

**NOMINATION OF JAMES M. SIMON, JR., TO
BE ASSISTANT DIRECTOR OF CENTRAL
INTELLIGENCE FOR ADMINISTRATION**

HEARING

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE

OF THE

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

ON

**NOMINATION OF JAMES M. SIMON, JR., TO BE ASSISTANT DIRECTOR
OF CENTRAL INTELLIGENCE FOR ADMINISTRATION**

**THURSDAY, FEBRUARY 4, 1999
WEDNESDAY, FEBRUARY 26, 1999**



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NOMINATION OF JAMES M. SIMON, JR., TO BE ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR ADMINISTRATION

THURSDAY, FEBRUARY 4, 1999

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

The Select Committee met, pursuant to notice, at 9:35 a.m., in room SH-216, Hart Senate Office Building, Hon. Richard Shelby (chairman of the committee) presiding.

Present: Senators Shelby and Kerrey of Nebraska.

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

Chairman SHELBY. The Committee will come to order.

In March, 1996, the Brown Commission concluded that the effectiveness and efficiency of the Intelligence Community needed to be improved in a number of ways. The Commission's report contained numerous specific recommendations for improving the performance of the Intelligence Community. For example, the Commission recommended that the Director of Central Intelligence, DCI, have two deputies, one for the community and one for the CIA.

This Committee, however, believed that those recommendations of the Brown Commission that were implemented by the Administration did not go far enough in providing the DCI with the necessary support to ensure improved efficiency, effectiveness, and accountability in the U.S. Intelligence Community. We firmly believed that there should also be three Assistant Directors to serve the DCI, one for analysis and production, one for collection and one for administration.

Accordingly, the Intelligence Authorization Act for Fiscal Year 1997 created the three positions and the Deputy Director of Central Intelligence for Community Management.

We now have a Senate confirmed Deputy Director of Central Intelligence for Community Management, Ms. Joan Dempsey. And the Administration has now put forward its first nominee for the position of Assistant Director of Central Intelligence for Administration: Mr. James M. Simon, Jr.

Welcome, Mr. Simon.

Mr. SIMON. Thank you, sir.

Chairman SHELBY. Mr. Simon is from Montgomery, Alabama and is a career CIA officer with a distinguished record. I encourage the

Members to review his impressive biography in the briefing books at Tab A.

Mr. Simon, we believe very strongly that the intelligence agencies must embrace a more community-wide philosophy if they are to succeed. We are not alone here, as you know. Numerous studies, including the Brown Commission, have urged greater consolidation of personnel systems and administrative functions across the Intelligence Community. The largest agencies, nevertheless, continue to maintain separate administrative, personnel, security, and training systems.

The Brown Commission concluded, and I quote: "While the Commission is willing to accept that some latitude is needed for individual agencies to satisfy their unique requirements, we see no reason for all of these programs and activities to be administered separately, or, at least without greater uniformity" unquote. We strongly agree with this conclusion.

The intended role of the ADCI for Administration is to assist the DCI in bringing about this badly needed uniformity. We expect the ADCI for Administration to coordinate the various personnel management systems, information systems, telecommunications systems, finance and accounting services, and security programs for the entire Intelligence Community.

The Committee also expects the ADCI for Administration to assist the DCI in exercising his authorities under the National Security Act to consolidate those systems and programs that are conducive to consolidation. This is a big job and we're interested in hearing how you're going to go about it.

Once again, Mr. Simon, we welcome you. We are also pleased that your wife Susan, and daughter-in-law, Misty Simon, are here for these proceedings.

Senator Kerrey.

Vice Chairman KERREY. Thank you, Mr. Chairman.

First, Mr. Simon, I also welcome you to the Committee. It's always a good sign when there are no cameras. That means we'll be out of here in no time at all.

I am especially pleased, Mr. Chairman, that we finally reached a point where the Director of Central Intelligence is fulfilling one of the obligations that was imposed by the fiscal year 1997 Intelligence Authorization Act. That act, as the Chairman has indicated, Mr. Simon, came about as a consequence of many recommendations, not the least of which was the Brown Commission Report. The Brown Commission Report, the Brown Commission effort, was in response to the Aldrich Ames incident and the damage done to U.S. intelligence and the damage done to our capacity to be able to keep Americans safe.

So it was in response to a real crisis. As is always the case with crises, the further they get in our background the less urgent they seem to all of us. But your position is an extension of our response to that crisis, to the defects that not just we saw, but also the Brown Commission and many others saw in the way that the Agency itself is organized.

In that Act, Mr. Simon, Congress created a new management structure for the office of the DCI. That structure included the new positions of Assistant Directors of Central Intelligence—one for in-

telligence collection, one for intelligence analysis, and your position, one for community administration. It is the nomination for this position that we are considering today, and in my judgment it is long overdue.

To date, the DCI has taken the interim steps of appointing Acting Assistant Directors for collection and for analysis. I expect Presidential nominations for these positions will be forthcoming soon. I must say, the wisdom in the 1997 Authorization Act has been confirmed by the interim appointments. Prior to the appointments of Mr. Charlie Allen and Mr. John Gannon, Congress and the American people looked to the DCI to manage both the collection of intelligence information and the analysis of that information. Without any assistance in these areas, it was literally his personal responsibility.

When the intelligence community failed to collect adequate information to prevent policymakers from being surprised, the Congress and the American people placed the blame directly on the DCI. Further, when the Intelligence Community failed to marshal its resources to analyze tough intelligence targets, Congress and the American people again blamed the DCI. The blame was clear, for example, in last year's Indian nuclear test incident. Was the affixing of the responsibility warranted? Yes. Did the DCI have the management structure to prevent a recurrence? No. So the 1997 Authorization Act created a structure to help the DCI fulfill his responsibilities and, following the Indian nuclear tests, the DCI began filling the new structure. So far, the results of Mr. Allen's and Mr. Gannon's work demonstrate that community-wide coordination is appropriate and sorely needed.

The nominee before us today is eminently qualified. He is a career intelligence officer. He has demonstrated throughout his career the ability to make tough calls and to be held accountable for those calls. In his most recent assignment as the head of CIA's Requirements Evaluation Staff, he took on a task to fix something that has long been broken. He is working on a way to place a value on the different kinds of intelligence we collect. To the uninitiated this may sound fairly unimportant and, perhaps, even easy. Let me assure my colleagues it is not. First, it challenges the directors of the so-called intelligence stovepipes. It forces the head of SIGINT to justify the quality of his efforts relative to the efforts in HUMINT and vice versa. It has a similar effect on judging the value of satellite collection relative to the other ways we obtain our intelligence information. No agency director likes this evaluation because it calls into question such important issues as whether or not Community-wide budget and personnel resources are being directed in the right areas. Nonetheless, Mr. Simon chose to take on the "giants" in the Intelligence Community because it was the right thing to do.

I should also note, Mr. Simon, that it will come, I think, as a great strength that you and the Chairman will be able to understand one another in relaxed modes.

Now, Mr. Simon, you have been nominated, however, to a decidedly different position. The Deputy Director of Central Intelligence has indicated she wants you to be her deputy and help manage the Community. In response to the Committee's questionnaire, you in-

icated you would: assist in ensuring the collection of intelligence; assist in ensuring the effective analysis of intelligence; assist in, as the DCI or DDCL/CM may require, the management of Community programs, personnel, and resources.

Nonetheless, the law requires the ADCI for Administration to manage activities relating to the administration of the intelligence community. Congressional intent is clear—to create greater uniformity throughout the Community in areas such as personnel management, information systems, telecommunications systems, finance and accounting services, and security programs. In your prepared testimony you mention the areas of security and personnel management. I will be very interested in hearing how you plan on fulfilling all of the very large—and difficult—responsibilities set forth in the current law.

In addition, I believe you are aware of the continuing discussions concerning the wisdom of requiring the Assistant Directors to be nominated by the President and confirmed by the Senate. Congress felt that this process would add prestige to the positions and ensure that a fully qualified, career intelligence officer would be appointed and the assignment would serve as the capstone of a distinguished career. Others differ and believe there are significant disadvantages to the Senate confirmation process. I will be interested to hear your views on that matter.

Finally, I am intrigued by a notion you raised in the Committee's questionnaire concerning your duties and responsibilities. Once the 1997 Authorization Act was passed, the Community resisted mightily the appointment of Assistant Directors of Central Intelligence for collection and analysis. Nonetheless, we now have two interim appointments. It appears from your questionnaire, however, that even these two appointments are insufficient to manage collection and analysis because you will also help to oversee those functions as well. Based on your extensive experience, I would be happy to hear your views on how to create a better managed collection and analysis effort.

Mr. Simon, welcome. I look forward to your testimony.

Thank you, Mr. Chairman.

Chairman SHELBY. Mr. Simon, you may proceed as you wish. Your written statement as well as the questionnaire and financial disclosure form you submitted to the Committee will be made a part of the record in its entirety, and you proceed.

Mr. SIMON. Senator, I am at your disposal. Would you like me to read it or just have it put in the record?

Chairman SHELBY. You go ahead. You make any statement you want to make.

[The documents referred to follow:]

Central Intelligence Agency



Washington, D.C. 20505

99-0489

W/58-2449

3 February 1999

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

Dear Mr. Chairman:

As required by Federal ethics regulations at 5 C.F.R. § 2634.606, I am submitting the following supplemental information in connection with my nomination to serve as Assistant Director of Central Intelligence for Administration.

As you know, section 2634.606(a) requires me to update my financial disclosure statement to list any outside earned income or honoraria that I or my spouse have received since I filed that statement on 18 September 1998. I have received no outside earned income or honoraria since that date; nor has my wife received any honoraria or earned income. Accordingly, there are no amendments to my report of the type specified by section 2634.606(a).

Please do not hesitate to contact me if you need any additional information.

I have sent an original of this letter to Vice Chairman Kerrey as well.

Sincerely,

A handwritten signature in cursive script that reads "James M. Simon".

James M. Simon
Assistant Director of Central
Intelligence for Administration Designee

cc: John A. Rizzo, Esq.
Central Intelligence Agency

The Honorable Stephen D. Potts
Office of Government Ethics



United States
Office of Government Ethics
 1201 New York Avenue, NW., Suite 500
 Washington, DC 20005-3917

SSCI# 99-0330

0-158-0149

January 12, 1999

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

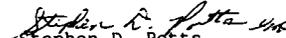
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by James M. Simon, who has been nominated by President Clinton for the position of Assistant Director of Central Intelligence for Administration, Central Intelligence Agency (CIA).

