Annual Report to the President FY 1983

Information Security
Oversight Office

March 16, 1984

The President
The White House
Washington, DC 20500

Dear Mr. President:

I am pleased to submit the Information Security Oversight
Office's (ISOO) 1983 Report to the President.

Established under Executive Order 12065 and continued under
Executive Order 12356, effective August 1, 1982, the ISOO
oversees the information security system throughout the
executive branch. The ISOO is an administrative component of
the General Services Administration, but receives its policy
direction from the National Security Council.

FY 1983 was a critical year for the information security system.
It encompassed the first full year of E.O. 12356's operation, a
period of time in which the information security program
received extraordinary attention. I am delighted to report that
the new Executive Order and the system established under it have
passed their initial tests in outstanding fashion.

As the Report reveals, to date E.O. 12356 has achieved the
standard you announced in issuing it: "The Order enhances
protection for national security information without permitting
excessive classification of documents by the Government." In
fact, the number of original classification decisions, which is
the most important measurement of classification activity,
decreased by almost 200,000 actions in FY 1983. This reduction
is an unprecedented accomplishment, especially in the context of
improved protection for national security information.

The Report also reveals certain areas of the program that
require greater efforts to reach the goals that you have
established. The ISOO continues to work with the agencies that
create or handle classified information to fulfill these
requirements in FY 1984 and beyond.

Respectfully,

STEVEN GARFINKEL
Director

Contents

Exhibits

Agency Acronyms or Abbreviations
Used in this Report

ACDA	:	Arms Control and Disarmament Agency
AID	:	Agency for International Development
CEA	:	Council of Economic Advisors
CIA	:	Central Intelligence Agency
COMMERCE	:	Department of Commerce
DoD	:	Department of Defense
DoE	:	Department of Energy
DoT	:	Department of Transportation
FEMA	:	Federal Emergency Management Agency
GSA	:	General Services Administration
ISOO	:	Information Security Oversight Office
JUSTICE	:	Department of Justice
NARS	:	National Archives and Records Service
NASA	:	National Aeronautics and Space Administration
NRC	:	Nuclear Regulatory Commission
NSC	:	National Security Council
OMSN	:	Office of Micronesian Status Negotiations
OPIC	:	Overseas Private Investment Corporation
OSTP	:	Office of Science and Technology Policy
OVP	:	Office of the Vice President
STATE	:	Department of State
TREASURY	:	Department of the Treasury
USDA	:	Department of Agriculture
USIA	:	United States Information Agency

Summary of FY 1983 Program Activity

The FY 1983 Report to the President is the first to examine operations under E.O. 12356. The following data highlight ISOO's findings for FY 83:

Classification Activities

- The number of original classification authorities continued to decline in FY 83. The number of original classifiers has declined from nearly 60,000 in 1972, to 7,010 at the end of FY 83, almost a 90% reduction.
- Agencies made 864,099 original classification decisions, almost 200,000 (18%) fewer than in FY 82.
- By classification level, 2% of original classification decisions were "Top Secret", 32% were "Secret", and 66% were "Confidential".
- Agencies assigned a date or event for automatic declassification to 35% of all information originally classified, as compared to an estimated 10% rate experienced under E.O. 12065.
- Agencies made approximately 17 million derivative classification decisions, a 4% increase over FY 82.
- 5% of all classification decisions were original, 95% were derivative.
- The total of all classification decisions was approximately 18 million, a 3% increase over FY 82.

Declassification Activities

- Agencies received 3,945 new mandatory review requests, 47% fewer than in FY 82.
- Agencies processed 3,610 mandatory review requests, and declassified the information in whole or in part in over 90% of the cases. In processing these requests, agencies reviewed over 29,000 documents comprising nearly 175,000 pages.
- Agencies received 411 new mandatory review appeals.
- Agencies processed 363 mandatory review appeals, declassifying additional information in whole or in part in almost 50% of the cases.
- Agencies systematically reviewed for declassification 12,407,523 pages of classified information, and declassified 7,848,295 (63%). The number of pages reviewed was 36% less than in FY 82. The agencies that now voluntarily perform systematic review accounted for 77% of total number of pages reviewed.

Inspections

- Agencies conducted 22,245 self-inspections, 21% fewer than in FY 82.
- Agencies reported 18,344 infractions, almost 10% fewer than in FY 82.

Information Security Oversight Office
The Information Security Program
FY 1983

The Information Security Oversight Office (ISOO), established by
Executive Order 12065 on December 1, 1978, operates now under the
provisions of Executive Order 12356, effective August 1, 1982.
ISOO is responsible for overseeing the information security
programs of all executive branch activities that create or handle
national security information. E.O. 12356 also requires the
Director of ISOO to report annually to the President on the
progress of executive branch agencies in implementing the Order's
provisions. In monitoring the program, ISOO oversees the
information security programs of approximately 65 departments and
independent agencies or offices of the executive branch. This is
the first ISOO report that assesses the operations of the
information security program under Executive Order 12356.

ISOO is located administratively in the General Services
Administration but receives its policy direction from the
National Security Council. The Administrator of General Services
appoints the ISOO Director upon approval of the President. The
ISOO Director appoints the staff, which numbers between 13-15
persons. ISOO funding is included in the budget of the National
Archives and Records Service. For FY 1983, ISOO's budget was
$579,600.

ISOO meets its assigned responsibilities under E.O. 12356 by:
(a) developing and issuing implementing directives and
instructions regarding the Order; (b) conducting on-site
inspections or program reviews of monitored agencies;
(c) gathering, analyzing and reporting statistical data on
agencies' programs; (d) evaluating, developing or disseminating
security education materials and programs; (e) receiving and
taking action on suggestions, complaints, disputes and appeals
from persons inside or outside the Government on any aspect of
the administration of the Order; (f) conducting special studies
on problem areas or programs developed to improve the system; and
(g) maintaining continuous liaison with monitored agencies on all
matters related to the information security program. This
evaluation of the executive branch's information security program
for FY 1983 is based upon program reviews and inspections
conducted by the ISOO staff and the compilation and analysis of
statistical data regarding program activity.

Program Reviews and Inspections

ISOO program analysts serve as liaison to specific agencies to facilitate coordination and to provide for continuity of oversight operations. The analysts must stay abreast of relevant activities within each agency's information security program; coordinate with assigned agency security counterparts on a continuing basis; and conduct formal inspections of the agency's program in accordance with a planned annual inspection schedule.

These on-site formal ISOO inspections encompass all aspects of the information security program, including classification, declassification, safeguarding, security education and training, and administration. The inspections always include detailed interviews with agency security personnel, classifiers, and handlers of national security information. To the maximum extent possible, ISOO analysts review a sampling of classified information in the agency's inventory to examine the propriety of classification, the existence of necessary security markings and instructions, and compliance with safeguarding procedures. ISOO analysts also monitor security education and training programs to determine if they adequately inform appropriate personnel about classifying, declassifying, marking and safeguarding national security information. When deficiencies in an agency's program are noted, ISOO analysts recommend corrections, either on-the-spot or as part of a formal inspection report. Critical reports require immediate remedial attention by the agency prior to a follow-up inspection by ISOO. These inspections are a necessary means of identifying and resolving problem areas. They provide positive indicators of agency compliance or non-compliance with the Executive order that are not apparent simply from the analysis of statistical data.

Statistical Reporting

To gather relevant statistical data regarding each agency's information security program, ISOO developed the Standard Form 311. ISOO revised the SF 311 as a result of the issuance of E.O. 12356. ISOO now requires that each agency report the following information to it on an annual basis:

1. The number of original classification authorities;

2. the number of declassification authorities;

3. the number of original classification decisions, including the classification level of those decisions and the duration of classification;

4. the number of derivative classification decisions by classification level;

5. the number of requests received for mandatory review for declassification and agency actions in response to these requests in terms of cases, documents, and pages;

6. the number of pages of national security information reviewed during the year under systematic declassification procedures and the number declassified;

7. the number of formal self-inspections conducted by the agency; and

8. the number of security infractions detected by the agency within its own program.

The statistical data reported by each agency for FY 1983 covered a fourteen month period from August 1, 1982 through September 30, 1983. ISOO selected this period to commence with the effective date of E.O. 12356 and to conclude at the end of FY 1983. In order to facilitate the comparison of the FY 1983 statistics with those of prior years, ISOO reduced the reported fourteen month figures by 14.3% for those data ordinarily reported on an annual basis.

