NOMINATION OF LIEUTENANT GENERAL JOHN GORDON, USAF, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

HEARING

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE

OF THE

UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

ON

NOMINATION OF LIEUTENANT GENERAL JOHN GORDON, USAF, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

WEDNESDAY, OCTOBER 1, 1997

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NOMINATION OF LIEUTENANT GENERAL JOHN GORDON, USAF, TO BE DEPUTY DI-RECTOR OF CENTRAL INTELLIGENCE

WEDNESDAY, OCTOBER 1, 1997

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The select committee met, pursuant to notice, at 2:02 p.m., in room SD-106, Dirksen Senate Office Building, the Honorable Richard Shelby (chairman of the committee) presiding.

Present: Senators Shelby, Allard, and Kerrey of Nebraska.

Also present: Taylor Lawrence, staff director; Chris Straub, minority staff director; and Kathleen McGhee, chief clerk.

Chairman Shelby. The Committee will come to order.

The Committee meets today to consider the nomination of Lieutenant General John Gordon, United States Air Force, to be Deputy Director of Central Intelligence. General Gordon began his distinguished military career nearly 30 years ago, when he received his commission through the Reserve Officer Training Corps in 1968.

A physicist, he served his early assignments in research, development and acquisition positions where he was involved in improving the Minuteman intercontinental ballistic missile and in developing

and acquiring the Peacekeeper ICBM.

General Gordon was a long range planner at the Strategic Air Command and served in the State Department Bureau of Politico-Military Affairs. He then commanded the Air Force's largest ICBM wing, the 90th Strategic Missile Wing, at F.E. Warren Air Force Base in Wyoming.

General Gordon also served with the National Security Council in the areas of defense and arms control and held a senior position

in the Office of the Secretary of Defense.

He then served as Director of Operations for Air Force Space Command before joining the DCI's staff as the Associate Director of Central Intelligence for Military Support, a job that he has held since September of last year.

General Gordon has an extensive and diverse military background. He has managed large military organizations, and he is

very familiar with the Washington policy world.

General Gordon has proven himself to be a skilled manager and an able policymaker. He is a seasoned consumer of intelligence from the vantage points of both the warfighter and the policymaker. He has not, however, had a great deal of experience as a producer of intelligence from within the Intelligence Community. Therefore, we are very interested in hearing from General Gordon on a range of issues as we consider him for the Intelligence Com-

munity's number two position.

The Intelligence Community is in a period of transition that requires a solid team to successfully guide it into the next century. The Deputy Director of Central Intelligence, in his role as the chief day-to-day manager will play a critical role during this time.

As we discussed with George Tenet in his confirmation hearing to be Director of Central Intelligence, the changes the Intelligence Community are undertaking are vital to preserving U.S. national security interests throughout the world.

The threats to America's interests are more diffuse and complex. so that understanding them requires a constant vigilance in analyzing the vast amount of information collected from various sources with varying degrees of reliability. In addition to traditional intelligence tasks, the Intelligence Community plays a central role in fighting the proliferation of weapons of mass destructions, protecting our citizens against acts of terrorism, and blocking the flow of illegal narcotics across our borders. These transnational issues have created a need for new approaches to collection and analysis, and the community must continue to effectively posture itself to accomplish them. And at the same time, the Community must face the fiscal realities of a constraint that calls for new ways to economize

Whether by embracing a new class of distributed small satellites to perform reconnaissance from space, or looking for ways to improve the efficiency of administrative services, the Deputy Director of Central Intelligence must assist the DCI in constructing a balanced investment portfolio for the future of the Intelligence Com-

munity.

Finally, the Deputy DCI must also assist in putting together a

complete management team for the Intelligence Community.

And we're pleased that the President has put forward a nomination for the position of Deputy Director, but we're still waiting for his nominations for the statutory positions of Deputy Director for Community Management, the Assistant Directors of Central Intelligence, and the General Counsel of the Central Intelligence Agen-

We hope that if you are confirmed, General Gordon, you will help the DCI expedite his management team recommendations to the

President.

For completeness and without objection, I ask that the following

two documents be placed into the record of these hearings:

General Gordon's completed Committee questionnaire; and General Gordon's Financial Disclosure Form along with its letter of transmittal from the Office of Government Ethics.

Without objection, that it is so ordered. The documents referred to follow:

SELECT COMMITTEE ON INTELLIGENCE UNITED STATES SENATE

QUESTIONNAIRE FOR COMPLETION BY PRESIDENTIAL NOMINEES

PART A - BIOGRAPHICAL INFORMATION

l.	NAME: John Alex	ander Gordon		
2.	DATE AND PLAC	E OF BIRTH: August 22, 194	6; Jefferson City, Missouri	
3.	MARITAL STATE	JS: Married		
4.	SPOUSE'S NAME	Marilyn Kay Gordon		
5 .	SPOUSE'S MAIDE	EN NAME IF APPLICABLE:	Marilyn Kay Lang	
6.	NAMES AND AG	ES OF CHILDREN:		
	NAME		<u>AGE</u>	
	Jennifer Anna Gore	ion	21	
7.	EDUCATION SIN	CE HIGH SCHOOL:		
INS	TITUTION	DATES ATTENDED	DEGREE RECEIVED	DATE OF DEGREE
<u>Univ</u>	versity of Missouri	Sept 64 - Jun 68	B.S. (Physics)	1968
Nav Sche	al Postgraduate ooi	Jul 68 - Jun 70	M.S. (Physics)	1970
	Mexico hlands University	Jan 74 - Feb 76	M.A. (Business Mgt)	1976
Air	War College	Aug 85 - Jul 86	Diploma	1986

8. EMPLOYMENT RECORD (LIST ALL POSITIONS HELD SINCE COLLEGE, INCLUDING MILITARY SERVICE. INDICATE NAME OF EMPLOYER, POSITION, TITLE OR DESCRIPTION, LOCATION AND DATES OF EMPLOYMENT.

<u>EMPLOYER</u>	POSITION/TITLE	LOCATION	DATES
USAF	Student	Naval Postgraduate School Monterey CA	Jul68-Jun70
USAF	Physicist	Air Force Weapons Lab Kirtland AFB, NM	Jul70-Jun74
USAF	Research Associate	Sandia National Laboratories Kirtland AFB, NM	Jun74-Apr76
USAF	Physicist	Strategic Air Command Offutt AFB, NE	Apr76-Feb79
USAF	Plans Officer	Headquarters, USAF Pentagon	Feb79-Aug80
USAF	Executive Assistant	Secretary of the Air Force Pentagon	Aug80-Mar81
USAF	Director, Defense and Arms Control	Department of State Washington, DC	Mar81-Jul85
USAF	Student	Air War College Maxwell AFB, AL	Aug85-Jul86
USAF	Student	AF Maintenance School Chanute AFB, IL	Jul86-Aug86
USAF	Asst Deputy Cmdr for Maintenance	44th Strategic MissileWing Ellsworth AFB, SD	Aug86-Jun87
USAF	Vice Commander, then Commander	90th Strategic Missile, MT Wing F.E. Warren AFB	Jun87-Jun86
USAF	Director, then Senior Director	National Security Council White House	Jun86-Jan93
USAF	Dpty Undersecretary for Policy	Office of Secretary of Defense Pentagon	Jan93-Jun94
USAF	Director of Operations	Air Force Space Command Peterson AFB, CO	Jun94-Sep95
USAF	Sp Asst for Long Range Planning	Hq, USAF Pentagon	Sep95-Sep96
USAF	Assoc Dir of Central Intelligence for Military Support	Central Intelligence Agency Langley VA	Sep96-present

O. GOVERNMENT EXPERIENCE (INDICATE EXPERIENCE IN OR ASSOCIATION WITH FEDERAL, STATE OR LOCAL GOVERNMENTS, INCLUDING ADVISORY, CONSULTATIVE, HONORARY OR OTHER PART-TIME SERVICE OR POSITION. DO NOT REPEAT INFORMATION ALREADY PROVIDED IN ANSWER TO QUESTION 8):

None

10 HONORS AND AWARDS (PROVIDE INFORMATION ON SCHOLARSHIPS, FELLOWSHIPS, HONORARY DEGREES, MILITARY DECORATIONS, CIVILIAN SERVICE CITATIONS, OR ANY OTHER SPECIAL RECOGNITION FOR OUTSTANDING PERFORMANCE OR ACHIEVEMENT):

Military Decorations

Defense Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit
Defense Meritorious Service Medal
Meritorious Service Medal
Air Force Commendation Medal
Joint Meritorious Unit Award
Air Force Outstanding Unit Award
National Defense Service Medal
Small Arms Expert Marksmanship Ribbon
Air Force Training Ribbon

State Department Superior Honor Award

11. ORGANIZATIONAL AFFILIATIONS (LIST MEMBERSHIPS IN AND OFFICES HELD WITHIN THE LAST TEN YEARS IN ANY PROFESSIONAL CIVIC, FRATERNAL, BUSINESS, SCHOLARLY, CULTURAL, CHARITABLE OR OTHER SIMILAR ORGANIZATIONS):

Roman Catholic Church	Member
Air Force Association	Member
Council on Foreign Relations	Member
Trout Unlimited	Member
Army Navy Club	Member
Boat/U.S.	Member
Federation of Flyfishers	Member
Ducks Unlimited	Member

12. PUBLISHED WRITINGS AND SPEECHES (LIST THE TITLES, PUBLISHERS, AND PUBLICATION DATES OF ANY BOOKS, ARTICLES, REPORTS OR OTHER PUBLISHED MATERIALS YOU HAVE AUTHORED. ALSO LIST THE TITLES OF ANY PUBLIC SPEECHES YOU HAVE MADE WITHIN THE LAST 10 YEARS FOR WHICH THERE IS A TEXT OR TRANSCRIPT. TO THE EXTENT POSSIBLE, PLEASE PROVIDE A COPY OF EACH SUCH PUBLICATION, TEXT OR TRANSCRIPT.

None

PART B - QUALIFICATIONS

13. QUALIFICATIONS (DESCRIBE WHY YOU BELIEVE YOU ARE QUALIFIED TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED):

I have 29 years of service in the active military with an unusually wide range of training, experiences and responsibilities, all of which will help me perform effectively as Deputy Director of Central Intelligence. These qualifications include solid technical training and experiences, support for acquisition of major weapon systems, strategic planning, support of national policy formulation and execution, military operations, and, importantly, leadership of very large organizations. In every one of these positions, intelligence was a key to success.

