activity, reported below, provide some support for this position. ISOO will continue to encourage agencies to decrease their original classification authorities to the fewest necessary.

Decrease the number of persons authorized to classify at each level

Original Classification

Original classification is an initial determination by an authorized classifier that information requires extraordinary protection, because unauthorized disclosure of the information could reasonably be expected to cause damage to the national security. The process of original classification ordinarily includes both the determination of the need to protect the information and the placement of markings to identify the information as classified. By definition, original classification precedes all other aspects of the information security system, e.g., derivative classification, safeguarding and declassification. Therefore, ISOO often refers to the number of original classification actions as the most important figure that it reports.

ORIGINAL ACTIVITY FY 1989



Original Classification

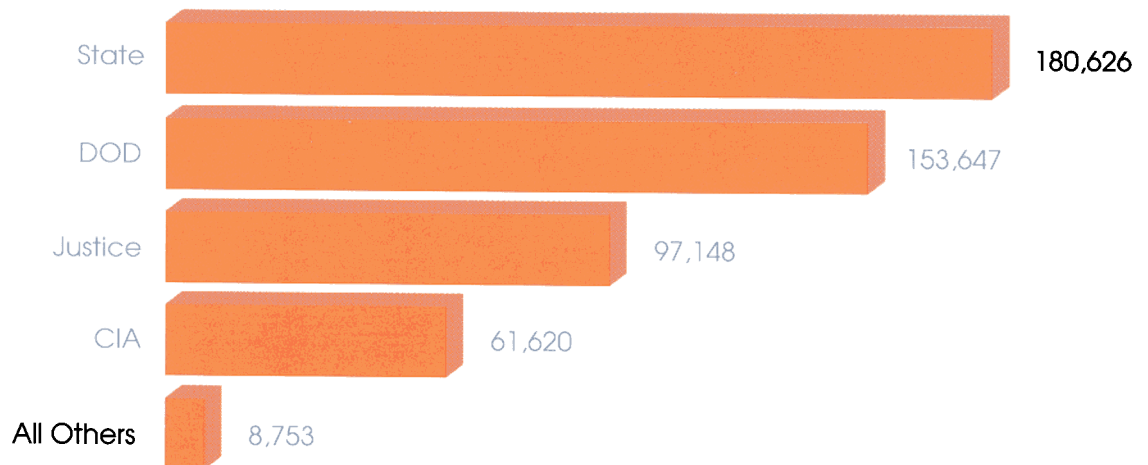
For FY 1989, agencies reported a total of 501,794 original classification decisions. Since this number represents a decrease of over 2 million original classification decisions (-80 %) from FY 1988, ISOO could proclaim a dramatic reduction in the amount of original classification activity from FY 1988 to FY 1989. In all likelihood, such a proclamation would be greatly exaggerated. Rather, ISOO believes that the reported number for FY 1989 primarily reflects the excellent effort of DOD, specifically Navy, to correct serious deficiencies in its prior sampling and reporting methods.

Since its creation, ISOO has worked with the major classifying agencies to seek more precise means to sample classification activity, thereby improving the accuracy of the numbers that these agencies report to ISOO, and ISOO, in turn, reports publicly. Finding a workable, accurate sampling system has been especially difficult in DOD, given its many thousands of facilities around the world in which information might be classified. A revised DOD sampling system introduced in FY 1985 offered promise for significantly more accurate results, but was dependent upon accurate sampling and reporting by each of DOD's major components. In recent years, Navy has expressed serious reservations about both its sampling system and the accuracy of the numbers that this system produced. For FY 1987 and FY 1988, the number of original classification decisions that Navy reported greatly exceeded the number reported by all other classifying activities combined, and both DOD and ISOO expressed skepticism about the accuracy of these data.

Commendably, for FY 1989, Navy took many steps to correct the deficiencies in its sampling system. For example, the number of original classification authorities who participated in the sampling increased by a factor of seven, and included all Navy **Top Secret** authorities; the survey period covered approximately 40 % of the fiscal year; and all reporting activities received extensive instructions and training.

A reported decrease of over 2 million original classification decisions

ORIGINAL ACTIVITY BY AGENCY FY 1989



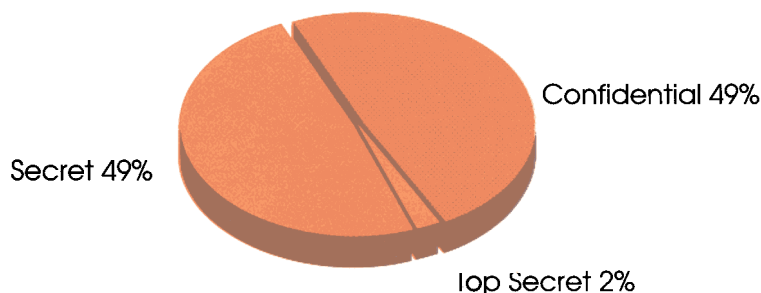
According to DOD, the benefits of this effort extend well beyond a far more accurate count of classification decisions. First, Navy learned why its prior figures were so vastly inflated: several of its reporting activities, whose samples were multiplied to account for non-reporting activities, had been reporting the number of all classified documents on hand, not just classification decisions that they had originated. Even more important, fully 35% of Navy's original classification authorities recognized through the instruction and training that their classification needs could be fully met through derivative classification, resulting in a reduction of 163 original classifiers at Navy alone. Finally, by seeking to remedy statistical reporting deficiencies, many Navy officials received much needed training in classification management and information security. To be sure, the results of this effort have proved so positive that DOD has encouraged its other classifying components to emulate Navy's methodology.

DOD's reported decrease of almost 2 million original classification decisions should not overshadow significant reductions reported by two of the other three major classifying agencies, CIA and State, especially since their numbers have not been affected by sampling methods. CIA reported 22% fewer original classification decisions in FY 1989, and State a 13% reduction. On the other hand, original decisions at Justice (primarily FBI), the fourth major classifying agency, rose by 43%.

ISOO also commends those agencies with much smaller levels of classification activity who reported significantly fewer original classification decisions for FY 1989. These include ACDA (-49%); DOT (-80%); EXIMBANK (-87%); FEMA (-52%); NASA (-87%); NRC (-79%); OMB (-100%); and OSTP (-52%).

Excellent effort of DOD, specifically Navy, to correct prior sampling deficiencies

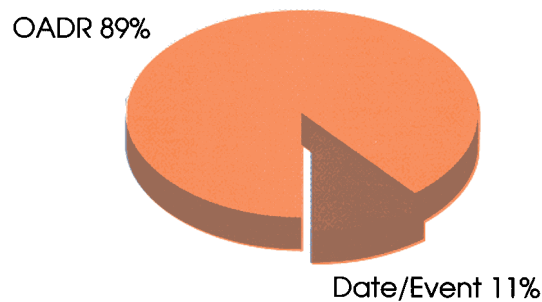
ORIGINAL CLASSIFICATION LEVELS FY 1989



In addition to more accurate totals, ISOO believes that the FY 1989 breakdown in original classification decisions by classification level more accurately reflects other indicators of the classified product, including ISOO's document reviews. This breakdown reveals that classifying agencies generate comparatively few **Top Secret** original decisions. Instead, the overwhelming majority of original decisions are rather evenly divided between the **Secret** and **Confidential** levels.

As part of the original classification process, the classifier must determine a time frame for the protection of the information. This is commonly cited as the “duration” of classification. E.O. 12356 provides classifiers with two means of designating declassification instructions for national security information. First, the information may be marked for declassification upon a specific date or event. For example, a classifier may determine that the information’s sensitivity will lapse upon the completion of a particular project. That event would be noted on the face of the document, and when the project had been completed, the information would automatically be declassified. Only if a specific date or event cannot be determined at the time of classification does the classifier mark the document with the notation “Originating Agency’s Determination Required” (“OADR”). “OADR” indicates that the information must be reviewed by the originating agency before any declassification action may be taken. For FY 1989, the percentage of reported original

DURATION OF CLASSIFICATION FY 1989



Too many classification decisions are marked “OADR”

classification decisions assigned a specific date or event for declassification (11%) falls within ISOO’s approximation of what proportion of classification decisions are susceptible to automatic declassification instructions at the time of original classification (10-18%). However, the reported percentage still exceeds what ISOO has observed during its classified document reviews, reported below. Clearly, this is an area in which improvement is necessary for the classification system to perform credibly.

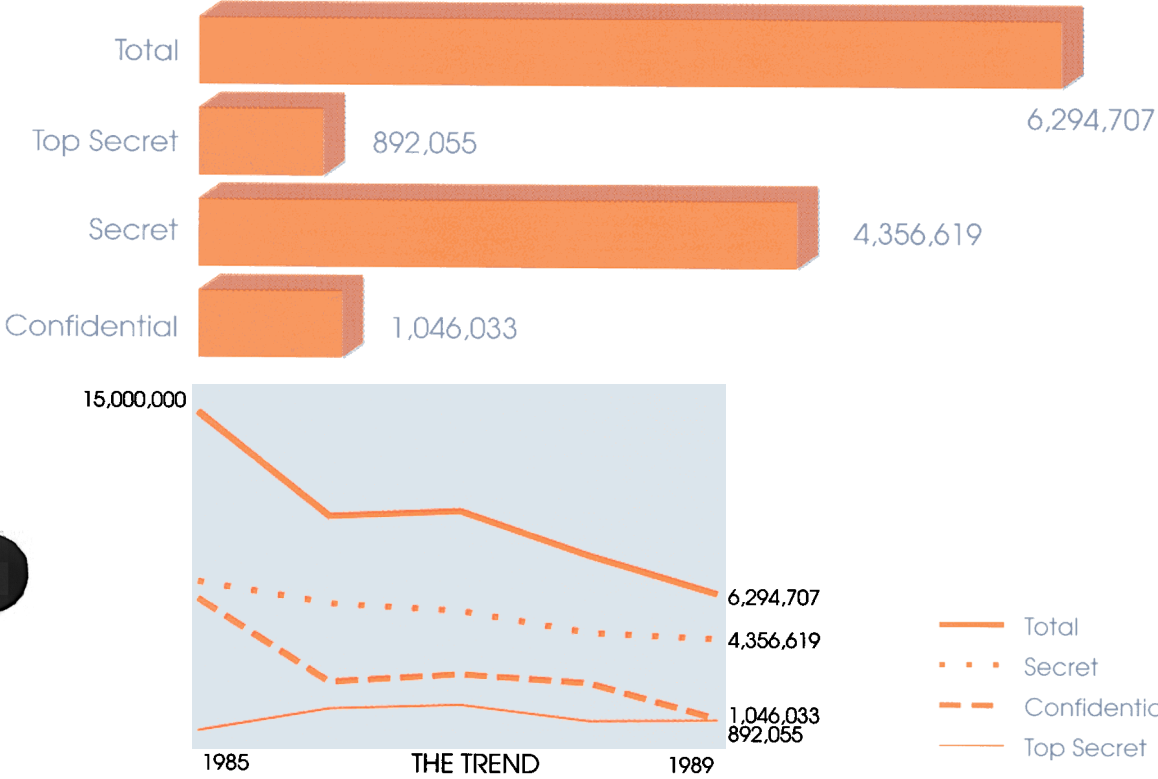
Derivative Classification

Derivative classification is the act of incorporating, paraphrasing, restating or generating in new form classified source information. Information may be derivatively classified in two ways: (a) through the use of a source document, usually correspondence or publications generated by an original classification authority; or (b) through the use of a classification guide. A classification guide is a set of instructions issued by an original classification authority. It pertains to a particular subject and describes the elements of information about that subject that must be classified and the level and duration of classification. Only executive branch or Government contractor employees with the appropriate security clearance who are required by their work to restate classified source information may classify derivatively.

