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Declassification Services (DJ5)
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Note: Partial release upon appeal of a Mandatory Declassification Review Request

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I am writing in response to your letter, dated 4 July 2009, appealing the National Security Agency's (NSA) decision to partially deny your Mandatory Declassification Review (MDR) request. You had requested an MDR of the NSA publication "American Cryptology during the Cold War, 1945-1989" (Book IV).

I have reviewed your original request, the document at issue, the response to you from the Deputy Chief of Declassification Services, and your appeal letter. As a result of that review, I have determined that certain information can now be released on appeal. Those pages containing the additional released information are enclosed. However, the remaining withheld information continues to warrant protection as described below.

The information withheld continues to meet the standards for classification set forth in Executive Order 13526 and falls under the classification categories contained in Sections 1.4(c) and (d) of the Order. Furthermore, the information remains currently and properly classified at the TOP SECRET, SECRET, and CONFIDENTIAL levels in accordance with the criteria of Section 1.2 of Executive Order 13526.

Certain information is also exempt from disclosure pursuant to Section 3.5(c) of Executive Order 13526, which allows for the protection of information when authorized and warranted by law. Specifically, Section 6 of the National Security Agency Act of 1959, Public Law 86-36 (50 U.S.C. § 402 note) protects NSA/Central Security Service (CSS) functions and activities as well as the names of NSA/CSS employees from disclosure. In addition, certain information has been withheld in accordance with the seventh exemption of the Freedom of Information Act (FOIA). This exemption pertains to records or information compiled for law enforcement purposes and includes information that, if released, could cause an unwarranted invasion of personal privacy or would reveal law enforcement techniques and procedures. The information withheld under (b)(7)(C) and (b)(7)(E) meets the threshold requirements for withholding under exemption 7 of the FOIA. The information you seek on appeal pertains to such information, and, therefore, it is protected from disclosure by these statutes.
You may consider this final Agency decision to be a denial of your appeal. You are hereby advised that under the MDR process, you may appeal a final agency decision in writing, within 60 days from the date of this letter, to the Interagency Security Classification Appeals Panel (ISCAP) at the following address:

Executive Secretary, Interagency Security Classification Appeals Panel
ATTN: Classification Challenge Appeals
c/o Information Security Oversight Office
National Archives and Records Administration
7th and Pennsylvania Avenue, NW, Room 500
Washington, DC 20408

Additional information regarding the ISCAP's appeal process can be found at: http://www.archives.gov by typing “ISCAP” in the search field.

Sincerely,

DEBORAH A. BONANNI
Mandatory Declassification Review
Appeal Authority

Encls: a/s
(U) American Cryptology during the Cold War, 1945–1989

of Severna Park, Glen Burnie, Laurel and Columbia. The drive to either Severna Park or Columbia commonly took half an hour or more, much of it spent waiting in a long snake of cars twisting through the Maryland countryside. With NSA population projections going virtually through the roof, NSA began looking at an environmental overhaul. In the early 1980s the State of Maryland began widening Route 32 both toward the east and west. It was called the Patuxent Freeway project, and as sections became functional in the late 1980s and early 1990s, traffic congestion around Fort Meade declined (but didn’t go away).38

(U) THE CRYPTOLOGIC SYSTEM IN THE 1980s

(GS/SH) The Army was hardest hit by the reductions of the 1970s.

Gone were five sites in Southeast Asia and
plus scattered locations in Virginia and California.

The only true addition was the INSCOM component of the cryptologic conglomerate at Kunia. To a degree this reflected the fact that Army SIGINT collection was the least technologically sophisticated of the services (see map page 280).

Security Service lost three sites in Southeast Asia,
(U) Notes


2. (U) Inman interview.


7. (U) CCH Series VI.D.2.15.

8. (U) Interview, Robert Rich, by Tom Johnson OH 12-97, NSA.

9. (U) Interview, Sir Peter Marychurch, by Henry Schorreck, 17-18 October 1989, OH 11-89, NSA.
50. (U) All important Soviet sources confirm that the decision was made in the Far East. See, for instance, Dobrynin, In Confidence, 538. (Dobrynin also confirms that the radar system on Kamchatka was basically inoperative that night.)