Moreover, for the past year, I have been actively involved in national and military intelligence as the Associate Director of Central Intelligence for Military Support.

My technical background includes a masters degree in physics, hands-on material and systems development at the Air Force Weapons Laboratory and Sandia National Laboratory, and experience in underground nuclear testing. More recently, as Director of Operations for Air Force Space Command, I was responsible for the operation of highly technical space and missile systems including the Global Positioning System (GPS) and the Defense Satellite System (DSP), and for launch of all US military and intelligence space systems.

While at Sandia National Laboratories I was intimately involved in the development and acquisition of a new warhead for the Minuteman ICBM, and later helped begin the office in Air Force Research and Development that procured the Peacekeeper ICBM. In this latter position I gained considerable experience in working with Congress. These skills and experiences are underpinned by a master's degree in business.

In my most recent position before becoming ADCI/MS, I was responsible for reinvigorating the Air Force's longrange strategic planning process. This involved starting an office from scratch, developing action plans, and eventually bringing the entire Air Force senior leadership into a corporate planning process and developing consensus across the major Air Force commands for the significant changes required to keep the Air Force viable in the next century.

I also have a background in supporting policy formulation and execution from my long assignments in the State Department and the National Security Council. National-level intelligence is vital to success in these areas. I was an active consumer and tasker of the Intelligence Community, and learned first hand what the policy maker needs in finished intelligence. During these assignments I built relationships with individuals in the Intelligence Community that continue to be valuable.

Interspersed with policy community and technical assignments have been extremely rewarding assignments in military operations. I have experience in missile maintenance and have served as the vice commander and commander of the Air Force's largest ICBM wing, with responsibility for 950 nuclear weapons and 4,000 personnel. Military-focused intelligence was central to this work. Later, I became the Director of Operations for Air Force Space Command, responsible for all ICBM missile operations for the Air Force, the day-to-day operation of US missile warning systems, the operation of all Air Force satellite systems, and the launch of all US military and intelligence space systems. In this last position, I helped strengthen the relationship between the Air Force and the NRO and made significant improvements to the way we work together while improving launch support for intelligence systems.

Perhaps one of the most important qualifications as the nominee for Deputy Director of Central Intelligence is my experience with leading large organizations. In the day-to-day world of missile maintenance, I provided hands-on leadership in technically challenging situations for more than 700 maintenance personnel, ensuring that scheduling, training, and equipment all supported a sharply defined mission. As commander of a missile wing I was fully responsible for the successful operation of a small city and its 4,000 Air Force and civilian personnel, F.E. Warren Air Force Base, and for the execution of the wing's mission. As Director of Operations for Air Force

Space Command I was the chief operating officer for a command of 30,000 personnel deployed around the world, conducting 24 hour per day operations. As the strategic planner for the Air Force, I brought the Air Force community together to set new goals for the future, to get behind them as an organization, and to continue to breakdown the "stove pipes" that hamper effectiveness, efficiency, flexibility and responsiveness. These skills and experiences are directly transferable to the leadership of the Intelligence Community and the Central Intelligence Agency.

Finally, I now have nearly a year's experience as the Associate Director of Central Intelligence for Military Support. In this capacity, I have been deeply involved in the detailed operations of the Intelligence Community and of the CIA as we seek better ways to support the military. In addition, I was asked by the Acting Director to support him across a broad spectrum of Community and Agency activities, gaining a solid understanding of the challenges, opportunities, capabilities, limitations and requirements of US intelligence.

Having worked closely with the new Director for a year. I believe we will make an excellent team, with a mix of skills and experiences that would give considerable strength and vitality to the leadership of the Intelligence Community and the Central Intelligence Agency. I am ready to assume the responsibilities of the Deputy Director of Central Intelligence. should the Senate confirm me.

PART C - POLITICAL AND FOREIGN AFFILIATIONS

14. POLITICAL ACTIVITIES (LIST ANY MEMBERSHIPS OR OFFICES HELD IN OR FINANCIAL CONTRIBUTIONS OR SERVICES RENDERED TO, ANY POLITICAL PARTY, ELECTION COMMITTEE, POLITICAL ACTION COMMITTEE, OR INDIVIDUAL CANDIDATE DURING THE LAST TEN YEARS):

None

15. CANDIDACY FOR PUBLIC OFFICE (FURNISH DETAILS OF ANY CANDIDACY FOR ELECTIVE PUBLIC OFFICE):

N/A

16. FOREIGN AFFILIATIONS

NOTE: QUESTIONS 17 A AND B ARE NOT LIMITED TO RELATIONSHIPS REQUIRING REGISTRATION UNDER THE FOREIGN AGENTS REGISTRATION ACT. QUESTIONS 17 A, B, AND C DO NOT CALL FOR A POSITIVE RESPONSE IF THE REPRESENTATION OR TRANSACTION WAS AUTHORIZED BY THE UNITED STATES GOVERNMENT IN CONNECTION WITH YOUR OR YOUR SPOUSE'S EMPLOYMENT IN GOVERNMENT SERVICE.

A. HAVE YOU OR YOUR SPOUSE EVER REPRESENTED IN ANY CAPACITY (E.G., EMPLOYEE, ATTORNEY, BUSINESS, OR POLITICAL ADVISER OR CONSULTANT), WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

Nia

B IF YOU OR YOUR SPOUSE HAS EVER BEEN FORMALLY ASSOCIATED WITH A LAW, ACCOUNTING, PUBLIC RELATIONS FIRM OR OTHER SERVICE ORGANIZATION, HAVE ANY OF YOUR OR YOUR SPOUSE'S ASSOCIATES REPRESENTED, IN ANY CAPACITY, WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

N/A

C. DURING THE PAST TEN YEARS, HAVE YOU OR YOUR SPOUSE RECEIVED ANY COMPENSATION FROM, OR BEEN INVOLVED IN ANY FINANCIAL OR BUSINESS TRANSACTIONS WITH, A FOREIGN GOVERNMENT OR ANY ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FURNISH DETAILS.

No

D. HAVE YOU OR YOUR SPOUSE EVER REGISTERED UNDER THE FOREIGN AGENTS REGISTRATION ACT? IF SO, PLEASE FURNISH DETAILS.

No

17. DESCRIBE ANY LOBBYING ACTIVITY DURING THE PAST TEN YEARS, OTHER THAN IN AN OFFICIAL U.S. GOVERNMENT CAPACITY, IN WHICH YOU OR YOUR SPOUSE HAVE ENGAGED FOR THE PURPOSE OF DIRECTLY OR INDIRECTLY INFLUENCING THE PASSAGE, DEFEAT OR MODIFICATION OF LEGISLATION AT THE NATIONAL LEVEL OF GOVERNMENT, OR FOR THE PURPOSE OF AFFECTING THE ADMINISTRATION AND EXECUTION OF NATIONAL LAW OR PUBLIC POLICY.

None

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

18. DESCRIBE ANY EMPLOYMENT, BUSINESS RELATIONSHIP, FINANCIAL TRANSACTION, INVESTMENT ASSOCIATION OR ACTIVITY (INCLUDING, BUT NOT LIMITED TO DEALINGS WITH THE FEDERAL GOVERNMENT ON YOUR OWN BEHALF OR ON BEHALF OF A CLIENT), WHICH COULD CREATE, OR APPEAR TO CREATE, A CONFLICT OF INTEREST IN THE POSITION TO WHICH YOU HAVE BEEN NOMINATED.

The CIA has current contractual relationships with Abbott Laboratories and Ford Motor Company. NSA and NIMA have contractual relationships with Ford Motor Company. NIMA is also currently negotiating with PersiCo. Inc. I have investments in each of these companies. In addition, I have holdings in companies that maintain classified relationships with the CIA and NRO, and will report this information to the Staff Director and the Minority Staff Director of the Committee. (See answer to question 35 on resolution of potential conflicts of interest.)

19 DO YOU INTEND TO SEVER ALL BUSINESS CONNECTIONS WITH YOUR PRESENT EMPLOYERS, FIRMS, BUSINESS ASSOCIATES AND/OR PARTNERSHIPS OR OTHER ORGANIZATIONS IN THE EVENT THAT YOU ARE CONFIRMED BY THE SENATE? IF NOT, PLEASE EXPLAIN.

N/A

20. DESCRIBE THE FINANCIAL ARRANGEMENTS YOU HAVE MADE OR PLAN TO MAKE IF YOU ARE CONFIRMED. IN CONNECTION WITH SEVERANCE FROM YOUR CURRENT POSITION PLEASE INCLUDE SEVERANCE PAY, PENSION RIGHTS, STOCK OPTIONS, DEFERRED INCOME ARRANGEMENTS AND ANY AND ALL COMPENSATION THAT WILL OR MIGHT BE RECEIVED IN THE FUTURE AS A RESULT OF YOUR CURRENT BUSINESS OR PROFESSIONAL RELATIONSHIPS

N/A

21. DO YOU HAVE ANY PLANS, COMMITMENTS OR AGREEMENTS TO PURSUE OUTSIDE EMPLOYMENT, WITH OR WITHOUT COMPENSATION, DURING YOUR SERVICE WITH THE GOVERNMENT? IF SO, PLEASE FURNISH DETAILS.

No

22. AS FAR AS CAN BE FORESEEN, STATE YOUR PLANS AFTER COMPLETING GOVERNMENT SERVICE. PLEASE SPECIFICALLY DESCRIBE ANY AGREEMENTS OR UNDERSTANDINGS, WRITTEN OR UNWRITTEN, CONCERNING EMPLOYMENT AFTER LEAVING GOVERNMENT SERVICE. IN PARTICULAR, DESCRIBE ANY AGREEMENTS, UNDERSTANDINGS OR OPTIONS TO RETURN TO YOUR CURRENT POSITION.

I have no such plans. There are no agreements or understandings with regard to employment after government service, nor are there any understandings or options to return to any of my previous positions.

23. IF YOU ARE PRESENTLY IN GOVERNMENT SERVICE, DURING THE PAST FIVE YEARS OF SUCH SERVICE, HAVE YOU RECEIVED FROM A PERSON OUTSIDE OF GOVERNMENT AN OFFER OR EXPRESSION OF INTEREST TO EMPLOY YOUR SERVICES AFTER YOU LEAVE GOVERNMENT SERVICE?