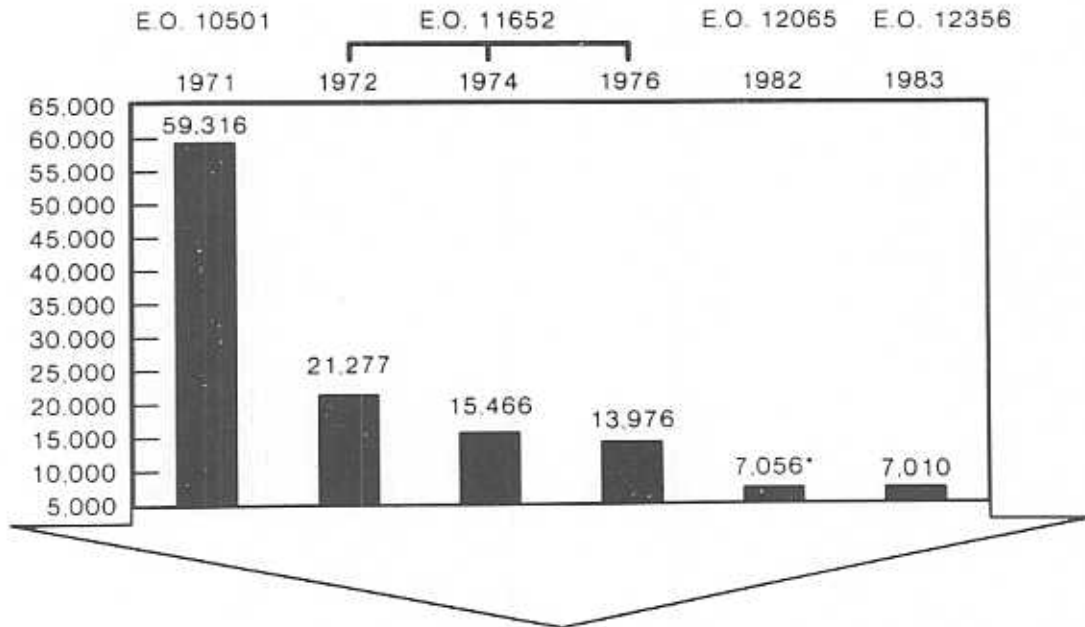# Continued Reduction in
Original Classification Authorities

(Exhibits 1 and 2)

An "original classification authority" is an individual who is specifically authorized in the first instance to classify information in the interest of national security. These classifiers are designated in writing, either by the President or by other officials, mostly agency heads, named by the President. ISOO continually stresses the importance of limiting the number of original classifiers to the minimum required by operational needs, which, in turn, helps to control the volume of classification activity.

Since 1972, executive branch agencies have reduced the total number of original classification authorities from 59,316 to 7,010, almost a 90% reduction. This trend continued in FY 1983, with a further reduction of 46 original classifiers from FY 1982. Although this amounts to only a .7% decrease, it is especially notable that the decrease in the number of original classifiers has continued under E.O. 12356.

Exhibit 1

The Reduction in Original Classifiers
1971-1983

| E.O. 10501 | E.O. 11652 | E.O. 12065 | E.O. 12356 |

| | 1971 | 1972 | 1974 | 1976 | 1982 | 1983 |

```
65,000
60,000   59,316
55,000
50,000
45,000
40,000
35,000
30,000
25,000        21,277
20,000                15,466
15,000                        13,976
10,000                                7,056*    7,010
 5,000
```

*Totals reported in FY 1982 ISOO Report changed to reflect addition of 113 "Secret" classifiers in AID and nine "Confidential" classifiers in OPIC not previously reported to ISOO.
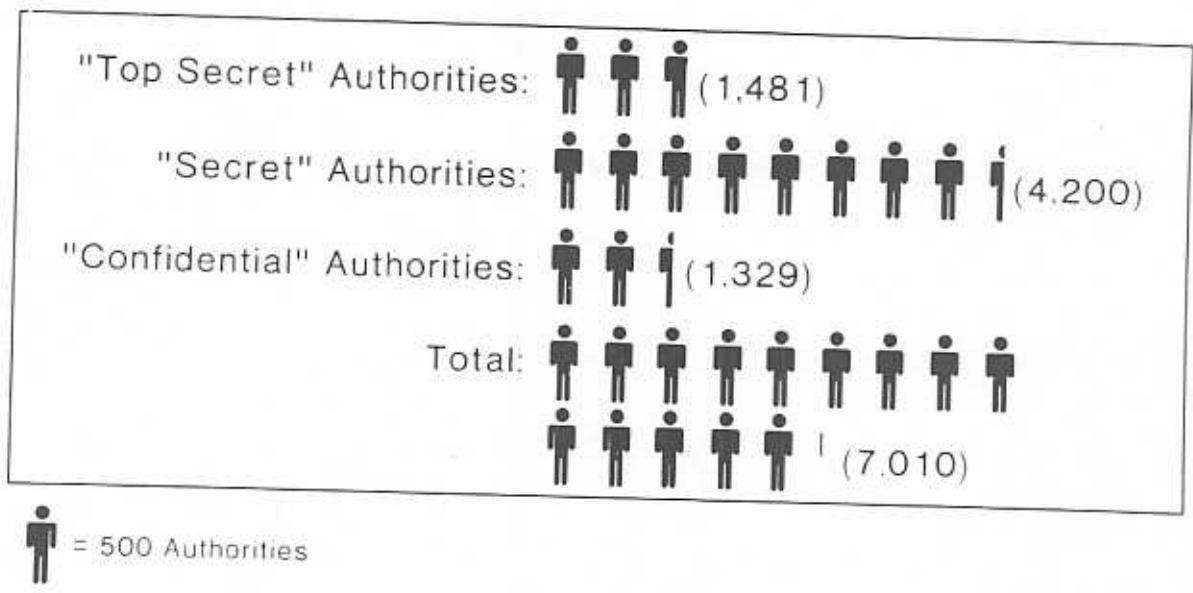
Despite the overall reduction, the number of "Top Secret" and "Secret" original classifiers increased very slightly in FY 1983: "Top Secret" classifiers by 16 (1%); and "Secret" classifiers by 14 (.3%). These increases are too slight to be considered a trend, but ISOO will pay special attention to the several agencies that account for them.

ISOO believes that further reductions in the number of original classifiers are attainable. ISOO's program reviews and analysis of data reveal some disparity in the concentration of original classifiers among agencies with comparable classification activity. In FY 1984, ISOO will seek further reductions in those agencies that appear to have more original classifiers than are necessary.

Three activities merit particular credit for significantly reducing the number of original classifiers in FY 1983. These are ACDA, by 40 (-45%); DoE, by 42 (-20%); and CEA, by 3 (-75%).

Exhibit 2
Number of Original Classifiers

"Top Secret" Authorities: (1,481)

"Secret" Authorities: (4,200)

"Confidential" Authorities: (1,329)

Total: (7,010)

= 500 Authorities

Original Classification Decreases Significantly

(Exhibits 3-6)

An "original classification decision" is an initial determination by an authorized official that information requires protection from unauthorized disclosure in the interest of national security. This determination is accompanied by the placement of required national security markings on the medium that contains the information. Because of the current and future impact that original classification decisions have on every aspect of the information security program, their number is probably the most significant statistic that ISOO reports annually.