51. (U) A copy can be found in CCH Series VIII.35.

52. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.


55. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

56. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

57. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

58. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

59. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

60. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

61. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.


63. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

64. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

65. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.


68. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

69. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

70. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.

71. (U) NSA/CSS message 261419Z August 1983, in CCH Series VIII.35.
The problem was not just CIA's dealings with its clients; it also related to the legality of applying money to a problem whose spending authorization was constantly in question. Sometimes money had been appropriated; sometimes it hadn't. Sometimes CIA was trying an end run around congressional restrictions by trying to use defense money. Actions required a legal ruling. Should an employee inadvertently step over a line, would he or she be liable? And who would pay legal fees if the matter ever went to court? It was not a moot question, as the Iran-Contra scandal would soon demonstrate.

(U) IRAN

(U) In the summer of 1985, Oliver North, an obscure Marine lieutenant colonel on the NSC staff, was running a covert operation to try to get Western hostages out of Lebanon. His primary contacts were with Iranians, who were presumably backing the Lebanese terrorists holding the hostages. It involved covert dealings with Israeli intelligence, trips to Iran, and direct dealings with an Iranian businessman named Ghorbanifar. The operation suffered from leaky security.

(TS//SI-UMBRA) The matter remained strictly a White House affair until, on September 12, 1985, Charlie Allen, the NIO for counter-terrorism and the
(U) Chapter 26
The Year of the Spy

(U) The Cold War topped off with a series of bizarre counterespionage incidents in the mid-1980s which served to increase mutual U.S.-Soviet paranoia. More newspaper ink was expended on these incidents than almost anything since Watergate. They came to be lumped into a convenient moniker, like Watergate: the "Year of the Spy." Like Black Friday, the term was not quite accurate in a technical sense - far more than just 1985 was involved, and far more than just agents were in question. But like Black Friday, the term stuck as a convenient shorthand. In most of these incidents, NSA was heavily involved.

(U) GUNMAN

(U) Of all the problems, the troubles with the new embassy building (termed the NOB, New Office Building) in Moscow appeared to be the least likely venue for NSA involvement. But appearances sometimes deceive, and embassy security was one of those cases. In fact, NSA had developed a certain technological expertise by virtue of its oversight of the Tempest emanations control program. This, combined with NSA's charter to establish standards for the protection of all COMSEC equipments, which included the communications centers in State Department's overseas embassies, got NSA into the act. NSA representatives began serving on a committee in the mid-1950s that dealt with this problem and began to assert both its expertise and authority in the area. By 1960 NSA was firmly entrenched in embassy security matters, much to the disquiet of State, which squirmed at any oversight of the overseas physical plant by a DoD agency.

(U) When, in the 1960s, the U.S. and the USSR arranged to build new chanceries, NSA was one of the first agencies to express reservations about the security of the U.S. building in Moscow. It had become well known in the early 1950s that the Soviets were inclined to bug anything in the U.S. embassy that they could get their hands on. The infamous bugging of the Great Seal (exposed in 1952) showed that they possessed sophistication beyond what would normally have been expected. In 1966, in commenting on the plans for the NOB in Moscow of NSA wrote to U.S. Ambassador to Moscow Malcolm Toon that "In past Soviet building activity concerning embassies it could be predicted that every attempt would be made to 'fix' the materials and the construction. Experience has shown that some of the fixes can only be found by extensive destruction. In the case of the Moscow site every attempt should be made to use U.S. building materials and construction personnel." 2

(U) State did not follow the NSA advice. When construction of the NOB began in Moscow in 1979, the state-owned Soviet company was permitted to prefabricate concrete columns and other components off site, without American inspection. Meanwhile, the
Soviets insisted that all components for their embassy in Washington be fabricated under the watchful eye of their own inspectors. Once on-site construction began, the Soviets used thirty security people to monitor an American work force of about 100 people, while in Moscow twenty to thirty Navy Seabees tried to watch six hundred to eight hundred Soviet laborers.\(^3\)