No

24. IS YOUR SPOUSE EMPLOYED? IF THE NATURE OF THIS EMPLOYMENT IS RELATED IN ANY WAY TO THE POSITION FOR WHICH YOU ARE SEEKING CONFIRMATION, PLEASE INDICATE YOUR SPOUSE'S EMPLOYER. THE POSITION AND THE LENGTH OF TIME THE POSITION HAS BEEN HELD. IF YOUR SPOUSE'S EMPLOYMENT IS NOT RELATED TO THE POSITION TO WHICH YOU HAVE BEEN NOMINATED, PLEASE SO STATE.

Yes, my spouse is employed by Federal National Mortgage Association. This employment is unrelated to the position to which I have been nominated.

25. LIST BELOW ALL CORPORATIONS, PARTNERSHIPS, FOUNDATIONS, TRUSTS, OR OTHER ENTITIES TOWARD WHICH YOU OR YOUR SPOUSE HAVE FIDUCIARY OBLIGATIONS OR IN WHICH YOU OR YOUR SPOUSE HAVE HELD DIRECTORSHIPS OR OTHER POSITIONS OF TRUST DURING THE PAST FIVE YEARS.

NAME OF ENTITY

POSITION

DATES HELD

SELF OR SPOUSE

None

26. LIST ALL GIFTS EXCEEDING \$500 IN VALUE RECEIVED DURING THE PAST FIVE YEARS BY YOU, YOUR SPOUSE, OR YOUR DEPENDENTS, GIFTS RECEIVED FROM RELATIVES AND GIFTS GIVEN TO A SPOUSE OR DEPENDENT TOTALLY INDEPENDENT OF THEIR RELATIONSHIP TO YOU NEED NOT BE INCLUDED.

None

27. LIST ALL SECURITIES, REAL PROPERTY, PARTNERSHIP INTERESTS, OR OTHER INVESTMENTS OR RECEIVABLES WITH A CURRENT MARKET VALUE (OR, IF MARKET VALUE IS NOT ASCERTAINABLE, ESTIMATED CURRENT FAIR VALUE) IN EXCESS OF \$1,000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE A OF THE DISCLOSURE FORMS OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CURRENT VALUATIONS ARE USED.)

DESCRIPTION OF PROPERTY

VALUE

METHOD OF VALUATION

See Schedule A of SF 278 (Public Financial Disclosure Report) attached at Tab A

28. LIST ALL LOANS, MORTGAGES, OR OTHER INDEBTEDNESS (INCLUDING ANY CONTINGENT LIABILITIES) IN EXCESS OF \$10.000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE C OF THE DISCLOSURE FORM OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CONTINGENT LIABILITIES ARE ALSO INCLUDED.)

NATURE OF OBLIGATION

NAME OF OBLIGEE

AMOUNT

See Schedule C of SF 278 (Public Financial Disclosure Report) attached at Tab B

29. ARE YOU OR YOUR SPOUSE NOW IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION? HAVE YOUR OR YOUR SPOUSE BEEN IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION IN THE PAST TEN YEARS? IF THE ANSWER TO EITHER QUESTION IS YES, PLEASE PROVIDE DETAILS.

No

30. LIST SOURCES AND AMOUNTS OF ALL INCOME RECEIVED DURING THE LAST FIVE YEARS, INCLUDING ALL SALARIES. FEES, DIVIDENDS, INTEREST, GIFTS, RENTS, ROYALTIES, PATENTS, HONORARIA. AND OTHER ITEMS EXCEEDING \$500. (IF YOU PREFER TO DO SO, COPIES OF U.S. INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

SALARY	1992 68934	1993 77626	1994 79333	1995 87897	<u>1996</u> 97333
FEE ROYALTIES	•	-	-	-	-
DIVIDENDS	3678	4041	5168	5741	5917
INTEREST	9029	7109	7005	10659	21117
GIFTS	-	-	-	-	-
RENTS	•	-	-	3190	18970
OTHER-EXCEEDING \$500 (All amounts represent reported Capital Gains))	2542	7837	-	1652	•
TOTAL	84183	96613	91506	109139	143337

IF ASKED, WOULD YOU PROVIDE THE COMMITTEE WITH COPIES OP YOUR AND YOUR SPOUSE'S FEDERAL INCOME TAX RETURNS FOR THE PAST THREE YEARS?

Yes

32. HAVE YOUR FEDERAL OR STATE TAX RETURNS BEEN THE SUBJECT OF ANY AUDIT. INVESTIGATION OR INQUIRY AT ANY TIME? IF SO, PLEASE PROVIDE DETAILS, INCLUDING THE RESULT OF ANY SUCH PROCEEDING.

My 1978 Federal income tax return was examined in June 1980. The examiner determined that I had used the incorrect method of calculating depreciation of a house (my previous residence) — I had used "double declining balance" instead of 1.25 acceleration. This resulted in additional tax of \$472; no penalty was assessed.

33. ATTACH A SCHEDULE ITEMIZING EACH INDIVIDUAL SOURCE OF INCOME WHICH EXCEEDS \$500. IF YOU ARE AN ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL, ALSO ATTACH A SCHEDULE LISTING ALL CLIENTS AND CUSTOMERS WHOM YOU BILLED MORE THAN \$500 WORTH OF SERVICES DURING THE PAST FIVE YEARS.

See Schedule A of SF 278 (Public Financial Disclosure Report) attached at Tab A

34. DO YOU INTEND TO PLACE YOUR FINANCIAL HOLDINGS AND THOSE OF YOUR SPOUSE AND DEPENDENT MEMBERS OF YOUR IMMEDIATE HOUSEHOLD IN A BLIND TRUST? IF YES, PLEASE FURNISH DETAILS.

No

35. EXPLAIN HOW YOU WILL RESOLVE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST THAT MAY BE INDICATED BY YOUR RESPONSE TO THE QUESTIONS IN THIS PART OR IN PART C (QUESTIONS 15 THROUGH 35).

If confirmed, I have agreed to either divest myself of the financial interest giving rise to the potential conflict of interest or to disqualify myself in writing from participating in any particular matter that would have a direct and predictable effect on any investments of mine, my spouse, or daughter in companies that have current contractual relationships with CIA, NSA, NIMA, NRO or DIA. In addition, a screening arrangement will also be established to ensure that I do not take official action on any particular matter that would have a direct and predictable effect on my financial interests or those of my wife or daughter that are identified in schedule A of my financial disclosure statement. I have also pledged to notify the CIA DAEO of any acquisitions of securities or other interest that I, my wife, or daughter may make in any companies after filing my annual financial disclosure statement. The CIA DAEO will determine whether the CIA, NRO, NSA NIMA or DIA has any contractual arrangements with those companies. In the event of such relationships, I will disqualify myself in writing from taking any official action that would have a direct and predictable effect on the financial interests of those companies: or, if no other resolution is feasible and after a determination by the CIA DAEO that recusal and screening is not a viable option to preclude a conflict of interest under applicable OGE regulations, I will divest myself of the conflicting interest.

PART E - ETHICAL MATTERS

36 HAVE YOU EVER BEEN DISCIPLINED OR CITED FOR A BREACH OF ETHICS FOR UNPROFESSIONAL CONDUCT BY, OR BEEN THE SUBJECT OF A COMPLAINT TO, ANY COURT. ADMINISTRATIVE AGENCY, PROFESSIONAL ASSOCIATION, DISCIPLINARY COMMITTEE OR OTHER PROFESSIONAL GROUP? IF SO, PROVIDE DETAILS.

No

37. HAVE YOU EVER BEEN INVESTIGATED, HELD, ARRESTED, OR CHARGED BY ANY FEDERAL, STATE. OR OTHER LAW ENFORCEMENT AUTHORITY FOR VIOLATION OF ANY FEDERAL, STATE, COUNTY, OR MUNICIPAL LAW, REGULATION, OR ORDINANCE, OTHER THAN A MINOR TRAFFIC OFFENSE, OR NAMED EITHER AS A DEFENDANT OR OTHERWISE IN ANY INDICTMENT OR INFORMATION RELATING TO SUCH VIOLATION? IF SO, PROVIDE DETAILS.

N

38. HAVE YOU EVER BEEN CONVICTED OF OR ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO ANY CRIMINAL VIOLATION OTHER THAN A MINOR TRAFFIC OFFENSE? IF SO. PROVIDE DETAILS.

Nο

39. ARE YOU PRESENTLY OR HAVE YOU EVER BEEN A PARTY IN INTEREST IN ANY ADMINISTRATIVE AGENCY PROCEEDING OR CIVIL LITIGATION? IF SO, PROVIDE DETAILS.

No

41. HAS ANY BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, DIRECTOR OR PARTNER BEEN A PARTY TO ANY ADMINISTRATIVE AGENCY PROCEEDING OR CRIMINAL OR CIVIL LITIGATION RELEVANT TO THE POSITION TO WHICH YOU HAVE BEEN NOMINATED? IF SO, PROVIDE DETAILS. (WITH RESPECT TO A BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER. YOU NEED ONLY CONSIDER PROCEEDINGS AND LITIGATION THAT OCCURRED WHILE YOU WERE AN OFFICER OF THAT BUSINESS.)

No

PART F - ADDITIONAL INFORMATION

42. DESCRIBE IN YOUR OWN WORDS THE CONCEPT OF CONGRESSIONAL OVERSIGHT OF U.S. INTELLIGENCE ACTIVITIES. IN PARTICULAR, CHARACTERIZE WHAT YOU BELIEVE TO BE THE OBLIGATIONS OF THE DIRECTOR OF CENTRAL INTELLIGENCE. THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS RESPECTIVELY IN THIS PROCESS.

The statutory requirements associated with congressional oversight of the Intelligence Community are clear and unambiguous in the simplest and most straightforward terms: intelligence managers have an obligation to keep the Congress "fully and currently informed" through the intelligence oversight committees. This is not an onerous requirement, it is, in fact, essential to the effective and efficient operation of the US Intelligence Community and I am fully committed to the letter of the requirement and to its spirit.

The collection, fusion, analysis and dissemination of secret intelligence is a particularly difficult undertaking in a free society. The oversight process is designed to give confidence to the American public that such activities are being closely monitored by elected representatives, that these activities are being taken in their interest, that funds are wisely expended, and risks carefully evaluated.

The congressional oversight process also offers a source of necessary support to the Intelligence Community. Members of the Community need to know that they have the support of Congress for the mission and for the sometimes dangerous and risky endeavors in which they must engage. There is no other way for the Community to accomplish its mission and to keep secret what must be kept secret.