As in the case of original classification, Navy’s improved sampling methods appear to have had a major impact on the number of reported derivative classification decisions for FY 1989. The Government-wide total of 6,294,707 represents a decrease of almost 1.7

million decisions (-21%) from the number reported for FY 1988. Navy's reported decrease, included in the DOD figures, more than accounts for this decrease. Of the two other major derivative classifying agencies, CIA's reported decrease for FY 1989 of almost 172,000 decisions (-7%) almost offsets Justice/FBI's reported increase of almost 179,000 decisions (+32%).

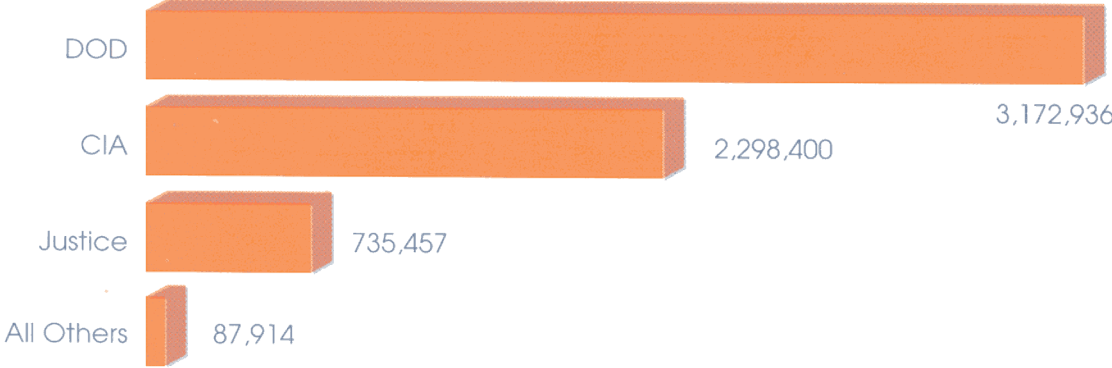
DERIVATIVE ACTIVITY FY 1989



Among the agencies with significantly more modest classification programs, ISOO commends the following for reducing their numbers of derivative actions for FY 1989: Commerce (-7%); Education (-100%); GSA (-19%); HHS (-50%); ICC (-100%); Interior (-83%); NARA (-73%); NRC (-23%); NSF (-100%); OPM (-75%); OSTP (-63%); OVP (-21%); PFIAB (-23%); and VA (-50%).

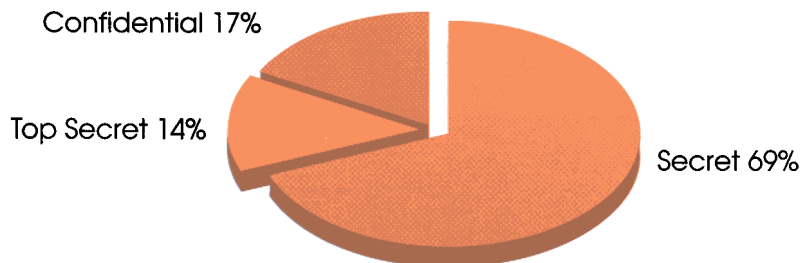
Reported decrease of almost 1.7 million derivative decisions

DERIVATIVE ACTIVITY BY AGENCY FY 1989



As in the past, the breakdown of derivative classification actions by classification level differs somewhat markedly from the breakdown of original decisions: **Secret** and **Top Secret** decisions comprise significantly higher percentages of the total. Several factors contribute to this result. With respect to the proportion of **Top Secret** actions, these result from a very few activities that produce a large quantity of derivative documents from classification guidance. Generally, this **Top Secret** information is highly localized, so that the percentage of **Top Secret** actions within almost all collections of classified information is very much smaller. This explains somewhat the disparity between the proportions of **Top Secret** derivative and combined decisions reported by the agencies (14% and 13%, respectively) and that identified by ISOO in its classified document reviews (5%), discussed below.

DERIVATIVE CLASSIFICATION LEVELS FY 1989



Significantly contributing to the higher proportion of **Secret** derivative decisions is the fact that State treats all of its classification decisions as original. Therefore, State classification decisions have relatively little impact upon the total number of derivative decisions. Since State classifies a significantly higher percentage of its information at the **Confidential** level (80%) than any of the other major classifying agencies, the ratio of reported **Confidential** to **Secret** original decisions is 1:1, but 1:4 for reported derivative decisions.

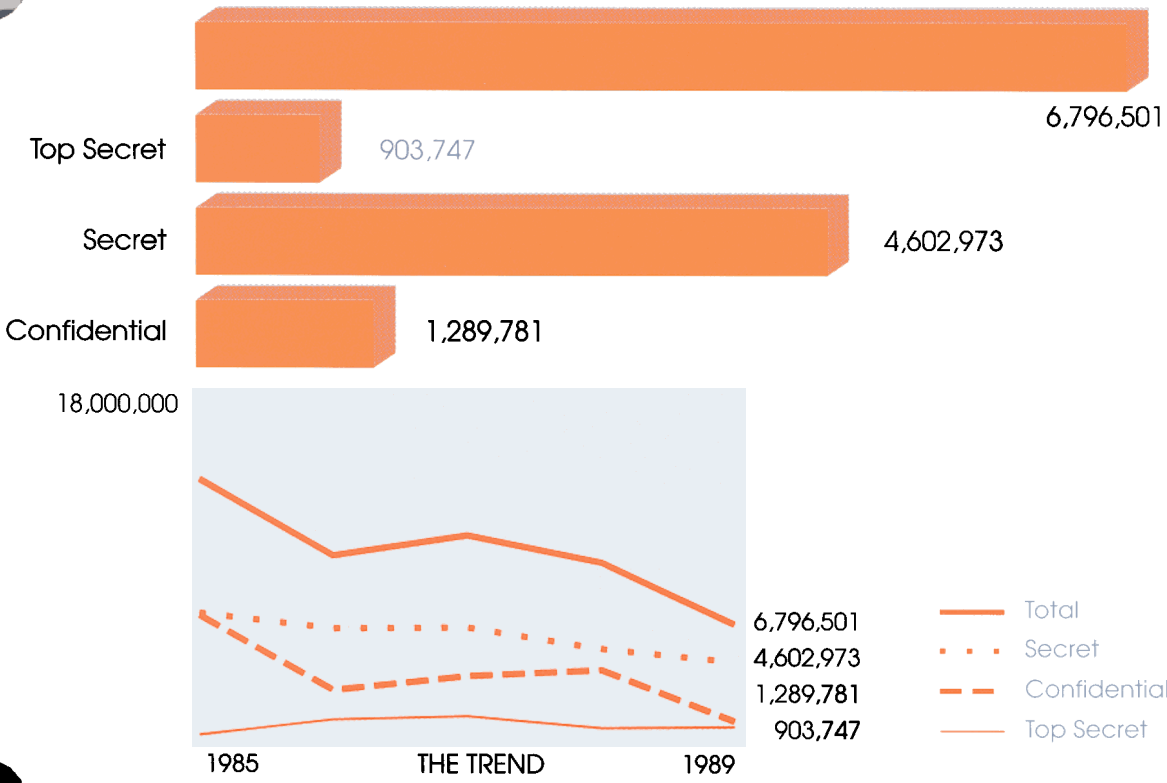
Combined Classification

By adding original and derivative classification decisions, ISOO arrives at what it calls combined classification activity. Given the marked decreases for both reported original and derivative decisions in FY 1989, combined classification decreased by more than 3.6 million reported decisions (-35%) to a total of 6,796,501. As noted above, it appears that this unprecedented drop is primarily the result of more accurate counting, rather than an actual tremendous decrease in classification activity between FY 1988 and FY 1989. Nevertheless, at 6.8 million decisions, total classification activity is considerably less than ever previously reported by ISOO.

Among the more interesting side effects of Navy's improved sampling system is its impact on the overall percentage of classification decisions attributable to DOD. Previously reported to account for almost 70% of Government-wide classification activity, DOD now accounts for slightly less than half. Also, CIA, despite significant decreases in both original and

Reported decrease of more than 3.6 million classification decisions

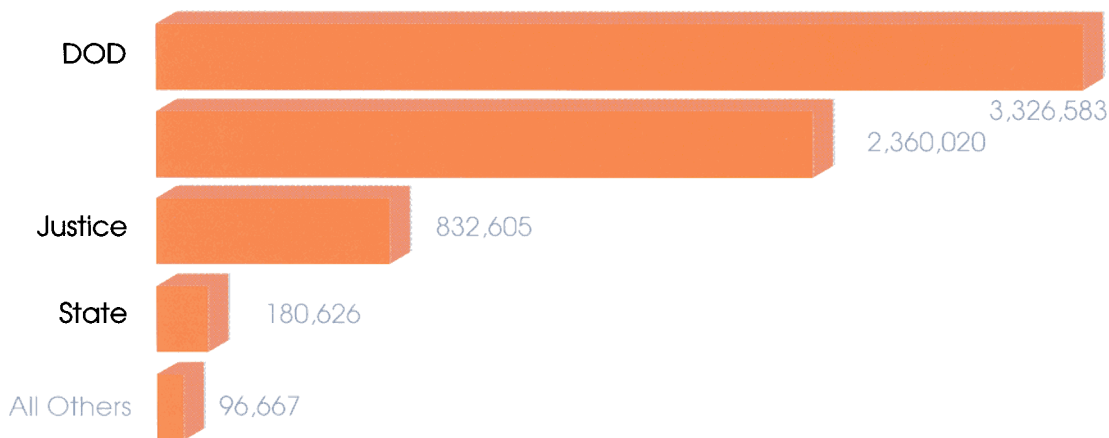
COMBINED ACTIVITY FY 1989



12.5 derivative decisions for each original decision

derivative classification decisions, ironically now accounts for more than a third of the total, while FY 1988's much higher figures accounted for less than a quarter of the total. Further, the ratio of reported derivative decisions to original decisions for FY 1989 (12.5:1) far more accurately reflects ISOO's experience from all other indicators. Finally, despite all these significant changes, DOD, CIA, Justice and State still account for almost 99% of all reported classification decisions.