(\(\text{\textcopyright\textregistered}\)) In the early 1980s people on Reagan’s National Security Council became concerned about the hostile foreign intelligence threat in general and about the security of the Moscow embassy in particular. So in 1982 NSA sent a team of people to look at technical penetrations in the Moscow embassy. They found the chancery honeycombed with insecurities, including cipher locks that didn’t cipher and alarms that didn’t sound. NSA alerted the FBI, which did its own survey and confirmed the problems that NSA had found, plus others. They teamed up with an FBI representative to brief President Reagan on the matter. The State Department, already suspicious of NSA “meddling” in embassy affairs, was reportedly unamused.\(^4\)

(U) The project, called Gunman, involved the removal of eleven tons of electronic equipment from the Moscow embassy – teletypes, printers, computers, crypto devices, copiers – almost anything that plugged into a wall socket. Every piece of equipment had to be replaced with the same or an upgraded model on a one-for-one swap-out. NSA’s cover story was that the equipment was being shipped back to the States for an OSHA inspection.

(U) NSA procured the replacement equipment from sources in the U.S. and Europe and packaged it for shipment in specially constructed boxes to Frankfurt, Germany, where it would be staged for shipment to Moscow. The boxes were equipped with special sensing devices that could detect any attempt at tampering. (At the Moscow end no such tampering was detected.) NSA logisticians loaded all eleven tons onto two chartered
(U) Then they turned to the typewriters, a lower priority than the equipment that had come from the communications center. One evening in July Michael Arneson, a technician analyzing one of the typewriters, found a "ghostly gray" image on his x-ray film coming from the power cord. Immediately suspicious, he x-rayed the set from the top down. The x-ray images coming from the center of the set were cluttered and definitely nonstandard.

(U) What Arneson had found was a sophisticated bug implanted in a structural metal bar that ran the length of the machine undercarriage. It consisted of sensing devices that picked up tiny fluctuations in current caused by the typewriter ball rotating as it selected the next letter to be typed. It drew its power by bleeding the power line (that was the "ghostly gray image" that Arneson first noticed) and stored the information for periodic burst transmissions to KGB receivers waiting in locations outside the embassy. The bug was undetectable using current technical survey equipment, and the modifications to the metal bar were imperceptible to routine examination. It could be found only by x-ray devices.

(U) Technicians discovered ten bugged Selectrics in that first shipment. NSA immediately retrieved the Selectrics that still resided in Moscow (and in the consulate in Leningrad). Ultimately they found sixteen implants - but only in typewriters. They had been installed somewhere in transit (perhaps Poland or Moscow itself) as they awaited customs inspection. There was a rule that equipment to be used for processing classified information was to be shipped only in courier channels, but a small percentage had "escaped" and were shipped in regular shipping channels with office furniture. The KGB could easily identify candidate typewriters by finding those with Tempest modifications. 

(6) Bugged typewriters had been used in the deputy chief of missions office in Moscow, by the consul general in Leningrad, and by the human rights officer. Others were in less sensitive areas, like the office of the agricultural attaché, but paradoxically it was that typewriter that yielded some of the best information.

(FOO) NSA had additional information on the Soviet project. In 1978 NSA people had discovered a large antenna attached to a chimney in the south wing of the embassy. It was cut for 60 and 90 MHz, but had no known function. The bugged typewriters emanated on 60 and 90 MHz. The batteries in the typewriters were dated 1976 and 1979. The entire thing amounted to a major penetration of the embassy.