We have reviewed the report and have also obtained advice from the CIA concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Simon is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,


 Stephen D. Potts
 Director

Enclosure

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Date of Appointment, Candidacy, Election or Nomination (Month, Day, Year)	Reporting Status (Check Appropriate Boxes) <input type="checkbox"/> Incumbent	Calendar Year Covered by Report 1997-1998	<input checked="" type="checkbox"/> New Entrant, Nominee or Candidate	<input type="checkbox"/> Termination Filer	Termination Date (If Applicable) (Month, Day, Year)	Agency Use Only	
Reporting Individual's Name Last Name: SIMON First Name and Middle Initial: JAMES M.						OGE Use Only OCT 19 1998	
Position for Which Filing Title of Position: Assistant Director of Central Intelligence for Administration Department or Agency (If Applicable): CIA						Fee for Late Filing Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after last day of the filing extension period shall be subject to a \$200 fee.	
Location of Present Office (or forwarding address) Address (Number, Street, City, State, and ZIP Code): 30122 Merchant Court, Great Falls, VA 22066 Telephone No. (include Area Code): 703-444-4772							
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above) Chief, Collection Requirements & Evaluation Staff, CIA							
Presidential Nominee Subject to Senate Confirmation Name of Congressional Committee Considering Nomination: SSCI Do You Intend to Create a Qualified Diversified Trust? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.		Signature of Reporting Individual <i>James M. Simon</i>		Date (Month, Day, Year) 9-18-98		Termination Filers: The report period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.	
Other Reviewer (If desired by agency)		Signature of Other Reviewer		Date (Month, Day, Year)			Nominees, New Entrants and Candidates for President and President: Schedule A--The reporting period income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Valuable assets as of any date you choose to file within 31 days of the date of filing. Schedule B--Not applicable. Schedule C, Part I (Liabilities) The reporting period is the preceding calendar year and the current calendar year up to any date you choose to file within 31 days of the date of filing. Schedule C, Part II (Agreement Arrangements)--Show any agreement or arrangements as of the date of filing. Schedule D--The reporting period is the preceding two calendar years the current calendar year up to the date of filing.
Agency Ethics Official's Opinion On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the text below).		Signature of Designated Agency Ethics Official/Reviewing Official <i>John A. Roggi</i>		Date (Month, Day, Year) 10/14/98			
Office of Government Ethics Use Only		Signature <i>Stephen D. Ralke</i>		Date (Month, Day, Year) 11-24-98			
Comments of Reviewing Official (If additional space is required, use the reverse side of this sheet) <div style="text-align: right;">(Check box if comments are continued on the reverse side) <input type="checkbox"/></div>							

Reporting Individual's Name SIMON, JAMES	SCHEDULE C	Page Number 3
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Part I: Liabilities			None <input checked="" type="checkbox"/>												
Report liabilities over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.			Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (\$)									
Creditors (Name and Address)			Type of Liability			\$10,001 - \$10,000	\$10,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	\$1,000,000 - \$5,000,000	Over \$5,000,000		
Examples:	First District Bank, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Delaware Personal net	1991 1999	12% 10%	20 yrs. on demand				x						
1															
2															
3															
4															
5															

Part II: Agreements or Arrangements			
Report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401K, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.			
Status and Terms of any Agreement or Arrangement			Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on services performed through 1/79.	Doe Jones & Smith, Hometown, State	7/90
1			
2			
3			
4			
5			
6			

1/91 Edition Can Be Used; Editions Prior to 1/91 Cannot Be Used.

Reporting Individual's Name SIMON, JAMES	SCHEDULE D	Page Number 4
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Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature. None

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Natl Assn. of Book Collectors, NY, NY Doe Jones & Smith, Hometown, State	Non-profit education Law firm	President Partner	6/82 7/85	Present 11/91
1					
2					
3					
4					
5					
6					

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source. Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate. None

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State Metro University (client of Doe Jones & Smith), Hometown, State	Legal services Legal services in connection with university construction
1		
2		
3		
4		
5		
6		



United States
Office of Government Ethics
 1201 New York Avenue, NW., Suite 500
 Washington, DC 20005-3917

SSCI#99-0488
 4/98-049

February 3, 1999

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

Dear Mr. Chairman:

On January 12, 1999, we transmitted to the Committee the financial disclosure report filed by James M. Simon, who has been nominated by President Clinton to be the Assistant Director of Central Intelligence for Administration, and our opinion with respect thereto. The enclosed material amends Schedule A of Mr. Simon's report.

We have reviewed the amended report and have also obtained advice from the Central Intelligence Agency (CIA) concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated February 3, 1999, from the agency ethics official at the CIA, which discusses the amended material.

Based thereon, we continue to believe that Mr. Simon is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Stephen D. Potts
 Stephen D. Potts
 Director

Enclosures

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

Office of General Counsel

3 February 1999

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:

In conjunction with James Simon's nomination as Assistant Director of Central Intelligence for Administration, enclosed is an amended Schedule A for Mr. Simon's SF 278. Subsequent to your review of Mr. Simon's nominee SF 278, he purchased shares in Third Millennium Communications, Inc.

The Agency conducted a search and has determined that it does not have a current contractual relationship with this entity. Therefore, I certify that this holding does not present a financial conflict of interest with Mr. Simon's proposed duties. (1)

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

Sincerely,



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

Enclosure:

Reporting Individual's Name		SCHEDULE A										Page Number						
SIMON, JAMES												2						
Assets and Income		Valuation of Assets at close of reporting period					Income: type and amount. If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item.											
BLOCK A		BLOCK B					BLOCK C											
							Type			Amount				Actual Amount Only if "Other" specified	Date (Mo., Day, Yr.) Only if Honoraria			
Identify each asset held by you, your spouse, or dependent children for the production of income which had a fair market value exceeding \$1,000 at the close of the reporting period. Identify each asset or source of income held by you, your spouse, or dependent children which generated over \$200 in income during the reporting period. None <input type="checkbox"/>		Over \$1,000,000	\$500,000 - \$1,000,000	\$100,000 - \$500,000	\$10,000 - \$100,000	\$1,000 - \$10,000	Dividends	Bank and Savings	Capital Gains	Personal Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000			\$1,001 - \$5,000	\$5,000.01 - \$25,000	\$25,000.01 - \$100,000
Examples																		
Central Airlines Common																		
Doe Jones & Smith, Hometown, State											Low Partnership Income						\$180,000	
Kempson Equity Fund																		
IRA: Heartland 800 Index Fund																		
1	J	IRA: Vanguard Index Trust (500 Portfolio)	X															
2	J	IRA: Northwest Federal Credit Union	X															
3	J	Savings: Northwest Federal Credit Union	X															
4	J	Voluntary Investment Plan (federal plan with CIA)	X															
5	J	3d Millenium Communications, Inc.	X															
6																		

**SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE**

**QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES**

PART A - BIOGRAPHICAL INFORMATION

1. NAME: James Monnier Simon Jr.
2. DATE AND PLACE OF BIRTH: 1 July 1947, Montgomery, Alabama
3. MARITAL STATUS: married
4. SPOUSE'S NAME: Susan Jean Woods Simon
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: Woods
6. NAMES AND AGES OF CHILDREN:

<u>NAME</u>	<u>AGE</u>
<u>James Woods Simon</u>	<u>23</u>

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE RECEIVED</u>	<u>DATE OF DEGREE</u>
<u>U. of Alabama</u>	<u>1965-1969</u>	<u>B.A.</u>	<u>1969</u>
<u>U. of Southern California</u>	<u>1971-1975</u>	<u>M.A.</u>	<u>1974</u>

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>	<u>POSITION/TITLE</u>	<u>LOCATION</u>	<u>DATES</u>
US Army	2LT-CPT	US, Germany	1969-1973
USC	teaching assistant	Munich	1973-1974
Radio Free Europe	intern	Munich	1973-1974
US Army Reserve	CPT-LTC	Germany, US	1973-1997
CIA	GS 09-SIS 04	US, Austria, Germany	1975-present

9. 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. INDICATE ANY SPECIALIZED INTELLIGENCE OR NATIONAL SECURITY EXPERTISE YOU HAVE ACQUIRED HAVING SERVED IN THE POSITIONS DESCRIBED IN QUESTIONS 8 AND/OR 9.

I have acquired considerable expertise in military analysis, intelligence support to the policy community, SIGINT and IMINT operations, all-source collection requirements and tasking processes, and management of intelligence operational and staff organizations.

11. 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):

Army Commendation Medals
 Army Achievement Medal
 Herman Fellowship
 Earhart Fellowship
 Intelligence Commendation Medal
 various Senior Intelligence Service performance awards
 a quality step increase
 Phi Kappa Phi Honor Society
 member of organizations receiving various group awards

12. 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):

	<u>ORGANIZATION</u>	<u>OFFICE HELD</u>	<u>DATES</u>
	Methodist Church	none	childhood-
present	Fauquier Springs C.C.	none	1998-present
	U.S. Golf Assn.	none	1993-present
	U. of Alabama Alumni Assn.	none	1969-present

13. 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.

"Japan's *Ostpolitik* and the Soviet Union," The World Today, April, 1974.

PART B - QUALIFICATIONS

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

I have served over 25 years in the intelligence profession: both in line and staff positions, both in the military and at the national level. I have specific expertise in military analysis and operational experience in both SIGINT and IMINT. I have a record as a successful executive and possess the confidence of the DCI, the DDCI, and the DDCI/CM. I have retained a sense of humor.

What follows is drawn from my Agency biography:

Mr. Simon was commissioned in the US Army in 1969, retiring in 1997 from the active reserve. Trained as a signal officer and in intelligence, he has commanded a SIGINT/EW company and has been operations officer of a psychological warfare battalion. He is a graduate of the Military Intelligence Officers Advanced Course, the Command and General Staff College, and has completed the Security Management Course from the National War College.

After discharge, Mr. Simon became a research intern at Radio Free Europe and served as teaching assistant to the Dean of the University of Southern California's Graduate Program in International Relations in Germany prior to returning to the United States to study for a Ph.D.

Mr. Simon has a B.A. in political science from The University of Alabama and a M.A. in international relations from the University of Southern California. He held both Herman and Earhart fellowships while pursuing a Ph.D. at USC with emphasis in national security, bureaucracy, Soviet studies, and Marxism-Leninism. He has presented professional papers before ORSA/MORS and the AAASS, and has given lectures at Harvard, Cornell, Utah State, the Joint Military Intelligence College, the Command and General Staff College, the Navy War College, the Air War College, and the National War College. For two years, he taught Soviet war fighting at the Air University's course for general officers.