This is a long way of saying that I place great stock in congressional consultations and the oversight process. I would find it impossible to do the job for which I am being considered without the strong support of the Congress that can only come from effective and informed oversight.

Since 1995, under new procedures established by the DCI, more than 400 written notifications of significant intelligence issues and activities have been provided to Congress, the good along with the bad. I will ensure that this process continues to operate smoothly so that Congress has the information it needs for the aggressive and timely discharge of its oversight responsibilities. Moreover, I fully support the DCI's proposal for regularly scheduled meetings with the leaders of the intelligence committees so that the full range of intelligence issues can be explored on a continuing basis.

If confirmed, I look forward to working closely with Director Tenet to strengthen the trust and confidence of the intelligence committees and the Congress as we deal with today's threats and position the Intelligence Community for the next century.

AFFIDAVIT

I. <u>John Alexander Gordon</u>, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE. TO THE BEST OF MY KNOWLEDGE, ACCURATE AND COMPLETE.

September 22, 1997

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Tarban Rubino

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September 8, 1997

The Honorable Richard C. Shelby Chairman Select Committee on Intelligence United States Senate Washington, DC 20510-6475

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John A. Gordon, who has been nominated by President Clinton for the position of Deputy Director of Central Intelligence.

We have reviewed the report and have also obtained advice from the Central Intelligence Agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated September 5, 1997, from the ethics official of the agency, which discusses Mr. Gordon's ethics commitments with respect to recusals and other matters. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with the actions he agreed to take in his ethics agreement.

Sincerely,

Stephen D. Potts
Director

Enclosures

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

Office of General Counsel

September 5, 1997

The Honorable Stephen D. Potts Director Office of Government Ethics 1201 New York Avenue, N.W. Suite 500 Washington, D.C. 20005-3919

Dear Director Potts:

I have reviewed the Public Financial Disclosure Form SF-278, dated September 5, 1997, submitted by Lieutenant General John A. Gordon in connection with President Clinton's nomination of Lt Gen Gordon to serve as Deputy Director of Central Intelligence (DDCI). As part of my review of Lt Gen Gordon's report, I have examined the duties and responsibilities of the DDCI as reflected in various statutes and executive orders. A DDCI Position Description, which summarizes the statutory duties and responsibilities of the Deputy Director, is attached to this letter and submitted for your review.

Based on my review of Lt Gen Gordon's report and based upon the specific commitments that he has made, it is my opinion that there is no unresolved conflict of interest under the applicable laws and regulations and I have so certified. The specific commitments made by Lt Gen Gordon are discussed below.

Federal Government Positions

Lt Gen Gordon presently serves as the Associate Director of Central Intelligence for Military Support, a position he has held since September, 1996. He will leave this position upon his confirmation.

Non-Federal Government Positions

Lt Gen Gordon has not held positions outside the Federal Government during the reporting period (Schedule D, Part I).

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Assets Held or Income Received

I have reviewed Lt Gen Gordon's assets and income during the reporting period, which are set forth on Schedule A, to determine whether ownership of those assets would pose a financial conflict of interest with Lt Gen Gordon's duties as DDCI. In conducting this review, I directed a search be undertaken of relevant CIA data bases to determine whether CIA has current contractual relationships with any of the entities listed on Schedule A. I also made similar requests of the Defense Intelligence Agency (DIA), the National Imagery and Mapping Agency (NIMA), the National Reconnaissance Office (NRO), and the National Security Agency (NSA). I took this action even though it is highly unlikely that Lt Gen Gordon, if confirmed as DDCI, would have the opportunity to influence community.

With the exceptions noted below, there are two entities listed on Lt Gen Gordon's Schedule A with which CIA has These companies are current contractual relationships. Abbott Laboratories and Ford Motor Company. We have excluded from this list those companies that provide routine support to CIA domestic facilities of a de minimus nature. Additionally, NSA and NIMA have contractual relationships with Ford Motor Company; NIMA is also currently negotiating with PepsiCo, Inc.; the NRO has no unclassified contractual relationships; and finally, the DIA confirmed that it has no current contractual relationships with any of the corporations identified. Lt Gen Gordon has agreed that if he is confirmed as DDCI, he will disqualify himself in writing from participating in any particular matter that would have a direct and predictable effect on any of these companies. This statement will be sent to senior CIA management and to the Executive Director for Intelligence Community Affairs. The disqualification statement will provide that the DCI will act in lieu of the DDCI directly with respect to those particular matters.

Screening Arrangement

If Lt Gen Gordon is confirmed as DDCI, a screening arrangement will also be established to ensure that Lt Gen Gordon does not take official action on any particular matter that would have a direct and predictable effect on his financial interests or those of his wife or daughter. Under this screening arrangement, the Executive Assistant to the DDCI will examine any matter that is being sent forward to him for official action to determine whether it could have a direct or indirect effect on a financial interest of himself or his family. To assist the Executive Assistant in making these determinations, Lt Gen Gordon will provide him or her (as well as CIA's Designated Agency

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Ethics Official) a copy of his most recent financial disclosure statement, a list of any financial interests acquired after the date of that statement, and a description of the activities of the companies in which he or his family hold financial interests.

Lt Gen Gordon will instruct his Executive Assistant to bring to my attention, as CIA's Designated Agency Ethics Official, any matter being forwarded to him that would have a direct or indirect effect on his financial interest or that of his wife or daughter. I, or my successor DAEO, will determine whether the proposed contract or policy decision constitutes a "particular matter" that would have a direct and predictable effect on his financial interest or that of his wife or daughter. In the event I determine that a proposed policy or contract involving CIA, DIA, NIMA, NRO, or NSA would create such a conflict of interest under applicable OGE regulations, Lt Gen Gordon will recuse himself from taking any action with respect to the policy or contract, or will divest himself of the interest giving rise to the conflict. In the event of recusal, the Director of Central Intelligence will act instead of Lt Gen Gordon with respect to the particular matter.

The matters to be screened will include not only contracts or proposed contracts, but policy recommendations as well. We are covering policy recommendations even though it is unlikely that the type of policy decisions that a DDCI would generally make would be considered "particular matters" that would have a direct and predictable effect on the financial interests of a discrete and identifiable set of companies.

Lt Gen Gordon also has pledged to inform the DAEO promptly of any acquisitions of securities or other interests that he, his wife, or daughter may make in any companies after he files his annual financial disclosure statements. I, or my successor DAEO, then will determine whether any of those companies have contractual relationships with CIA, DIA, NIMA, NRO, or NSA. In the event of such a relationship, Lt Gen Gordon will disqualify himself in writing from taking any official action that would have a direct and predictable effect on the financial interests of those companies; or, if I as DAEO determine that recusal and screening is not a viable option to preclude a conflict of interest under applicable OGE regulations, he will divest himself of the conflicting interest.

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Please contact me at (703) 482-1954 if you need additional information concerning either the enclosed report or my opinion based on my review of that report.

Sincerely

John A. Rizza Senior Deputy General Counsel Designated Agency Ethics Official

Enclosures: as stated

DDCI POSITION DESCRIPTION

The Deputy Director of Central Intelligence (DDCI) is a statutory position established on 4 April 1953 by section 102 of the National Security Act of 1947, 50 U.S.C. §403(b)(1). The DDCI shall be appointed by the President, by and with the advice and consent of the Senate. The DDCI shall assist the Director of Central Intelligence (DCI) in carrying out the Director's responsibilities and shall act for, and exercise the powers of, the Director during the Director's absence or disability. The statutory duties of the Director are as follows.

The Director shall serve as head of the United States intelligence community, act as the principal adviser to the President for intelligence matters related to the national security, and serve as head of the Central Intelligence Agency. 50 U.S.C. § 403(a).

- Under the direction of the National Security Council, the DCI shall be responsible for providing national intelligence:
 - to the President;
 - to the heads of departments and agencies of the executive branch;
 - to the Chairman of the Joint Chiefs of Staff and senior military commanders; and
 - where appropriate, to the Senate and House of Representatives and the committees thereof.

50 U.S.C. §403-3(a)(1).

- In the DCI's capacity as head of the intelligence community, the DCI shall:
 - facilitate the development of an annual budget for intelligence and intelligence-related activities of the U.S. by developing and presenting to the President an annual budget for the National Foreign Intelligence Program of the United States and participating in the development by the Secretary of Defense of the annual budgets for the Joint Military Intelligence Program and the Tactical Intelligence and Related Activities Program;
 - establish the requirements and priorities to govern the collection of national intelligence by elements of the intelligence community;
 - approve collection requirements, determine collection priorities, and resolve conflicts in

DDCI Position Description

collection priorities levied on national collection assets, except as otherwise agreed with the Secretary of Defense pursuant to the direction of the President;

- promote and evaluate the utility of national intelligence to consumers within the Government;
- eliminate waste and unnecessary duplication within the intelligence community;
- protect intelligence sources and methods from unauthorized disclosure; and
- perform such other functions as the President or the National Security Council may direct.

50 U.S.C. §403-3(c).

- In the DCI's capacity as head of the Central Intelligence Agency, the DCI shall:
 - collect intelligence through human sources and by other appropriate means, except that the Agency shall have no police, subpoena, or law enforcement powers or internal security functions;
 - provide overall direction for the collection of national intelligence through human sources by elements of the intelligence community authorized to undertake such collection and, in coordination with other agencies of the Government which are authorized to undertake such collection, ensure that the most effective use is made of resources and that the risks to the United States and those involved in such collection are minimized;
 - correlate and evaluate intelligence related to the national security and provide appropriate dissemination of such intelligence;
 - perform such additional services as are of common concern to the elements of the intelligence community, which services the Director determines can be more efficiently accomplished centrally; and
 - perform such other functions and duties related to intelligence affecting the national security as the President or the National Security Council may direct.

50 U.S.C. §403-3(d).

Chairman SHELBY. I would also like to recognize later on, and I understand we'll be joined by Senator Kerrey, the Vice Chairman of the Committee—but at this time I would like to welcome—

Vice Chairman KERREY. I'm here.

Chairman Shelby. Oh, I see; I didn't see you. You're generally on my right.

Senator Kerrey.

Vice Chairman KERREY. Thank you, Mr. Chairman. I'll just put my statement in the record. I see that our colleagues from Missouri are here. It is obvious to me that the President selected well. Most of what I had in my opening statement I can deal with in questions and answers, and I look forward to your testimony, General.