Exhibit 3
Original Classification Decisions

"Top Secret"
1982

"Top Secret"
1983

21,103

16,158

"Secret"
1982

"Secret"
1983

432,612

277,212

"Confidential"
1982

"Confidential"
1983

601,437

570,729

Total Original
1982

Total Original
1983

1,055,152
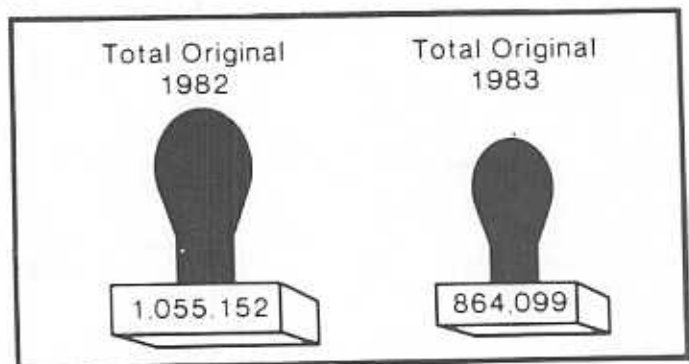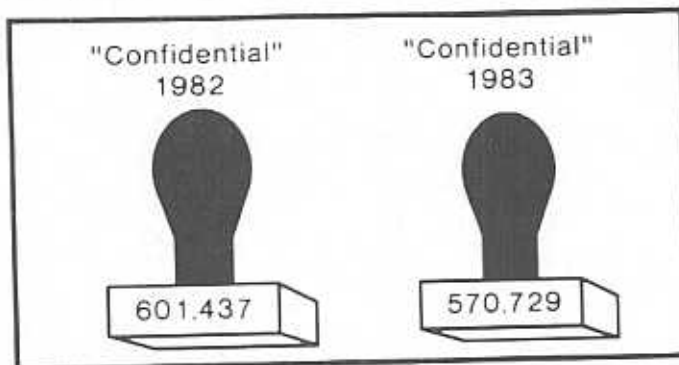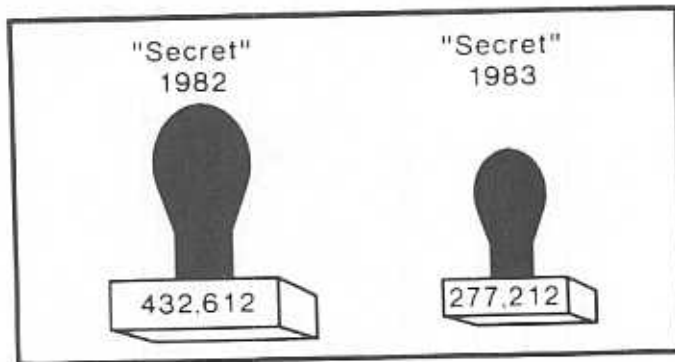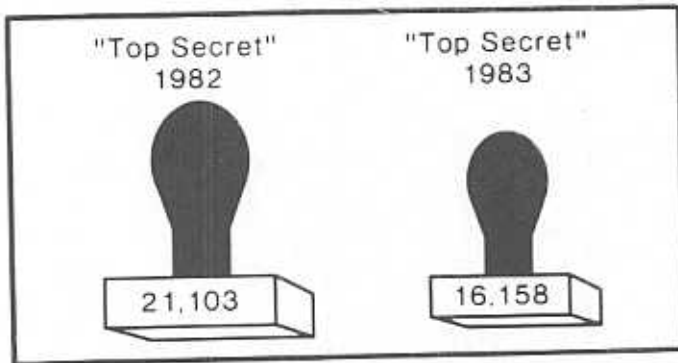
864,099

FY 1983, the first year of E.O. 12356's operation, witnessed an
extraordinary reduction in the number of original classification
decisions. The 864,099 original classification decisions
constituted almost 200,000 fewer actions than in FY 1982. This
amounts to an 18% reduction in a figure that had remained largely
constant throughout E.O. 12065's existence. Even more impressive
were the reductions in the number of original classification
decisions at the higher levels, "Top Secret" and "Secret". "Top
Secret" decisions were down by 4,945, a reduction of 24%, and
"Secret" decisions were down by 155,400, a reduction of 36%.

In FY 1983, "Top Secret" determinations accounted for 2% of the
original classification decisions, "Secret" accounted for 32%,
and "Confidential" accounted for the remaining 66%. In FY 1982,
the breakdown was "Top Secret", 2%; "Secret", 41%; and
"Confidential", 57%. Therefore, in addition to the decrease in
the total number of original classification decisions, the lowest
classification level, "Confidential", accounted for a
significantly higher percentage of those decisions in FY 1983.

Exhibit 4

Comparison of Original Classification Activity
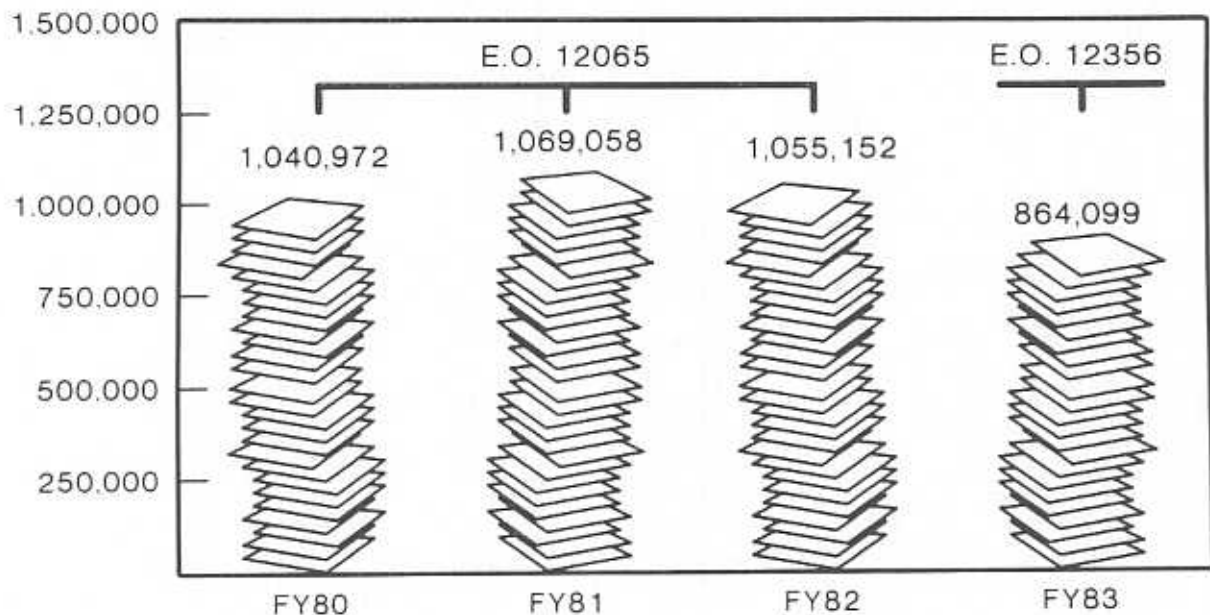
Consistent with prior years, four agencies originally classified over 99% of all such actions within the executive branch in FY 1983: DoD, 36.08%; CIA, 26.63%; State, 20.92%; and Justice, 15.5%. All other executive branch departments, agencies and offices originally classified information on less than 7,500 occasions (.87%). Of the four major classifiers, the CIA reduced its number of original classification decisions by an extraordinary 44%, and Justice was down by almost 18%. Original classification increased somewhat at DoD (6.8%) and State (1.7%). Other agencies active in the security classification program that experienced significant decreases in the number of original classification decisions included NSC (-60%); ACDA (-40%); FEMA (-15%); NASA (-82%); DoE (-13%); NRC (-28%); OMSN (-60%); and USIA (-59%).

Exhibit 5
FY 1983 Original Classification Decisions by Agency

Agency	Original Decisions	% Assigned Date or Event for Declassification	% OADR (Must Be Reviewed before Declassification)	% "TS"	% "S"	% "C"
DoD	311,795	71%	29%	1%	18%	81%
CIA	230,123	13%	87%	4%	31%	65%
State	180,809	28%	72%	0%	21%	79%
Justice	133,882	0%	100%	1%	82%	17%
FEMA	1,937	14%	86%	27%	44%	29%
Treasury	1,562	54%	46%	1%	5%	94%
NSC	1,197	0%	100%	27%	54%	19%
DoE	795	22%	78%	1%	52%	47%
All Others	1,999	50%	50%	2%	19%	79%

Another outstanding accomplishment relating to original classification in FY 1983 was the fact that 35% of the actions specified automatic declassification upon the passage of a specific date or event. This number represents a significant improvement from the experience under E.O. 12065,

when, in ISOO's estimation, over 90% of all original
classification decisions required agency review before the
information could be declassified. This higher ratio of actions
scheduled for declassification without review will greatly
facilitate the declassification process and increase the
declassified product in the future. DoD, with a rate of 71%, and
Treasury, with a rate of 54%, merit special recognition.