Mr. Simon left USC before completing his dissertation and joined the CIA in 1975 through its Career Training Program. He served briefly in the clandestine service before joining the Directorate of Intelligence's Office of Strategic Research as a military analyst specializing in tactics and doctrine. He served as chief of a current intelligence branch as well as of two branches concerned with Soviet military strategy, doctrine, and plans. From 1986 to 1990 he was in charge of the intelligence community organization responsible for tasking the imagery constellation. In 1990, he was assigned as the senior intelligence representative to the US delegation for the CFE Treaty in Vienna where he was principal negotiator for the Treaty's information exchange protocol. After ratification in 1991, Mr. Simon was reassigned as Chief of ACIS Rhein Main in Frankfurt; the Community's facility responsible for the preparation, debriefing, and reporting of information gained by arms control inspection teams throughout Europe. In 1993, Mr. Simon became chief of a division in the Office of European Analysis and in 1996 was named Chief of the Collection Requirements and Evaluation Staff.

PART C - POLITICAL AND FOREIGN AFFILIATIONS

15. 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

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

None

17. 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.

No

B. 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 A RELATIONSHIP..

None

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

18. 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 FEDERAL LEGISLATION, OR FOR THE PURPOSE OF AFFECTING THE ADMINISTRATION AND EXECUTION OF FEDERAL LAW OR PUBLIC POLICY.

None

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

19. 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.

None

20. 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

21. 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

22. 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

23. 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.

It is my goal, after retirement, to teach history and government at the college level in Alabama. If I am not confirmed or leave the position of ADCVA before I reach retirement age, it is my intent to continue as an officer of the CIA.

24. 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

25. IS YOUR SPOUSE EMPLOYED? IF YES AND 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.

My spouse is unemployed outside the home.

26. 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.

<u>NAME OF ENTITY</u>	<u>POSITION</u>	<u>DATES HELD</u>	<u>SELF OR SPOUSE</u>
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None.

27. LIST ALL GIFTS EXCEEDING \$100 IN VALUE RECEIVED DURING THE PAST FIVE YEARS BY YOU, YOUR SPOUSE, OR YOUR DEPENDENTS. (NOTE: GIFTS RECEIVED FROM RELATIVES AND GIFTS GIVEN TO YOUR SPOUSE OR DEPENDENT NEED NOT BE INCLUDED UNLESS THE GIFT WAS GIVEN WITH YOUR KNOWLEDGE AND ACQUIESCENCE AND YOU HAD REASON TO BELIEVE THE GIFT WAS GIVEN BECAUSE OF YOUR OFFICIAL POSITION.)

None

28. 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.)

<u>DESCRIPTION OF PROPERTY</u>	<u>VALUE</u>	<u>METHOD OF VALUATION</u>
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see schedule A.

29. LIST ALL LOANS, MORTGAGES, OR OTHER INDEBTEDNESS (INCLUDING ANY CONTINGENT LIABILITIES) IN EXCESS OF \$10,000. EXCLUDE A MORTGAGE ON YOUR PERSONAL RESIDENCE UNLESS IT IS RENTED OUT AND LOANS SECURED BY AUTOMOBILES, HOUSEHOLD FURNITURE OR APPLIANCES. (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.)

<u>NATURE OF OBLIGATION</u>	<u>NAME OF OBLIGEE</u>	<u>AMOUNT</u>
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none.

30. ARE YOU OR YOUR SPOUSE NOW IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION? HAVE YOU OR YOUR SPOUSE BEEN IN DEFAULT ON ANY LOAN, DEBT OR OTHER FINANCIAL OBLIGATION IN THE PAST TEN YEARS? HAVE YOU OR YOUR SPOUSE EVER BEEN REFUSED CREDIT OR HAD A LOAN APPLICATION DENIED? IF THE ANSWER TO ANY OF THESE QUESTIONS IS YES, PLEASE PROVIDE DETAILS.

No.

31. LIST THE SPECIFIC 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 \$200. (COPIES OF U.S. INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
			110702	110856	120583
SALARY					
FEE ROYALTIES			0	0	0
DIVIDENDS			0	0	0
INTEREST			146	144	117
GIFTS			0	0	0
RENTS			0	0	0
OTHER-EXCEEDING \$500			0	0	0
TOTAL			111475	111695	120700

I no longer retain records from tax years 1993 and 1994. My income was derived solely from my employment by CIA and service in the US Army Reserve. For most of tax year 1993, I was assigned overseas. I rented-out my home and thus had rental income for tax year 1993. My overall interest total was higher as well because of deposits of rental fees from my home. By 1994, I was back in my home and most of the accrued money had been spent.

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

Yes.

33. LIST ALL JURISDICTIONS IN WHICH YOU AND YOUR SPOUSE FILE ANNUAL INCOME TAX RETURNS.

Virginia.

34. 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.

An IRS audit of tax year 1973 found an error that was resolved with me having to pay an additional sum (@ \$250). I recall two errors in my Virginia returns, one in the early 1990s that resulted in the State sending me money and one for tax year 1995 for which I paid about \$55.00.

35. IF YOU ARE AN ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL, PLEASE LIST ALL CLIENTS AND CUSTOMERS WHOM YOU BILLED MORE THAN \$200 WORTH OF SERVICES DURING THE PAST FIVE YEARS. ALSO, LIST ALL JURISDICTIONS IN WHICH YOU ARE LICENSED TO PRACTICE.

N/A

36. 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. IF NO, DESCRIBE OTHER ARRANGEMENTS FOR AVOIDING ANY POTENTIAL CONFLICTS OF INTEREST.

No. I do not believe that my financial holdings are of a nature to present any actual or potential conflicts of interest.

37. IF APPLICABLE, ATTACH THE LAST THREE YEARS OF ANNUAL FINANCIAL DISCLOSURE FORMS YOU HAVE BEEN REQUIRED TO FILE WITH YOUR AGENCY, DEPARTMENT, OR BRANCH OF GOVERNMENT.

See attachments.

PART E - ETHICAL MATTERS

38. HAVE YOU EVER BEEN THE SUBJECT OF A DISCIPLINARY PROCEEDING OR CITED FOR A BREACH OF ETHICS OR 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.

39. 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.

No.

40. 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.

No.

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

Successful plaintiff in small claims court case for non-performance of contract @1976.

42. HAVE YOU BEEN INTERVIEWED OR ASKED TO SUPPLY ANY INFORMATION AS A WITNESS OR OTHERWISE IN CONNECTION WITH ANY CONGRESSIONAL INVESTIGATION, FEDERAL OR STATE AGENCY PROCEEDING, GRAND JURY INVESTIGATION, OR CRIMINAL OR CIVIL LITIGATION IN THE PAST TEN YEARS? IF SO, PROVIDE DETAILS.

I was a witness in a child custody hearing in Loudoun County family court in 1998.

43. 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 - SECURITY INFORMATION

44. HAVE YOU EVEN BEEN DENIED ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION FOR ANY REASON? IF YES, PLEASE EXPLAIN IN DETAIL.

No.

45. HAVE YOU BEEN REQUIRED TO TAKE A POLYGRAPH EXAMINATION FOR ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION FOR ANY REASON? IF YES, PLEASE EXPLAIN.

Yes. Polygraph examinations are a condition of employment with the CIA.

46. HAVE YOU EVER REFUSED TO SUBMIT TO A POLYGRAPH EXAMINATION? IF YES, PLEASE EXPLAIN.

No.

PART G - ADDITIONAL INFORMATION

47. 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, THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE FOR COMMUNITY MANAGEMENT, THE ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR ADMINISTRATION AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS RESPECTIVELY IN THE OVERSIGHT PROCESS.

Among its Constitutional responsibilities, the Congress exercises oversight over all aspects of our government. For the foreign intelligence agencies, the Congress has vested day-to-day responsibility to the SSCI and the HPSCI. The secrecy inherent in intelligence activities requires that the committees exercise vigorous oversight to retain the confidence of the Congress and to ensure that secrecy is not used as a shield against accountability.

The DCI, the DDCI, the DDCI/CM, and the ADCIA, and their subordinates are duty bound to ensure that the SSCI and the HPSCI are fully and completely informed in a timely fashion on issues that are or ought to be of interest to the Congress. All information provided the Congress must be truthful and complete.

48. EXPLAIN YOUR UNDERSTANDING OF THE RESPONSIBILITIES OF THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE FOR COMMUNITY MANAGEMENT.

Title VIII of the Intelligence Authorization Act for FY1997 contains provisions intended to make the Intelligence Community operate more effectively and more efficiently in the post-Cold War world. Key provisions of the Act are intended to strengthen the ability of the Director of Central Intelligence (DCI) to manage the Intelligence Community, and establish the positions of Deputy Director of Central Intelligence for Community Management (DDCI/CM) and three Assistant Directors of Central Intelligence to assist the DCI in managing the Intelligence Community.

The DDCI/CM works under the direction of the DCI and is responsible for assisting the DCI in carrying out his responsibilities as head of the Intelligence Community. The DDCI/CM manages, through the Executive Director, Intelligence Community Affairs (ExDir/ICA), the Community Management Staff, and working through the Assistant Director of Central Intelligence for Collection (ADC/C), the Assistant Director of Central Intelligence for Analysis and Production (ADC/A&P), and the Assistant Director of Central Intelligence for Administration (ADC/A), directs community-wide functions:

Working through the ExDir/ICA, the DDCI/CM is responsible for the National Foreign Intelligence Program and Budget development, assessment and justification, Intelligence Policy and Planning, for directing advanced research and development, the requirements process and information technology management.

Working through the ADC/C, the DDCI/CM is responsible for ensuring the efficient and effective collection of national intelligence using technical means and human sources.

Working through the ADC/A&P, the DDCI/CM is responsible for conducting oversight of the analysis and production of intelligence by elements of the intelligence community.

Working through the ADC/A, the DDCI/CM is responsible for performing community-wide management functions of the intelligence community, including the management of personnel and resources.

The DCI has assigned specific responsibility to the DDCI/CM for the following actions:

To construct a new, more coherent system of Director of Central Intelligence Directives to provide guidance and direction to the Intelligence Community.

To charge the ADC/A&P and the ADC/C to work with NFIP managers to improve the effectiveness of cross-Intelligence Community collection and production management.

