Criminal Investigative Policy & Oversight

Evaluation of Defense Criminal Investigative Organizations
Source Management Programs

Report Number 9950001R

October 30, 1998

Office of the Inspector General
Department of Defense

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Acronyms

AFOSI	**Air Force Office of Special Investigations**
CIP	**Command Inspection Program**
DCIO	**Defense Criminal Investigative Organization**
DCIS	**Defense Criminal Investigative Service**
DoDIG	**Department of Defense, Inspector General**
DoN	**Department of the Navy**
FBI	**Federal Bureau of Investigation**
FLETC	**Federal Law Enforcement Training Center**
MCIO	**Military Criminal Investigative Organization**
NCIS	**Naval Criminal Investigative Service**
OIP	**Organization Inspection Program**
PRD	**Program Review Division**
RAC	**Resident Agent in Charge**
SAC	**Special Agent in Charge**
SCO	**Source Control Officer**
SDR	**Source Data Report**
SUR	**Source Utilization Record**
SECNAV	**Secretary of the Navy**
SECNAVINST	**Secretary of the Navy Instruction**
USACIDC	**U.S. Army Criminal Investigation Command**

INSPECTOR GENERAL
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October 30, 1998

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, DEFENSE CRIMINAL INVESTIGATIVE SERVICE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Evaluation of the Defense Criminal Investigative Organizations Source Management Programs (Report No. 9950001R)

We are providing this evaluation report for review and comment. We considered management comments on a draft of this report in preparing the final report.

Management comments should indicate concurrence or nonconcurrence with the findings and recommendations. Comments must describe actions taken or planned in response to agreed-upon recommendations. They also must include actual or estimated completion dates for the actions. If management nonconcurs with any recommendation, the comments should state the specific reasons for the nonconcurrence and propose alternative actions, if appropriate.

We appreciate the courtesies extended to the evaluation staff. Questions on the evaluation should be directed to Mr. Bruce Drucker, Program Director, at (703) 604-8773 (DSN 664-8773). See Appendix F for the report distribution.

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Criminal Investigative Policy and Oversight

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Office of the Inspector General, DoD

Report No. 9950001R
(Project No. 7OG-9031)

October 30, 1998

Evaluation of the Defense Criminal Investigative Organizations Source Management Programs

Executive Summary

Introduction. The U.S. Army Criminal Investigation Command (USACIDC), the Naval Criminal Investigative Service (NCIS), the Air Force Office of Special Investigations (AFOSI), and the Defense Criminal Investigative Service (DCIS), collectively know as the Defense Criminal Investigative Organizations (DCIOs), have primary responsibility for conducting felony criminal investigations occurring within the military community or involving military members.

The use of sources to detect and resolve crimes is a recognized, legitimate, and sanctioned technique used by law enforcement activities. The DCIOs refer to sources by various titles. The classifications of sources relate to differences in identity protection, the amount of direction the sources receive, and in reporting requirements. Although the DCIOs use different terms to describe sources, their policies and procedures regarding sources are similar. These policies and procedures govern the recruitment, control, operation, and management of sources, as well as identity protection and documentation requirements.

Evaluation Objectives. Our objectives were to identify and analyze the policies and procedures the DCIOs use to recruit, control, and manage sources; to determine if the DCIOs are implementing the policies and procedures; and to identify and analyze the DCIOs' internal oversight mechanisms used to evaluate compliance with those policies and procedures.

Evaluation Results. We selected the policies and procedures of the Federal Bureau of Investigation Criminal Informant Program as a baseline from which we measured the source management of the DCIOs. We found each of the DCIOs have adequate administrative requirements, management controls, and oversight mechanisms in place addressing recruiting, controlling, and managing of sources. (Finding A).

DCIO regulatory guidance does not require supervisors and agents to receive recurring training beyond basic school regarding recruiting, controlling and managing sources. We found that due to a lack of such recurring training, special agent participation in developing and managing sources was not adequately reinforced. All of the DCIO agents and supervisors interviewed regarding training stated that additional advanced practical source training would be beneficial to agents and supervisors in fulfilling the mission of their respective organizations. (Finding B)

The Department of the Navy's (DoN) policy requiring prior command approval before utilizing military members as sources, and the Marine Corps policy of restricting the use of military members as sources in off-base investigations in matters other than narcotics

violations seriously restricts the ability of the Naval Criminal Investigative Service (NCIS) to fully utilize sources and comply with DoD guidance. These policies are contradictory to DoD policy. The Defense Advisory Board also previously noted this contradiction in its 1995 report entitled, "Report of the Advisory Board on the Investigative Capability of the Department of Defense, Volume 1." The report stated, "The Navy and the Secretary's Board on Investigations should examine the need for restrictions that exist currently on NCIS's use of informants, particularly in light of the fact that neither the Army nor the Air Force finds this type of restriction necessary." The Navy has not provided the Secretary's Board on Investigations with the results of such an examination. As a result, NCIS is not able to fully and effectively utilize Navy and Marine Corps personnel as sources in criminal investigations. In addition, the command approval requirement creates a potential compromise of source safety and operations security. (Finding C).