Exhibit 6

Original Classification Decisions Scheduled for Automatic Declassification

10%   35%

Declassify

E.O. 12065

Declassify

E.O. 12356
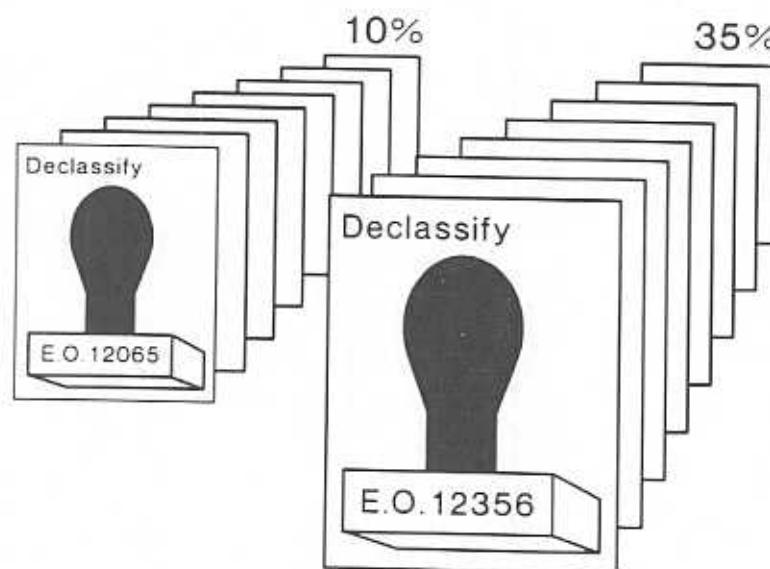
Derivative Classification Increases Slightly

(Exhibits 7 and 8)

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. 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.

During FY 1983, executive branch agencies made 17,141,052
derivative classification decisions, a 4% increase over FY 1982.
Some of this increase in derivative classification can be
attributed to the efforts made by ISOO and others to encourage
the development and use of classification guides. These guides,
issued by original classification authorities, identify
information to be classified in the interest of national
security, and prescribe the level and duration of classification
for each identified item of information. The use of
classification guides promotes uniformity throughout the
executive branch in the classification and declassification of
like information.

Exhibit 7

Comparison of Derivative Classification Activity
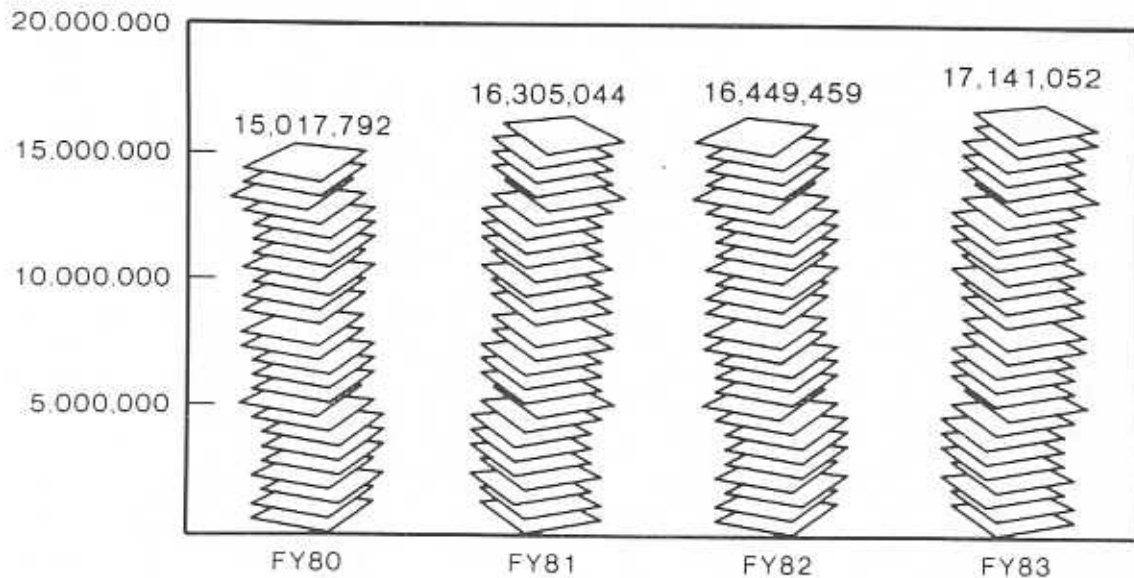
Of the total derivative classification decisions made in FY 1983,
522,528 (3%) were classified at the "Top Secret" level, 5,090,280
(30%) at the "Secret" level, and 11,528,244 (67%) at the
"Confidential" level. These percentages coincide exactly with
those in FY 1982.

Another coincidence is that the DoD (85.53%) and the CIA (14.11%) accounted for 99.64% of all derivative classification activity in FY 1983, the exact percentage of their total in FY 1982. For FY 1983, DoD derivative actions increased by 6.7%, while CIA derivative actions decreased by 9%. All other agencies derivatively classified only 61,000 actions during FY 1983. Other significant percentage reductions in the number of derivative classification actions achieved in FY 1983 as compared with FY 1982 included the NSC (-88%); DoT (-49%); OVP (-37%); FEMA (-22%); GSA (-30%); OSTP (-85%); Commerce (-22%); USDA (-13%); and NRC (-48%).

Exhibit 8
FY 1983 Derivative Classification Actions by Agency

Agency	Total Derivative Actions	%"TS"	%"S"	%"C"
DoD	14,661,349	2%	21%	77%
CIA	2,418,699	7%	80%	13%
Justice	25,714	1%	97%	2%
DoE	16,917	0%	9%	91%
NASA	4,090	0%	98%	2%
FEMA	3,414	8%	65%	27%
Treasury	2,726	0%	46%	54%
All Others	8,143	19%	31%	50%

Classification Activity Remains Steady

(Exhibits 9 and 10)

The total number of original and derivative classification decisions made by executive branch agencies during FY 1983 was 18,005,151. This was approximately 500,000 more than FY 1982, a 2.8% increase that compares favorably with the modest increases of the past several years.

Statistics show that during FY 1983, 3% of all classification decisions were classified at the "Top Secret" level, 30% at the "Secret" level, and 67% at the "Confidential" level. This is essentially the same ratio reported for FY 1982. Two agencies accounted for 97.87% of all classification activity in the executive branch during FY 1983: DoD, 83.16%, and the CIA, 14.71%. All other agencies accounted for 383,185 classification actions during the year, a 6.4% decrease from FY 1982.
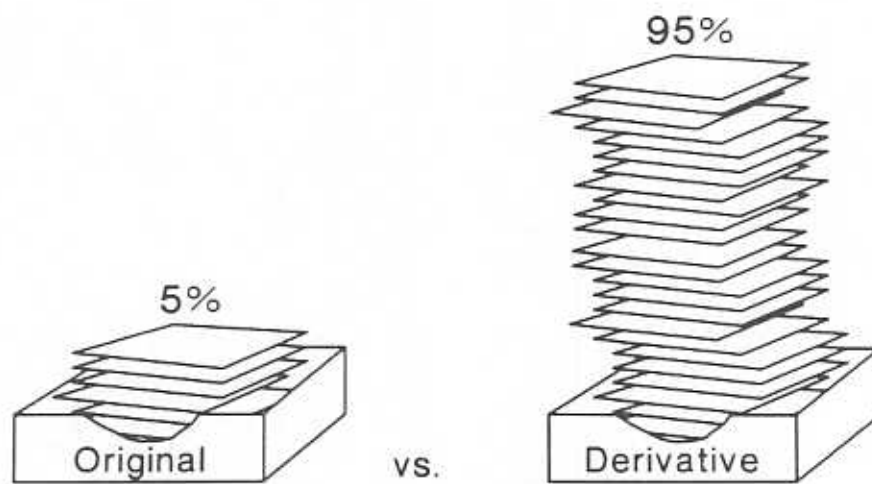
Exhibit 9

Comparison of Combined Classification Activity

FY	Total Actions	%"TS"	%"S"	%"C"
1980	16,058,764	3%	29%	68%
1981	17,374,102	5%	29%	66%
1982	17,504,611	3%	31%	66%
1983	18,005,151	3%	30%	67%

Change:

FY '80-'81	+1,315,338 (+8%)	+2%	0%	-2%
FY '81-'82	+ 130,509 (+1%)	-2%	+2%	0%
FY '82-'83	+ 500,540 (+3%)	0%	-1%	+1%

During FY 1983, the ratio of original to derivative classifica-
tion actions remained consistent with that reported for previous
years. Original classification constituted 5% of all classifi-
cations, and derivative 95%. The consistency of this ratio over
the years reinforces the importance of FY 1983's significant
decrease in original classification decisions. Ultimately, the
average original classification decision will result in a total
of 20 classification actions. Therefore, ISOO believes that
continued reductions in original classification decisions will
eventually result in decreased derivative classification.