To initiate a Strategic Intent process for the Intelligence Community to develop a strategic direction for intelligence analysis and production, collection and infrastructure.

To establish a Community-wide acquisition oversight process to provide the DCI with analysis and advice on funding current and future acquisitions.

To develop a cost assessment capability to provide the DCI with an independent analysis of the Intelligence Community's investments.

To establish a Community-wide requirements process, rooted in strategic planning, to provide a baseline for making future investment decisions.

49. DO YOU BELIEVE THAT A POSITION ENJOYS GREATER STATURE WITHIN THE INTELLIGENCE COMMUNITY WHEN IT REQUIRES SENATE CONFIRMATION? PLEASE EXPLAIN.

Senate confirmation is an honor for any citizen, and, as such, confers a degree of stature to the honoree. It is however, neither necessary nor sufficient. True stature derives from the authority and responsibility inherent in a position coupled with the performance and integrity of the incumbent. Like most honors, its weight increases in inverse proportion to its use.

50. EXPLAIN YOUR UNDERSTANDING OF THE RESPONSIBILITIES OF THE ASSISTANT DIRECTOR OF CENTRAL INTELLIGENCE FOR ADMINISTRATION.

The Assistant Director of Central Intelligence for Administration (ADC/A) is a statutory position established by Title VIII of the Intelligence Authorization Act for Fiscal Year 1997, P.L. 104-293 (50 U.S.C. § 403). The ADC/A is appointed by the President and confirmed by the Senate.

The ADC/A is the deputy to the Deputy Director of Central Intelligence for Community Management (DDCI/CM). The ADC/A takes precedence in the Office of the DDCI/CM immediately after the DDCI/CM. The ADC/A assists the DCI and the DDCI/CM in fulfilling the responsibilities of the DCI as head of the Intelligence Community:

- Through the Assistant Director of Central Intelligence for Collection, in ensuring the efficient and effective collection of national intelligence;
- Through the Assistant Director of Central Intelligence for Analysis and Production,
 - in overseeing the analysis and production of intelligence by elements of the intelligence community,
 - in establishing standards and priorities relating to such analysis and production,
 - in monitoring the allocation of resources for the analysis and production of intelligence; and,
- Through the Chief Acquisition Executive, the Executive Director for Intelligence Community Affairs and the Community Management Staff, in managing such activities relating to the administration of the intelligence community as the DCI or DDCI/CM may require, including the management of programs, personnel and resources.

AFFIDAVIT

I, James M. Simon Jr., DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE, TO THE BEST OF MY KNOWLEDGE, ACCURATE AND COMPLETE.

16 October 1998
(Date)

James M. Simon Jr.
(Name)

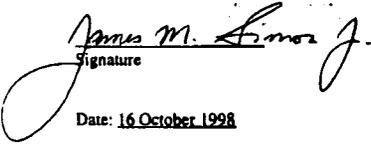
[Signature]
(Notary)

16 of October 1998
[Signature] Notary Public

Can expiring: 7/31/99

TO THE CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE:

In connection with my nomination to be the Assistant Director of Central Intelligence for Administration, I hereby express my willingness to respond to requests to appear and testify before any duly constituted committee of the Senate.


Signature

Date: 16 October 1998

Additional Questions for Mr. Simon SSC# 99-1061

Mindful of Congressional intent as expressed in the Vacancies Act and busy with my responsibilities as the Chief of the CIA's Collection Requirements and Evaluation Staff, I have not intruded into the activities of the DDCI/CM nor have I had the time to become as knowledgeable as I will be. Consequently these are initial opinions and may not represent the considered views of the DCI.

Appointment process for Assistant Directors of Central Intelligence

1. What are the disadvantages of requiring a Presidential appointment and Senate confirmation?

The major disadvantages are that it raises the probability of extended periods of vacancy, promotes turnover, and increases the potential for politicization of the Intelligence Community.

In my case, it was nearly nine months from the DCI's proffer to my confirmation as ADCI/A. The Administration that made the appointment will end on January 20, 2001. Consequently, I can expect to start few initiatives and expect even fewer to reach completion in the remaining two years. Those opposed to change need do little more than drag their feet—a talent widely distributed in our government.

I am not eligible for, nor particularly interested in, retirement, but it is likely that I must offer my resignation not later than January 20, 2001. If there is a new DCI, he must make a relatively quick decision on retention or replacement of an incumbent. For non-appointee positions, a new DCI can take time to decide absent immediate pressure to make a binding decision on retention.

If not re-appointed by the new administration, I would, as a career officer, return to the CIA. On return I would, as a senior officer and a former Presidential appointee that had been confirmed by the Senate, be somewhat of a placement problem in an agency headed by the same DCI that chose not to extend my tenure as ADCI/A.

This is not a particular problem for the individual professional intelligence officer. Few of us enlist to become bureaucrats and, although we serve as needed, we tend to have alternatives whose intrinsic interest offsets considerations of formal stature. Attractive alternatives along with the normal aversion to personal uncertainty, give career officers in appointed positions powerful motives to seek another job well in advance of the change of administration.

From the standpoint of the needs of the service, extension of confirmed status into areas such as collection, analysis and production, and administration ensures that as administrations change, decapitation of the Community's leadership team leaves whatever progress has been made; whatever programs have begun, to either halt until new leadership can take hold or die a quiet death. Career positions can be replaced at a pace comfortable to an incoming DCI instead with the haste attendant to filling Presidential appointments. Of course, this problem does not apply for billets occupied by general officers. It is my view that the reality of the appointment process provides incentives for more rapid turnover at the top of the career ranks where there is, in my estimation, too much instability already.

I continue to believe that the insertion of political appointees deep inside the Intelligence Community has the certainty of politicizing our intelligence. Politicized intelligence is worse than worthless, it is dangerous. The professional community sometimes falls short of perfection, but it tries and is usually able to distinguish policy wishes from reality. In any event, I think it unwise for the Congress to deny a confirmed DCI the chance to have officers of his choosing in key positions. This makes certain that a non-professional could fill one of these positions that are increasingly important to the coherence of our analytical and collection efforts.

2. Are there any ways to reduce those disadvantages without discarding the Senate confirmation requirement?

Perhaps the delay in filling these positions could be ameliorated by exempting them from the strictures of the Vacancies Act on certification by the DCI. Appointment for a fixed term would be, in my view, a poor solution. Incumbents need the confidence and support of the DCI for them to be effective. The DCI must be able to select ADCIs of his choosing and dismiss them as necessary and, as a practical matter, this is more difficult with Presidential appointees than career officials.

3. If we removed the requirement for Senate confirmation, how would we be assured that the positions would be filled? Wouldn't the directors of the separate agencies (NSA, NIMA, DIA) who dislike and oppose these positions eventually prevail?

Short of legislative changes of the sweep envisioned by IC21, the primary assurance must rest with the DCI. If the ADCIs prove useful in their stewardship of the Intelligence Community, the DCI has every incentive to keep the posts filled and see that they have adequate authority and resources. Whatever concerns the various agency heads have about these positions, their views are susceptible to change. In any event, opposition by subordinates is unlikely to be deterministic if the ADCIs prove their value to the DCI.

Duties of the ADCI for Administration

4. Does a community-wide set of standards for civilian promotions, assignments, and professional development make sense?

Probably not. Most of these differences are a legitimate product of the variance in mission and authorities among the departments and agencies. The disruption of imposed commonality is likely to exceed the benefits absent a fundamental, and even more disruptive, restructuring of the government. In this light, I believe that commonality of standards is achievable only insofar as the agencies and departments see them as adding tangible benefit. Nonetheless there are areas where a common approach can make a difference, especially if we focus on the incentives for cooperation rather than the penalties for individuality. On the grounds that leadership begins at the top, I believe that we should start by looking at a common DCI program for professional intelligence SES/SIS.

5. Does the DCI have sufficient authority to create and enforce these standards?

No.

6. What are the major obstacles preventing the creation and enforcement of these standards?

The lack of executive authority by the DCI over any non-CIA activity of the Intelligence Community.

7. Are legislative remedies required in order to overcome the obstacles?

For an absolute solution, yes.

8. What other community-wide standards make sense?
 information systems? telecommunications systems?
 finance and accounting systems? contracting authorities?

In principle, the idea of common standards promoting efficiency is unassailable. When our national security is at stake, however, efficiency cannot be at the cost of effectiveness. The tension between the presumed efficiencies of centralization and the asserted effectiveness of decentralization is not easily resolved. The difficulty is choosing common approaches that strengthen both effectiveness and efficiency. Also relevant is whether the effort to impose standards would be a worthwhile expenditure of time and energy. For example, technological progress has rendered the issue of word processing interoperability moot even though it once seized our attention and this is the likely fate of the various finance and accounting systems in use today. I am also instructed by the difficulties experienced by the armed forces in reaching similar objectives in a circumstance where interoperability is an accepted doctrinal tenet and where they are all subject to a single executive authority.

With that said, I strongly support common technical and security standards for information and telecommunications systems. Common standards are not technically difficult and there is no significant disagreement over the objective, only the means. Herein lies the rub because the problems are not, in my view, technical but ones of bureaucracy, security, and money. Bureaucracy is a difficult environment for change but it is the one we have. Our security concerns are real and we have to decide the degree to which we guard against our theoretically infinite vulnerability as opposed to threats. Money is the fuel of information technology and one of my DIA colleagues, Louis Andre, puts it aptly: "Vision without resources is a hallucination." Our budgeting practices suggest that we have not yet fully grasped the cost and pace required to stay modern or the penalties if we do not. Our objective though is clear: objective, accurate, and persuasive intelligence must get to authorized customers, whether civil or military, in time to matter.

I strongly support common Intelligence Community data bases such as that typified by the CIA's developing Corporate Knowledge Base, the ICBIS, and the intra- and internet tools pioneered by the INTELINK Program Office. Without question, the Intelligence Community needs to be able to communicate with itself and its customers as well as share a common, secure information backbone.

Because of the central role of the armed forces in defense of our country abroad and for emergency relief at home, it follows that we should adopt Defense Department standards wherever possible. It is not possible when the Defense Department's standards are themselves obsolescent or where the expense prices non-Defense users out of the system. If Defense Department standards are to be the common ones, non-Defense users require and must be guaranteed an effective voice in the standards-setting mechanism. How to do that under current law and practice is the challenge.

As a practical matter, I do not support extension of contracting authorities now resident with the DCI to other agencies. The DCI's contracting authority is circumscribed and limited in application. This reduces the chance that misuse could be unduly harmful and ensures that its application can be effectively monitored by the CIA Inspector General and the Congress.

