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THE WHITE HOUSE

WASHINGTON

May 3, 1994

PRESIDENTIAL DECISION DIRECTIVE/NSC-24

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF COMMERCE
THE ATTORNEY GENERAL
THE SECRETARY OF ENERGY
THE DIRECTOR, OFFICE OF MANAGEMENT & BUDGET
CHIEF OF STAFF TO THE PRESIDENT
ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR, FEDERAL BUREAU OF INVESTIGATION
DIRECTOR, NATIONAL SECURITY AGENCY

SUBJECT: U.S. Counterintelligence Effectiveness

Many threats to the national security of the United States have been significantly reduced by the break-up of the Soviet Union and the end of the Cold War. Core U.S. concepts -- democracy and market economics -- are more broadly accepted around the world than ever before. Nevertheless, recent events at home and abroad make clear that numerous threats to our national interests -- terrorism, proliferating weapons of mass destruction, ethnic conflicts, sluggish economic growth -- continue to exist and must be effectively addressed. In this context, it is critical that the U.S. maintain a highly effective and coordinated counterintelligence capability.

A review of U.S. counterintelligence effectiveness in the wake of the Ames case highlights the need for improvements in the coordination of our counterintelligence (CI) activities. The recent DCI and Attorney General Joint Task Force on Intelligence Community-Law Enforcement Relations noted that changes to the basic underlying legal authorities defining the relationship between the intelligence and law enforcement communities are not required. Rather, the task force concluded that what is needed... "is for the two communities to improve their understanding of their respective needs and operating practices... to cooperate earlier, more closely, and more consistently on matters in which they both have a separate but

parallel interest." This Directive outlines specific steps which will be taken to achieve the objective of improved cooperation.

Executive Order 12333 designates the National Security Council (NSC) "as the highest Executive Branch entity that provides review of, guidance for and direction to the conduct of," among other things, counterintelligence policies and programs. Consistent with E.O. 12333, I direct the creation of a new CI structure, under the direction of the NSC, for the coordination of CI policy matters in order to integrate more fully government-wide counterintelligence capabilities, to foster greater cooperation among the various departments and agencies with CI responsibilities and to establish greater accountability for the creation of CI policy and its execution. This new structure will ensure that all relevant departments and agencies have a full and free exchange of information necessary to achieve maximum effectiveness of the U.S. counterintelligence effort, consistent with U.S. law.

Nothing in this directive amends or changes the authorities and responsibilities of the DCI, Secretary of Defense, Secretary of State, Attorney General or Director of the FBI, as contained in the National Security Act of 1947, other existing laws and E.O. 12333.

I direct that the following specific initiatives be undertaken to improve U.S. counterintelligence effectiveness:

National Counterintelligence Policy Coordination

- ◆ A National Counterintelligence Policy Board (Policy Board) is hereby established and directed to report to the President through the Assistant to the President for National Security Affairs. The existing CI policy and coordination structure, the National Advisory Group for Counterintelligence, is hereby abolished and its CI functions transferred to the Policy Board.
- ◆ The Policy Board will consist of one senior executive representative each from DCI/CIA; the FBI; the Departments of Defense, State, and Justice; a Military Department CI component; and the NSC, Special Assistant to the President and Senior Director for Intelligence Programs.
- ◆ The Chairman of the Policy Board will be designated by the DCI in consultation with the Assistant to the President for National Security Affairs. The Chairman will serve for a period of two years. The position of Chairman of the Policy Board will be rotated among the CIA, FBI, and Department of Defense.
- ◆ The Policy Board will consider, develop and recommend for implementation to the Assistant to the President for National Security Affairs policy and planning directives for U.S. counterintelligence. The Policy

Board will be the principal mechanism for reviewing and proposing to the NSC staff legislative initiatives and Executive Orders pertaining to U.S. counterintelligence. This Board will coordinate the development of interagency agreements and resolve conflicts that may arise over the terms and implementation of these agreements.

- ◆ A National Counterintelligence Operations Board (Operations Board) will be established under the Policy Board with senior CI representatives from CIA, FBI, DOD, the Military Department CI components, NSA, State, Justice, and Chief of the National CI Center established below.
- ◆ The Chairman of the Operations Board will be appointed by the Policy Board from among the CIA, FBI, or DOD, and rotated every two years. The Chairmanship of the Policy Board and the Operations Board will not be held by the same agency at any one time. The Operations Board will discuss and develop from an operational perspective matters to be considered or already under consideration by the Policy Board. It will oversee all coordinating subgroups, resolve specific conflicts concerning CI operations and investigations and identify potential CI policy conflicts for referral to the Policy Board.

Counterintelligence Integration and Cooperation

- ◆ The Policy Board, with the assistance of the DCI and the cooperation of the Director of the FBI, the Secretary of Defense, and the Secretary of State, will establish a National Counterintelligence Center within 90 days of this directive.
- ◆ A senior FBI executive with CI operational and management experience will serve as the Chief of the National CI Center and a senior Military Department CI component executive will serve as the Deputy Chief of the National CI Center. These agencies will hold these positions for an initial period of 4 years, after which, with the approval of the National CI Policy Board and in consultation with the Assistant to the President for National Security Affairs, the leadership positions will rotate, for 2 year terms, among the FBI, DOD and CIA. At all such times that the FBI does not hold the position of Chief, it will hold the position of Deputy Chief.
- ◆ The National Counterintelligence Center will be located, staffed and initially structured as recommended in PRD-44.

- ◆ The National Counterintelligence Center will implement interagency CI activities as described in PRD-44 and report to the Policy Board.
- ◆ The National Counterintelligence Center will serve as the interagency forum for complementary activities among CI agencies. The CIA's Counterintelligence Center will serve as the CI component for the CIA and execute on behalf of the DCI his authorities to coordinate all U.S. counterintelligence activities overseas.
- ◆ The Chief of the CIA's Counterintelligence Center Counterespionage Group will be permanently staffed by a senior executive from the FBI.
- ◆ CIA counterintelligence officers will permanently staff appropriate management positions in the FBI's National Security Division and/or FBI Field Offices.
- ◆ The Policy Board will furnish a report to the Assistant to the President for National Security Affairs with copies to all recipients of this Directive on the implementation of this Directive and all recommendations contained in PRD-44 by August 1, 1994.

Implementation

I hereby direct the recipients of this memorandum to implement all the recommendations cited in PRD-44. The DCI is directed to consult with the Assistant to the President for National Security Affairs and thereafter designate the Chairman of the Policy Board by May 15, 1994. The Policy Board will convene within 30 days of this directive and, with the assistance of the DCI, will establish the National Counterintelligence Center within 90 days of this directive.

The Policy Board will be responsible for the regular monitoring and review of the integration and coordination of U.S. counterintelligence programs. The Policy Board will provide an annual report to the Assistant to the President for National Security Affairs and on US counterintelligence effectiveness.

William J. Clinton