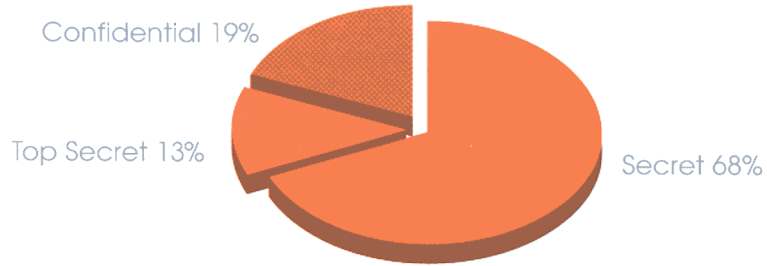
COMBINED ACTIVITY BY AGENCY FY 1989



Combined Classification

Perhaps more than anything else, reported classification activity for FY 1989 will provide an interesting baseline for the future. This is especially true since many observers will be waiting for the fallout that the remarkable events taking place in the world today will have on future classification activity. While this relationship may not be evident in the next year or two, eventually world events will have a tremendous impact on classification activity.

COMBINED CLASSIFICATION LEVELS FY 1989



FY 1989 data will provide a baseline for the future

Declassification

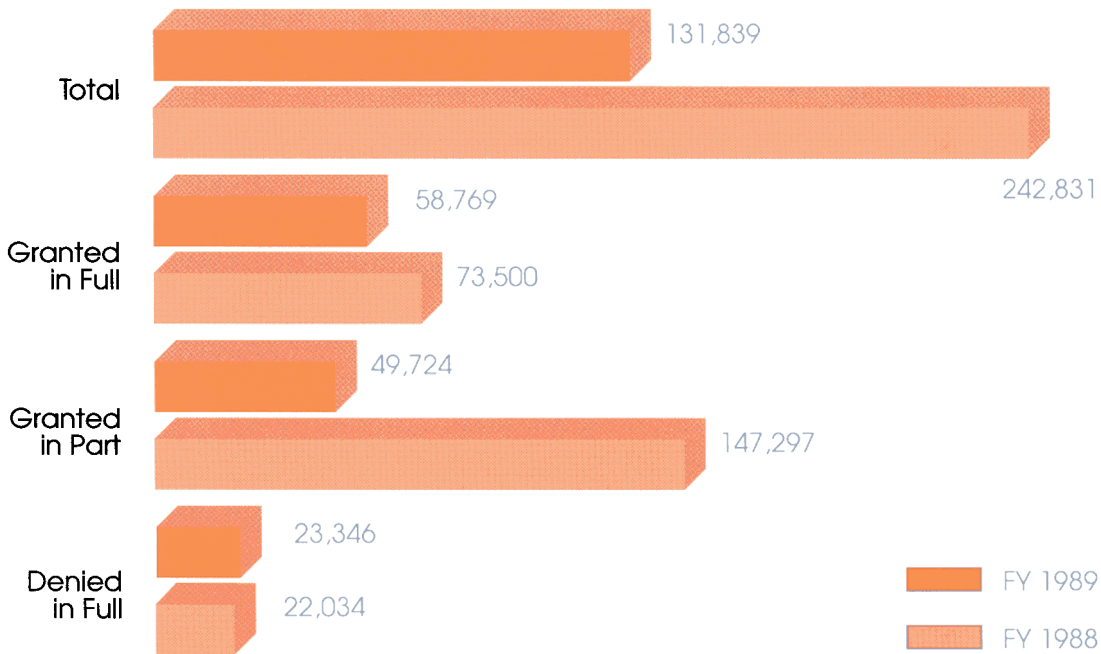
Mandatory Review

Under E.O. 12356, the mandatory review process allows agencies or citizens to require an agency to review specified national security information for purposes of seeking its declassification. These requests must be in writing and must describe the information with sufficient detail to permit the agency to retrieve it with a reasonable amount of effort. Mandatory review remains popular with some researchers as a less contentious alternative to Freedom of Information Act (FOIA) requests. It is also used to seek the declassification of presidential papers or records, which are not subject to the FOIA.

The mandatory review data reported for FY 1989 differ from the data reported in FY 1988 in one very significant respect: in FY 1988, NARA included in its mandatory review report the results of its FOIA activity as well. The absence of these data in the FY 1989 totals results in an apparent decline in the number of pages reviewed and declassified. In fact, if NARA's FOIA activity is added to its mandatory review results, the totals of pages reviewed and declassified both increased in FY 1989.

Mandatory review a less contentious alternative to FOIA

MANDATORY REVIEW PAGES PROCESSED FY 1988 - 1989

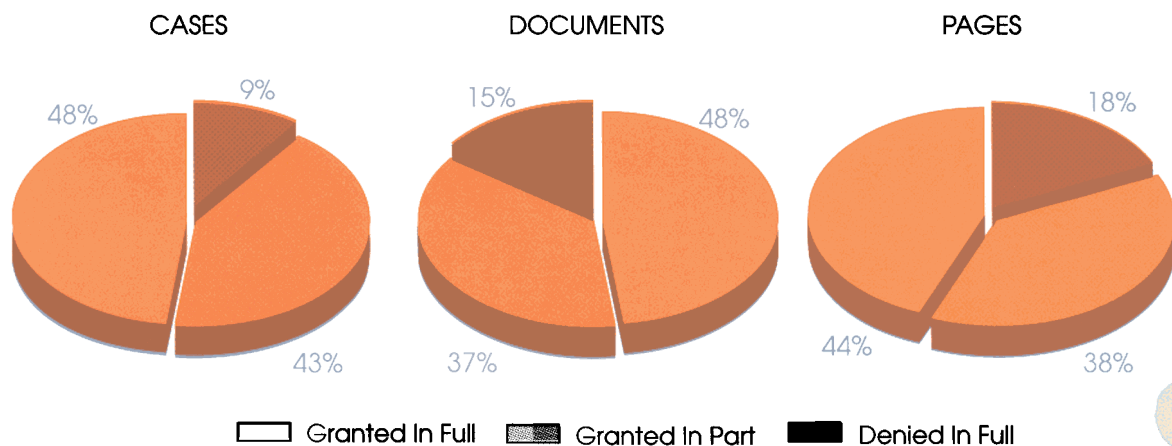


Mandatory Review

The 4,524 cases processed under mandatory review during FY 1989 comprised 19,980 documents totaling 131,839 pages. The number of pages processed represents a 46% decline from the prior year. The percentage of pages declassified in whole or in part (82%) is down from the FY 1988 rate of 91%. However, both of these declines are attributable to NARA's revised reporting. If the FY 1989 figures included the 129,139 pages reviewed and the 83,269 pages declassified in full by NARA under FOIA, both the number of pages reviewed and the rate of declassification would be comparable to FY 1988. Combining the FOIA and mandatory review request actions, NARA reviewed 6,158 more pages than the previous year.

82% of pages declassified in whole or in part

MANDATORY REVIEW ACTION TAKEN FY 1989

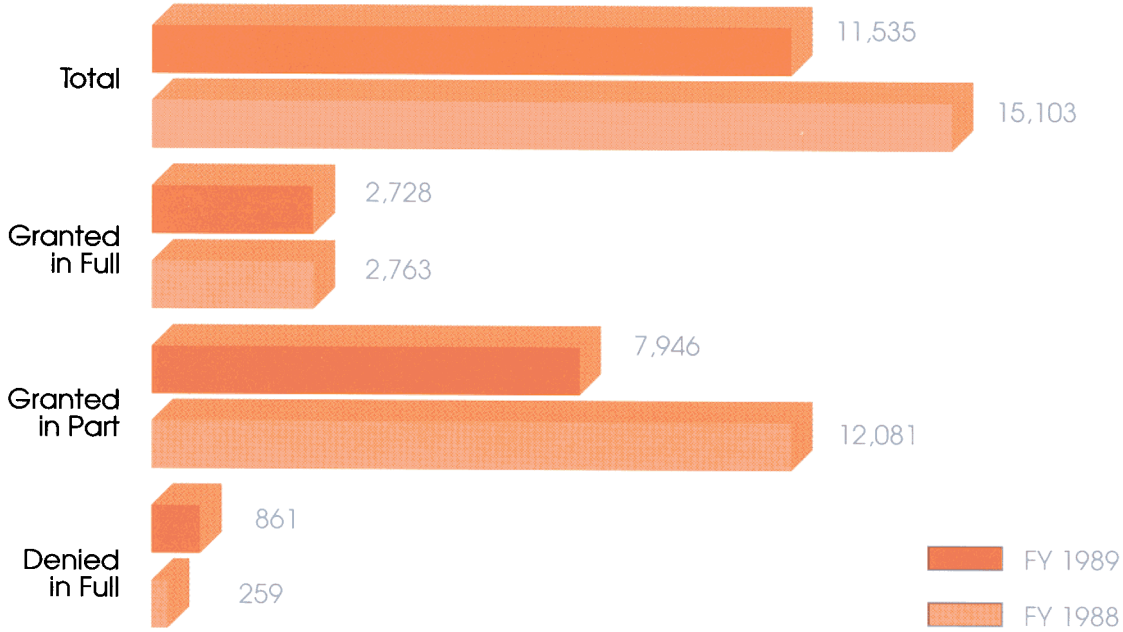


MANDATORY REVIEW ACTIONS BY AGENCY FY 1989

Agency	Total Cases Acted On	% Granted in Full	% Granted in Part	% Denied in Full
NSC	1,100	39	55	6
State	1,051	42	47	11
DOD	623	60	25	15
NARA	565	42	49	9
Justice	450	84	11	5
CIA	380	29	54	17
All Others	355	60	37	3
Totals	4,524	48	43	9

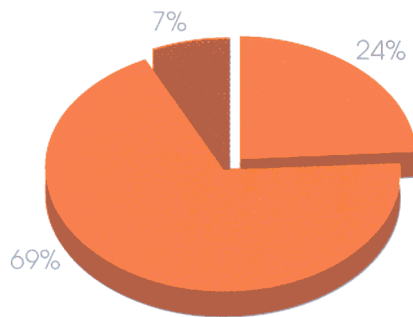
E.O. 12356 also provides that agencies or members of the public may appeal mandatory review denials to designated officials of the denying agencies. During FY 1989, agencies processed 205 appeals that comprised 2,837 documents totaling 11,535 pages. Of these, 93% of the pages were declassified in whole or in part. This rate is comparable with the favorable results of last year, suggesting that agencies are maintaining their commitment to declassify information through the mandatory review process.