9. In your prepared testimony you emphasize the need for reviewing our system of classification and compartmentation. As you may be aware, during this Congress we will be considering secrecy legislation. Based on your current understanding, will the Community need legislative remedies to fix some of the problems you believe exist?

Excessive classification and abusive compartmentation practices are as disliked inside as outside the Intelligence Community. I am hopeful that the problem of secrecy

as a regulatory matter is one that can be addressed through executive order and aggressive use of the DCI's existing authorities. As a cultural problem, there is no quick fix.

In his book, *Secrecy*, Senator Moynihan angrily describes the hoarding of secrets as a means of bureaucratic barter. This is a wrong keenly felt by both analysts and consumers. Still, the sources of secret information that matter to our national security and the methods by which these secrets are acquired ought to be protected. Similarly, executive materials that describe important US intentions or capabilities—war plans, diplomatic instructions, weapon designs—require protection.

The problem, for intelligence, arises from our need for it to be useful while protecting those secrets that ought to be kept. This leads to derivative classification where the need to protect the particulars of original source materials creates situations where intelligence, used to buttress even secondary points, can drive up the classification of an otherwise unclassified document. Here we have a long-standing tension between the protectors and the customers. The protectors reasonably want to ensure that the materials for which they risked their lives or those of their agents, or that they spent a large portion of the national treasure to obtain, are not rendered worthless. For their part, consumers are unwilling to accept *ex cathedra* pronouncements from the analytic community and have consistently demanded the details of source provenance that, in turn, create more derivative secrets. There should be no surprise that this has produced a situation where we both have too many secrets and also convey a level of detail that ensures that the inevitable compromise will have serious effect. Our system properly gives the protectors the advantage and the means—classification and compartmentation—to err on the side of prudence.

Part of the answer, I believe, is to find a means of effective oversight. Only such a system can build the trust necessary to maintain the consensus required to maintain legitimate secrecy in an open society. I think it is the community's duty as well as in our own interest, to have a classification system worthy of respect. In my mind, such a system necessarily implies a high bar for classification decisions and strict, consequent oversight of compartmentation and special access programs.

Some proposals, such as that of the 1997 Commission on Protecting and Reducing Government Secrecy for a National Declassification Center are, in my view, especially ill advised. At best, such a center would be a massive diversion of manpower and money away from more critical problems facing this country. At worst it would also entangle and distract the national security agencies from their critical mission of safeguarding the nation. I strongly doubt that the effort to declassify the misclassified is worth the cost or risk. Arguments to the contrary, I see no prospect that such a center would make any appreciable, positive difference in either our security or our liberty.

Community Management Staff

10. The FY97 Intelligence Authorization Act directed the creation of a § professional staff having expertise in matters relating to such responsibilities§ (i.e., the

DCI's responsibilities). Is the Community Management Staff an independent, professional staff that serves the interests of the DCI?

It is becoming one, but it takes time to create a working mechanism, to recruit and train the right officers and to introduce professional staff functions into a community that would rather not have them. A glimpse of the future can be seen in some of the mechanisms created by the DDCI/CM to provide policy advice and support to the DCI in his role as a regulatory authority. They use INTELINK to speed the consultative and coordination process while ensuring the relevant expertise, wherever it resides in the community, is brought to bear.

11. What are the obstacles preventing the creation of a professional staff loyal to the DCI?

I believe the goal is to create a staff loyal to the institution of the DCI as well as the larger interests of the Intelligence Community. We have done more than merely assemble some positions, some money, and some people and proclaim it a staff, but there remains to build an incentive system to ensure that superior staff officers are attracted to the CMS. This is no small task in a Community little tradition or record of respecting or rewarding independent "staff" work.

In particular, we must institutionalize a staff structure whose competence and capability remains constant even as leadership changes. There is considerable complexity in choosing what mix of incentives and mechanisms—time limited appointments, cadre mix ratios, SIS/SES percentages—should be used to create a professional staff along the lines of the JCS's joint staff. When all is said and done though, the heart of the matter is how to consistently attract superior performers while not becoming a rest home for the weary.

12. Are legislative remedies required to overcome the obstacles?

I think not, but cannot yet answer definitively.

Intelligence Collection

13. How close are we to being able to evaluate the relative value of different types of intelligence collection so that difficult budgetary decisions can be made (e.g. choosing SIGINT over imagery, or airborne collection over satellites, etc.)?

We are between three and five years away from having the tools and validated methodologies for high-confidence decision support. Even then, our evaluation methodology is necessarily backward looking and will offer only an aid for predicting the future. I do think it will make an important contribution through the introduction of objective data in place of dueling anecdotes.

Since 1996 CIA has conducted annual assessments of the relative value of all sources of information to its analysts. The results allow comparison by issue (i.e., Iraq or counterterrorism) of all the sources that the analysts deemed relevant to their mission of finished intelligence production. Currently, the assessments provide customer-based feedback to the collection organizations. This method captures only a portion of the value of actionable intelligence.

Thanks to Congressional support, especially from the SSCI and the HPSCI, we are installing other mechanisms to allow us to more confidently evaluate the value of intelligence collected for potential use. Most important, the partnership between CIA and DIA ultimately will allow us to approach a community-level evaluation. In time, there is no reason why this methodology cannot be extended to other analytic elements such as those at State Department, the commands, and the services' S&T centers. We aim to encourage more focused dialog between analysts and program managers to give customers more leverage to influence collection, processing, exploitation, and dissemination while giving collectors the means to get analytic help to enable collection.

14. Why is this evaluation so difficult?

No one enjoys being graded especially if there are consequences for falling short. Second, because our goal is large, it is technically complex. For consequent evaluation to be useful, it must be objective and has an absolute imperative to assure data validity and methodological consistency.

Budgetary decisions often require pair-wise comparisons between specific collection programs or platforms. Even though CIA's evaluation method is the most rigorous in the Community, the data lack granularity in areas where the collection source is not disclosed to the analyst. Analysts, for example, can identify SIGINT as a source, but are only rarely able to specify the program or platform that collected the information. This is because the serial reporting that analysts see does not provide adequate attribution and often blends information collected from several programs and platforms into one report. Until the customer gains greater visibility into a collector's processes and uses that visibility to become better informed about the source of information, our data will continue to show some unevenness.

We also must be able to measure the value of an indirect or non-attributed contribution. For example, an enabling technology is developed by the Directorate of Science and Technology, deployed by the Directorate of Operations, and reported as NSA product. The analyst naturally attributes the information to a SIGINT source leaving program managers in the DS&T and the DO rightfully concerned with how to measure the efficiency and effectiveness of their programs.

If we do not sustain the development of customer-based, standardized evaluation metrics at the Community level, we will have to be content with the continued use of shotgun customer surveys sponsored, targeted, and interpreted by the self-interested.

15. Have the Intelligence Community stovepipes outlived their usefulness (i.e., organizations based on SIGINT, Imagery, HUMINT)?

The stovepipes, but one, were created to fight the Cold War which they did rather well. It is a fair question whether they, like many other organizational forms in the national security arena, are well-suited for the world as it is now. Few would choose this structure if we were starting over, but we are not. As I have written elsewhere, the issue is not so much the existence of the stovepipes but their allegiance to business practices that are less than customer-friendly. Whatever reforms we might impose, it is essential to preserve the stovepipes' ability to create the specialized skills required to collect the intelligence we need. I am not sure how, without the stovepipes, we could create either those skills or the élan needed to use them.

Our present situation is unsatisfactory. To be served, the customers of intelligence are required to master the arcane practices of a secret bureaucracy. Customers need relief from the cost of dealing with the plenitude of independent bureaucracies whose goals seem to be developed in isolation and whose practices have the strong odor of bureaucratic fiat rather than reason.

I believe that part of the answer lies in making effective the coordination and oversight of collector activities by the ADCI/C and enabling the ADCI/AP to focus on the requirements, processing, exploitation, and analysis side of the stovepipes' business. The goal of both ADCIs is to make all these activities more accountable and thereby responsive to customers of intelligence and we accept that any effort to hold elements of the bureaucracy accountable will be stoutly resisted for reasons both good and bad.

For me the fundamental question that must be answered before beginning a redesign of the Intelligence Community is whether we need a central intelligence organization, regardless of its name. I believe our form of government creates an imperative to ensure that intelligence is independent of policy objectives. If you agree, then the first question is "how should the entity that provides independent intelligence be constituted and protected?" It is certain to have few defenders. The second is "how does one assure its independence?" especially as most collection resources—money and people—are at the service of policy agencies. Congress has long looked to the DCI for this assurance and provided him the Community Management Staff to help. For now, we have a staff in search of authority rather than authority in need of a staff to implement. The inevitable consequence is bureaucratic conflict for limited objectives and no certainty that the changes will be worth the struggle. Sherman Kent argued that the DCI would require some form of a financial and program oversight function to see that his directives, and now those of his subordinate ADCIs, are implemented. He was right and this is one area where the gain would be worth the struggle.

Consolidation of personnel, administrative and security programs

16. Tell us where you have found or expect to find the most opposition to consolidating personnel, administrative and security programs?

Among the current stakeholders. With some exceptions, the guardians of the now fear the tomorrow.

17. How can assignments of Intelligence Community people between agencies be improved?

Self-interest is the best and most reliable motivator. Assignments have to profit the detailing agency and the individual officer professionally and personally. The DCI ought to be given control of an incentive mechanism as well as a measure of assignment authority for the most senior officials.

Coordination of personnel management systems, information systems, telecommunication systems, finance and accounting services and security programs

18. What justification remains for even the large intelligence agencies to maintain separate administrative, personnel, security and training systems?

The devil is in the details. In this case, the details—the differences in the various administrative, personnel, security, and training systems—are a rational consequence of the differing legal authorities and missions of the departments that house intelligence components. The complexities faced by a unified and determined NIMA leadership in bringing together the intelligence and geospatial cultures demonstrate that change of this sort is hard and ought not be undertaken casually. In a larger arena, what is needed for the intelligence components may not be best for the parent department. It is unreasonable to expect the Department of Defense, for example, to tailor its administrative practices for the benefit of intelligence components that, though important, are supportive to its primary mission to defend the country. CIA and the other civil agencies have a varied set of missions, interests, and authorities distinct from those of the Defense intelligence agencies. This natural divide has been widened by Goldwater-Nichols and the designation of Defense Department intelligence agencies as combat support agencies. Absent a fundamental restructuring, I believe that a greater degree of commonality can be introduced only insofar that commonality adds demonstrable value.