(U/FO) Back in Washington backed up by an FBI representative, briefed President Reagan about the Moscow embassy situation. Although the president was supportive, NSA received little cooperation from State Department below the Shultz-Eagleburger level. The ambassador was
One of the Gunman typewriters. Under it is the bar, both assembled and disassembled to show the embedded electronics.
sensitive information with the U.S. government is very poor, a fact that Mr. Bradlee finds most disturbing." But Rindskopf assured the Post that NSA did not intend to use Ivy Bells at trial except in a very general sense, and Bradlee agreed to withhold publication, at least until he could examine the trial transcript to see how much information the government revealed. Odom remarked later about Bradlee that "I found his behavior in that situation beyond reproach." And so the immediate threat receded. 57

(U) But the story "had legs," as journalists like to say. The next April, with trial about to begin, Woodward put together a story on the Ivy Bells operation that would run concurrent with the trial. Scheduled to run on May 4, its publication was once again delayed after William Casey called Bradlee to protest. On the tenth, Ronald Reagan called Post publisher Katharine Graham urging that portions of the article be deleted in the interest of national security. But he added ominously that, if the Post did not police itself, the Department of Justice might initiate prosecution under Section 798 of the criminal statute.

(U) The issue remained secret until later in May, when NBC released a rather general story on Ivy Bells. Casey stated publicly that he was considering recommending prosecution of NBC under Section 798. But with the story already out, the Post decided the time was ripe for its own story. A newspaper that had published The Pentagon Papers and the Watergate story, both under threat of retaliation by the Nixon administration, was not likely to back down in this case, but Bradlee ultimately agreed to delete details of the story. He later said that fear of prosecution did not faze him, but national security did. "In my heart, I think the Russians already know what we kept out of the story. But I'm not absolutely sure of that." 58

(U) Once again, Casey went to Justice with a request to prosecute and issued a public warning to news organizations not to publish "speculation" on sensitive national security issues. The warning related to material that was being revealed in the Pelton trial. But the DCI was out on his own limb. Justice Department lawyers were notoriously reluctant to prosecute news organizations in situations where first amendment rights could be at issue. In this case, they openly scoffed at the idea of prosecuting for "speculation." 59

(U) The Pelton trial occurred at the tail end of military operations against Libya resulting from the La Belle Discoteque bombing. Government leaks in that case led to threats by Casey and NSA director Odom to prosecute news organizations that published the leaks (see page 359). It also led the Reagan administration to threaten to polygraph everyone with access to "sensitive intelligence" (read primarily SIGINT), a threat that was derailed when Secretary of State George Shultz threatened to resign if anyone from his department were confronted with a demand to be polygraphed. 40 Senator David Durenburger of the SSCI examined the issue from both sides and cast a pox on both houses. The Reagan administration had been a notably leaky ship and had to tighten up if it were to have any credibility in the courtroom when prosecuting news organizations. But, on the other hand, news media seemed to have taken the wraps off. "...for whatever reason, there is a growing sense that there is nothing which is not fair game." 41
War were beginning to crack, and an East German source identified Hall as one of their agents.

(U) The FBI got Hall on a sting, in which one of their employees posed as a Soviet agent wanting to know what Hall had been providing to the East Germans. In a videotaped meeting Hall essentially confessed to espionage. He was arrested and is serving a forty-year sentence at Fort Leavenworth. Yildirim, arrested the day after Hall, is serving life without parole. 62

(U/FOUO) Hall provided the Soviets and East Germans with "tradecraft" information.

In return, Hall took away somewhere between $200,000 and $400,000. He was definitely in it for the money.

(U) CARNEY

(U) In the spring of 1990, that he had information-It was an old lead; the spy had been active in the mid-1980s, but was no longer in the business.-The information was fragmentary and conflicting, and it became bogged down. Then a second source identified the spy as one "Yens Carney." The FBI traced Yens Carney to one Jeffrey Martin Carney, a former Air Force German linguist then living in the Soviet sector of East Berlin.

(EO) Carney came from a difficult family background. He had dropped out of high school and had enlisted in the Air Force at seventeen. But he was extremely bright, and had been sent to German school, where he had gotten awards as the best German linguist in his class.

This began a downward spiral in his Air Force work relationship. Carney became argumentative and difficult on the job. He also realized that he was homosexual, which led to an identity crisis. In the midst of this turmoil, the immature Carney, then only nineteen, made a sudden decision to defect to East Germany, and went to Checkpoint Charlie, where he made contact with the other side. They, however, convinced him to spy, and he remained on the job.