MANDATORY REVIEW APPEALS PROCESSED FY 1988 – 1989



On appeal, 93% of pages declassified in whole or in part

Total of 11,535 Pages Processed



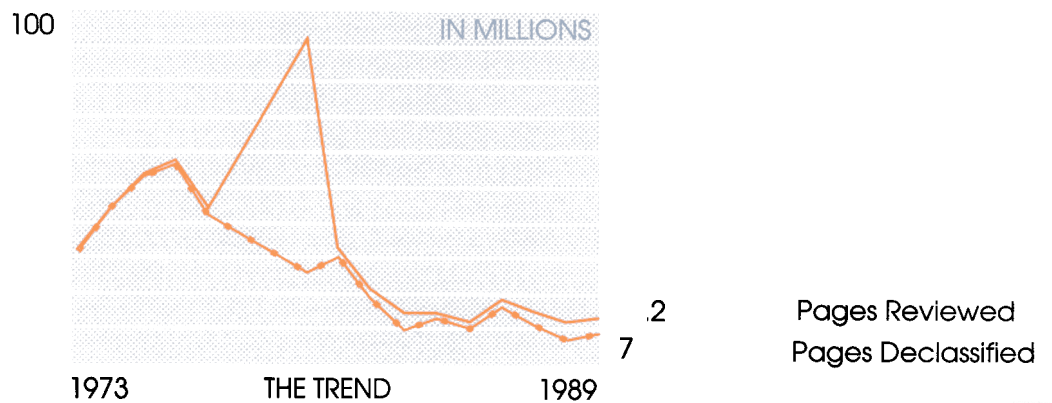
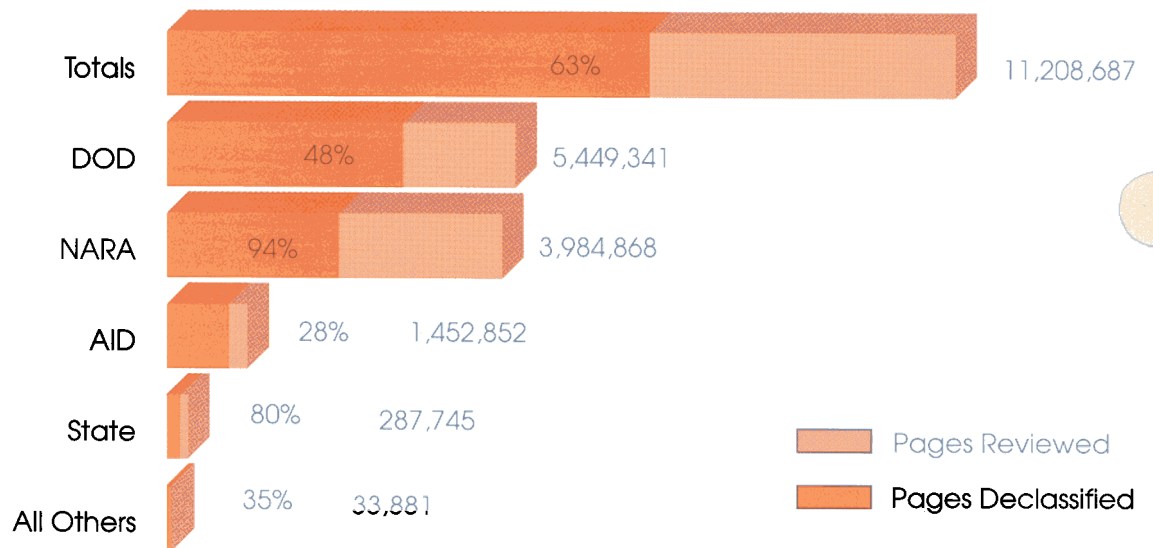
Granted In Full
 Granted In Part
 Denied In Full

Systematic Review

Started in 1972, “systematic review for declassification” is the program under which classified, permanently valuable (archival) records are reviewed for purposes of declassification after the records reach a specific age. Under E.O. 12356, NARA is the only agency required to conduct a systematic review of its classified holdings. NARA ordinarily reviews its classified holdings as they become 30 years old, except for certain intelligence or cryptologic file series, which are to be reviewed as they become 50 years old. While other agencies are not required to conduct a systematic review program, ISOO encourages them to do so. With the approval of the originating agency, agencies, including NARA, may conduct a systematic review of records that are less than 30 years old.

For FY 1989, both the number of pages reviewed and declassified increased. Agencies reviewed 11.2 million pages, up 0.8 million (7%) from FY 1988. Of the pages reviewed, over 7 million (63%) were declassified, a significant increase from the 5 million pages (47% rate of declassification) reported in FY 1988.

SYSTEMATIC REVIEW ACTIONS BY AGENCY FY 1989



Increase in pages reviewed and declassified by systematic review

Although the efforts of several agencies contributed to the increase in the product of systematic review, NARA's reported numbers clearly account for the program's improvement over FY 1988's disappointing results. In FY 1989, NARA reviewed 4 million pages, an increase of 1.1 million (+ 38%) from FY 1988. Because NARA's very high rate of declassification impacts on the systematic review program as a whole, ISOO maintains a special interest in those matters that affect NARA's declassification program. In this instance, a small increase in resources enabled NARA to concentrate on several major declassification projects for World War II era records that remained classified. Although the increase in resources was small, it clearly made a difference in NARA's systematic review product.

The success of the systematic declassification review program primarily rests with NARA. Recently, NARA and ISOO officials initiated an exploration of new uses of available technology that ultimately may result in a significantly improved systematic review program. In the interim, however, ISOO will continue to encourage NARA to devote sufficient personnel resources to its systematic review staff.

Voluntary systematic review activity remains critical to the program's success. For FY 1989, DOD again accounted for the highest volume of pages reviewed. While the number of pages DOD reviewed rose only slightly in FY 1989 (+ 2%), its declassification rate doubled, from 24% in FY 1988, to 48% in FY 1989. As a result, the number of pages that DOD declassified more than doubled. For a number of years, DOD's performance under the systematic review declassification program has been most commendable. This year, ISOO is particularly pleased with the significant increase in pages declassified. ISOO applauds DOD's success, while strongly encouraging its continuation and expansion.

Although NARA's and DOD's systematic review programs are the most active, other agencies contribute to the systematic review product, especially AID and State. ISOO encourages their efforts to maintain systematic review programs, and, if possible, to commit additional resources to them for FY 1990 and the future.

**Over 7 million
pages
declassified**

Safeguarding

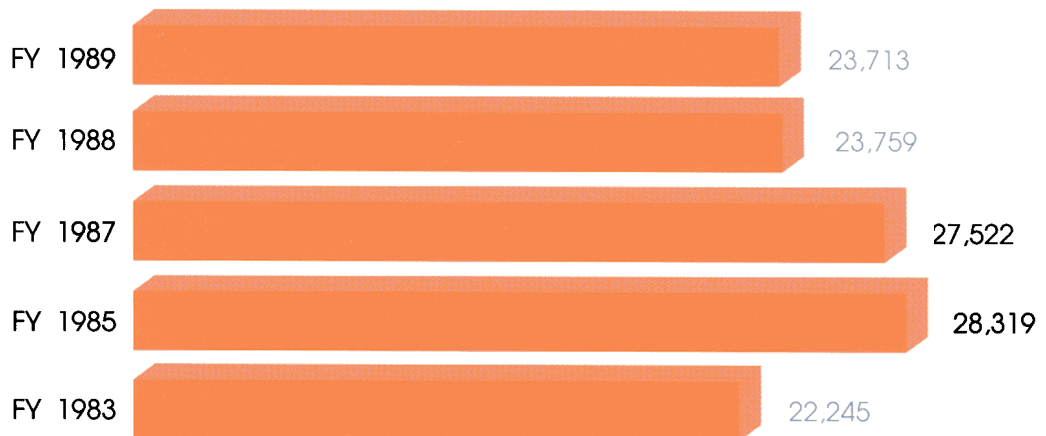


Agency Self-Inspections

Executive Order 12356 requires that each executive branch agency that originates or handles classified information establish and maintain “an active oversight and security education program.” Agencies are required to report to ISOO the number of self-inspections that they undertake each year. They also report the number and type of infractions found during the year. Infractions are minor violations of the Order, the implementing ISOO Directive or agency regulations. Agency statistical reports do not include the more serious security violations that agencies must report to ISOO as they occur.

For FY 1989, agencies reported that they had conducted approximately the same number of self-inspections as they had in FY 1988. However, some agencies reported significant increases in the number of self-inspections, while others reported significant decreases. Those agencies reporting increases for FY 1989 include DOD, DOE, DOT, Interior, NARA, NSC, State and Treasury. Decreases were reported by CIA, FRS, HHS, Justice, NASA and PC.

AGENCY SELF – INSPECTIONS FY 1989



In FY 1989, agencies detected a total of 22,005 infractions. Compared to FY 1988, this figure represents a + 32% (+ 5,381) increase. While it may sound ironic, ISOO actually applauds the discovery of more infractions. In ISOO’s view, this suggests that the quality of the inspections has improved. The average number of infractions discovered per inspection increased from 0.72 in FY 1988, to 0.92 in FY 1989. Although these figures represent a

Number of self-inspections remains the same

significant increase, they hardly suggest the comprehensive reviews that every agency should undertake periodically. ISOO reiterates its contention that agencies would identify a far greater number of infractions if self-inspections are augmented in quantity and quality. Further, ISOO urges all agencies to incorporate periodic samplings of their classified product as a part of their self-inspection programs.

INFRACTIONS

Infraction	Total FY 1988	Total FY 1989
Unauthorized Access	504	456
Mismarking	6,333	10,303
Unauthorized Transmission	2,710	3,109
Improper Storage	5,955	6,508
Unauthorized Reproduction	112	131
Overclassification	176	496
Underclassification	237	208
Classification w/o Authority	47	63
Improper Destruction	256	271
Other	294	460
Totals	16,624	22,005

**Significant
increase in
number of
infractions
detected**

For FY 1989, agencies reported a total of 496 (+ 182 %) overclassification infractions and 10,303 (+ 63 %) mismarking infractions. Those agencies reporting significant increases in these infractions include AID, CIA, DOD, DOE, Justice and State. ISOO commends these agencies for incorporating document reviews as part of their self-inspection programs. ISOO particularly commends Justice/FBI for conducting a document review program separate from its self-inspection program.