19. What specifically can be done to consolidate training?

I am not sure in that much depends on the level and scope of consolidation. Advanced language training provides a good example of the complexity involved. In addition to simple knowledge, NSA's linguists need a superior ear, a broad vocabulary, and a good understanding of current usage and slang. The Clandestine Service's linguists need fluency of speech and an in-depth appreciation of the social context of language usage. All-source analysts need reading skills, specialized vocabularies, and a profound

understanding of the history and culture of a linguistic group. At the highest level, I doubt that a consolidated training program could accommodate the variety of outcomes we need within an affordable cost. At the discipline-specific skill-training level, both HUMINT and SIGINT have demonstrated how thoughtful consolidation can be both efficient and effective.

Need for Additional Notification Requirements

The National Security Act of 1947 mandates that the intelligence committees be kept fully and currently informed of all intelligence activities.

20. Do you understand that this provision imposes a requirement to report to the Committee not only the nature of all intelligence activities but also any significant intelligence collected by those activities?

Yes.

Managing Intelligence Support to the United Nations

21. Should the Community Management Staff play a role in managing intelligence support to the United Nations?

No. Staffs should not exercise operational or executive authority. If it is desirable that someone other than the Chief of Station in his role as the DCI's personal agent perform such a task, an authority outside the Community Management Staff, such as the ADCIAP, could be given the task.

22. What priority should be assigned to this requirement in today's fiscally constrained environment?

The setting of priorities is an executive policy decision of the President and any opinion I might have as an intelligence officer would be improper.

Central Services Program Working Capital Fund

CIA's Directorate of Administration has launched an innovative effort to put administrative service providers on a business-like footing by establishing a working capital fund.

23. What is your assessment of this effort?

I credit its boldness but suspect that clever management can only do so much to overcome a sheer lack of money. I think the popular "tooth-to-tail" analogy unsuitable for an enterprise devoted to stealing secrets without the target's knowledge. Certainly it is a challenge to introduce business methods into a monopolistic enterprise that undertakes its activities as a function of mission, law, or direction rather than informed self-interest.

24. What is its potential applicability throughout the Intelligence Community?

It is too early to tell. If it works within the confines of the CIA, the challenge will be to fit it into the larger, more complex arena of the Intelligence Community. I am told that the Defense Department has had some success with efforts of this sort.

Personnel

People are the backbone of the Intelligence Community. And yet, observers have criticized the Intelligence Community for lacking a Community-wide comprehensive and cohesive personnel system that will enhance professional development.

25. How do you plan to address this difficulty?

I have some ideas that require further development before they can become formal initiatives, but they are focused on the need for a measure of turnover in our leadership ranks while promoting longevity among our experts.

I am skeptical of the hypothesis that a Community-wide comprehensive and cohesive personnel system would enhance professional development. Not only is the Community home to many distinct professions, but if there is a causal relationship between a personnel system and the quality of a profession, it is the reverse. A true profession is characterized by a shared identity and normative values rather than administrative order. My understanding of other successful professional models leads me to conclude that disciplined leadership within the ranks of a profession is the key.

Information Warfare

The Intelligence Community is charged with assessing foreign intentions and capabilities to penetrate our telecommunications and information systems in order to corrupt or destroy data critical to our national and economic security.

26. How vulnerable is the United States to information warfare waged by other countries?

My specific knowledge is limited. My sense is that we are more vulnerable than the general public thinks and less so than the peddlers of expensive nostrums would have us believe. From a foreign intelligence perspective, the key challenge is in separating acts of sabotage or attack by hostile foreign entities from domestic criminal activity and anarchic malice.

27. How concerned are you about the vulnerability of U.S. communications and computer systems?

As someone whose son is a computer professional and who regularly uses the internet for e-mail and commerce, I am quite concerned.

28. How well is the Intelligence Community organized to deal with the information warfare threat? What changes, if any, would you propose?

Given our nascent understanding and the sheer complexity of the issue, I think we have made a fair start with the inauguration of the Bilateral Information Operations Steering Group. CIA and NSA are actively working through the substantive issues while the larger community is nearing closure on an order promulgating the DCI's directions. It would be unwise for me to propose changes without a demonstrably better alternative. I do think that our inter-organizational cultural differences are such that structural solutions along the lines of existing models within the Intelligence Community deserve strong consideration. One unique aspect of information operations is the imperative for close involvement by the expert analytic community both in and out of government.

29. Do you believe that new legislation is needed in this area?

Possibly, but I am not yet able to speak with authority on the merits of legislation versus executive order or NSC directive. I think the latter methods preferable because of the ease of modification with experience.

Internal Procedures

The Intelligence Authorization Act for Fiscal Year 1999 includes a procedure that allows Intelligence Community employees to bring to Congress classified information that evidences wrongdoing.

30. Do you believe that employees within the Intelligence Community should be allowed to come to this Committee with information that evidences wrongdoing?

Yes.

31. Under what circumstances would it be necessary to prevent such employees from coming forward?

When the DCI has determined that it could compromise an on-going investigation by competent authority.

32. Have you ever been privy to information that evidences wrongdoing in the Intelligence Community and not informed this committee or an appropriate official?

No.

33. Do you agree that members of this Committee have a need to know information that evidence wrongdoing with the Intelligence Community?

Yes.

34. Will you commit to us that as ADCI for Administration you will inform this committee if you are prevented from providing us with evidence of wrongdoing with the Intelligence Community?

Yes.

**STATEMENT OF JAMES M. SIMON, JR., ASSISTANT DIRECTOR
OF CENTRAL INTELLIGENCE FOR ADMINISTRATION-DES-
IGNATE**

Mr. SIMON. Mr. Chairman, Mr. Vice Chairman, I am honored to appear before you today and by my nomination as the Assistant Director of Central Intelligence for Administration.

As you know, I will act as the principal ADCI and deputy to the DDCI for Community Management and I do hope to develop close ties with you as we work together to achieve what I believe to be our common goals.

I am an activist by philosophy and by inclination and it is my intent, if confirmed, to do more than simply mind the store. I believe the Intelligence Community is in a time of a revolutionary change. Some in the Community dispute this view, but I believe them to be wrong. The means by which intelligence is acquired, analyzed, and disseminated has changed with the end of the bipolar Cold War and the pressure of accelerating technological innovation.

Although it is clear that we in the Intelligence Community must change as well, it will not be easy for complex institutions caught up in the crises of the moment and bound by the legacies of the past.

If we are to do more than muddle through, we must figure out where we want to go, and then decide how to get there; in short the Community needs a strategy and a plan. We must begin by identifying and reinforcing our successes. Those failures that are intolerable for our nation's security must be redeemed. Most important, because we do pretty well with what is staring us in the face, our strategy must be able to identify what is not being done that ought to be.

Man lives in the present, his time-horizon is short, and we too often let our fascination with the tactical, and the immediate, drive strategic concerns to the margins. The successful collection, analysis, and dissemination of useful intelligence requires extensive preparation, thus we must attend to our obligation to look to the future as to the present. As a first step, the DCI has commissioned the drafting of his strategic intent for the Intelligence Community and we expect it to provide the foundation for a genuine strategy.

Only determined leadership can provide the fixity of purpose needed for the lengthy process required to change complex systems. Because continuity in our top leadership is rare, we must create effective institutions and processes to keep us on course.

As deputy to the DDCI for Community Management, it will be my responsibility to harmonize the widely varied efforts under her purview to see that the community reaches the objectives set for us by the DCI and by the Congress. A necessary, if not glamorous, condition for success is the building of community staffs to serve the DCI and the Intelligence Community's senior leadership. Staff work in our community is hobbled by poor data and, too often, falls short of the objectivity, rigor, and creativity needed for us to make informed decisions in a time of rapid change.

We intend that the DCI's staff be a model one recognized as the best in government by the Congress and the Executive branch. We seek a reputation for integrity so that the accuracy of our data en-

genders confidence, even when there is disagreement over its significance or its consequence.

A priority is that we, as a community, must increase our engagement with the Congress and provide you a coherent strategic context for our programs and policies. To this end, the DCI intends that I will be responsible for the creation of a national requirements process to ensure that the needs of all customers—strategic and tactical, intelligence and battlefield surveillance, traditional and novel—are articulated, validated, and made manifest in our programs.

I read somewhere that the only way to avoid criticism is say nothing, do nothing, be nothing. Nothing important is done without criticism and we will not shy from it. We have begun. Both John Gannon, the ADCI for Analysis and Production, and Charlie Allen, the ADCI for Collection, are now engaged in the contentious process of developing new community instruments to achieve the goals set for us by the Congress and the DCI. We intend to reform those processes and structures that no longer serve us as well as they once did. We want a system that engenders confidence and satisfies the imperatives of efficiency, effectiveness, and accountability. Any new system must provide sound data and objective criteria that will aid the DCI and other community leaders in making sound operational, programmatic, and managerial decisions.

This will be a complex task, but we are determined that it not be a lengthy one. Nor will we be denied our goal. If persuasion and the DCI's existing authorities prove insufficient, we will return to seek your help.

We take seriously Congressional urging to pursue greater consolidation of personnel and administrative functions and establish common standards across the Intelligence Community. It will be my responsibility to lead our efforts to better coordinate the various systems—personnel management, information, telecommunications, finance and accounting—and security programs across the Intelligence Community.

I am not yet an expert, and surely not as expert as I need to be to offer a detailed program, but I have some opinions, and even if they are, as yet, unevenly informed by hard data, I will share some with you.

The pillars of American intelligence are the expertise and experience of our people and our use of superior technology. To keep the quality of our work force high, its composition, its recruitment, and its terms of service need reconsideration. We need thoughtful analysis of how the increased use of contract personnel, the government's pay and benefit structure in some areas, and the introduction of portable pensions affect our objectives.

On the resources side, we must ensure that our programs have funding adequate for them both to operate today and to prepare for tomorrow. Among these, there is no more urgent need than to clarify our priorities so that we can proceed with funding a restructured SIGINT system to respond to the assault of the technological revolution in telecommunications. A key aspect of this is to ensure a robust Clandestine Service that can play an active role without degrading its present mission. To profit from these efforts, investment in intelligence processing and analysis must no longer be an

afterthought. And if I may say, as an analyst, I can assure you that it will not be an afterthought, at least for the next few years.