Summary of Recommendations. We recommend the DCIOs conduct an assessment to address concerns expressed by their personnel about the lack of ongoing training beyond basic agent school for development of supervisors' and agents' skills related to recruiting, managing and using sources. Based on the assessment results, training module(s) should be developed and specifically tailored to the mission needs of the DCIO.

We recommend the Secretary of the Navy eliminate the requirement for command approval prior to the utilization of military personnel as sources by NCIS. We also recommend that the Commandant of the Marine Corps substantially modify the policy which restricts the off-base utilization of Marines as sources, to allow for such use when allowable under the existing DoD policies.

Management Comments. DCIS provided information updating and clarifying their procedures regarding source file reviews and the DCIS self-inspection program. We have revised the report language as needed to address DCIS concerns.

The Army, Navy and Air Force provided information regarding existing and planned efforts addressing our recommendations for development and delivery of training. We revised the language of Finding B., pertinent portions of text, and the associated recommendation to reflect the substance of these comments.

The Marine Corps nonconcurred with our findings and recommendations for policy changes in connection with restrictions on use of Marines as sources. The Marine Corps nonconcurrence is moot as it is based on the provisions of a Navy policy, which the Navy has agreed in its comments to this report, needs to be revised.

Part I - Evaluation Results

Evaluation Background

Within the DoD, criminal investigative functions for felony crimes committed within their respective jurisdictions are carried out by the Defense Criminal Investigative Organizations (DCIOs).[1] The DCIOs are: the U.S. Army Criminal Investigation Command (USACIDC); the Naval Criminal Investigative Service (NCIS); the Air Force Office of Special Investigations (AFOSI); and the Defense Criminal Investigative Service (DCIS), the investigative arm of the Inspector General, DoD.

The use of sources to detect and resolve crimes is a recognized, legitimate, and sanctioned technique used by law enforcement agencies. Sources assist in all aspects of crime detection and resolution. Federal Agencies stress the importance of the use of sources in their regulations and encourage agents to benefit from the information sources can provide. Agencies deem the use of sources important enough to include source usage inspection parameters in internal inspection criteria. Throughout the DCIOs, the use of sources is encouraged in all crime categories.

Investigators depend on information received prior to the onset of a crime to prevent the crime from occurring, or information they develop in the aftermath of a crime to resolve the crime that was committed. The more sources of information an investigator can develop, the more successful he or she is likely to be in preventing, detecting, and resolving crime. Federal Law Enforcement Training Center (FLETC) materials describe sources of information as, "[a]ny record, custodian of records, directory, publication, public official, or business person, or any other person or object which might be of assistance to an investigation."[2] For purposes of this evaluation, we reviewed the methods developed by the DCIOs to recruit, control, and manage human sources of information in carrying out their criminal investigation mission.

The DCIOs refer to sources by various titles. Such terminology includes: "registered source," "cooperating witness," "confidential source," "identity protected witness," and "open" or "covert source."[3] The classifications relate to differences in identity protection, the amount of direction the sources receive, and internal reporting requirements. Although the DCIOs use different terms to describe sources, on comparison, their policies and procedures regarding sources are similar.[4] These policies govern the recruitment, use, control, and termination of the use of sources, as well as identity protection and documentation requirements.

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[1] Misdemeanor offenses are investigated by the Military Police in the Army; the Masters-at-Arms in the Navy, and the Security Forces in the Air Force.

[2] Department of Treasury, Federal Law Enforcement Training Center, Office of General Training, Enforcement Operations Division, "Sources of Information" and "Orientation to Federal Law Enforcement Agencies," 12/89.

[3] See Appendix A for a list of terms and definitions used by the DCIOs regarding sources.

[4] See Appendix B for a complete listing of policies, procedures, and regulations used during this evaluation.

Evaluation Objectives

The objectives of this evaluation were to assess the policies and procedures the DCIOs have in place to recruit, control, and manage sources, and to determine whether the agencies are in compliance with these policies. Specific objectives of the evaluation were to:

- Identify and analyze the policies and procedures by which the DCIOs recruit, control, and manage sources.
- Determine if the DCIOs are implementing their respective policies.
- Identify and analyze the DCIOs' oversight mechanisms used to evaluate compliance with those policies and procedures.