The benefits derived from an effective self-inspection program are two-fold. First, they enable the agency to measure its level of compliance with the Order's provisions; second, they provide the basis for reviewing and revising the agency's security education and training program.

Classified Document Reviews

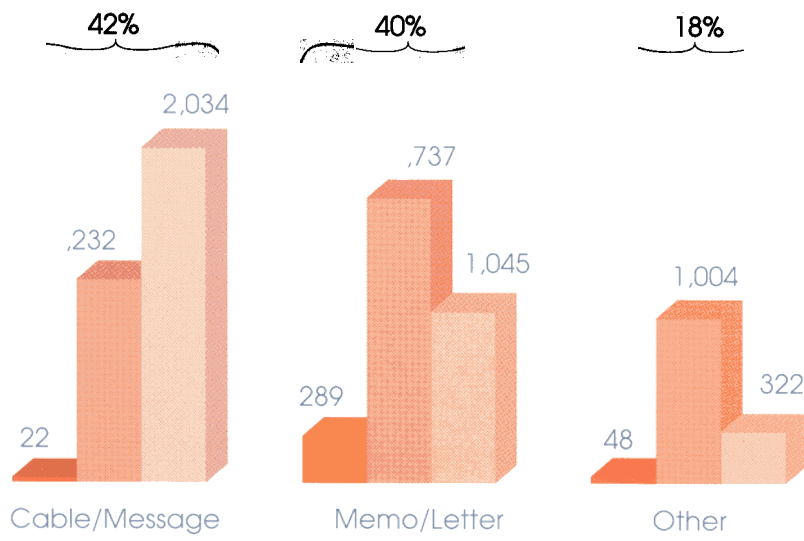


THE SAMPLE: BY DOCUMENT TYPE AND CLASSIFICATION LEVEL

TOP SECRET
 SECRET
 CONFIDENTIAL

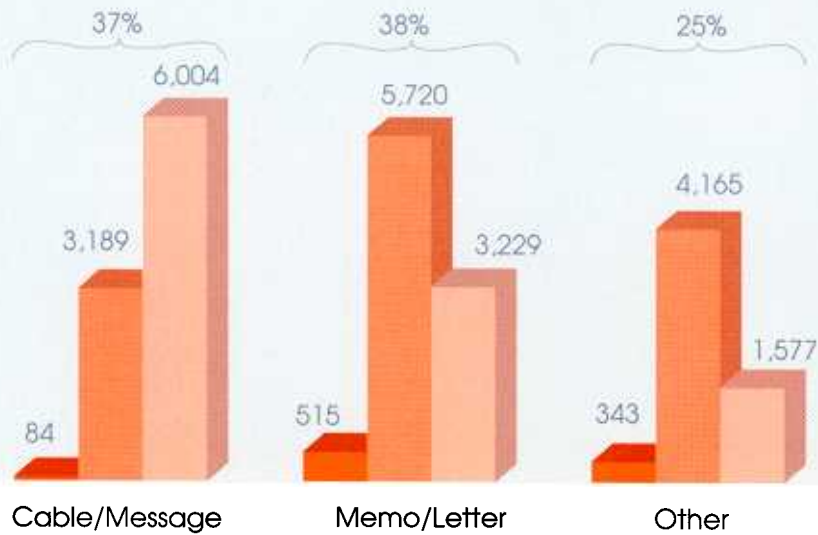
FY 1989

(Total of 7,733 Documents Reviewed in Sample)



FY 1986–1989

(Total of 24,826 Documents Reviewed in Sample)



ISOO has reviewed almost 25,000 classified documents

The quality of the classified product of executive branch agencies has been a central focus analysis for ISOO since its creation. In FY 1986, ISOO increased its emphasis by initiating a program of special document reviews at the major classifying agencies. The primary purpose of special document reviews is to assess compliance with the classification, declassification and marking criteria specified in Executive Order 12356, and its implementing ISOO Directive No. 1. The data on classification and marking practices that ISOO has assembled over the last four years provide a unique opportunity to assess agency performance in this critical area.

ISOO is encouraged that its assessment of the document review data for the FY 1986-1989 period does not suggest major problems that require immediate remedial action. At the same time, however, the results indicate a need for improvement in some areas that have remained resistant to change.

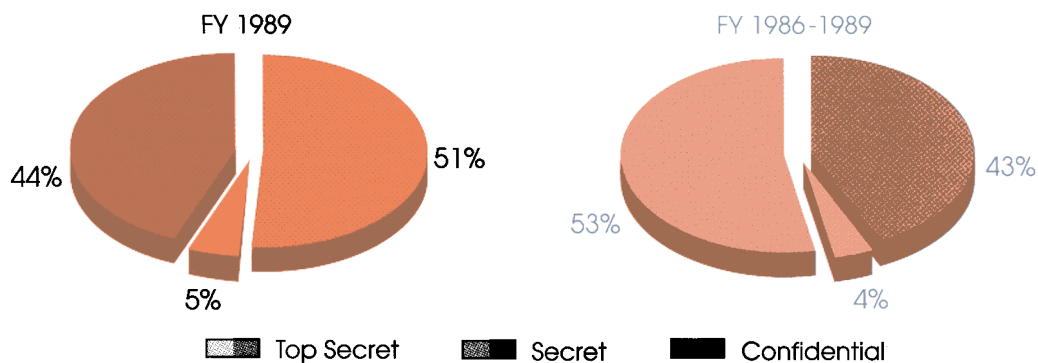
Classification Levels

ISOO views the sustained judicious use of **Top Secret** classification as a positive indicator. Of almost 25,000 classified documents reviewed, less than 950 (4%) were marked **Top Secret**. Classifiers clearly attempt to classify at the lower levels, and the results reflect their efforts. Two benefits are derived from these efforts. First, classifying at the lower levels has important implications in terms of cost. Second, and more important, holding the line on **Top Secret** classifications helps maintain the credibility of those actions, and greater adherence to their special safeguarding requirements.

From the data reported to ISOO and the results of its document reviews, most classification decisions occur at the **Secret** level. The prevalence of **Secret** level classifications is not a source of great concern to ISOO, except to the extent that classifiers select this level because they lack confidence in the treatment of **Confidential** information. The data on classification levels appear to underscore the logic, but not the practicality, of instituting a two-tier rather than a three-tier system.

Most classification decisions are at the **SECRET** level

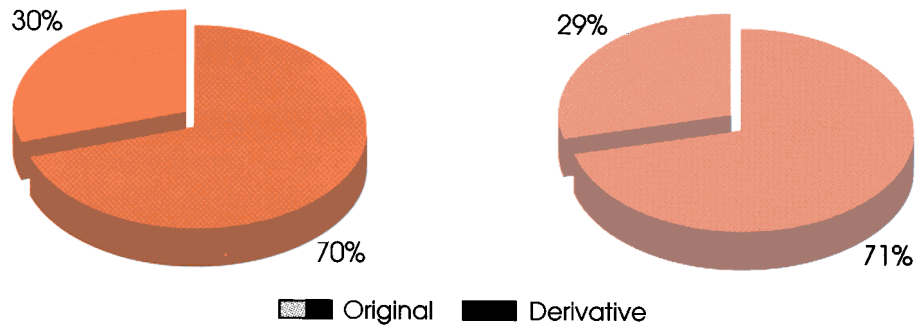
THE SAMPLE: BY CLASSIFICATION LEVEL



THE SAMPLE: BASIS FOR CLASSIFICATION DECISIONS

FY 1989
(Based on Total of 5,160 Documents for which the Classification Source was known)

FY 1986-1989
(Based on Total of 16,549 Documents for which the Classification Source was known)



Overclassification

The data on overclassification present a somewhat different picture. For example, a close examination of the data contradicts unsupported claims that overclassification is out of control. The four-year data show that approximately six percent of the documents reviewed were overclassified. This percentage is not surprisingly high. Nevertheless, overclassification continues to be a problem that merits concern and diligent oversight. Each instance of overclassification damages the credibility of the information security program far beyond its quantitative significance.

To place the issue of overclassification in a more balanced perspective, ISOO analyzes instances of overclassification in terms of the three definitions: (1) Clear-cut overclassification, which occurs when the information in the document does not meet the standards necessary for classification; (2) questionable overclassification, in which the question of whether classification standards have been met is arguable, but classification does not appear to be necessary to protect the national security; and (3) partial overclassification, which occurs when portions of a document appear to be unnecessarily classified, even though the overall classification of the document appears correct.

The data show a predominance of partial overclassifications, which can be substantially reduced by enforcing the requirement to portion mark. Of the 1,521 documents identified as overclassified during the four-year period, 634 were instances of partial overclassification; 480 were cases of questionable overclassification; and 407 were instances of clear-cut overclassification. ISOO is particularly critical of clear-cut and questionable overclassifications because of their negative impact on the credibility of the classification system. Any knowledgeable reviewer should be able to identify clear-cut cases of overclassification, since the content of the information does not meet the specified criteria of the Order. Questionable overclassifications are those that evoke a “Was it really necessary to classify this?” reaction when the information is declassified and released.

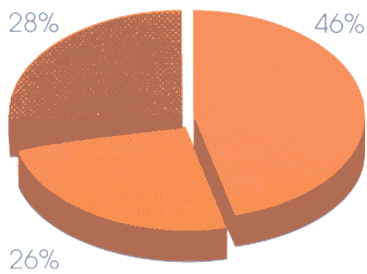
Finally, any examination of the problem of overclassification would be incomplete without reference to causes. ISOO has observed that almost every instance of initial overclassification is a result of one or more of the following causes. First, overcaution.

Six percent of the documents reviewed were overclassified

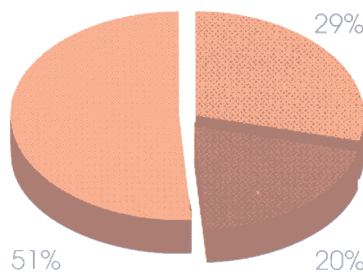
Many classifiers believe, and with some reason, that it is better to err on the side of protection than on the side of disclosure. Second, rote classification. It is almost always easier to do things the way they have been done before. Independent thought takes time and effort. Third, status or prestige classification. Some misguided individuals believe that it elevates their status to elevate the protection of their product. Fourth, and related to status classification, exclusionary classification. This occurs when an official decides that the classification of his product will establish a more exclusive environment, cut off, perhaps, from unwanted oversight. And fifth, the lack of portion markings in documents used as sources for derivative classification. If the entire text of a document is classified, even though some portions need not be, documents derived from those portions will be needlessly classified.