Exhibit 10

Original vs. Derivative Classification


12

Mandatory Review Levels Off

(Exhibits 11-14)

Executive Order 12356 continues the program known as mandatory review for declassification. Mandatory review provides that agencies or citizens, through written requests, may require an agency to review specified national security information for the purpose of seeking its declassification. These requests, which may be submitted at any time during the life of the information, are popular with researchers as a non-adversarial alternative to Freedom of Information Act requests.

Following a peak year of new requests in FY 1982, the number of mandatory review requests received in FY 1983 was 3,945, a total within the range of those reported in the years immediately preceding FY 1982. Added to the 3,894 cases carried forward from FY 1982, agencies had a mandatory review request workload of 7,939 cases in FY 1983. Of these, the agencies processed 3,610, or 46% of the total. While this percentage is fairly consistent with the processing rate in previous years, ISOO will seek increased agency efforts to reduce the inventory of pending cases in FY 1984.

Exhibit 11

Mandatory Review Requests Received

13
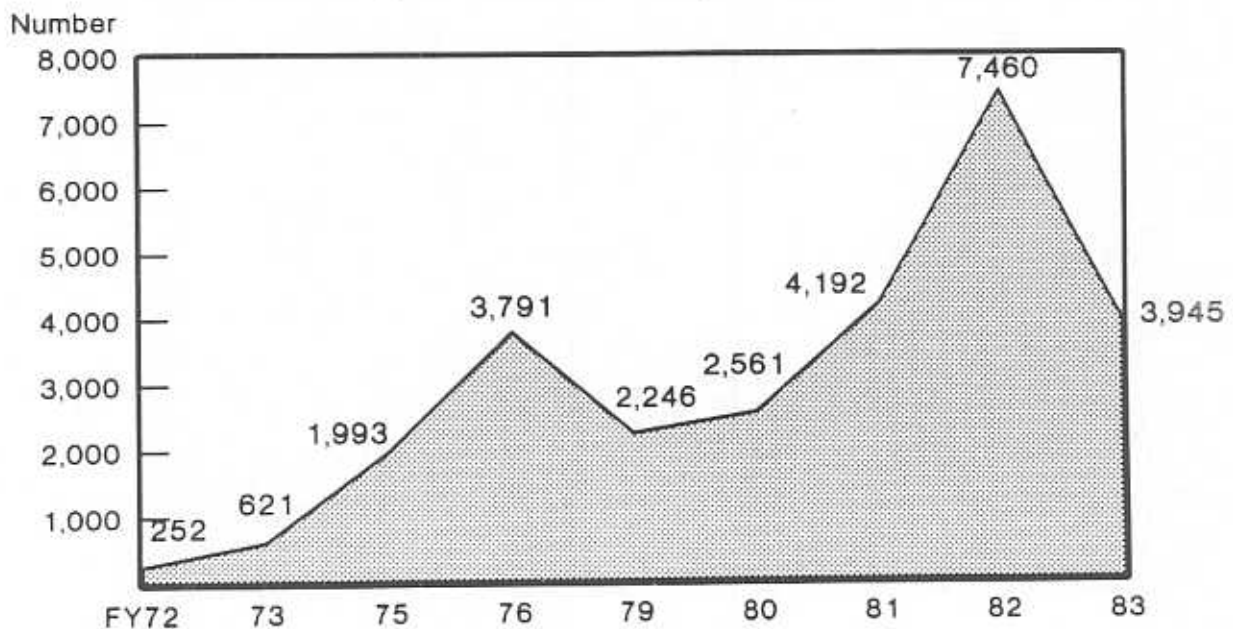
For FY 1983, ISOO collected data on agency actions in response to mandatory review requests in terms of three separate reporting units: cases, documents and pages. Previously, ISOO had only collected these data in terms of cases. By looking at mandatory review actions in terms of documents and pages as well, ISOO hopes to present a clearer picture of the final product.

Exhibit 12

Mandatory Review Actions

Cases

☐	Granted in Full
▨	Granted in Part
▨	Denied in Full

Pages

Documents
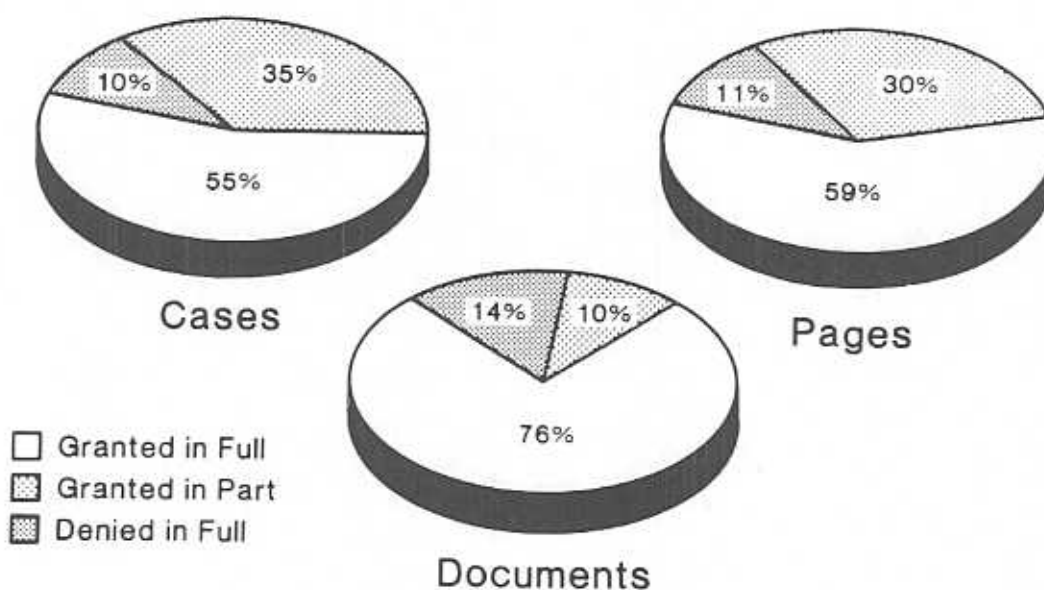
Of the 3,610 cases processed in FY 1983, 1,980 (54.8%) were granted in full, 1,277 (35.4%) were granted in part, and 353 (9.8%) were denied in full. FY 1983 marks the first time that the rate of denials in full has fallen below 10%.

These 3,610 cases comprised 29,464 documents or 174,013 pages of classified information. Of the 29,464 documents, 22,318 (75.7%) were declassified in full, 3,078 (10.5%) were declassified in part, and 4,068 (13.8%) remained fully classified. Although comparisons with previous years are unavailable, that over 75% of the documents were fully declassified is very commendable.

14

Of the 174,013 pages, 102,695 (59%) were declassified in full, 51,543 (29.6%) were declassified in part, and 19,775 (11.4%) remained fully classified. Again without prior year comparisons, the fact that 88.6% of all pages reviewed were declassified in whole or in part reveals an excellent commitment to declassification on the part of the reviewing agencies.

Exhibit 13

## FY 1983 Mandatory Review Actions by Agency

Agency	Total Cases Acted On	% Granted In Full	% Granted In Part	% Denied In Full
State	853	47%	45%	8%
DoD	781	62%	27%	11%
NSC	652	47%	49%	4%
Justice	525	75%	15%	10%
GSA (including NARS)	354	45%	40%	15%
CIA	186	28%	48%	24%
All Others	259	73%	18%	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, or, in the case of classified presidential papers or records, to the Director of ISOO. During FY 1983, these agencies received 411 new appeals in addition to 759 appeals carried over from the previous year. Of these 1,170 pending appeals, the agencies processed 363 (31%) in FY 1983. This marks a significant increase in the number of unprocessed appeals carried over into the next year. ISOO will strongly encourage the concerned agencies to reduce this backlog as quickly as possible.

Of the 363 appeals processed, 59 (16.3%) were granted in full, 115 (31.7%) were granted in part, and 189 (52%) were denied in full. These 363 actions comprised 4,441 documents or 14,815 pages. Of the 4,441 documents reviewed, 679 (15.3%) were declassified in full, 1,533 (34.5%) were declassified in part, and 2,229 (50.2%) remained fully classified. Of the 14,815 pages reviewed, 2,047 (13.8%) were declassified in full, 4,849 (32.7%) were declassified in part, and 7,919 (53.5%) remained fully classified.