Scope and Methodology

We reviewed policies, directives, operating procedures, source utilization records, source data records, and internal review reports at each of the DCIOs. We also conducted interviews with Special Agents in Charge, Resident Agents in Charge, agents, and DCIO headquarters managers for training, oversight, and management of sources.

Our evaluation included a review of source initiated cases for fiscal years 1994, 1995, and 1996, categorized by the nature and type of case (e.g., fraud, economic, drug suppression, etc.). We examined the types of controls in place to ensure the integrity and proper use of sources. We reviewed the means by which sources are recruited, handled, and documented. We also evaluated the type of training available to agents on recruiting and handling sources. We did not evaluate the utilization of sources in support of the counterintelligence missions of the NCIS or the AFOSI, or the use of sources in undercover operations.[5] This evaluation was conducted between April 1997 and December 1997. The organizations who participated in this evaluation are listed at Appendix C.

[5] Sources are used in support of the counterintelligence mission, but that program is considered distinct from the use of sources in support of criminal investigative missions. Undercover operations, like counterintelligence operations, have such distinctive operational requirements that it was deemed outside the scope of this evaluation.

Finding A. Program Policies and Procedures

Each of the DCIOs have administrative requirements, management controls, and oversight mechanisms that compare favorably in most major aspects with those of the Federal Bureau of Investigation (FBI). However, unlike the FBI, the Defense Criminal Investigative Service (DCIS) does not have a self-inspection requirement for their field elements. We also noted that although NCIS is not consistent with FBI, USACIDC, AFOSI, and DCIS regarding the requirement that all cooperating witnesses (CWs) sign declaration agreements, they have established procedures to address the difference.

Discussion

We selected the policies and procedures of the Criminal Informant Program of the FBI to use as a baseline for comparison against the source management of the DCIOs. We selected the FBI as a basis of comparison because of the similarity in the breadth of types of investigations in the DCIOs' and FBI's general crimes and fraud missions. A brief summary of the major areas of coverage in the FBI's policies and procedures is presented at Appendix D. [6]

During the evaluation, the team conducted on-site interviews and reviews of selected available case files and source files to determine if the DCIOs were in compliance with their established source management policies and procedures. We examined the three primary functions of the DCIOs' source management programs: administrative requirements, control mechanisms, and management oversight. The primary functions are defined as follows:

Administrative Requirements - Procedures for reporting, managing, and documenting source-related actions. These actions include: collecting biographical data on the source, having the source sign the declaration agreement, assigning alternate special agents to assist in handling a source, assigning identification numbers/characters to a source to protect their identity, maintaining source information in a criminal information database, documenting source activity in the source utilization records and investigative case files, completing the termination of use notice, and maintaining records at either the field office and or the headquarters.

Control Mechanisms - Procedures that local and headquarters source control officers (SCO) and supervisors follow to manage the use of sources for their respective organizations, (e.g., conducting investigative case reviews with agents, securing an index of true name information to protect the source's identity, and reporting source information to headquarters).

[6] Federal Bureau of Investigation, *Manual of Investigative Operations and Guidelines*, Part I, Section 137-1, "Responsibility for the Development and Operation of Informants," printed 12/20/93.

Management Oversight - Procedures that provide checks and balances to ensure that programs are being managed efficiently and effectively and in accordance with established policies and procedures. Examples include organizational, command, and Inspector General inspection programs that oversee the internal operations of the organization or command.

Administrative Requirements

USACIDC, NCIS, AFOSI, and DCIS all have similar policies and procedures that establish requirements for reporting, managing and documenting source related actions. Each of the DCIOs has specific documentation requirements when agents recruit, contact, make payments to, and terminate the use of a source.

The DCIOs all assign both a primary (referred to as a "handler") and an alternate special agent to address operational matters and make contact with the source. The agent who has recruited a source is required to register the source by obtaining an identification number. Policy varies as to whether this number is issued by the headquarters or the field office of the DCIO, but it is required by all. Policies and procedures also require that a biographical data sheet be completed on the prospective source. The biographical information pertaining to the source is entered into a criminal information database at the respective DCIO headquarters.

Each of the DCIOs has policies and procedures in place to protect the identity of the source and avoid any disclosure of information which might result in the identification of the source. The DCIOs' policies require agents to identify the source in both their source files and investigative files by identification number rather than by name. Additionally, the sources identity must be protected from everyone except those with a need to know. Release of a source's identity will be made only to other investigative organizations after management approval.