[The statement of Senator Kerrey follows:]

OPENING STATEMENT OF VICE CHAIRMAN KERREY

Thank you, Mister Chairman. I join your warm welcome to our nominee and to Mrs. Marilyn Gordon.

From the information available to me, President Clinton has chosen wisely in selecting this distinguished officer for one of the most challenging positions in the intelligence community. General Gordon's career in the military gives him special insights into making sure national intelligence supports our military commanders. His scientific background enables him to confront the technological revolution now occurring in the collection and dissemination of intelligence. His qualities seem to fit well with the strengths of the Director of Central Intelligence, Mr. Tenet. So I think the President has chosen wisely.

Another distinguished senior military officer used to observe, when one of his subordinates was rejoicing over a promotion, that promotion and higher rank are simply opportunities to render greater service: To work more intensely, to make more consequential and hence more difficult decisions, to exert more influence in matters affecting the professionalism, motivation, and well-being of one's subordinates. This is particularly the case with this position, because the intelligence community is at one of the most significant crossroads in its history. The challenges you and Director Tenet are facing are truly immense. You will need all the power that comes with this promotion, and more.

Much is written about the need for U.S. intelligence to adjust to the disparate missions of the post-cold war world, or to an environment in which secrecy is less honored and therefore harder to maintain, or to a competitive skills market in which the kind of talented people needed in the community are also in hot demand in

the private sector.

These are all demands on leadership, but the biggest challenge, in my view, is presented by the gradual erosion of confidence of the American people. In this regard the CIA is the agency with the biggest problem. The CIA like every other part of the Government of our democracy, cannot function effectively without broad public support. Such support was a given during the cold war. It is not a given today. The public grants its confidence in exchange for action, not words. The irony is that U.S. intelligence has been performing some very beneficial, bold actions, and some of them can be discussed, at least in general terms. Against the threats that endanger Americans today—proliferation of weapons of mass destruction, terrorism, narcotics trafficking—U.S. intelligence has scored

some significant successes. But the word is not getting out.

Without exaggeration or melodrama, the top leadership of the intelligence community must make the American people know your mission is to protect their freedom and safety. For the sake of your continued ability to do your mission, you must tell your story, which is as remarkable as it ever was.

An essential part of telling your story is recognizing the American people as your customers, not just indirectly as beneficiaries but directly as consumers of some part of your product. The intelligence community is far from being America's best source on a particular topic, or America's only source: We have journalism, great universities, and global business enterprises, all highly knowledgeable about the world. Any citizen can gain access to large parts of America's knowledge holdings through the internet, through education, by reading a newspaper. I don't call on the community to compete with these sources but to complement them, to add to Americans' knowledge.

Such a role is antithetical to secrecy. So the agencies must increase their already significant efforts at declassifying old information. I recognize that responsible declassification is a painstaking and expensive task, but it is a task you must stress if U.S. intel-

ligence is to be fully useful to Americans.

The intense competition for today's best young people makes it even more important for the CIA to take a page from the military's book and develop people to be leaders. Whether in a clandestine overseas station or in an analytical branch at Langley, good leaders will keep the team focused and united. At the top, I see a team of strong leaders already forming and I include you in that assessment. But the agency must train for leadership at every level if it is to retain its best people and get the job done for America.

Thank you again for your willingness to take on a big new chal-

lenge. I look forward to your testimony.

Chairman Shelby. We also want to welcome here our distinguished colleagues from Missouri, Senator Bond and Senator Ashcroft, who will introduce the nominee and say anything they choose about him.

Senator Bond.

STATEMENT OF THE HONORABLE CHRISTOPHER BOND, A U.S. SENATOR FROM THE STATE OF MISSOURI

Senator BOND. Thank you very much, Mr. Chairman, Senator Kerrey. It's a privilege to come before you with my colleague from Missouri to present General Gordon to the Committee for the con-

firmation hearing.

It is obvious from the discussions that you and Senator Kerrey have had, that you well know the qualifications of General Gordon for this position. And given the nature of the Committee and the work that you handle, you know a whole lot more about him than we do, so we're not going to try to talk to you about what he does when he is before the Intelligence Committee.

But we do want to brag just a moment on his long history with the Show Me State. That's the reason we're here. His mom and dad

retired from the military to the fine community of West Plains. General Gordon was born in the state's capital, Jefferson City. Graduated from the University of Missouri at Columbia. Married to the former Marilyn Long of Booneville, Missouri, who is here with us today, and that remains his residence today.

Is your daughter, Jennifer-

General GORDON. She's in Glasgow.

Senator BOND. She's in Glasgow, Scotland today. I thought it was

Glasgow, Missouri. We have those as well.

The position, very briefly, for which he is being considered, the Deputy Director of the CIA, is a position which honestly I feel the General is uniquely qualified to hold with his background of working in the National Security Council on issues such as START II, the tour as a Special Assistant to the Air Force Chief of Staff for Long Range Planning, and in his current job as Associate Director of the CIA for Military Support.

I understand he believes in the old adage, "Trust but Verify."

It's a pleasure to present General Gordon to you and look forward to the confirmation. I believe that it's time for the agency to be responsible to and represented by a kind of person with the kind of background that General Gordon has, and a Show Me person who will make our state and this country proud.

Thank you, Mr. Chairman. Chairman SHELBY. Senator Ashcroft.

STATEMENT OF THE HONORABLE JOHN ASHCROFT, A U.S. SENATOR FROM THE STATE OF MISSOURI

Senator ASHCROFT. Thank you Mr. Chairman and Vice Chairman Kerrey. I am delighted to have the opportunity to be a participant in the introduction of an outstanding individual, General John Gordon, as the nominee to be Deputy Director of Central Intelligence.

General Gordon and his wife, as has been said, are natives of my home state of Missouri. We are always delighted to see a fellow Missourian serve our country with distinction. And frankly, I am always encouraged whenever I witness this kind of talent, dedication, and integrity in national security posts.

Each of us relies on individuals in such capacities to protect us and to help protect this country and it is an inspiration to see individuals of this caliber who have been willing to give their lives in

service to America.

I want to commend the President of the United States for nominating General Gordon. This nomination comes at a critical time of change in the international arena. There are a variety of threats and a variety of circumstances which did not exist a few years ago. We are in a dynamic setting in the world community. There has been a great deal of change at the CIA itself and the effective consolidation of reform and prudent management of intelligence resources will be essential to advance U.S. security interests in a world where there are different and distinct national security threats.

General Gordon has served this country for 29 years as a member of the military, and the variety of his assignments and the skill with which he has fulfilled his responsibilities uniquely recommend him to serve as Deputy Director of Central Intelligence.

For the past year, General Gordon has served as the Associate Director of Central Intelligence for Military Support, coordinating intelligence efforts with the Defense Department. In that position he has established a close working relationship with George Tenet, the Director of Central Intelligence.

Prior to working for the CIA, General Gordon served as the Director of Operations for the Air Force Space Command, responsible for the operation of space and missile systems, and for the launch of all U.S. military and intelligence space systems. In this position, he managed all ICBM operations for the Air Force and the daily

operation of U.S. missile warning systems.

It is clear to me that our country has already placed an incredible amount of confidence in the person and ability of General Gordon. He has demonstrated his ability to supervise the most sensitive U.S. security systems. Today's intelligence officials must have the analytic ability to assess and respond to evolving security threats in a rapidly changing world.

As special assistant for long range planning for the Air Force, General Gordon served with distinction in a strategic planning initiative to maximize Air Force effectiveness through the 21st Cen-

tury.

His proven analytic ability in assessing future challenges to U.S. security will serve him well in the post to which he has been nomi-

nated.

Finally I want to point out that General Gordon's service at the National Security Council has balanced his experience in the military with exposure to policymaking at the very highest levels. As senior director for defense and arms control issues, General Gordon was responsible for such tasks as the completion of the START II negotiations.

General Gordon's unique blend of experience in the political, military, and intelligence arenas well qualifies him to serve as Deputy Director of Central Intelligence. I strongly support his nomina-

tion and I wish him a speedy confirmation.

Chairman Shelby, I thank you for allowing me to introduce this appointment of the President and I commend the President for his appointment of General Gordon. I am grateful also to welcome his wife who is with us at the hearing today.

Thank you.

Chairman Shelby. Thank you, Senator Ashcroft.

General Gordon, you've been around Washington and your two Senators from Missouri both being former governors of your state have been around here, too, and I can tell you by looking over the room, I think myself this is a good appointment. I think it is an uncontroversial appointment, and believe me, this place would be full of news people if it weren't. Make no mistake about it. Right, Senator Kerrey?

But I appreciate both of your Senators coming. Gentlemen, thank you for your testimony, and thank you for introducing General Gor-

don.

Senator Allard, do you have any comments or opening statement?

Senator ALLARD. Mr. Chairman, no, but thank you for giving me the opportunity.

Chairman Shelby. General Gordon, at this time before you give testimony, if you would please stand and raise your right hand.

Do you swear that the testimony that you are about to give this Committee is the truth, the whole truth, and nothing but the truth, so help you God?

General GORDON. I do, sir. Chairman SHELBY. Thank you.

Your written statement, if any, General Gordon, will be made part of the record in its entirety. You may proceed as you wish.

General GORDON. Senator, if you have the time I would like to proceed with my prepared statement.

Chairman SHELBY. You go ahead.

TESTIMONY OF LT. GEN. JOHN GORDON, USAF, NOMINEE FOR THE POSITION OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

General GORDON. Mr. Chairman, Members of the Committee, thank you for the opportunity to meet with you as you consider my nomination to serve as the next Deputy Director of Central Intelligence. And I want to express my special thanks to Senator Bond and Senator Ashcroft for introducing me today.

It is an honor to be nominated by the President for this important position, and I am grateful for the trust and confidence that is shown by the President and by George Tenet, the Director of

Central Intelligence, in recommending me.

This is an exciting time—we have just celebrated the founding of the Central Intelligence Agency 50 years ago. During that celebration, we honored those who founded the Agency, the many retirees who contributed so much of their lives to national security, and those who continue on today. And although we paused to look back, we are looking forward, and I would like very much to help set the course of the Intelligence Community and the Central Intelligence Agency for the next 50 years.

I have worked closely with Mr. Tenet for more than a year now in my current position and I am confident that, if confirmed as Deputy Director, we'll make a strong leadership team for the Intelligence Community and for the Agency. My strengths and experiences complement Director Tenet's. We have great confidence in each other, and yet are willing to challenge each other on the tough

issues.