Exhibit 14

Mandatory Review Appeals Received
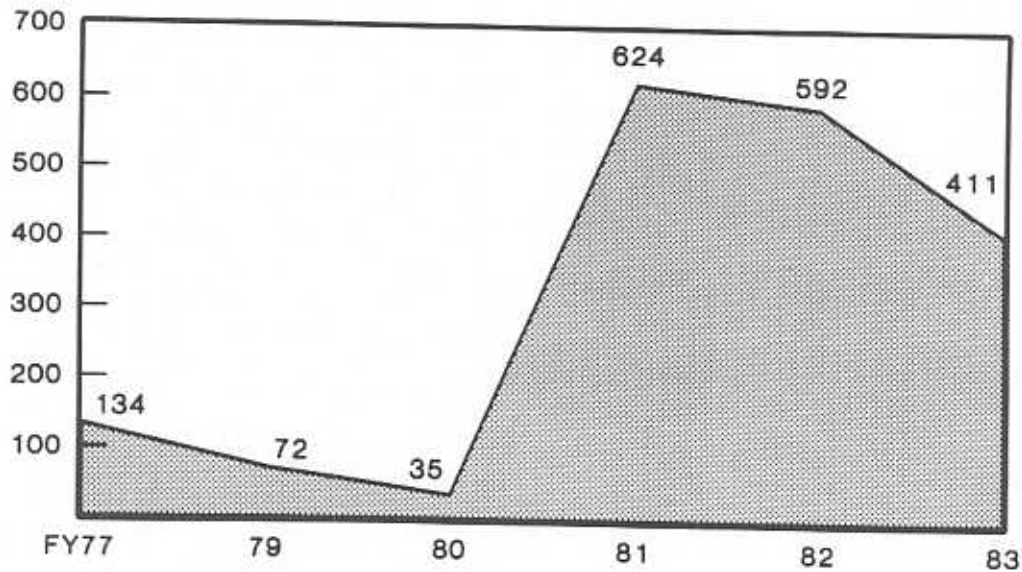
Systematic Review Continues to Decline

(Exhibits 15-17)

"Systematic review for declassification" is the program, first introduced in 1972, in which classified, permanently valuable (archival) records are reviewed for purposes of declassification after the records reach a specific age. Under E.O. 12356, the National Archives and Records Service (NARS) is required to conduct a systematic review of 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, they are encouraged to do so if resources are available.

In recent years, the product of the systematic review program has declined as a result of two factors. First, the records that are now being reviewed are not generally susceptible to the bulk declassification methods that were frequently adequate in declassifying World War II era records. Second, the resources available for systematic review have continued to dwindle.

This trend continued in FY 1983. Agencies systematically reviewed 12,407,523 pages of national security information in FY 1983, of which they declassified 7,848,295 pages (63%). The number of pages reviewed was 7,096,292 (36%) fewer than in FY 1982, and the rate of declassification decreased by 22%.

Exhibit 15

Pages Reviewed for Declassification
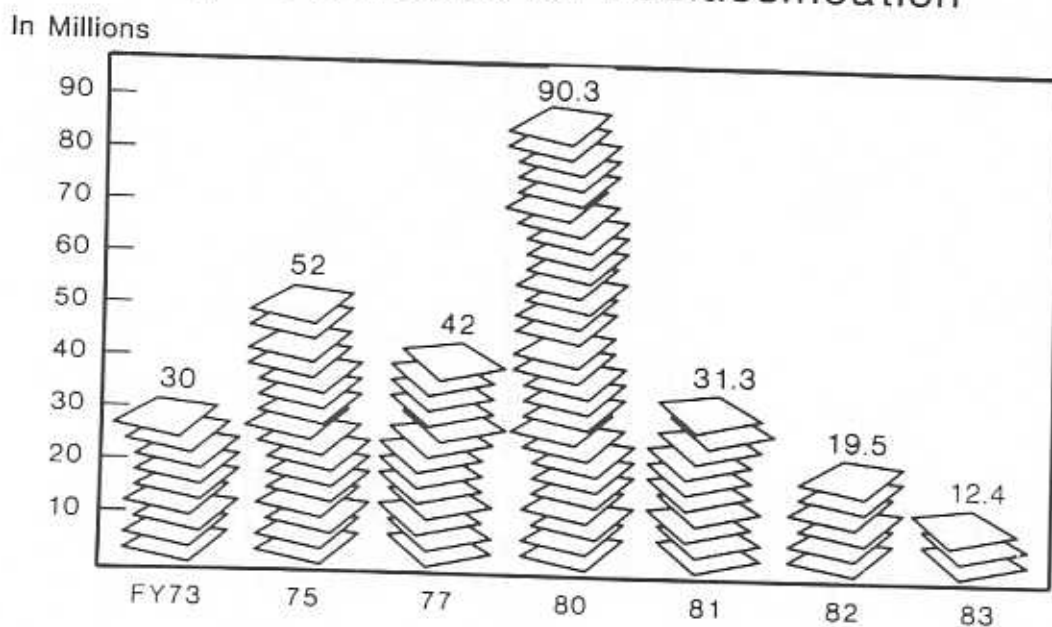
In Millions

Despite these declines, it is encouraging to note that executive branch agencies other than NARS systematically reviewed nearly ten million pages for declassification during FY 1983, even though they were no longer required to conduct a systematic review program. This represented over 77% of the total pages reviewed in the executive branch during FY 1983. Particularly noteworthy were the efforts of DoD (9,278,640 pages); USIA (154,260 pages); State (106,791 pages); and AID (10,284 pages).

Exhibit 16

Percentage of Reviewed Pages Declassified
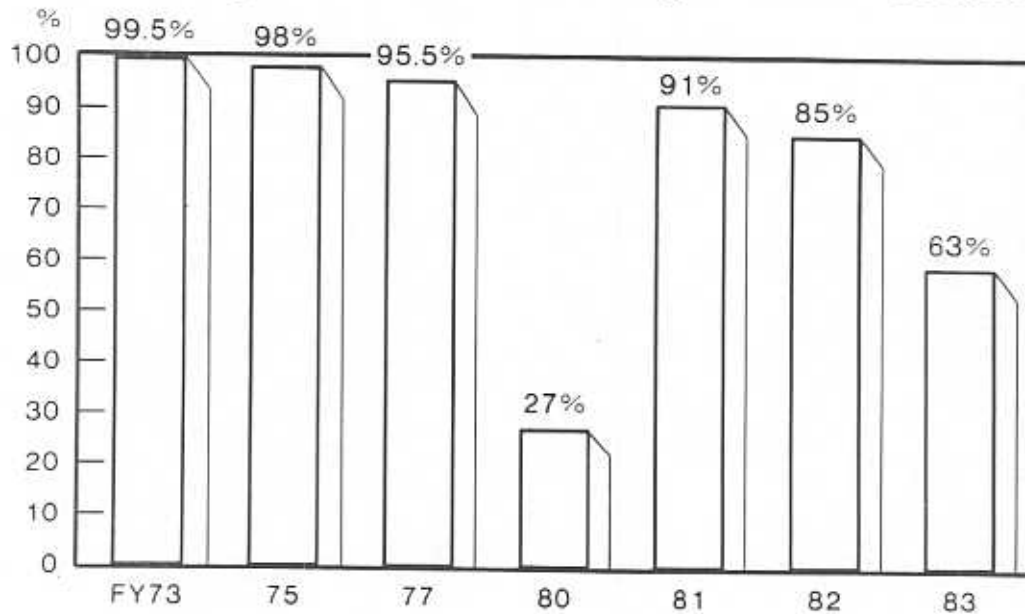
There was a clear disparity in the rate of declassification between NARS and other executive branch agencies, with the exception of State. NARS declassified almost 94% of the pages it reviewed. The other agencies declassified almost 54% of the pages they reviewed. Much of this discrepancy can be accounted for by differences in the age and subject areas of the records that were reviewed.

Exhibit 17

FY 1983 Systematic Review Actions by Agency

Agency	Pages Reviewed	Pages Declassified	% Declassified
DoD	9,278,640	5,013,079	54%
GSA/NARS	2,852,471	2,667,156	94%
USIA	154,260	64,275	42%
State	106,791	99,415	93%
All Others	15,361	4,370	28%

Critical to the future of systematic review is the ability of
NARS to revitalize its program. The Assistant to the President
for National Security Affairs has indicated his support for this
effort and ISOO is currently working with NARS to seek the means
of achieving this end.