USACIDC, AFOSI, and DCIS have policies that require the special agent to obtain a signed declaration agreement from the source. NCIS-1, Manual for Administration, Chapter 8, Cooperating Witness Program, states agents should have all CWs sign declaration agreements; however, if an individual declines to sign the document, or if the agent feels it could be counterproductive to have the individual sign the document, the agent can annotate that on the declaration form. Some NCIS fraud agents expressed during our interviews that they felt that the Declaration of Cooperation was demeaning to the more educated, professional sources they generally use to assist in fraud investigations, and could discourage the source from participating. Agents stated that if the declaration agreement was not completed, they annotated the reason why in the source file. NCIS has addressed this area of operational concern by establishing a "criminal source" status for collection of criminal intelligence from individuals under such circumstances.

The DCIOs have similar policies and procedures that require agents to document all investigative activity pertaining to the source in the source utilization record (SUR) and investigative case files, to include the termination of use notice. Our evaluation included reviewing active and closed source data records at the DCIOs

for required documentation on registered sources (e.g., biographical information about the source, documentation of contacts made with the source, and payments made to the source as well as termination of use notices).

We found the location of source data records varies depending on the DCIO. USACIDC, AFOSI, and DCIS field elements retain the SURs, and all other pertinent information about the source until the source files are closed. USACIDC, AFOSI, and DCIS headquarters maintain only the biographical information on the registered sources while the source file is open. NCIS headquarters, however, maintains a copy of all SURs, as well as the registration documentation, and requires the field elements to send bi-monthly source activity reports to NCIS headquarters.

When a source is closed, a termination of use notice is completed and placed in the SUR. The source data records are forwarded to the headquarters elements of the DCIOs where they are maintained by a designated source control officer (SCO). The headquarters SCOs are required to maintain and update the criminal information databases of their respective DCIO. A review of a sampling of closed source data records and corresponding investigative case files at the DCIOs revealed that the necessary documentation was present in the files before they were retired.

USACIDC, AFOSI, and DCIS compare favorably in all major aspects of the administrative requirements set forth in the FBI policies and procedures. NCIS differs from the FBI and the other DCIOs in one respect regarding registration documents for a source. While the FBI and the other DCIOs require the declaration agreements to be completed by all informants, NCIS agents are authorized to annotate an unsigned agreement in the file.

Control Mechanisms

All DCIOs have similar policies and procedures that local and headquarters SCOs and supervisors follow to manage the use of sources for their respective organizations. Common requirements include: conducting source utilization record and investigative case file reviews; securing an index of true name information to protect the source's identity; managing and maintaining accountability of payments made to sources; and reporting significant issues and developments to headquarters.

The DCIOs require field elements to conduct a periodic inventory and review of all active registered source files and provide the results of the review to the headquarters SCO. The headquarters SCO is responsible for updating and maintaining a source registry for their respective organizations. DCIO policies and regulations specifically identified the SCO and local supervisor as the individuals responsible for effectively managing the use of sources within their respective offices.

USACIDC policy in CIDR 195-1, Chapter 14-4, Program Effectiveness, and AFOSI Instruction 71-106, Volume 1, dated 25 March 1997, require the local SCO or the investigative agent's supervisor to conduct reviews of source files and

annotate the files when the review is completed. A review of active and closed source files at USACIDC and AFOSI record centers and field elements indicated that they were in compliance with these policies. There is currently no requirement for DCIS and NCIS SCOs or supervisors to annotate source files when they have conducted their reviews. NCIS-1, Manual for Administration, Chapter 8, Cooperating Witness Program, and DCIS, Special Agent's Manual, Chapter 7, revised June 1994, require agents to provide 60 day status reports of their cases to their immediate supervisor on each open investigation, but do not require the source files be annotated. DCIS and NCIS agents interviewed confirmed that supervisors were conducting case file reviews every 30 to 60 days, in accordance with established policies.

DCIO headquarters SCOs are required to maintain a source database to record the source's biographical information and control number. The DCIOs do not currently have the capability to securely transmit confidential source data electronically; therefore, the field elements must mail the biographical data of the source to the respective headquarters.[7] The DCIOs require the field elements to maintain an index of the source's true name information. This index is stored in a separate, secured container accessible by only the SCO or supervisor.

As with the FBI, each of the DCIOs: requires prior supervisory approval for payments made to a source; has a designated funds control officer who approves fund requests and maintains fund disbursement records; and requires agents to document source payments in the SUR. A review of closed source files at the DCIO field elements and record centers revealed that the DCIOs were in compliance with their policies and procedures regarding accountability and documentation of payments.