THE SAMPLE: DERIVATIVE CLASSIFICATION ACTIVITY

FY 1989
(Based on 3,608 Derivative Documents)



FY 1986-1989
(Based on 11,779 Derivative Documents)



■ Guide ■ Multiple Source ■ Single Source

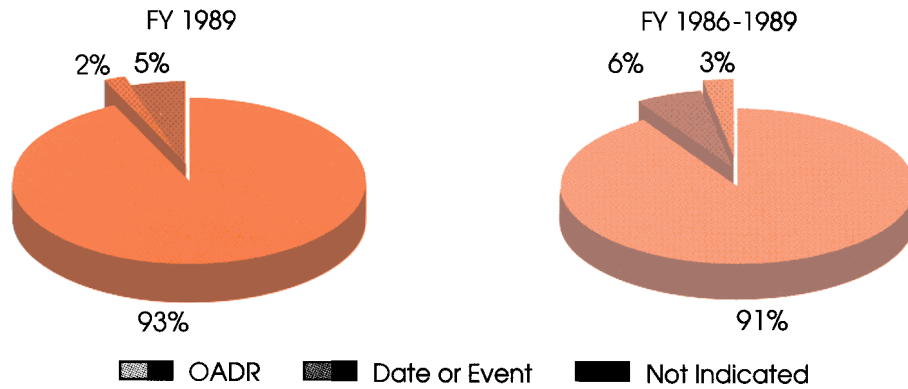
Lack of portion markings significant problem

Portion Marking

The Order requires that all classified documents be portion marked to indicate which portions are classified and at what level. Agency heads may grant waivers of the portion marking requirement, which must be reported to the Director of ISOO. ISOO Directive No. 1 establishes certain guidelines for agencies to follow in considering portion marking waivers. Basically, these guidelines suggest that portion markings are mandatory for information that is transmitted outside the originating office or for information that serves as a potential source for derivative classification.

The four-year data reveal a high number of portion marking discrepancies. Thirteen percent of all documents reviewed did not have required portion markings. Poor adherence to the portion marking requirement results primarily from weak enforcement mechanisms and from overly broad portion marking waivers. Agencies need to address the lack of adherence more thoroughly in their oversight programs; ISOO needs to address overly broad waivers in its oversight program.

THE SAMPLE: DURATION OF CLASSIFICATION



Duration of Classification

As part of the original classification process, the classifier must determine a time frame for the protection of the information. This is commonly referred to as the “duration” of classification. Classifiers may formulate declassification instructions in one of two ways. The information may be marked for declassification upon the occurrence of a specific event or on a particular date. If such a date or event cannot be specified at the time of classification, the classifier marks the document with the notation “Originating Agency’s Determination Required” (“OADR”). “OADR” means that the information must be reviewed by the originating agency before it can be declassified.

The data collected for the four-year period highlight the overuse of “OADR.” Only three percent of the documents ISOO reviewed during the four-year period were marked with a date or event for declassification. However, at a minimum another four percent of the documents marked “OADR” were time-sensitive, and should have been marked for automatic declassification. Original classifiers must be aware of the appropriate use of the “OADR” marking, and of their responsibility to attempt to determine a date or event for declassification.

For the most part, overuse of the “OADR” marking results from its rote application. Marking a document “OADR” is far easier than thinking about the applicability of specific factors that will permit declassification upon a specific date or event. As a result, even agencies with excellent training programs experience too many discrepancies involving duration of classification. They are the product of indifference, rather than lack of knowledge, on the part of classifiers. In ISOO’s view, the only solution is to hold these individuals accountable for classification management, just as they are held accountable for the other elements of their performance on the job.

Overuse of
“OADR” results
from its rote
application

Direction for Change

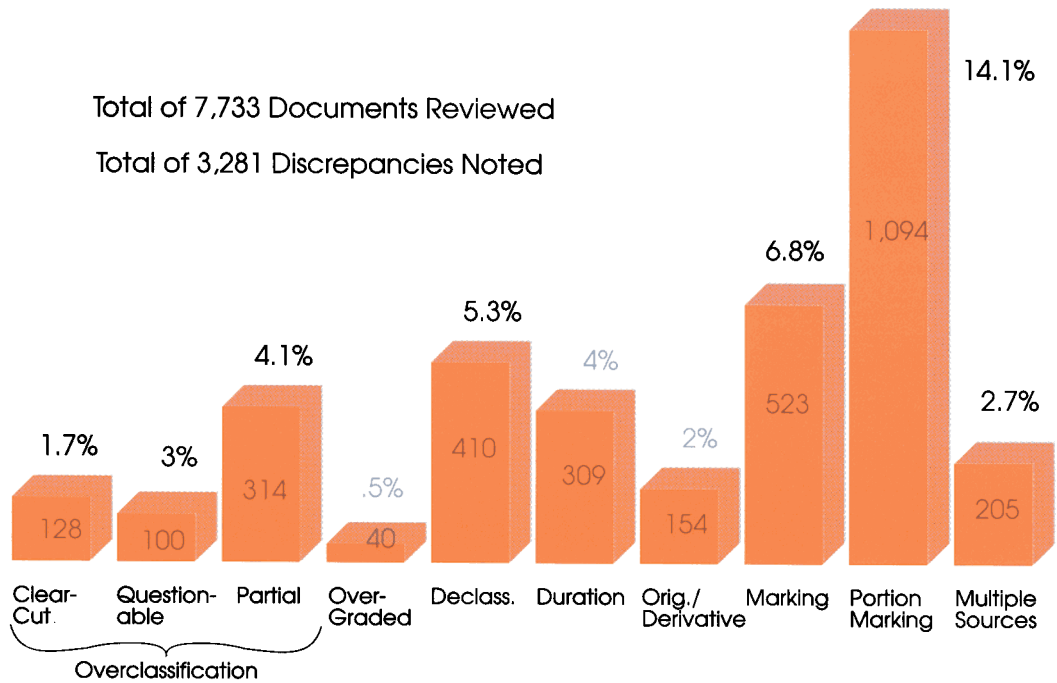
Document reviews provide ISOO with a better understanding of the actual workings of the classification system and suggest areas that need attention. ISOO's experience shows that, by and large, the system is functioning effectively. What is needed is adjustment, not wholesale change.

Several years ago, following an interagency review, ISOO proposed a series of initiatives to improve the information security system. These initiatives included, among other things, prospective amendments to E.O. 12356 and the issuance of new directives. For several reasons unrelated to their merit or lack of merit, these initiatives got side-tracked.

Coincidentally, at about the same time that ISOO proposed these initiatives, it commenced the current series of document reviews. The results of these reviews, together with other evidence gathered in the past few years, strongly suggest the need to dust off some of these initiatives, apply a fresh coat of relevancy, and consider other possible changes to the information security system. To this end, ISOO will chair an interagency review of the classification system during Fiscal Year 1990.

Interagency
review of
classification
system during
FY 1990

THE SAMPLE: DISCREPANCIES FY 1989



Note: Because the number of discrepancies in three categories was so small, they do not appear in this chart. They are: undergraded (2); unauthorized classifier (1); and distribution (1).

ISOO determines the error rate by dividing the number of discrepancies by the number of documents reviewed. It should be noted that some documents include more than one discrepancy.

Definitions

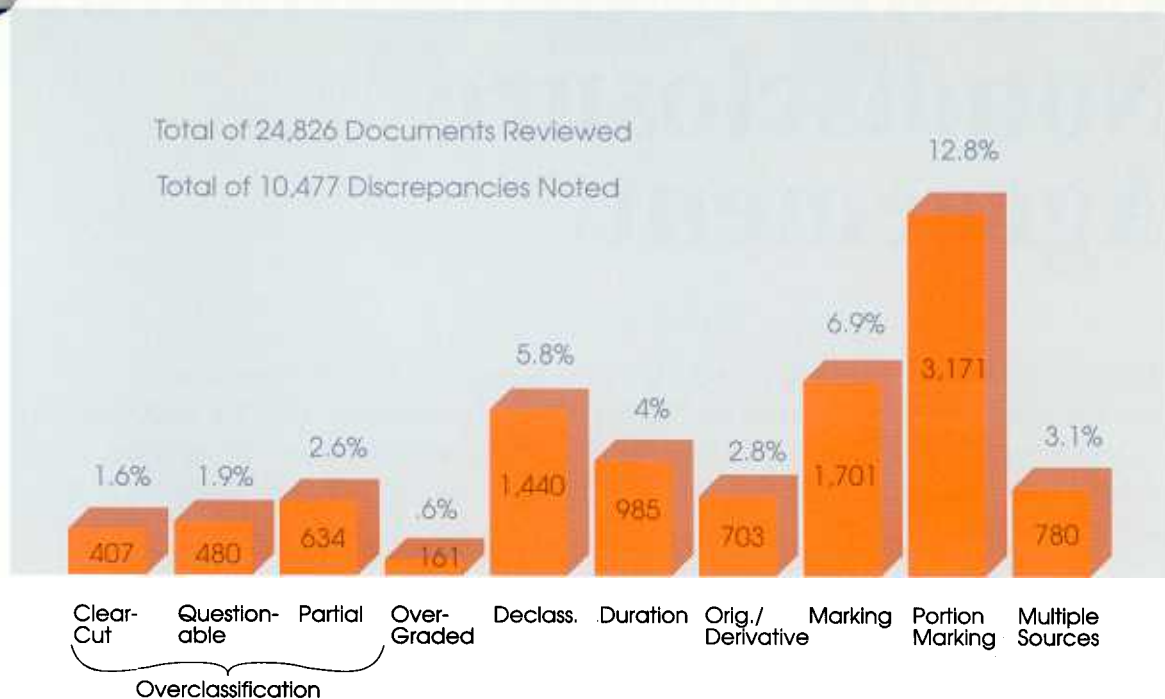
OVERCLASSIFICATION—(a) *Clear-cut*: The information in the document does not meet the standards necessary for classification; (b) *Questionable*: While the question of meeting classification standards is arguable, classification does not appear to be necessary to protect our national security; (c) *Partial*: A portion(s) of the document appears to be unnecessarily classified, although the overall classification of the document is correct.

OVERGRADED—All or some of the information in the document appears to be classified at a higher level than justified.

UNDERGRADED—All or some of the information in the document appears to be classified at a lower level than necessary.

UNAUTHORIZED CLASSIFIER—The document appears to have been classified by someone not authorized to do so.

THE SAMPLE: DISCREPANCIES FY 1986–1989



Note: Because the number of discrepancies in three categories was so small, they do not appear in this chart. They are: undergraded (8); unauthorized classifier (6); and distribution (1).