Agency Self-Inspections Decrease Again

(Exhibits 18 and 19)

While ISOO conducts an active program of agency inspections, its
small size and budget dictate that the agencies assume most of
this burden themselves. E.O. 12356 provides that agency heads
administer "an active oversight and security education program."
Agencies are required to inform ISOO of the number of self-
inspections they perform each year.

Exhibit 18

Agency Self-Inspections
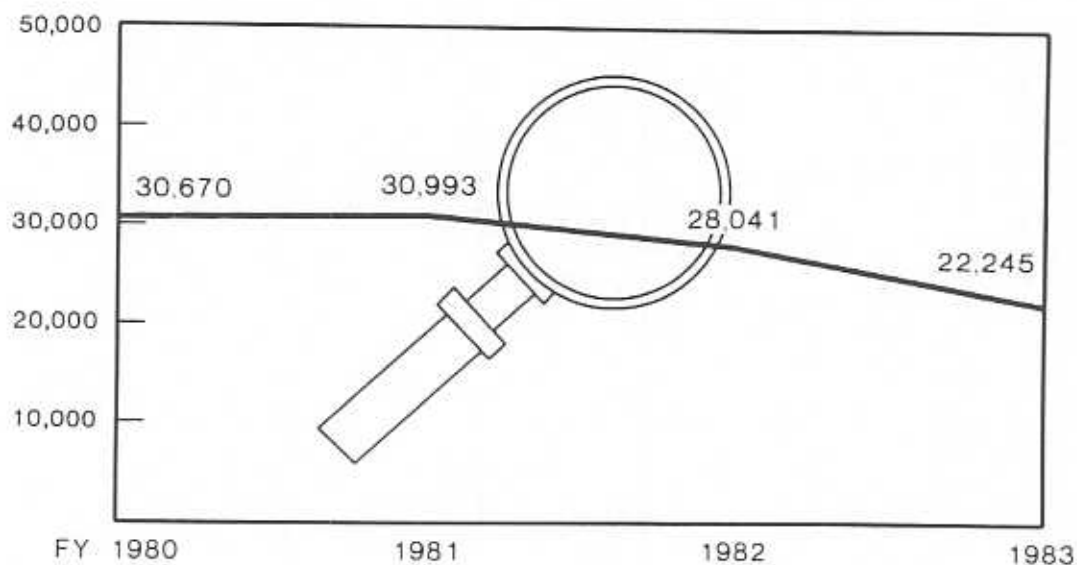
Agencies are also required to report to ISOO on the number and
type of infractions detected during the year. An infraction is a
minor violation of the Order, its implementing ISOO Directive or
agency regulations. Infractions to be reported do not include
the more serious violations that agencies are required to report
to ISOO as they occur.

During FY 1983, executive branch agencies conducted 22,245
self-inspections to monitor or evaluate their own information
security programs. This total represents a decrease of 5,796
(21%) from the number of inspections conducted in FY 1982, and
8,748 (28%) fewer than in FY 1981. Given the introduction of a
new information security system in FY 1983, the continued decline
in agency self-inspections was both unexpected and unfortunate.
Agencies also reported a total of 18,344 infractions. This total
is 1,935 (9.6%) fewer than the number of infractions reported for
FY 1982. On an infraction per inspection basis, this indicates
that agencies continue to detect less than one infraction per
inspection, a rate far below that experienced by ISOO in its own
review of the agencies' programs. These data call into question
both the quality and quantity of agency inspection programs.
ISOO will emphasize these apparent deficiencies in its oversight
program for FY 1984.

Exhibit 19

Infractions

Infraction	Total FY 1980	Total FY 1981	Total FY 1982	Total FY 1983	% Change 82-83
Unauthorized Access	950	476	475	620	+31%
Mismarking	11,297	8,797	11,499	10,849	- 6%
Unauthorized Transmission	1,282	924	1,197	1,294	+ 8%
Improper Storage	3,975	3,341	4,222	3,844	- 9%
Unauthorized Reproduction	300	135	207	249	+20%
Overclassification	N/R	N/R	290	220	-24%
Underclassification	N/R	N/R	365	317	-13%
Classification w/o Authority	N/R	N/R	392	238	-39%
Improper Destruction	N/R	N/R	665	581	-13%

N/R = Statistics not reported for FY 1980 and FY 1981

A Narrative Look at FY 1983

Executive Order 12356 has been operational since August 1, 1982. Since that date, it has received extraordinary attention from persons and organizations inside and outside the executive branch of government. No one has scrutinized its performance more thoroughly, however, than the staff of the Information Security Oversight Office (ISOO). Based upon its observations and the data it has collected and analyzed, ISOO has reached a number of conclusions about the strengths and weaknesses of the program through its first full year of operation in FY 1983. These conclusions reveal that, on balance, the information security system under E.O. 12356 performed exceedingly well in FY 1983. The President's stated goal of achieving better protection for national security information without unwarranted classification is clearly being met.

FY 1983 Program Strengths: General

(a) Perhaps the most positive aspect of the first year's experience was the smooth transition from E.O. 12065 to E.O. 12356. ISOO cites two reasons. First, despite the great deal of publicity about the differences between the two systems, in ordinary day-to-day situations they are very similar. The types of information that were classified and declassified in August 1982 were the same as those that had been classified and declassified a month earlier. The only significant change in the marking of classified information was the use of "Originating Agency's Determination Required (OADR)," to indicate the duration of classification for information of indeterminable national security sensitivity at the time of classification. Safeguarding procedures remained virtually unchanged.

The other contributing factor was the concerted effort of senior program officials throughout the executive branch to achieve a smooth transition. ISOO, with a small staff and budget, must rely upon the active assistance of agency heads and their senior managers to oversee individual information security programs. The same persons who were instrumental in the development and issuance of E.O. 12356 were also deeply involved in its implementation. In the four months between E.O. 12356's issuance and effective dates, these officials began preparations for the transition by updating directives and procedures, and by revising, increasing and publicizing training opportunities for employees. Most importantly, these officials were knowledgeable about the prospective changes in the information security system, and could respond effectively to the myriad of questions that arose.

(b)   The concern and involvement of senior program officials also contributed to a second positive feature of E.O. 12356's first year: the absence of any incident of serious executive branch abuse of the information security system. In ISOO's experience, classifiers and declassifiers almost always act in a good faith effort to comply with the requirements of the system, even if, on hindsight, a relatively small percentage of information is misclassified. As in any other program of comparable size, during the course of almost any year a few obvious abuses come to light. Executive branch officials were particularly sensitive to potential abuses in FY 1983. Their vigilance paid dividends. Despite unprecedented scrutiny by persons seeking incidents to publicize, in ISOO's view no serious abuse surfaced during E.O. 12356's first full year. The oversight and responsiveness of senior program officials prevented any serious problems.

(c)   Another positive feature of E.O. 12356's first year was the steady realization of the purposes behind the revisions to E.O. 12065. (ISOO has expressed its views on these purposes in its essay, "The Background of Executive Order 12356," which is an appendix to its FY 1982 Annual Report to the President.) Program managers exercised greater flexibility in their administration of the information security system.   The courts quickly adapted to the Order's provisions and the burden of litigating under the Freedom of Information Act began to abate. Perhaps most important, we began to hear representatives of our allies informally express greater confidence in our revised information security system. This portends less hesitation to share sensitive information with us.

FY 1983 Program Weaknesses: General

(a)   Perhaps the most troubling of ISOO's observations during FY 1983 was the initial indifference among persons at the operating level about the introduction of a revised information security system. ISOO attributes this largely to an understandable sense of frustration at working under the fourth Executive order on national security information within a decade. This indifference, however, is not dissimilar to that experienced with the introduction of E.O. 12065, and, as evidenced in ISOO's most recent program reviews, appears to be dissipating.

(b)   Despite an unprecedented effort to "get the word out" to operating personnel about E.O. 12356, too many persons who work with classified information remained unfamiliar with its requirements in FY 1983. Inaccurate media accounts of the Order and the indifference cited above aggravated this

situation. As a result, ISOO noted too many minor infractions during its FY 1983 inspections and program reviews, especially in the application of markings and safeguarding. Again, these problems are similar to those experienced during the first year of E.O. 12065's operations, and there should be marked improvement in the near future.