Management Oversight

USACIDC. USACIDC Regulation 1-201, "The Inspector General, Organization Inspection Program," January 1, 1996, establishes policies and procedures for each USACIDC element to conduct quarterly and semi-annual self-inspections. Included in the self-inspection process are steps intended to validate the effectiveness of the element's ability to recruit, control, and manage sources. The USACIDC Inspector General (IG) conducts an organizational inspection of each USACIDC element every 18 months. As part of this process, the USACIDC IG utilizes the unit and district element self-inspection reports, along with the organization mission statements, to evaluate the effectiveness of the use of sources and to determine if the unit or district is in compliance with policies and procedures. Additionally, USACIDC Regulation 195-1, Source Program, Chapter 14-4, "Program Effectiveness," establishes a requirement that provides specific guidance for USACIDC unit and district elements to be evaluated in

[7] NCIS has developed and is in the process of testing a data system that will encrypt source information and transmit it from the field office to the headquarters. This will eliminate the duplicative and time consuming reporting effort at the field and headquarters levels.

terms of their ability to develop and use sources who contribute intelligence from which criminal investigations are initiated, subjects identified, and criminal activity is detected, reduced, or prevented.

NCIS. NCIS-1, Manual for Administration, Chapter 5, "Inspections," contains policies and procedures for each NCIS resident agency and field office to conduct quarterly and yearly self-inspections to validate mission accomplishment and monitor the quality and timeliness of investigations and operations, which includes reviewing the recruitment, control, and management of sources. The results of these self-inspections are utilized by the Assistant Director for Inspections in assessing the effectiveness and efficiency of NCIS components and to determine if the components are in compliance with established policies and procedures regarding sources. Additionally, NCIS headquarters evaluates the efficiency of the use of cooperating witnesses by determining if the cooperating witness' assistance resulted in the initiation or resolution of an investigation. NCIS captures the number and types of recoveries, evidence purchases, and evidence collection techniques performed by the cooperating witness.

AFOSI. AFOSI Instruction 90-202, dated December 1996, establishes policies and procedures for each AFOSI element to conduct self-inspections approximately every 18 months following a Command Inspector General inspection, which is conducted every 24-30 months. The chain of command initiates self-inspections to improve the unit's management and to ensure compliance with policies and procedures including those regarding the recruitment, control, and management of sources. The unit provides the results of their self-inspections to the Command IG team during their inspections. The IG team utilizes the self-inspection reports, records of staff assistance visits, program plans, mission briefings, and on-scene evaluations to assess the unit's effectiveness in meeting its mission, to include compliance with all source regulatory requirements. In 1997, an AFOSI Process Action Team report recommended overall programmatic improvements for the "AFOSI Source Program." The report contained numerous administrative and management issues to increase emphasis and controls on the oversight of the use of sources.[8]

DCIS. Special Agent's Manual, Chapter 7, "Sources," revised June 1994, outlines DCIS policy and procedures pertaining to the "establishment, management and administrative control of human sources." DCIS headquarters requires yearly source status reports from their field offices and maintains all closed registered source files.

Special Agent's Manual, Chapter 55, "Inspections and Visits," provides policies and general procedures for an inspection program. The Program Review Division (PRD) is responsible for conducting inspections of each field office every two years. PRD inspections are designed to ensure compliance with policies and procedures including those regarding the recruitment, control and management of sources; to determine if the field offices are being effectively managed, and to determine if resources are being used in an efficient manner. PRD also determines if the field element is utilizing sources to effectively meet its investigative objectives to prevent and detect fraud, waste, and abuse while promoting economy, efficiency, and effectiveness.

[8] AFOSI Source Process Action Team (PAT) Report, February 6, 1997.

DCIS does not currently have a self-inspection program for the field elements; however, PRD staff advised that DCIS is in the process of revising their inspection program to include a self-inspection process for the field elements.

USACIDC, NCIS, and AFOSI compare favorably in all major aspects of management oversight with the FBI. All DCIOs are in compliance with their own regulations and policies.

Finding B. Training

Agents of all four DCIOs receive initial training during basic agent school, in developing, managing, and using sources as an investigative tool for solving and detecting crimes. A limited amount of additional source training is provided for DCIO personnel during follow on and specialized training. However, DCIO regulatory guidance and instructions do not require continuing or sufficiently frequent in-service or formal training regarding sources for either supervisors or agent personnel. As a result, the skills and knowledge base of individual agents and the experience of individual supervisors are not adequately reinforced. DCIO personnel we interviewed about source training believed that additional training in developing and using sources could enhance their efforts in crime detection and resolution of crimes.

Discussion

During our evaluation, we conducted 54 interviews with special agents, Special Agents in Charge (SACs), Resident Agents in Charge (RACs), field level training coordinators, program managers at headquarters levels, and headquarters training coordinators. Of the 54 interviews, 36 included questions relating specifically to training in connection with sources. Among those 36 people, only 11 (31%) of them had any in-service or on-the-job training regarding sources and those 11 were senior agents, each with a minimum of 10 years service. The remaining 25 agents, with 1 to 5 years of experience, reported no in-service source training and only five of them reported any on-the-job source training. Field level training coordinators confirmed the information reported by the 36 interviewees. The field level training coordinators indicated the only time training regarding sources was offered beyond basic agent training was when source issues were raised during in-service training sessions or if an AFOSI supervisor specifically asked for delivery of the AFOSI sources module. All of the 36 agents and supervisors interviewed regarding source training stated that advanced practical source training would be beneficial to agents and supervisors in fulfilling the mission of the organization.