DECLASSIFICATION—The document appears to have improper declassification instructions or no declassification instructions at all.

DURATION—The duration of classification is marked “OADR” when a specific date or event for declassification appears feasible.

ORIGINAL/DERIVATIVE—The document is marked and treated as an original classification action although the classified information appears to be derived from a guide or other source(s).

MARKING—The document appears to have improper classification markings or lacks required markings, including instances in which the document fails to cite or cites improperly the classification source. This does not include marking errors more specifically included under another discrepancy category.

PORTION MARKING—The document appears to lack required portion markings.

MULTIPLE SOURCES—The official file copy of the document cites “multiple sources” as the basis for classification, but does not list these sources.

DISTRIBUTION—The document appears to permit its distribution beyond clear “need-to-know” requirements.

Classified Information Nondisclosure Agreement

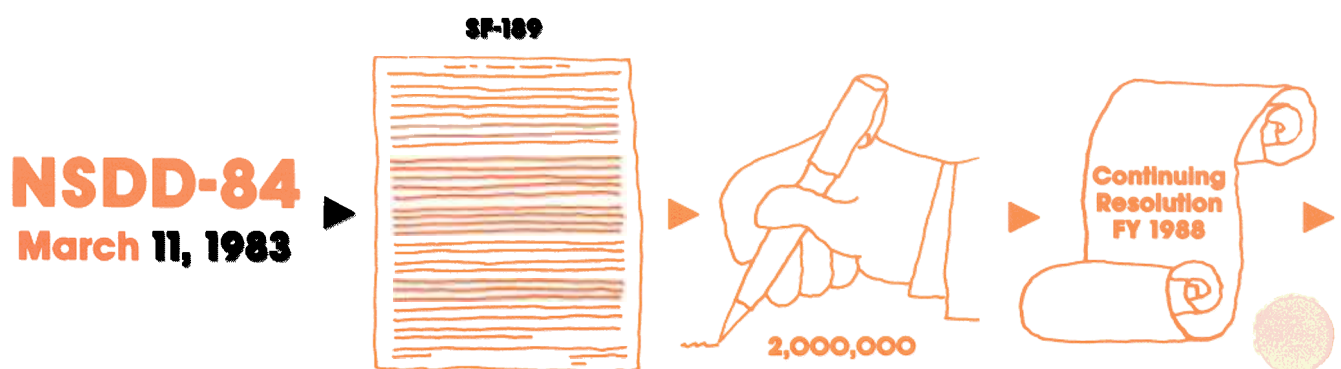
Although there were no major changes in the Government's Classified Information Nondisclosure Agreement program during FY 1989, the controversy that has surrounded it in recent years has continued. The purpose of this section is to provide an updated chronology of events that highlight the SF 189/SF 312 program, from its inception to its status as of March 5, 1990.

March 11, 1983: The President issues National Security Decision Directive 84, "Safeguarding National Security Information." Paragraph 1(a) directs ISOO to issue a standardized nondisclosure agreement to be executed as a condition of access to classified information.

September 13, 1983: ISOO issues Standard Form 189, "Classified Information Nondisclosure Agreement," and directs agencies to work toward complete implementation as quickly as possible.

November 20, 1986: ISOO issues Standard Form 189-A, "Classified Information Nondisclosure Agreement (Industrial/Commercial/Non-Government)" as an alternative agreement to be executed by employees of Government contractors, licensees, and grantees, or other non-Government personnel requiring access to classified information.

Spring 1987: Responding to the complaints of a few executive branch employees concerning the SF 189, several Members of Congress send letters and initiate inquiries to the executive branch expressing their concerns over the SF 189. ISOO responds to these inquiries as they occur. Media accounts critical of the SF 189 program commence.



August 3, 1987: As a result of repeated inaccurate reporting of the meaning of certain provisions of the SF 189 and SF 189-A, ISOO publishes an amendment to the implementing rule for the two forms clarifying the meaning and intent of some of their provisions.

August 11, 1987: ISOO publishes another amendment to the implementing rule for the SF 189. The rule provides additional clarifying information on the term "classifiable information."

August 17, 1987: The National Federation of Federal Employees (NFFE) brings suit in the United States District Court for the District of Columbia challenging the constitutionality and legality of the SF 189.

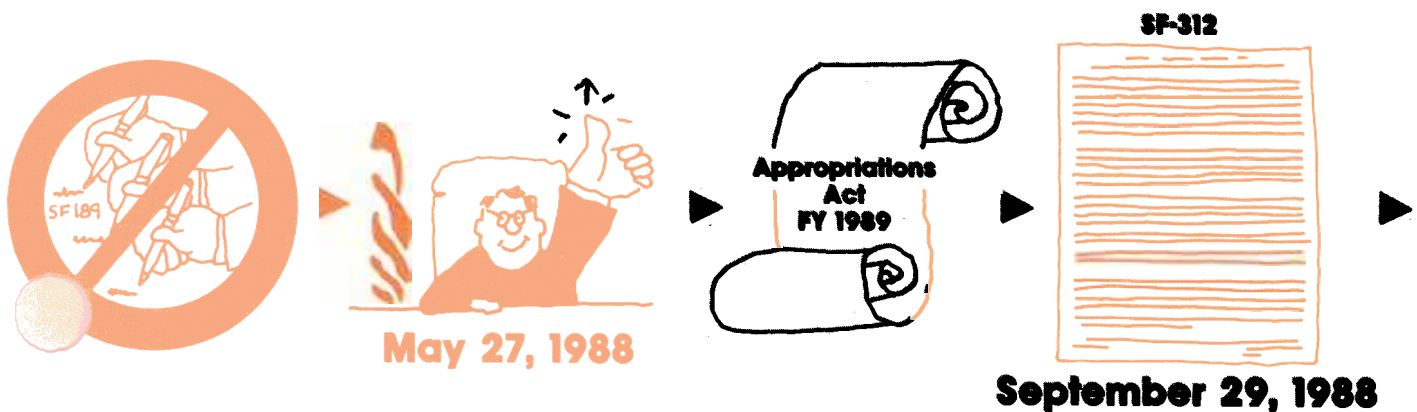
August 21, 1987: ISOO imposes a temporary moratorium on the withdrawal of access and clearances of employees who refuse to sign the SF 189, pending further instruction based on the progress of the litigation. However, agencies are instructed to continue both the SF 189 and SF 189-A programs.

September 1, 1987: The American Federation of Government Employees (AFGE) sues in the same court challenging the constitutionality and legality of the SF 189 and CIA's Form 4193.

December 22, 1987: Congress attaches a rider to the Continuing Resolution for Fiscal Year 1988 (section 630 of Pub. L. 100-202), which appears to place limitations on the implementation and enforcement of the SF 189.

December 29, 1987: ISOO directs agencies to halt implementation of the SF 189 and the SF 189-A until further notice, pending a Justice Department opinion on the impact of section 630 of Pub. L. 100-202. As of this date, over two million Government employees have signed the SF 189. The CIA instructs agencies to continue to implement the Form 4193, amended by an addendum.

February 19, 1988: The American Foreign Service Association (AFSA) and seven Members of Congress file a third lawsuit in the same court alleging that the actions of the CIA and ISOO in responding to section 630 of Pub. L. 100-202 violate the statute. Subsequently, the three lawsuits are joined.



Winter-Spring 1988: With the moratorium on implementation of the SF 189 and SF 189-A still in effect, ISOO reviews the nondisclosure agreements with two goals: to combine SF 189 and SF 189-A into one nondisclosure agreement for both Government and non-Government employees; and to clarify those provisions that have contributed to the ongoing litigation.

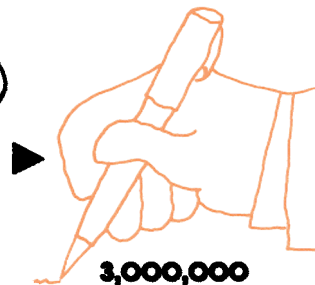
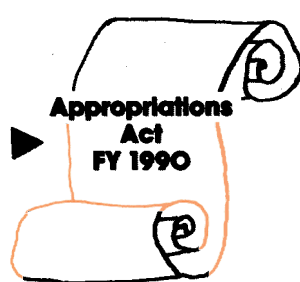
May 27, 1988: The United States District Court for the District of Columbia rules that section 630 of the Continuing Resolution for Fiscal Year 1988 is unconstitutional. Plaintiffs AFSA and the seven Members of Congress appeal this ruling directly to the United States Supreme Court.

June 16, 1988: ISOO requests comments on a draft of a revised nondisclosure agreement from eight Committees or Subcommittees of Congress and other interested persons and organizations.

July 28, 1988: The United States District Court for the District of Columbia rules that the SF 189 and Form 4193 are constitutional and legal, except that the term "classifiable" must be limited as defined by ISOO. The Court instructs the Government either to eliminate the term "classifiable" from the forms or to provide employees with the definition of the term. Plaintiffs NFFE and AFGE appeal to the Court of Appeals for the District of Columbia Circuit.

September 23, 1988: The President signs the Treasury, Postal Service, and General Government Appropriations Act for Fiscal Year 1989 into law (Pub. L. 100-440). Section 619 is identical to section 630 of Pub. L. 100-202. In his signing statement, the President questions the constitutionality of section 619 and instructs executive branch officials to continue to implement the nondisclosure agreement program.

September 29, 1988: ISOO issues Standard Form 312 as a replacement for the SF 189 and SF 189-A. It combines the two nondisclosure agreements, removes the term "classifiable," and clarifies other perceived ambiguities in the language of the nondisclosure agreements. In a letter of this date to all agencies that employ or contract with individuals who are cleared for access to classified information, and in the nondisclosure agreement's implementing rule, ISOO instructs (a) that the language of previously executed copies of the SF 189 be clarified by, among other things, removal of the word "classifiable;" (b) that previously executed copies of the SF 189 remain enforceable, but that the language of the SF 189 be interpreted and enforced in a manner fully consistent with the language of the



SF 312; (c) that any employee who chooses to do so may substitute an executed SF 312 for previously executed SF 189; and (d) that agencies notify all employees who have executed the SF 189 of these changes.

December 1988-January 1989: To assist Government and industry in the implementation of the SF 312, ISOO develops and disseminates two educational aids, "The SF 312" video, and "The SF 312 Briefing Booklet."

April 18, 1989: The United States Supreme Court remands the case brought by the AFSA and the seven Members of Congress back to the United States District Court for the District of Columbia. The Supreme Court recognizes that the issuance of the SF 312 has narrowed the conflict considerably, instructs plaintiffs that they must file an amended complaint, and instructs the District Court to attempt to resolve any remaining issues without reaching the constitutional question concerning the relationship between the executive branch and the Congress.