I believe that the Intelligence Community needs to reexamine and undertake changes in its overall personnel policies. In addition to needing more stability in our top leadership, we need a revised, community-wide personnel system that encourages adequate flow through our senior management cadres, while encouraging retention and longevity for our most expert officers.

Similarly, our reliance on military personnel should get another look. Historically, using military personnel for a number of tasks allowed us to employ larger numbers than would otherwise be possible with civilians. In return, the community provided superior training so that the armed forces have the skilled intelligence personnel they require.

As both we and the military have gotten smaller, undermanning and skill shortages in military cohorts are more serious and we are less able to deal with the turnover of military assignees who now comprise a larger percentage of our experience base than before.

For intelligence, security concerns are always going to be central. Our ability to provide intelligence for the common defense is dependent on our protection of sources and methods. At the same time, the lack of coherence among the multitude of security regimes that have grown up over the decades creates cracks in our defenses. We must have order, as well as a security regime that promotes and enables intelligence to serve the national interests. Too often, seemingly irrational security regulations, reflexively imposed, have encouraged disrespect for security rather than compliance. We must reverse the indiscipline marked by genuinely harmful leaks and compromises and end the twin abuses of excessive classification and foolish compartmentation. In return for creating a system worthy of respect, we will continue to insist on full accountability under law for those proven unworthy of our trust.

Two areas require immediate attention. First, we must end the parochialism that makes it impossible to determine what we know, who knows it, and who ought to know it. An excellent first step has been made with the introduction of the HUMINT control system, and now we need to extend that concept throughout the community. Second, we must solve the information security conundrum; we must have community connectivity, we must protect what must be protected, and yet not rob ourselves of the promise of the new technologies.

The naming of an Intelligence Community Chief Information Officer is a beginning, but only that. We must also find a reasonable balance between defending our theoretically infinite vulnerability and the imperative to produce intelligence of actionable use to policymakers and military commanders. Intelligence that is not useful and timely is, at best, history. And I don't believe we have built this rather expensive intelligence structure to support historians.

The United States is the preeminent world power and our involvement is necessary to resolve any serious international problem, but it is not sufficient. We are in a period where we increasingly rely on our allies, both permanent and temporary. The demands of international diplomacy and coalition warfare make intel-

ligence a useful arm of American strategy, but our capabilities are fragile and weakened by exposure, however noble the purpose.

We must look at the use of intelligence in our dealings with foreign governments and have mechanisms that make sure that our expensively acquired capabilities and methods are not put at risk for other than significant gain.

There is one substantive issue of particular concern to me. The victory of the West in the Cold War has left a weakened world order. Too many nation-states have been unable or unwilling to prevent the acquisition of chemical, biological, radiological, and nuclear capabilities by terrorist groups and rogue states. Too many have no more fervent wish than to strike at us. As the prospect of classical military operations abroad recedes, intelligence must adjust to the imperative to defend our homeland. As we rebuild and reorient ourselves to face this threat, we will need your help to find ways to support some of our new customers: the states—their governors, their state police, and the National Guard.

Mr. Chairman, Senator Kerrey, I am proud that Director Tenet, General Gordon, and Deputy Director Dempsey want me on their team. If confirmed, I will do my utmost to show that their confidence and that of the Congress is not misplaced. I look forward to working with you toward our mutual goal of a stronger and more effective DCI leadership of the Intelligence Community. I thank you for your consideration and would be happy to take whatever questions you may have.

Chairman SHELBY. Mr. Simon, how can assignments of Intelligence Community people between agencies be improved?

Mr. SIMON. It's very difficult to do in practice. Intelligence agencies are not unlike the military services. CIA officers do not willingly take service in NSA or in NIMA. That's true going the other way as well. It's almost as if you asked an admiral to go put on a green suit for a few years. The military found one solution for it in the Joint Chiefs of Staff. Over time, they created the culture of the purple suit—that is, a common activity that puts behind you the parochial interest of the agency from which you came.

You almost need such a system because if you don't have one that incentivizes people to do that, you too often end up with the fate of most staffs. People who seek service in community staffs, particularly the old IC Staff, which I spent some time in, tend to fit the bell-shaped curve, unfortunately not the one you're looking for on the distribution of your resources.

You had a certain percentage of the people there who, frankly, had retired in place or were considered to be brain dead and wanted a quiet place where they could make it to retirement without being bothered.

A greater proportion were those that their agencies either didn't want or that they felt were not progressing acceptably within their own agency, and they sought the Intelligence Community Staff as an alternative means towards a more successful career.

There was a certain percentage of them that were outstanding people, who thought that they could make a difference, and maybe even had a community vision.

The IC Staff died of its own weight over time. The surest sign that staffs of that ilk have failed is they start promoting from entry

level to senior executive within their own ranks. Then you have people at the top of your staff that have never done anything, they've never done analysis, never done collection, they've never done anything but observe others doing.

To have an effective staff, you have to find a way to create a staff that people want to serve in. And in our system that means you have to construct a series of incentives that are not necessarily connected with promotion. Among the top Fortune 500 companies, the top 100 of those are the best places to work—

Chairman SHELBY. Monetary incentives.

Mr. SIMON. No, sir. They have done a study and the three areas that are the most decisive in determining a good place to work had to do with the environment you work in, whether or not there is a sense of purpose, and whether or not the people are treated as if they had value to the mission of the organization. So it is not necessarily monetary incentives.

But it differs among the various cultures that make up the Intelligence Community. My own background is as an analyst. Most analysts seek management positions so they can have a private office. They are academics by nature. They would like a place to keep all their books. They would like to be able to shut the door while they think great thoughts. If given an alternative means to a private office, most of them would not choose to become a manager.

Case officers really would like to spend all of their time overseas, working the streets. And if they were offered another means to pay their mortgage and attain a measure of career satisfaction other than being a manager, they would choose that.

There is a certain group of people who have natural staff skills, and attracting them into a non-traditional career path is in fact the task. How do you identify and attract them. And that is a problem that we have not solved in the Intelligence Community. Other agencies of government have done a better job, particularly the Defense Department. We need to take a look at that.

Chairman SHELBY. Also, the market that you're trying to attract is tough, isn't it—I mean the quality of the people you are trying to get.

Mr. SIMON. Yes, sir. It is very hard to get the sort of people you need that have a true staff ethic. I don't need staff officers who think they should be commanders. I need staff officers who will look through the mass of interesting things, sort through those that are important, that require the intervention of senior management to resolve, and bring those to the attention of senior management, properly informed about the options that are available and the possibility of achieving any of the particular options that might be presented. Too often staffs, at least in our business, end up with people who think they are more expert than the experts. As you know, Mr. Allen has been trying to figure out how to fix our collection mechanism, and one of the options he was looking at is a very large, powerful, central staff. I have opposed that on the argument that the stovepipes as they exist today, and while I am not their fan, at least they are expert. If I exchange the tyranny of the stovepipes for a tyranny of the staff that is almost certainly not expert, I am not sure I have made a good trade. So I have to find a way

to use the staff to perform staff functions and not have it conduct line or operational functions.

Chairman SHELBY. How will you, as the ADCI for Administration, carry out the statutory responsibility that you are very aware of, to keep the Congressional Intelligence Committees, "fully and currently informed of all intelligence activities, covert action, and other significant anticipated intelligence activities?" We think that's important.

Mr. SIMON. I think that's very difficult. At least some of those activities, even in the position for which I have been nominated, I won't know about. I am the chief of requirements and evaluations for the Central Intelligence Agency. It takes me months to get cleared into various compartments, including those held by my own agency, and it's even worse for other agencies.

So the probability that I would know the range of things that should be conveyed to you is, in all honesty, very, very small. Unfortunately, the probability is also very, very small that Ms. Dempsey would know, and on some occasions even the DCI would not always know.

One of the problems I spoke about in my testimony that we have to fix is how do we know what we know, and how do we know who doesn't know that needs to know. I have some very strong ideas about how that should be done. It will require the DCI, through the use of his existing authorities, or by making some changes in the Executive Orders, to establish a central repository of who has access into the various compartments.

One difficulty will be with the compartments that are known as Special Access programs that are, for the most part, administered by the Defense Department. The Defense Department declared these not to be intelligence compartments, but operational compartments, and the DCI lacks authority over those. But nonetheless, the content of many of those programs—not all of them, but a large number of them—is intelligence. So we have to find a way to work that with the Defense Department, so that the DCI knows and he can tell you.

I personally have studied American history for a number of years and fully understand my responsibility to report to you, and things that come to my attention, you can be absolutely assured that the DCI will hear from me.

Chairman SHELBY. The ADCI for Administration is responsible for performing community wide management functions of the Intelligence Community, including the management of personnel and resources. The Committee intended that this individual would identify any duplication of effort and recommend ways to streamline management functions of the Intelligence Community.

According to a press report which we have been given, during a panel discussion at a TECHNET conference in Washington, they quoted you as saying, "I'm not interested in efficiency or saving money or budgets." If you made this statement, would you explain or clarify it for the Committee, in what context?

Mr. SIMON. In my few experiences with the press, I found that they very rarely get right what was said. I was trying to explain the perspective of the customer of intelligence. When I deal with the programs, they spend most of their time trying to tell me how

efficient they are, how well managed the program is from a programmatic standpoint, and how they have made sure that not a dollar has been misspent.

As a customer, that's very interesting, and there are other people who care a lot about that, your Committee being one of them, and the comptroller and folks like that. As a customer I'm not interested in that. I'm really interested in whether or not you were effective. Did you get the intelligence I needed to provide the support that my customers, the President, the Congress, the Defense Department, required to perform their mission. So when I make the distinction between efficiency and effectiveness, what I am trying to get at there is the notion that it's not the volume of what you collect that matters, it's whether or not it mattered. So that was, in fact, the context of that quote, and I was shocked when I read it.

Chairman SHELBY. Well, we are always shocked ourselves at things that are attributed to us, and sometimes they are wrong and sometimes they are right.

Senator Kerrey.

Vice Chairman KERREY. The worst thing is to feel bad when you read something and they quote you correctly.

Well, first of all, Mr. Simon, your testimony and the answers you gave to the Chairman's questions do a number of things for me. One, it confirms my high opinion of Mr. Tenet and Ms. Dempsey and it—you obviously are well qualified for this particular job. It also confirms the advisability of having Senate-confirmed positions. And I know we are going to review this thing between now and May, but the more I see of this, the more advisable it is to me to have it Senate confirmed. We get a clean evaluation from you and from the other individuals. And it just makes it much more likely that we'll be able to do the things—I think you did a very good job in response to the Chairman's question. I mean, I can be as efficient as possible, but if I deliver no effective intelligence, the efficiency isn't doing me an awful lot of good.