Basic Training. New agents are required to attend basic agent training either at the Federal Law Enforcement Training Center (FLETC) in Glynco, GA, or at a service-specific law enforcement academy. A wide variety of matter is covered during basic agent training, including a brief block of time designed to provide the new agents with an overview of the purposes and general guidelines for recruiting and using sources. Appendix E details the number of training hours specifically devoted to sources during the agent's basic training.

On-the-Job Training. After graduating from the basic course, the new agent serves a probationary period and may be teamed with a senior agent for agency-specific on-the-job training. The agents work "real world" situations and receive guidance and evaluations from supervisory personnel. If a new agent is teamed with a senior agent who uses sources, he or she will get on-the-job training in the techniques for recruiting, controlling, and utilizing a source.

However, interviews of headquarters and field personnel revealed that if the new agent was not teamed with a senior agent who used sources, there was little likelihood the agent would receive any post-basic training regarding sources.

Available Source Training. Only one of the DCIOs has established a course devoted solely to sources but there are a few courses that include instruction on sources. For example, the USACIDC Warrant Officer Basic and Advanced Courses include blocks of source training. Also, the USACIDC Counterdrug Investigations Course includes two hours of instruction on the recruitment, handling, and control of informants. NCIS has a two hour instruction program on sources entitled, "Cooperating Witness (Module I) Identification, Recruitment, Registration Training," which was disseminated to the field activities in the late 1980s. However, interviews of NCIS field agents disclosed that the program is not frequently utilized. FLETC offers a one hour lecture entitled "Source Evaluation and Classification of Data," in their Criminal Intelligence Training Program. NCIS also includes eight hours of source training in its two week advanced criminal agents course.

AFOSI has developed in-service course materials related specifically to sources. In addition to teaching the intricacies of recruiting and handling a source, the materials include personality profile exercises to improve the agents' ability to understand themselves and their sources. The training materials also include an exercise in increasing effective dialogue, which helps the agent feel more comfortable soliciting the source's cooperation. Additionally, agents are taught to examine their own values system and personal motivation, which assists them in determining the source's values system and motivation. This training course introduces useful tools to help the reluctant agent gain confidence in recruiting and handling a source.

We found the AFOSI course materials were infrequently used. The materials were available for use during in-service training sessions, if a Detachment Commander requested the materials. According to the training manager at headquarters, the materials have been requested and used only about four times a year. Ideally, they would like to give the training to designated field training coordinators, and then the coordinators could train at the field offices on a more regular basis. Only one of the 36 agents interviewed during our review reported receiving this in-service training.

Additionally, AFOSI reports it has instituted advanced source training for its Detachment Commander's Course and Advanced Agents Course. These courses are designed to emphasize and strengthen the processes involved in all aspects of AFOSI's Source Program. In addition, Operational Enhancement Specialists, along with Operations Support Agents, provide hands-on source training to field agents once they have graduated the basic academy. This provides continuous development of their source recruiting, handling and management skills.

Summary. Individual agent knowledge and supervisory technical expertise in source recruitment, control, and utilization are dependent on past experience and personal interest. Basic agent training introduces the new agent to the concept of using sources; however, until recently, there has been no required or regularly

offered continuing training opportunities regarding sources unless new agents are teamed with senior agents who use sources. All DCIO agents and supervisors interviewed expressed an interest in further training, stating that it could enhance their ability to successfully detect and resolve criminal actions.

Recommendation

We recommend the DCIOs conduct an assessment to address concerns expressed by their personnel about the lack of ongoing training beyond basic agent school for development of supervisors' and agents' skills related to recruiting, managing and using sources. Based on the assessment results, training module(s) should be developed and specifically tailored to the mission needs of the DCIO.

Finding C. Department of the Navy and Marine Corps Policies Restricting the Use of Military Members as Sources

The Department of the Navy (DoN) requires NCIS to obtain initial approval from the commanding officers of prospective military sources before they can be utilized as sources. In addition, the Marine Corps does not permit NCIS to utilize USMC military personnel as sources in off-base investigations for anything other than narcotics investigations. These policies conflict with current DoD policy. As a result, NCIS is not able to fully and effectively utilize Navy and Marine Corps personnel as sources in criminal investigations. Further, these policies create a potential compromise of source safety and operational security. Neither the Army nor the Air Force impose such a restriction on the use of military personnel as sources by their respective MCIO.