Mr. Chairman, as you pointed out in your opening statement, although I did not grow up in the Intelligence Community, my 29 years of military service—in a broad range of technology, operations, policy positions—have given me skills and understanding that have prepared me to serve as DDCI. In every position I have held—in the field and in policy agencies—I have been an avid consumer of intelligence and for the past year, I have immersed myself in the business of intelligence, working a host of issues, in what I think has been a very concentrated education program.

In the Committee's questionnaire I described in detail my assignments and the skills they helped me develop. In addition to my overall military experience, I would only emphasize my technical background with experience in space launch and satellite operations, an understanding of the needs of national policymakers,

and a demonstrated ability to lead large and complex organiza-

I know what intelligence our diplomats, policymakers, and mili-

tary commanders need, and I know how they use it.

I would bring an important perspective to the DDCI job—that of a demanding customer.

Mr. Chairman, I would like to offer the Committee my assessment of the Community after one year of work from the "inside."

Each agency, with its unique mission, is led by secure, superb individuals, committed to work together to provide the best possible intelligence for the nation. Each agency is marked by high-quality people who are well trained and highly motivated. They are innovative, flexible and creative. They work long hours, sometimes under difficult and dangerous circumstances. They are doing a wonderful job every day and, despite anecdotal stories to the contrary, their morale is good.

Outstanding technology supports our mission. Signals and imagery systems provide huge quantities of intelligence of incredible quality. Dissemination of intelligence product has improved significantly—to the point where we have to be careful not to overwhelm

a user with quantity.

Within the Community the various agencies are working together better than ever, with joint production programs, Community approaches to the toughest problems and the hardest targets, and exchanges of personnel, many in leadership positions.

In short, Mr. Chairman, the United States' Intelligence Community is in good shape. We meet today's challenges extraordinarily well, perhaps surprisingly so considering the many changes and

disruptions of the past several years.

Despite this positive assessment, there is much work to be done. Above all, we must better position ourselves to meet the challenges of the future. We must drive innovation and modernization. We must find the right balance of resources to attack new hard targets, while maintaining needed capabilities against the old. We must adapt our organizations and processes to take on new tasks efficiently and effectively—for there are efficiencies to harvest and there are still better ways to work together.

Of particular importance, we are on the leading edge of huge modernization programs that must succeed. In many cases we have launched or are about to launch the last of a generation of satellities with the next generation still in development. If we are to meet the needs of the nation with these new systems, we must get the designs and architectures right, we must deploy on time and on budget. And this, in turn, calls for stability in system de-

sign and stability in system funding.

One element of the intelligence enterprise that requires concerted attention is our people. We dare not forget that intelligence is first and foremost a human endeavor. And as important as our high-technology collection systems are, they are designed and they are operated by people. Before the output of these systems becomes usable intelligence, people must analyze and make sense of the raw information. Some of the most critical intelligence is collected in dangerous conditions—by people. Covert action begins and ends with people.

Support for our people, therefore, must be a top priority. We owe them proper training and we owe them the resources to do their jobs efficiently and effectively. We owe them vision, honesty and strong leadership. I am convinced that if we take care of our people, in all its dimensions, the incredibly difficult challenges we face will prove tractable. If we do not, those challenges may well be impossible to meet.

The last issue I want to note today is a concern that the confidence in the Intelligence Community in general and the CIA in particular has been eroded. Questions about our need for intelligence in the post-Cold War environment, combined with sensational reports of past mistakes, have eroded public confidence and public support for intelligence and have diverted leadership attention from building for the future. Such questions affect the recruitment and the retention of the quality people we must have, and the pride they want to have in their organization and in their operations.

We will not excuse or cover up past errors—that's not what I am talking about here—and we will learn from these past problems. But we also do not want the many intelligence successes of the last 50 years, nor the successes of the next 50, to be overshadowed by problems of the past. We need the American people's support for the secret work of intelligence.

I think this is an area where the Committee can help a great deal. I know that in the first instance the problem demands that we in the Community ensure that operations are conducted with the highest degree of integrity and skill, that risks are carefully evaluated and vetted.

But at the same time, I know that robust Congressional oversight can help rebuild public confidence. I will do my part to ensure that Congress has the information it needs to carry out its responsibilities.

The American people must understand that there is risk involved in much of what we do. Not every operation will be a success no matter how good the planning and the tradecraft. But we must not shy away from risks. We will give those we ask to undertake risky actions the tools they need and the confidence that they are supported by their leaders and again, through the oversight process, the American public.

They must know that they are supporting national policy and that the risks they take are worth it. We must reward these people when they succeed, as they almost always will. And when such efforts are not successful, we must not assign blame to individuals who have exercised sound judgment while acting in support of national policy.

Mr. Chairman, the position and duties of the Deputy Director of Central Intelligence are only broadly defined. They are to act for, and exercise the powers of, the Director during the Director's absence or disability. Mr. Tenet and I have spoken in great detail about how we would work together. He has made it clear that he expects me to be his deputy in all matters—his alter ego. He expects that we all share information and share in the major decisions. We will not artificially divide the work among us.

That said, a major focus of mine will, of course, be the military consumer—continuing to expand the significant improvements we have made to military support. I also want to be deeply involved in the revitalization of our technical systems, from the technology base to new collection architectures to the high-tech support our operators and analysts need.

My own interests will also push me to make concerted efforts on proliferation of weapons of mass destruction and on information warfare. These are two of the greatest threats this country will face in the future and every moment of leadership time we can spend on them will pay significant benefits in building our defenses.

And finally, I expect to devote a great deal of time and attention to the day-to-day work of the Community and of the Agency. Perhaps the greatest contribution I can make to the DCI is to provide him time and space to drive us strategically to the future by lifting

the day-to-day burden where I can.

Mr. Chairman, while I have defined some of my interests, I understand clearly that I am being considered by the Senate to be the Deputy Director, and not the Director. I want the Committee to know what I have already pledged to Director Tenet, that I am 100% on board with the goals and the values and commitments that he made to you in his own confirmation statement. And they

are worth summarizing:

To give the President and other senior leaders the information they need when they need it—unassailably accurate and with the soundest judgment; to turn our gaze from the past, fix our attention to the future, and target our investments on innovation; to create an intelligence culture that challenges conventional wisdom and encourages creative, but responsible risk taking; to be fully accountable while demanding the highest standards of personal integrity and professional performance from all our members; to help the Community become more closely knit together; to strengthen our support to American diplomacy; and to make flexibility the watchword of our business—to be able to adjust our collection posture quickly and ensure we are not caught unawares in fast-breaking events, anywhere on the globe.

Mr. Chairman, I use this statement as a vehicle to renew my pledge to Director Tenet-and to pledge the Congress—that I take these goals, values and commitments as my own, and, if confirmed,

will pursue them as vigorously as I can.

Mr. Chairman, intelligence can add value and save lives. Policy-makers, military leaders, diplomats and law enforcement officials deserve the best possible support from their Intelligence Community. If the Senate confirms me, I will take as my mission to work with you and alongside the DCI to provide the best possible intelligence now, while positioning the Community to enter the next century.

Mr. Chairman, I would like to close this statement on a personal

note of thanks to a number of very special people.

I would like to recognize my parents—many of these people cannot be with us today—my parents, Sid and Virginia Gordon, are no longer with us. My dad served as an enlisted man in the United States Army for 26 years. After his first retirement, he had an even longer career in public housing, serving the small community of

West Plains, Missouri, with vision, hard work and commitment. I hope I can demonstrate the same ethic.

My mother was by his side every step of the way for 55 years, and I wish they could be there today.

Next, my wife's parents, Leonard and Isabel Lang. They are from a small farming community in Missouri, fiercely independent and focused on the family. Leonard is no longer with us, but he and Isabel raised and sent to college five children. He was a farmer who for 26 years also served the people of Cooper Count as an elected county commissioner. He also taught me about public service and commitment to family.

My best friend is here—she's already been recognized. Marilyn is also my wife and has been for 30 years. Actually it will be 30 years tomorrow on our anniversary. She has supported me constantly. while maintaining her own career and putting up with the career

diversions that come with many military moves.

Our daughter Jennifer, as I mentioned to Senator Bond, is just beginning a semester abroad from Duke University. She is a young woman of great character and accomplishment and no dad could be prouder.

Thank you, Mr. Chairman, Mr. Vice Chairman, Senator.

I am ready for your questions.

Chairman Shelby. General Gordon, I have a number of questions for the record, but I will, on the time that I have, I just want

to get on the record here in the open hearing, several.

You've been responsible for the CIA intelligence support to the Department of Defense military operations. In your military career, you have also been an intelligence consumer, as most are. What have been the most significant obstacles, whether political, bureaucratic, cultural, technical, financial or other, in your opinion, to improving CIA support to military operations?

General GORDON. That's a very broad question, Senator. There probably are a lot of answers to it. The one that comes to mind first is that, indeed, the military often expects more of the CIA than it can do. There is a mystique about the Central Intelligence Agency that it is extremely large and extremely capable and there are people in every location and every place, with the answer to every

question on their minds.

As we continue to educate senior military officers on what the CIA can provide them with, how CIA can help them with force protection and other details they need to know, in many cases they ex-

pect us to be able to do more than is there.

So one of the first things we have been trying to do is to really reach out to them and make sure they understand the balance of what they can expect. We can provide great support—the Central Intelligence Agency can provide great support in Bosnia on the ground at the right time. But our capability is measured and it needs to be highly focused, which is our biggest challenge.

Chairman Shelby. Do you think you've made some success in

that area in bringing forth realistic expectations?

General GORDON. Yes sir. What we have done over the last several years is establish with every CINC, every major commander, a DCI representative that works closely with the CINC himself and with his J-2, his chief of intelligence. That has given the CINC a person who sits by his side and who can advise him and his J-2 on every matter, and has the ability to reach back into the Intelligence Community as well, so we can provide them the best possible intelligence support.

The Associate Director of Central Intelligence for Military Support takes that as his top priority—to maintain liaison relationships with deployed forces through their CINC's.

Chairman SHELBY. What obstacle remains, then? You know, you're going to be challenged over there. What is the number one obstacle to getting the military to realize the expectation might be

too high?