So I very much appreciate the intelligence that you brought to these problems, the honesty you bring to it and the consistent concern that you have got for the nation's security that leads you to be willing to be an activist, as you said at the beginning of your testimony, in spite of, I am quite sure you could give us chapter and verse experiences as head of the requirements evaluation staff, how that rubbed people occasionally the wrong way. Managing people is not always easy, and it oftentimes produces unhappy people who think that your evaluations are not correct.

I have got a series of questions, Mr. Chairman, that I would like to submit to get answered later.

Chairman SHELBY. Go ahead.

Vice Chairman KERREY. One of the things that you talked about was ending parochialism and breaking this information security conundrum that we have of protecting versus dissemination so that it serves current needs as opposed to historical needs.

Let me take a current example of that, Mr. Simon, and just ask you what's your view of it is. Yesterday the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, came before first a small group including the Chairman and I, and

another group, some other Members of the Senate leadership, and then a larger group of Senators, to explain the national security interest of engaging in Kosovo. And their intent is to have a meeting on Saturday with all the parties involved and they have got a detailed plan that they have laid on the table, that they are going to lay on the table then and try to get all sides, and if all sides agree and we create a permissive environment, NATO is going to go forward with, as I understand it, the possibility of ground forces that could include U.S. troops to the tune of 2000 to 2500 soldiers.

First of all, I was very impressed with the lack of usage of all of our intelligence gathering capability. I mean, it's all oral, but the presentation did not include any visuals, the presentation did not include any maps, the presentation did not include exposition of the history or the culture or anything that would normally be done by you all in collecting and assessing and disseminating intelligence.

And I am wondering if that's—I see that as part of this information security conundrum that you mentioned. Perhaps you don't. I don't know precisely what it is you're talking about, but what I'm trying to get to, Mr. Simon, is that I am in my eleventh year in the Senate and the longer I am here the more impressed I am with the power of U.S. law and U.S. forces when they are applied in a constructive fashion. The most impressive moment for me was watching Pat Hughes organize the transfer of authority from the United Nations to NATO in December of 1995. I mean, only the United States could do that. The intelligence capability of the United States is so powerful when it is applied correctly.

But I am also impressed, second, how often we get led around in the dumb current debate about whatever is hot on CNN as opposed to what we have carefully evaluated as being the most important to the United States of America.

And finally, I am impressed by how little of the actual intelligence collection is used by—apparently being used by policymakers when they are making decisions. The 535 Members of Congress will have to make a decision, is the Administration doing the right thing. There will be votes on it, I am sure. And there will be great debates about it, but I am—it's likely that those debates will not include an awful lot of information that is being collected, analyzed, and disseminated by you. Is that what you're talking about when you're talking about this conundrum of information security? Are you talking about something—

Mr. SIMON. That's part of it. I am not sure if you have personal computers, but there is program called Pointcast that allows you to log on and essentially specify what it is you care about.

Vice Chairman KERREY. Right.

Mr. SIMON. Right now we provide intelligence to our customers at our bureaucratic convenience.

Vice Chairman KERREY. Right.

Mr. SIMON. We try to adjust it, of course, but we don't provide it to your convenience, or we provide it at the bureaucratic convenience of the SSCI, but not you as an individual. Obviously if you ask for something, we'll do that. But on a regular basis, we don't have the ability for you, at your convenience and at your tempo, to tell us what you want.

Pointcast is a commercial system that allows you to do that for commercial media.

Vice Chairman KERREY. I actually have a McIntosh, but I am very familiar with Pointcast, and I would love to be a test subject for it if you're trying to break the conundrum and looking for somebody to test it on, because that's precisely what I'm talking about.

Mr. SIMON. We need something like that. We have to have a system that allows duly authorized users—and there are ways to get around that, particularly with some of the new chip technology—to specify what they want and be able to get it.

The difficulty that we've had in the past with our common user systems is the need to know problem. That is, if we put a terminal a command headquarters, you have to have some way of making sure that only the authorized people can see it. That technology is slowly coming along to where we can get around things like that.

If you can use your Visa card number over a computer, we ought to be able to handle these other things. So that is exactly part of the issue—how do we resolve this need to know problem. The reason that's important, though, Senator—DESERT STORM is a great example. In our anxiety to convince our allies that we were going to beat Saddam Hussein's forces, we shared a lot of intelligence on how we do things with a lot of people who were temporary allies.

At least one of those temporary allies learned enough that there is a certain class of military equipment that they own that we no longer see, either in SIGINT or imagery.

So you have the issue, if I am going to push information out for commanders and policymakers to use, how do I give them enough information, but not so much that they disclose something that makes it impossible for me to catch it again in the future. And that is the great conundrum, information security.

The system we have today presumed that our current system works, which it doesn't.

Vice Chairman KERREY. If I could, to follow on that, as a part of that conundrum, according to published reports—one of my favorite euphemisms—we collect about \$27 or \$28 billion, according to published reports, and spend it on intelligence collections, analysis and dissemination, right?

And the question I have got to answer when I talk to citizens from whom I collect that money is, are we getting our money's worth. Is it—you know, is it something that benefitting us. And I come back strongly yes. In fact, I think we're under-investing in several very key areas, that you identified in your testimony.

But if policymakers are taking advantage of open source information increasingly to make decisions, some of which is inaccurate—I mean, you mentioned in response to the Chairman, a statement out of context. I mean, this morning Congress will be reading the Washington Times, New York Times, Washington Post, and Wall Street Journal. I have looked at a couple of them already this morning. There isn't a single image in there that gives you—there is no map in there, there's no image in there, there is no useful tool that you have all the time that I think you have identified one area where it's difficult to allow that technology out because you could give it to a temporary ally and then that temporary ally uses it in some other way.

But it seems to me, Mr. Simon, we have got to manage this collection so that—I would say the customers, both of the people and of the Congress, are saying this information increasingly is useful as I make a decision about Kosovo or about Sierra Leone or about some other area of the world where we're trying to answer the question, what should we do, what should the United States do, if anything. I mean, there are times when our answer has to be we are pained, we are grieved, we don't like what we see, we see instability, we see suffering, we don't like it. But you know, we don't do that. We can't, given the limited resources that we have, we can't pull the blanket off of something that has a higher priority, and I think it is important that that conundrum get resolved that you described for reasons other than just merely managing the intelligence resources. I think it's going to be important to do it so that policymakers make good decisions, but I think it's also going to be important to maintain the public support for the use of their tax dollars to do this work.

As I said, Mr. Chairman, I have got a number of questions about the appointment process, your duties, Community Management Staff, intelligence collection, that I would merely submit for the record. I am very impressed with your testimony, Mr. Simon, and I said again for a second time, I am impressed because you have a very straight honest approach to answering questions and problem solving. I like that you are a risk taker; I hope that you continue to be an activist. But more than any of it all, I am very impressed that the common thread that comes through both your testimony and your answers is that you love the United States of America and you want to make certain that the people in this country are safe.

Mr. SIMON. Thank you, Senator.

Chairman SHELBY. Mr. Simon, we will be submitting to you a number of questions for the record, including those of Senator Kerrey, the Vice Chairman, and other Members who could not be here today. And we would appreciate your timely response.

In the meantime we will try to move your nomination as soon as we can. You know, we're going in as a Court of Impeachment at 1:00, and things have changed around here. We will do it as fast as we can, and congratulations, I believe you'll do a good job. We appreciate your offering to serve in this job. Thank you.

Mr. SIMON. Thank you, sir, I appreciate it.

[Thereupon, at 10:17 a.m., the hearing was concluded.]

BUSINESS MEETING TO VOTE ON THE NOMINATION OF JAMES M. SIMON, JR., TO BE ADCI FOR ADMINISTRATION

WEDNESDAY, FEBRUARY 26, 1999

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

The Committee met, pursuant to notice, at 5:45 p.m., in room S-216, the Capitol, Hon. Richard C. Shelby, Chairman, presiding.

Present: Senators Shelby, Chafee, Inhofe, Hatch, Roberts, Allard, Kerrey, Bryan, Graham, Baucus, Robb, Lautenberg and Levin.

Also Present: Taylor Lawrence, staff director; Chris Straub, minority staff director; Dan Gallington, chief counsel; and Kathleen McGhee, chief clerk.

Chairman SHELBY. Our purpose in meeting this afternoon is to vote out the nomination of James M. Simon to be ADCI for Administration.

The Clerk will call the roll.

Mrs. MCGHEE. Mr. Chafee.

Senator CHAFEE. Aye.

Mrs. MCGHEE. Mr. Lugar.

Chairman SHELBY. Aye by proxy.

Mrs. MCGHEE. Mr. DeWine.

Chairman SHELBY. Aye by proxy.

Mrs. MCGHEE. Mr. Kyl.

Chairman SHELBY. Aye by proxy.

Mrs. MCGHEE. Mr. Inhofe.

Senator INHOFE. Aye.

Mrs. MCGHEE. Mr. Hatch.

Senator HATCH. Aye.

Mrs. MCGHEE. Mr. Roberts.

Senator ROBERTS. Aye.

Mrs. MCGHEE. Mr. Allard.

Senator ALLARD. Aye.

Mrs. MCGHEE. Mr. Bryan.

Senator BRYAN. Aye.

Mrs. MCGHEE. Mr. Graham.

Senator GRAHAM of Florida. Aye.

Mrs. MCGHEE. Mr. Kerry of Massachusetts.

Vice Chairman KERREY. Aye by proxy.

Mrs. MCGHEE. Mr. Baucus.

Senator BAUCUS. Aye.

Mrs. MCGHEE. Mr. Robb.

Senator ROBB. Aye.
Mrs. MCGHEE. Mr. Lautenberg.
Senator LAUTENBERG. Aye.
Mrs. MCGHEE. Mr. Levin.
Senator LEVIN. Aye.
Mrs. MCGHEE. Mr. Kerrey.
Vice Chairman KERREY. Aye.
Mrs. MCGHEE. Mr. Shelby.
Chairman SHELBY. Aye.
Mrs. MCGHEE. Seventeen ayes, no nays, Mr. Chairman.
Chairman SHELBY. The ayes have it. The nomination will be reported out.
Thank you, gentlemen.
The Committee stands in recess.
[Thereupon, at 5:48 o'clock p.m., the Committee was recessed.]

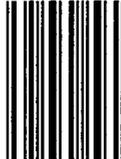


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