Discussion

Sources are recruited on the basis of the quality and type of information they may provide. Investigative agencies identify source requirements and recruit accordingly. The generally accepted practice is to recruit sources without the knowledge or approval of anyone outside of the investigative agency. This is done to protect the identity and safety of the potential source. This confidentiality fosters the cooperation of the source, minimizes the potential for reprisals against them, enhances operational security, and maintains the integrity and credibility of the management and utilization of sources.

Requirement for Command Approval of NCIS Military Sources. SECNAV Instruction 5520.3B, Criminal and Security Investigations and Related Activities within the Department of the Navy, dated January 4, 1993, requires NCIS to obtain command approval prior to utilizing military sources. The approval process requires having NCIS brief local commanders on the identity of proposed sources and to inform them of the manner in which the source will be used. SECNAVINST 5520.3B specifically provides that "Command approval for NCIS utilization of Department of the Navy civilian employees is not necessary; however, due to the unique nature of the military chain of command, prior to NCIS tasking any military member, initial concurrence of the commander or commanding officer to utilize the member will be obtained."

The Secretary of the Navy issued SECNAVINST 5520.3B to implement DoD Instruction 5505.3, "Initiation of Investigations by Military Criminal Investigative Organizations," dated July 11, 1986. The Navy instruction, however, imposes requirements which are contrary to the specific language of the Instruction. DoD Instruction 5505.3 specifically states, "Commanders outside the military criminal

investigative organizations shall not impede the use of investigative techniques permissible under law or regulation, which the military criminal investigative organizations consider necessary." The purpose of DoD Instruction 5505.3 is to ensure independence, objectivity, and effectiveness of the MCIOs and does not require the MCIOs to obtain command approval prior to using military members as sources.

It is notable that neither the Army nor Air Force impose a similar limitation although each has a well-established "military chain of command." All of the MCIOs recognize that coordination with local command officials regarding sources is sometimes necessary. For example, it may be done to secure a plea bargain on behalf of a military member in return for his or her cooperation as a source. It may also be done to facilitate their use under circumstances that require command assistance, as in overcoming scheduling or assignment problems. However, this coordination is only undertaken when it is necessary and proper to the success of the investigation. NCIS headquarters and agents have reported that adhering to SECNAVINST 5520.3B has lead to recurring problems, including:

- the refusal of potential sources to cooperate with NCIS after they are informed of the requirement for command approval;
- commanders refusing to authorize the use of military members due to their personal feelings against the use of sources;
- commanders actively discouraging military members from cooperating with NCIS as sources;
- commanders compromising the identities of sources within their chain of command; and,
- commanders informing members of their command of the planned investigation without the concurrence of the NCIS.

Limitation on the Off-Base Use of Marine Corps Members as Sources. The Marine Corps does not permit NCIS to use active duty Marine Corps personnel off-base as sources, except for matters involving narcotics violations. NCIS personnel told us the Marine Corps based this policy on DoD Directive 5525.5, DoD Cooperation with Civilian Law Enforcement Officials," January 15, 1986, referring specifically to section A.3., which states:

> Except as otherwise provided in this enclosure, the prohibition on the use of military personnel 'as posse comitatus or otherwise to execute the laws' prohibits the following forms of direct assistance (in civilian law enforcement activities).
>
> d. Use of military personnel for surveillance or pursuit of individuals, or as undercover agents, informants, investigators, or interrogators...."

This provision applies to assistance to other law enforcement organizations outside DoD not to cases under the authority and jurisdiction of DoD investigative organizations. Further, Section A.2. of DoD Directive 5525.5, authorizes the

MCIOs to use military members as sources in off-post/base investigations for all violations involving the Department of Defense, not just narcotics violations. The Directive provides that the following activities by military personnel operating in the civilian community are not restricted by the Posse Comitatus Act (18 U.S.C. 1385):

> Actions that are taken for the primary purpose of furthering a military or foreign affairs function of the United States, regardless of incidental benefits to civilian authorities. Actions under this provision may include the following, depending on the nature of the DoD interest and the authority governing the specific action in question:
>
> (1) Investigations and other actions related to enforcement of the Uniform Code of Military Justice.
>
> (2) Investigations and other actions that are likely to result in administrative proceedings by the DoD, regardless of whether there is a related civil or criminal proceeding.
>
> (3) Investigations and other actions related to the commander's inherent authority to maintain law and order on a military installation or facility.
>
> (4) Protection of DoD personnel, DoD equipment, and official guests of the DoD.