General GORDON. I don't think that that is a strong obstacle at this moment, Senator. I think the biggest problem that probably remains, again, is fusion and sharpening of the intense amount of data that's available from all sources. CIA and others, to put intelligence in a form that is usable at right level of classification to the warfighter. Not just to the CINC, not just to the headquarters, but down into the organizations at the level that they need it.

Chairman Shelby. Well, part of it is a communications problem,

is it not?

General GORDON. Yes, sir, it's a communications problem, it's technical problems of having enough bandwidth to be able to put enough out there. But it is also an information management problem because, as was mentioned earlier, there is so much material out there, we have to make intelligence out of information and we have to get the right level of intelligence to the right person.

Chairman Shelby. For several years now Congress has been encouraging the National Reconnaissance Organization to move towards small satellites. What are your views on small satellites versus large ones and on the speed with which a transition could or

should be undertaken?

General GORDON. Senator, small satellites, in may view, are the wave of the future. There may be and almost certainly will be conditions in which we need to maintain some of the larger satellites for specialized purposes. But every architecture that is now being looked at by the NRO includes some provision of smallt satellites, and I am certain we will see some launched and included into our systems in the near future. They offer significant advantages.

There are obviously trade-offs, pro's and con's, on both sides. But

on the whole, we will be moving towards small satellites.

Chairman Shelby. The NRO is continually analyzing alternative imagery architecture, as you well know. What is the best method for determining when the best architecture is, as we say, good enough? That is, since intelligence can never completely satisfy everyone's imagery requirements, how can the NRO determine when it has met the needs sufficient for a baseline architecture, as we know it today?

General GORDON. Well, I would argue the premise just a little bit, sir. I don't think it's the NRO's job entirely to do that. We tried

to reach out, with the NRO helping— Chairman SHELBY. Whose job is it?

General GORDON. It's the NRO working with NIMA which is representing the customers. It's about reaching out to the users. And the future imagery architecture methods that were used looked at and reached out to the customers to make sure we know what they want and when they need it, and to try to define the quantity and

quality of the data that they want to flow to that.

They have been able to develop a fairly complex technical metric that measures quality—in a very aggregate way, I must admit—against cost and lay those out. Then I think the NRO, in conjunction with others, can make recommendations which then obviously come to the Director and then to the Committees for consideration.

Chairman SHELBY. What's the best method, General, for determining how to enhance a baseline architecture? That is, technology demonstrations, bench tests, extensive modeling, simulations and

so forth. Do you have a judgment on that?

General GORDON. Do I? I think, Senator, those methods you outlined basically work out in sequence and in series. Indeed, when technology is just beginning, when we just have a gleam in someone's eye, it is equations and bench testing.

As concepts begin to prove themselves, we need to be able to do real testing, and one of the areas that there has been some modest success in that I had some experience with in the Air Force is onorbit testing of small components and developing systems.

Eventually you have to actually build the system, if you are

going to employ in a larger system.

Chairman SHELBY. Senator Kerrey.

Vice Chairman KERREY. Thank you, Mr. Chairman.

General Gordon, just in both your testimony and the answers that you have given to the Chairman, you've indicated why both the Chairman and I and others have praised the President's selection. Number one, your experience in the military I think brings an awful lot to your ability to do this job. The military still is a very big customer. I mean, the security and safety of troops, though much of that is tactical intelligence, some of it is national intelligence, as you well know, and you'll be able perhaps better than most to determine what is adding value and what isn't adding value, what we need to do not just today but in the future.

Your knowledge of science is impressive, especially the tactical aspects of these satellite systems. They are very expensive and in addition to being very expensive, we know what happens if they are not there. We know what we are not able to do if they are not there and correspondingly we know what we are able to do if you have got those systems in place. It is quite impressive, the value added to our capacity to do things. It is no better demonstrated than our participation in the SFOR operation right now in Bosnia.

In addition, I am impressed with your story. I mean, you shut the book on your prepared remarks and talked about your mother and father, talked about your in-laws, talked about your own wife and children, and throughout that story you express a clear, very understanding thought, a willingness to live by the American creed, the values of this country. And I think it is terribly important that the American people understand that we follow not only the law, but in running the national intelligence organizations, that we conform our actions with American values. I think it is a very important message to send out over and over again to the American people.

I note with pleasure your saying that we have got to get the American people to understand the value that we are adding. I think it was presumed during the Cold War without a lot of challenge. Now that the Cold War is over, it seems to me that we have to think of American people as a customer, and daily make certain that they understand that our mission, that your mission and our oversight responsibility mission, is to make certain that the American people are safe and secure today and in the future, and that our interests can be protected to the best of our both human and technical ability.

And I am aware that the American people's confidence in the CIA is not what it ought to be, and the American public's confidence in national intelligence isn't what it ought to be compared

to what's actually going on.

Can you talk to me a bit about what you and Mr. Tenet intend to do over the course of what I hope is several long and productive years on the job, what you intend to do to get the American people to understand the value that you are adding to their security?

General GORDON. Thank you for all those opening comments,

Senator.

The tension that arises so naturally out of this is that we seek American support, public support, and at the same time we must not tell them very much about what we do. We certainly, in revealing the details of intelligence, risk sources and methods and you

know those arguments as well as any.

I would hope that one of the biggest things that we can do is start back at the fundamentals. George Tenet, I think, calls it blocking and tackling, and getting the issues right every time. Make sure that we have the highest level of integrity in our operations. It starts inside, is what I am trying to say. It starts inside the organization. So hopefully we don't have to come up here very often and tell you about something that didn't work our right, and never have to come up here and tell you about an integrity problem or a problem of poor planning or poor judgment. We need to get the basics right. We need to do the counterintelligence side of it right so that we have as good a defense as we have an offense in the intelligence business.

We need to be able to convince you, this Committee, first and foremost that what we are doing is right, well thought out, with the best tradecraft and the highest level of integrity. We need to do that first. I am hopeful then that the Committee and the Congress, understanding that and knowing that in the level of detail that the American public, as individuals, cannot, can then help us

reach out further to the American public.

Vice Chairman Kerrey. One of the things that I think we need to do and we have discussed it before and have discussed it with Mr. Tenet is to—is to make a declaratory statement that we are going to evaluate individuals when they are promoted, based upon their capacity to lead, based upon their capacity to give commands and have people follow those commands. To move a group of people from point a to point b is not an easy thing to do. I mean, we also need people who have the capacity to follow. We need both the leader and the person that is following the leader. But it seems to me that we have got to send a very strong message out to people

who are thinking about making a career in national intelligence, as well as the American people, that leadership is a pre-eminent quality, and we're going to train, we're going to evaluate, we're going to look for it, and I am not talking about leadership measured by body size, gender, strength of voice or anything of that sort of thing, but as you know from your experience both in the military and in private life, some can and some can't lead. I'd like your comments on that. Do you and Mr. Tenet intend to look at leadership qualities as a requirement for promotion in positions where leadership is expected?

General Gordon. Senator, I sign up to your comments 100 percent. I have not personally spoken to Director Tenet about this issue, but leadership is the key function in my mind of leaders. It is more than just saying the words. We have to be able to do that. And I think if you look today at the new leadership team that Director Tenet has put in place at the CIA, you will see that quality

of leadership in those individuals.

But what you are talking about is reaching down into the organization to the first and second level managers and ensuring that leadership skills are one of the characteristics, a top characteristic as people move up in the organization. Senator, I sign up with that

100 percent.

Vice Chairman Kerrey. I am also talking about recruiting for it, training for it, promoting for it, and making it clear that if I, for example, am selected for a leadership position, it doesn't make me a superior being. The fact that I am a leader and somebody is a follower doesn't make me either in God's or the organization's eyes as a superior being. It just means I now have different sets of responsibilities, and I have got to demonstrate the capacity to carry out those responsibilities.

General GORDON. Precisely. We need people, as you said, to work at all levels and all capabilities. We need journeymen, analysts and logisticians as much as we need leaders. But we ought to pick lead-

ers because of their leadership skills.

Vice Chairman Kerrey. One of the things that we do inside of your operation and we do it in our oversight capacity that I think we have got to really almost in a reverential way treat, and that is we make a judgment that—or actually you all make a judgment—there's 2200 primary classifiers in the Executive branch under the law—make a judgment this is top secret or worse. And therefore, the public doesn't have either a right or a need to know. That classification decision, when it is made, when somebody makes that decision, I believe they need to understand what they are doing.

And what they are doing is removing a very important piece of information, they're saying it needs to be classified, but in government of, for and by the people, the people make the decisions. And if they are not informed, it is difficult for them to make their decisions. And I think we have to be both very reverential of what that means, and not in any way become complacent about what happens

when we classify.

When we classify, we could put democracy at risk unless we treat that classification decision with a great deal of respect. And then we also have to make certain that we don't overclassify. We overclassify, as no doubt you have seen in your own life, sometimes we make it harder for decisions to get made because people that need to know don't know, and all of a sudden these stovepipe areas develop and it is difficult for the organization to function.

I wonder if you could talk for me a little bit about your own view of classifications, secrecy, and when it is appropriate and when it

is not.

General Gordon. I would comment on some recent actual experiences. We find that when items are so highly classified or so closely held, sometimes if we choose to restrict the number of people having access, that often has a counterproductive effect. We actually go backwards in that where there is a rumor of a particular piece of information, people go digging for it and looking for it harder than if it were available to those individuals in the first instance.

But I do agree with you, Mr. Vice Chairman, that we need to be very cautious in this regard. Naturally so much of what we do in the intelligence business falls into the category of keeping things close, so that we can indeed protect the huge investment we make in the collection systems that protect the lives of the people who

are doing this work. But you point is extremely valid.

Vice Chairman Kerrey. I hope that no doubt you have heard of and perhaps had the opportunity to read the recommendations made by Senators Helms and Moynihan, but I think it's excellent—it's an excellent examination of, first, the need in some instances to classify as well as the need to examine that classification sys-

tem.

One—it's not really a question, General Gordon—I think it is imperative that on the issue of encryption, that the President exert some authority and try to pull together the Congressional leaders and say that we need a secure public network, there's counterintelligence concerns, there's national security issues here at stake, obviously balanced against the concern for civil liberties and the concern for commercial interests and the need to develop. But there's lots of action up here on the Hill, both in the House and the Senate, in what, half a dozen Committees, or eight or nine Committees, or lord knows how many all together—more than I realized existed—and I think there is a real urgency to get something passed, both for the private sector so they can have some stability, but also on the public sector side so that we can protect the nation's interest.