(U) Carney began carrying a hidden camera in a Lipton Tea can. He collected miscellaneous documents while on burn detail and smuggled them out of the operations building. He met with his East German handlers every three weeks. In 1985 he PCSed to Goodfellow Air Force Base, where he continued to photograph documents. These he passed to his handlers during meetings in Berlin, Rio and Mexico City. But he became increasingly unstable and finally got his clearance pulled after an incident of uncontrolled
using PL 86-36, but a disgruntled former NSA employee gave Bamford an almost complete collection which permitted him to fill in the redacted blanks.65

(U/FOUO) During the Church Committee hearings of 1975, the attorney general had asked his staff to investigate the legal culpability of the various intelligence agencies. Bamford FOIA'ed the resulting document, and he got most of it from the Justice Department. (Justice did not inform NSA because, they reasoned, the investigation was still on-going, and they could not inform a possible target of the investigation.) The document, with some Justice redactions, contained a good deal of information about the NSA-GCHQ relationship, and served as the basis for Bamford's information on Second Party issues. During the ensuing negotiations between NSA and Bamford's lawyer, the government claimed that the documents had been improperly released and should be returned under threat of prosecution. The lawyer, veteran civil rights attorney Mark Lynch, invited Justice to do just that, but no case was ever brought.66

(U/FOUO) Bamford knew how to get information. He drove through the NSA parking lot jotting down diplomatic license plates and checking known lists to see which countries maintained representatives at Fort Meade. He badgered retired NSA senior officials, including famed cryptanalyst Frank Raven, former head of NSA research and development Ray Tate, and former director Marshall Carter, for information, using as a wedge the information that he had already gotten from unclassified sources. Some pushed him aside, but others agreed to talk at length about NSA operations. Carter, for instance, talked with him for a day and a half at his retirement residence in Colorado Springs. All was technically unclassified, but it helped Bamford complete his mosaic. NSA policy makers felt that Raven was especially indiscreet.

(U/FOUO) Bamford broke new ground in intelligence agency research, and his techniques were adopted by others seeking to investigate reclusive federal agencies. He did it all within the limits of the law - through attributable interviews, FOIA'ed documents, and meticulous research in public libraries and newspapers, not with classified documents provided by unnamed accomplices under cover of darkness. He "wrote the book" on how to put together a comprehensive picture of an organization that wanted no such comprehensive picture.

(U/FOUO) The single exception was the exposure of the relationship with the British. This was properly classified, and GCHQ was not amused.69 Bamford's lawyers turned out to be tough and determined, and the information stayed in the public domain. The release of classified material by, of all organizations, the U.S. Justice Department, left NSA non-plussed.

(U) Bamford produced a book that was and a preoccupation with a lack of statutory controls on NSA. Like Jack Anderson's columns,
DOJ - Department of Justice
DMZ - demilitarized zone
DSA - Defense Supply Agency (U.S. DoD)
DSD - Defence Signals Directorate
DSCS - DoD Satellite Communications System
DSE - direct support element (Navy)
DSSCS - Defense Special Security Communications System
GDRS - General Directorate of Rear Services (North Vietnamese logistics network) supporting infiltration into South Vietnam
DSU - direct support unit (Army)
ECCM - electronic counter-countermeasures
ECM - electronic countermeasures
ESC - Electronic Security Command
ESM - electronic (warfare) support measures
EUCOM - European Command
EW - electronic warfare
FANX - Friendship Annex
FCC - Federal Communications Commission
FISA - Foreign Intelligence Surveillance Act
FOIA - Freedom of Information Act
FRG - Federal Republic of Germany
FSCS - Future SIGINT Capabilities Study
GE - General Electric Company
GROF - G Remote Operations Facility
GSA - General Services Administration
GSFG - Group of Soviet Forces Germany
GTOP - G Tennis Operations Facility
HAC - House Appropriations Committee
HPSCI - House Permanent Select Committee on Intelligence