(c) Of the marking violations that ISOO noted in FY 1983, two types were especially troublesome. The first concerned the lack of portion marking. E.O. 12356 requires that all classified documents be portion marked to indicate which portions are classified and the level of classification. 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 highly recommended for information that is transmitted outside the originating office or for information that serves as a potential source for derivative classification. The waivers ISOO received comply with these guidelines. In practice, however, especially in the first six months of E.O. 12356's operation, ISOO took note of a number of documents without portion markings that had been transmitted outside the originating office and/or served as the sources for subsequent derivative classification. These examples were concentrated in a few agencies. ISOO expressed its concern to the senior program officials of these agencies, and in the last months of the fiscal year uncovered far fewer examples of these documents.

The second area pertained to the overuse during the first half year or so of E.O. 12356's operation of "Originating Agency's Determination Required" or "OADR" as a marking instruction for the duration of classification. While ISOO's experience has been that the duration of national security sensitivity cannot be determined at the time of classification for most information, there is some information that is clearly time-sensitive. Following Executive Order 12356's effective date, ISOO staff members noted a number of documents marked "OADR" that appeared to be sensitive only until a specific date or event. In several cases there seemed to be rote application of the indefinite time frame. On March 28, 1983, the Director of ISOO addressed a letter to the senior program official of each agency that creates or handles national security information expressing his concern about this problem. Agencies were directed to instruct original classifiers on the appropriate use of the "OADR" marking, and the responsibility to attempt to determine a specific date or event for declassification. As borne out in ISOO's later program reviews and the data ISOO collected at the end of FY 1983, there was a very large increase in the

number of classified documents marked with a specific date or event during the last half of FY 1983.

(d)   Some agencies failed to issue completed internal regulations on E.O. 12356 by the end of FY 1983, even though they were due by December 31, 1982. These agencies have relied in the interim on patchwork versions of prior regulations, supplemented by ad hoc temporary instructions. To ISOO's knowledge, these delays have not resulted in any serious abuses of the information security system, but they have promoted the already noted problem of unfamiliarity with its requirements.

FY 1983 Program Strengths: Statistical

(a)   The most important quantitative measurement of the information security system is the annual tally of original classification decisions. These decisions bear on almost all of the other components of the information security program, including derivative classification, declassification, safe-guarding and marking. Therefore, FY 1983's unprecedented decrease in the number of original classification decisions is an outstanding achievement. The reduction is especially significant because, in ISOO's judgment, in FY 1983 it was almost entirely attributable to systemic factors, rather than to any changes in world events that would tend to decrease the number of classification decisions. These systemic factors include controlling the number of original classi-fication authorities, developing classification guides, and maintaining strong oversight of the program.

Accentuating the decreased classification, almost all of the decline was in the higher classification levels, "Top Secret" and "Secret". These reductions follow ISOO's expressed concerns about increasing "Top Secret" classifications in FY 1982 under E.O. 12065. By reducing classification levels, agencies also reduce the costs of protecting the information.

(b)   Almost as significant an achievement as the reduction in original classification is the 35% rate for documents marked with a specific date or event for automatic declassi-fication. There is a large measure of irony in comparing this figure with the results under E.O. 12065. This prior Order mandated automatic declassification at the arbitrary date of six years from the information's creation, but left a couple of loopholes for exceptions. In ISOO's estimation, these "exceptions" accounted for 90% or more of the classifi-cation decisions under E.O. 12065, making six-year automatic declassification the actual exception.

Under E.O. 12356, there is no arbitrary time frame for auto-
matic declassification. Instead, classifiers are required to
set a particular date or event for declassification but only
when it is feasible to do so based upon the anticipated
duration of national security sensitivity. Nevertheless, in
FY 1983, they achieved a rate of automatic declassification
determinations three and one-half times higher than that
realized under the system that attempted to mandate automatic
declassification.

(c) With the onset of E.O. 12356, agency heads named by the
President were required to redesignate their original clas-
sification authorities. Given the expressed concerns of
providing increased protection for national security infor-
mation, the number of original classification authorities
might have been expected to rise significantly. Instead,
agency heads exercised praiseworthy restraint by continuing
the trend that began with the issuance of E.O. 11652 in 1972,
to reduce the number of original classifiers.

ISOO considers the continuing decline in original classi-
fiers to be a very positive statistic. First, limiting the
number of original classifiers is perhaps the most important
systemic control on the quantity of original classification.
Second, these limitations help assure greater consistency and
accountability in classification actions.

(d) The statistics on declassification in response to manda-
tory review requests demonstrate that, by and large, the
agencies continue to strive for optimal public access to
formerly classified information. Although a relatively small
percentage of information is overclassified at its inception,
the impact of overclassification is usually not a serious
problem in the absence of any public access interest. In
ISOO's experience, declassification reviews, in response to
mandatory review requests or otherwise, almost always close
the gap between what information needs to be classified and
what information is classified. The executive branch's
record of positive responses to public requests for declassi-
fication has been impressive over the years. FY 1983's
effort was probably the best in terms of the percentage of
information declassified and made available for public
research.

FY 1983 Program Weaknesses: Statistical

(a) The systematic review for declassification program con-
tinued to deteriorate in FY 1983, and remains the area of
greatest concern in measuring the state of the information

security system. This program, in which classified, permanently valuable records are reviewed for purposes of declassification as they become 30 years old (50 years for certain intelligence and cryptologic file series), began its decline under E.O. 12065 several years ago. The drafters of Executive Order 12356 hoped to reverse the downward trend by reinstating the very successful systematic review framework of E.O. 11652, i.e., requiring systematic review only in the National Archives and Records Service (NARS), encouraging voluntary systematic review programs in the other agencies, and reestablishing the 30-year time frame for review.

Unfortunately, these changes cannot counter the two non-systemic factors that have impeded systematic review in recent years. The first is the change in the prevalent subject areas of the records now ripe for review. Unlike World War II era records, which in many instances were well suited to bulk declassification methods, the records now being reviewed usually require line-by-line consideration. Second, the resources available for systematic review at NARS have fallen dramatically, the result of both redefined agency priorities and overall budget cuts.

The vitality of systematic review for declassification ultimately depends upon a strong program at NARS. ISOO believes that a revitalized program at NARS merits government-wide support. Following up on the expressed concern of the Assistant to the President for National Security Affairs, ISOO is working with NARS to seek solutions to the current problems. These may include not only increased resources, but also improved procedures for selecting and reviewing classified records. By the time of its FY 1984 Report, ISOO hopes to report significant progress toward reversing the downward trend in systematic review.

(b) ISOO remains concerned about both the number and quality of agency self-inspections. With the institution of a new information security system in FY 1983, ISOO anticipated a significant increase in the number of self-inspections as an important function of each agency's oversight responsibilities. Instead, the number of self-inspections declined.

The number of reported infractions also declined, maintaining a ratio of less than one infraction detected for each agency self-inspection. From ISOO's own inspection experience, this low rate of detected infractions calls into question the quality of agency inspections. Even those agencies with outstanding information security programs incur a limited number of minor infractions.

Perhaps the most important reason that the information security system performs effectively is the extent of internal and external oversight. Inspections are a major component of oversight. ISOO will be prodding agencies to increase the number of their self-inspections, and to assure that these inspections meaningfully examine the status of their information security programs.

(c) Although the agencies are declassifying information in response to mandatory review actions at a very impressive rate, they are falling behind somewhat in their backlogs of both requests and appeals. Too many cases remain unresolved at the end of each fiscal year. The attendant delays strain the patience of researchers, whom the agencies should appreciate for selecting mandatory review actions over more adversarial alternatives.

The number of new mandatory review requests and appeals fell in FY 1983. If these levels remain stable or decrease in FY 1984, agencies must be held accountable for reducing their mandatory review backlogs.

Conclusion

The first full year of E.O. 12356's operation attracted unparalleled attention to the executive branch's information security system. Never before has this vital program been more exposed to criticism. Its harshest critics hungrily awaited for their predictions of rampant overclassification and other abuses to come true. Largely ignored went the statements of the President and others responsible for the program that E.O. 12356's purpose was to improve the protection of only that very small quantity of information that merited it, and not to expand upon the classified universe.

ISOO takes special delight, therefore, in reporting that for FY 1983, E.O. 12356 and the information security system operating under it were outstanding successes. The transition went smoothly, the abuses never materialized, and the agencies achieved greater protection for national security while originating significantly less classified information. In a very short time, the Order has fostered a much improved information security system. ISOO looks forward to even greater progress in FY 1984 and beyond.