General GORDON. Senator, I have not delved deeply into the encryption issue. I certainly take your point. And if the Senate does

confirm me, that will be on my plate.

Vice Chairman KERREY. Thank you. Chairman SHELBY. Senator Allard.

Senator ALLARD. Thank you, Mr. Chairman.

I would join both you, Mr. Chairman, and the Ranking Member with your accolades. I thought particularly impressive on his resume was the time he spent in Colorado, and particularly the fact that he's a fly fisherman.

But let me get a little more serious here, The Committee struggles with budget problems and I think you're going to be struggling with some budget problem in your tenure. And I predict that there

will be—we'll continue to deal with budget pressures in the future.

That's just the nature of the job.

Do you have in mind—well, let me editorialize a little more. There are going to be some challenges. I think, because technology is an important part of what you do. Technology not only expands your capability to do things, more things, but it also might be an opportunity to mean you can do more with fewer people. And having said that, let me pose a first question to you. Do you believe there are certain areas of the budget that should be protected or exempted from cuts in future budgets? Do you have some priorities

in mind when you look at the budget?

General GORDON. Senator, I don't want to tell you that I put any element of the budget or any intelligence system out of bounds in continuing to look for efficiencies and better ways of doing business. I would say though that we must not cut innovation to the point where we get into trouble. We need to push ahead in our technology and innovation and we need to find ways to protect enough of those resources to allow us to drive into the next century, to allow us to drive into the information age because we're going to be fighting in some major new technological areas, particularly in signals intelligence and how we go after that challenge is going to require investment and we have to find ways to protect that.

An area that bothers me personally, having been involved in systems acquisition and development before, is having to say that I don't want to put anything out of bounds when we make a decision on a technology program. When we begin an investment stream, I would hope that we can do a better job in justifying the program, defending the program up front, so that when we start down the track, we can give it the stability it needs to go to completion. I think that will actually in the long run save money, rather than enduring fits and starts which set things back.

Senator ALLARD. Several years back there were some rather substantial cuts in the Intelligence Community involving some personnel changes over the next five years or so. And Directors Gates and Woolsey believed at that time that those goals could be met through regular attrition. Are you still of the view that that can be done and are there some areas where maybe there could even be

greater personnel reductions?

General GORDON. I need to check the details on it, sir, but we are down nearly if not entirely to the levels that have been talked about. The cuts have been significant. I don't see, from what I have been briefed on so far, any need for RIF's or that kind of a cut.

Senator ALLARD. Mr. Chairman, and General Gordon, I have taken a special interest in the international flow of drugs, and I know that your agency will be getting involved and has been involved in that to a certain degree. Also the U.S. criminal law enforcement agencies are also involved in this. How do you view your role with law enforcement?

General GORDON. Senator, the current Director, when he was Deputy, and I think his boss as well, began to forge a strategic alliance with the FBI to work that issue and others as hard as they can. They have been quite successful from what I have been able to learn about it as I have prepared for the possibility of this job.

We have formed a group that meets on a regular basis to discuss policy issues and to find opportunities to work together in a cooperative basis and set aside some of the bureaucratic and cultural issues that might impede that.

The General Counsels of each agency also have their own group where they are working out the details to make sure we are not

crossways on any issues of law.

In the field itself, the FBI has been expanding its LEGAT, its Law Enforcement Attaches overseas, and the Director has been very supportive of that. I don't think in the field, working issues of drugs, organized crime, narcotics, that we could do our job well without FBI nor could they do it without us.

In the field we have developed a Memorandum of Understanding of how we will exchange data, so that the FBI can do their job and protect the information that they need to protect from a legal prosecutorial standpoint, while we are able to share information and

get the information we need for foreign intelligence.

Sir, we are working across the board in the field and in Washington with the Bureau. I have met with the Bureau and I have told the just now retiring Deputy Director that if confirmed, in joining this group, I will continue to push as hard as George Tenet did to keep this cooperation moving forward.

Senator ALLARD. What is your view of the role of the Intelligence

Community supporting counternarcotics efforts?

General GORDON. I'm sorry, I didn't understand, sir.

Senator ALLARD. What is your view of using the Intelligence Community in supporting US counternarcotics efforts?

General GORDON. I believe that gathering the foreign intelligence overseas and providing it, making it available to that effort, is a prime responsibility. We have a center set up for that and it is a task in the stations overseas.

Senator ALLARD. Mr. Chairman, I don't know as I have any more

questions, and I'll let you use some of my time if you'd like.

Chairman SHELBY. Thank you.

Senator ALLARD. Again, I would just wish you luck during your tenure and I suspect that you'll be confirmed. I don't see a problem. Like the Chairman said, if there would be, probably this whole room would be filled up. And I wonder why you picked such a large room, Mr. Chairman.

But anyhow, thank you very much for—— Chairman Shelby. Senator, I didn't choose the room. I think the people that control the rooms have something to do with it. We do like a roomy room. It is smaller than some, but larger than the one we generally meet in, as you know.

Senator ALLARD. That's correct.

Chairman SHELBY. General, I have a couple of more questions if

I could, and I'll try to move on.

The 1995 National Intelligence Estimate on the ballistic missile threat to the U.S. was the subject of considerable controversy, as you well know. Former DCI Robert Gates, Chairman of the bipartisan panel that reviewed the National Intelligence Estimate, testified before this Committee, in open session, that there was no evidence that the Administration had, quote, "politicized the estimate to diminish the threat posed to the U.S. by foreign countries' ballistic missiles.'

However, the Gates Panel criticized the Estimate's failure to pay enough attention to what they call unexpected missile delivery systems, such as shorter range cruise missiles launched from ships, and the possibility of an unauthorized launch by Russia or someone

Likewise, the GAO issued a repot on the NIE which highlighted several analytical shortcomings in the National Intelligence Estimates. For example, the failure to adequately consider threats to Alaska and Hawaii

As an expert in your background here, in strategic missile systems, and a long time intelligence consumer from your previous job, do you concur with the comments of the Estimate by the Gates Panel and the Gates Panel and the GAO Report? And if not, where do you differ?

General GORDON. Senator, the Intelligence Community as a whole needs to do a good job on the threats you just defined. We need to look very carefully at the issues that have come up that you just mentioned that are in the reports on cruise missiles and unintended launch, which has actually been the subject of great operational consideration for many, many years. And I have no issue whatsoever with the argument that we need to talk about Alaska and Hawaii as part of the United States. The-

Chairman Shelby. I know, General, and you probably do, too, that Senator Stevens and also Senator Inouye in the Defense Appropriations Subcommittee which Senator Stevens Chairs, and Senator Inouye is the Ranking Democrat, have both raised those questions or similar questions in the Committee. You're familiar with that?

General GORDON. Yes, sir. And what the Director has committed to do and is underway is to provide annual updates to the NIE. That work is underway and I believe an update to the NIE is due in very late fall or December of every year. That work is now under way by the National Intelligence Committee and I have not asked, really, if those particular subjects are in there: they should be.

Chairman Shelby. General, as the forthcoming, I believe, Deputy Director of Central Intelligence, how would you guard against the politicization of analysis of politically sensitive matters, such as the ballistic missile threat?

General GORDON. Mr. Chairman, that is a straight up matter of leadership and personal involvement.

Chairman Shelby. Unvarnished truth, isn't it?

General GORDON. That's all there is to it. There is no magic formula. It requires the Director, the Deputy Director, the Deputy Director of Intelligence, to make that crystal clear. I think some of the analysts sometime may not even understand it. So this is tradecraft for the analyst. It is leadership, it's oversight.

Chairman SHELBY. And you owe that to the leaders of the nation

because of the security of the nation, do you not?

General GORDON. I think that is one of the very top priorities. It's the one thing we must do—provide the unvarnished truth.

And I would say there is something else that has to be done in that context. We ask our analysts to do a very difficult job. We ask them to make sure that they think of what the policies are and how the policies play in that you want to be able to evaluate how a policy is going without influencing the policy. And that is very difficult to do. But I want the analyst not to just give me a briefing that says here's what happened yesterday; I want him to tell me what it means. That means they have to understand what U.S. policy is. It means understanding U.S. foreign policy—what the foreign policy is of other nations, but we ask them to walk a very fine line.

So that is why it requires so much leadership, so much attention,

and so much training.

Chairman SHELBY. Do you believe that the security of the nation is above now, should always be above any politics?

General GORDON. Absolutely, Senator; absolutely.

Chairman SHELBY. Thank you.

Director George Tenet committed to provide an annual update of the missile threat, the National Intelligence Estimate. Do you know when we can expect that update? If you don't, would you get back to us?

General GORDON. As I just mentioned, Mr. Chairman, I believe it is this fall, if not in December. I don't recall the exact date. But I do know that it is underway and it is in preparation.

Chairman Shelby. Well, thank you, General. Senator Kerrey, do you have any more questions?

Vice Chairman KERREY. Yes, Mr. Chairman, just one.

General, in your opening statement you said that you will ensure this Committee has the information it needs to carry out its responsibilities. And my question is do you agree that it is up to the Committee to decide what information we need, and not the agency's?

General GORDON. In the first instance, yes. I don't know what

the ramifications of that question are, but yes.

Vice Chairman KERREY. Well, the ramifications are that the Committee may decide that we want something and we do not want the agencies to say we're not going to give it to you.

General GORDON. I'm on board. Vice Chairman KERREY. Good.

Thank you, Mr. Chairman.

Chairman Shelby. General Gordon, at this time we have not scheduled a closed hearing to discuss classified matters with you. However, we are looking forward to the responses that we hope you will give to the classified questions we sent to you and hope that you will be able to get the responses to the Committee tomorrow. That might possibly dispense with a hearing and help us expedite your nomination. If you can spend a little time on that.

General GORDON. Senator, when we leave here, I will return to

the office and turn to those.

Chairman SHELBY. If you could get that to the Committee by tomorrow, it could help expedite this nomination, your nomination, which we want to do.

General GORDON. It sounds like I have a great interest in doing

that, sir, and I intend to.

Chairman SHELBY. And without objection here, I will leave the record open for other Members' statements to be recorded in its entirely for the next two days.

Without further business to come before the Committee, the

Committee will adjourn.

General, we wish you the best and we look forward to those answers.

Thank you.

General GORDON. Senator, Mr. Chairman, thank you. Chairman SHELBY. The Committee is adjourned.

[Thereupon, at 3:02 p.m., the Committee was adjourned.]

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