November 3, 1989: The President signs into law the Treasury, Postal Service and General Government Appropriations Act for Fiscal Year 1990. Section 618 is identical to the two prior statutory provisions, except that it specifically references the SF 312 instead of the SF 189. In signing the bill into law, the President questions the constitutionality of section 618, should it be construed to impede the President's constitutional responsibility to protect classified information, and directs "that executive branch officials implement the provisions of section 618 in a manner consistent with the Constitution."

November 9, 1989: Consistent with the President's signing statement and advice received from the Department of Justice, ISOO instructs agencies to continue the implementation and enforcement of the SF 312.

December 19, 1989: Plaintiff AFSA moves to amend its complaint in the District Court and seeks an injunction to prevent ISOO from continuing to implement and enforce the SF 312. In its motion, plaintiff notes that the seven Members of Congress have withdrawn as plaintiffs and that the remaining plaintiff, AFSA, is no longer suing the CIA.

January 9, 1990: The Department of Justice files its response to plaintiff AFSA's amended complaint, and moves to dismiss it. As of this date almost all of the more than three million persons who are now required or have been required by their positions to execute a Classified Information Nondisclosure Agreement, either the SF 189, SF 189-A or SF 312, have done so since the SF 189 was first issued in September 1983.

March 1, 1990: The United States District Court for the District of Columbia finds in favor of the Government's motion to dismiss, ruling plaintiff AFSA has failed to state a claim upon which relief can be granted.

March 5, 1990: ISOO advises agencies of the District Court opinion, which is favorable to the executive branch's position to continue to implement and enforce the SF 312.

Security Education Aids



Security education plays a critical role in the effectiveness of an agency's or company's information security program. Briefings familiarize employees who have been granted access to classified information with the principles and requirements of the classification system. Briefings also impress upon employees their duty to act in accordance with established procedures in safeguarding national security information.

A variety of media are needed to implement an effective security education program. These media include videos, handbooks, posters and instructional aids. To assist agencies in implementing their security education programs, ISOO has issued four educational aids.

Marking Booklet

This handy-dandy little booklet is a general guide on how to mark classified documents, as required by Executive Order 12356 and ISOO Directive No. 1. Authorized original and derivative classifiers as well as administrative personnel who may prepare the final product can rely on this booklet whenever there is a question about the marking of a classified document.

SF 312 Briefing Booklet

This booklet has rapidly become a popular item with agency and industry security managers. It is a must for every person assigned to brief others about the SF 312, and copies should be available to give or lend to affected employees. The booklet includes a copy of the SF 312, the complete text of all the laws and regulations referenced in the form, including Executive Order 12356, and answers that respond to almost all the questions that employees are likely to raise about the SF 312.

ISOO Videos

Select a classic. Yes, ISOO's videos are classics when it comes to security education.

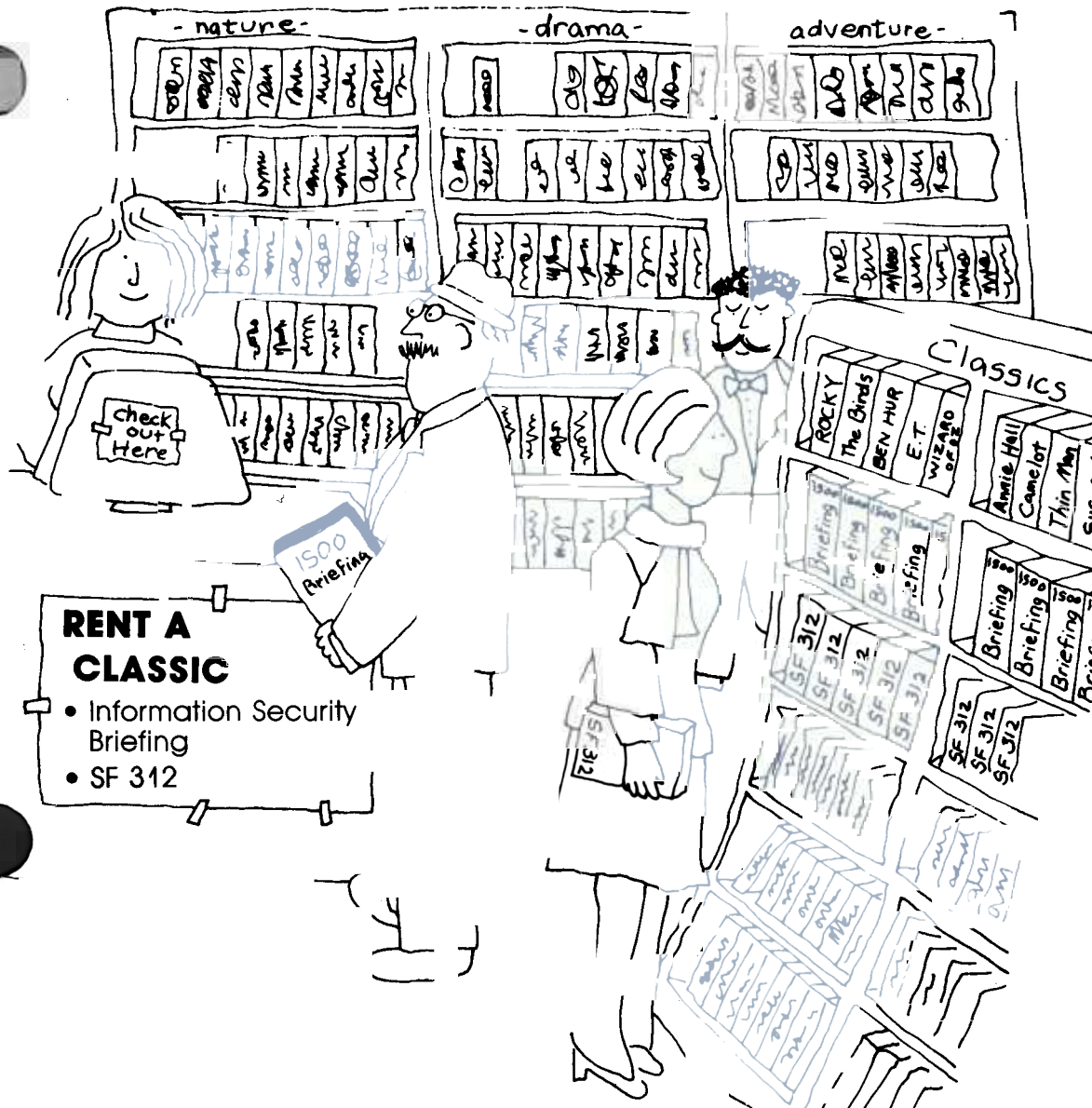
Around since 1986, the **Information Security Briefing** series on Executive Order 12356 is a colorful and informative audiovisual divided into three modules: (1) An overview of the information security system established under the Order; (2) a detailed treatment of proper marking practices and procedures; and (3) highlights of the basic safeguarding requirements.



EO 12356
National Security Information



Executive Order 12356
National Security Information
SF 312 Briefing Booklet



It may be a classic, but it's still up-to-date. Make it a part of your security education program.

In one short year, **The SF 312** video has already become ISOO's most popular. This 13-minute video provides an entertaining but informative approach to answering most of the questions that employees raise about the purposes of a nondisclosure agreement and their obligations under it. It provides an excellent base for an employee briefing on the SF 312.

Both videos are unclassified, and inexpensive copies are available through The Dub Center (toll free number 800-382-0080). They are available in two formats, VHS and 3/4 inch, and you can reproduce and distribute them without permission.

For more information about any of these educational aids, contact ISOO at FTS 535-7251 commercial (202) 535-7251.

Agency Acronyms or Abbreviations



ACDA	: Arms Control and Disarmament Agency
AID	: Agency for International Development
Air Force	: Department of the Air Force
Army	: Department of the Army
BIB	: Board for International Broadcasting
CEA	: Council of Economic Advisers
CIA	: Central Intelligence Agency
Commerce	: Department of Commerce
DARPA	: Defense Advanced Research Projects Agency
DCA	: Defense Communications Agency
DCAA	: Defense Contract Audit Agency
DIA	: Defense Intelligence Agency
DIS	: Defense Investigative Service
DLA	: Defense Logistics Agency
DMA	: Defense Mapping Agency
DNA	: Defense Nuclear Agency
DOD	: Department of Defense
DOE	: Department of Energy
DOT	: Department of Transportation
ED	: Department of Education
EPA	: Environmental Protection Agency
EXIMBANK	: Export-Import Bank
FBI	: Federal Bureau of Investigation
FCA	: Farm Credit Administration
FCC	: Federal Communications Commission
FEMA	: Federal Emergency Management Agency
FMC	: Federal Maritime Commission
FRS	: Federal Reserve System
GSA	: General Services Administration
HHS	: Department of Health and Human Services
HUD	: Department of Housing and Urban Development
ICC	: Interstate Commerce Commission
Interior	: Department of the Interior
ISOO	: Information Security Oversight Office
ITC	: International Trade Commission
Justice	: Department of Justice

Agency Acronyms or Abbreviations

Labor	: Department of Labor
MMC	: Marine Mammal Commission
MSPB	: Merit Systems Protection Board
NARA	: National Archives and Records Administration
NASA	: National Aeronautics and Space Administration
Navy	: Department of the Navy
NRC	: Nuclear Regulatory Commission
NSA	: National Security Agency
NSC	: National Security Council
NSF	: National Science Foundation
OA, EOP	: Office of Administration, Executive Office of the President
OIG, DOD	: Office of the Inspector General, Department of Defense
OJCS	: Organization of the Joint Chiefs of Staff
OMB	: Office of Management and Budget
OPIC	: Overseas Private Investment Corporation
OPM	: Office of Personnel Management
OSD	: Office of the Secretary of Defense
OSIA	: On-Site Inspection Agency
OSTP	: Office of Science and Technology Policy
OTS	: Office of Thrift Supervision
OVP	: Office of the Vice President
PC	: Peace Corps
PFIAB	: President's Foreign Intelligence Advisory Board
PIOB	: President's Intelligence Oversight Board
SBA	: Small Business Administration
SDIO	: Strategic Defense Initiative Organization
SEC	: Securities and Exchange Commission
SSS	: Selective Service System
State	: Department of State
Treasury	: Department of the Treasury
TVA	: Tennessee Valley Authority
USDA	: Department of Agriculture
USIA	: United States Information Agency
USPS	: United States Postal Service
USTR	: Office of the United States Trade Representative
VA	: Veterans Administration