The Marine Corps also informed NCIS that they base their policy on a memorandum from the Under Secretary of the Navy to the Chief of Naval Operations and the Commandant of the Marine Corps dated December 16, 1987, providing that "Approval is granted for Naval Security and Investigative Command (currently NCIS) use of Department of the Navy military personnel as informants and undercover agents in the civilian community during investigations of suspected drug trafficking affecting the military community...."[9]

The memo from the Under Secretary of the Navy was written in response to DoD Directive 5525.5 and DoD, Inspector General (DoDIG) Memo Number 5, which was sent to the Secretaries of the Military Services on October 1, 1987; however, neither DoDIG Memo 5 nor the Under Secretary of the Navy's memorandum of December 16, 1987, prohibits the use military members as sources in off-base investigations for other than narcotics violations. According to NCIS, the Navy permits the off-base use of naval military personnel as sources for all investigations impacting on the Department of Defense. Likewise, the Army and Air Force do not restrict their investigative organizations from using military sources off-base in support of criminal investigations, as long as there is an appropriate DoD connection. The restriction on the use of Marine Corps members as sources in off-base investigations limits NCIS in its ability to proactively target criminal activity affecting the military community.

---

[9] Memorandum from H. Lawrence Garrett, III, Under Secretary of the Navy, to the Chief of Naval Operations and Commandant of the Marine Corps ; Subject: "Use of Military Personnel as Undercover Agents in Joint Operations With Civilian Law Enforcement Agencies, dated December 16, 1987."

Summary. The Navy's policy requiring prior command approval before utilizing military members as sources is in conflict with DoD guidance and well-established practice in the other military services. The policy impairs the ability of NCIS to fully implement an effective means of recruiting, developing and managing sources. The importance of this issue is cited in the Defense Advisory Board's report,[10] as it states, "The Navy should examine the need for restrictions that exist currently on NCIS's use of informants, particularly in light of the fact that neither the Army nor the Air Force finds this type of restriction necessary." The report further states, "A requirement that special agents obtain a commander's permission to direct informant activities, may increase the potential for improper command influence." This report was issued in the Fall of 1995. We found no indication the Navy has effectively addressed the issue since the Defense Advisory Board published the report.

Recommendations

1. We recommend that the Secretary of the Navy amend SECNAVINST 5520.3B, to eliminate the requirement for command approval prior to the utilization of military personnel as sources by NCIS.

2. We recommend that the Commandant of the Marine Corps substantially modify the policy which restricts the off-base utilization of Marines as sources to allow for such use when allowable under the existing DoD policies.

Management Comments

The Navy concurred with our recommendations. The U.S. Marine Corps nonconcurred with recommendation 2, basing its position on existing Navy policy. The Marine Corps nonconcurrence is mooted by the Navy position regarding recommendation 1. The Marine Corps should immediately act on recommendation 2, upon revision of existing Navy policy in accordance with recommendation 1.

[10] "Report of the Advisory Board on the Investigative Capability of the Department of Defense, Volumes I & II, (no date).

Part II - Additional Information

Appendix A. Terminology

Definition	CID	NCIS	AFOSI	DCIS	FBI	FLETC
A person who has furnished or is expected to furnish evidence in a case in an administrative, civil, or criminal matter.	Source	Witness	Source	Witness		Witness
A person who provides evidence or intelligence who can be identified in discussion or written documents without having to protect the person's identity.	Open Source	Overt Witness	Open Source		Informant*	Informant
An individual not specifically targeted and/or controlled, to confidentially gather or provide evidence or intelligence for a short term. (Identity Protected)	Confidential Source	Identity Protected Witness		Confidential Source	Confidential Source*	Confidential Informant
An individual controlled by a special agent to confidentially gather evidence or intelligence over an extended period of time. (Identity Protected)	Registered Source	Criminal Cooperating Witness (CW)	Registered Source	Registered Source	Cooperative Witness*	

* FBI definitions for these terms do not match verbatim with definitions shown here. See Appendix D for exact verbage of FBI definitions.

Definition	CID	NCIS	AFOSI	DCIS	FBI
Less than 18-years-old; on probation or parole (Fed or state); formerly dependent of drugs or currently in drug-treatment program; convicted felon; committed Federal offense and subject to arrest and prosecution and expects compensation - either judicial or prosecutive consideration.				Restricted-Use Source	Source Under Suitability and Pertinence Inquiry (SI)
The central POC at headquarters for all matters relating to sources; or the person assigned such duties at a field office or resident agency.	Source Registry Officer (HQ) & Source Control Officer (field)			Source Control Officer	Criminal Informant Program Manager
Registry of source identity and run by the Source Control Officer/Source Registry Officer..	Central Source Register	Cooperating Witness NCIS Operations Report (CWNOR)		Source Data Report (SDR)	Criminal Informant Management System (CIMS)
Record of all contact with sources and synopsis of information obtained.	Agent Activity Summary (CID Form 28)	Cooperating Witness Utilization Report (CWUR)		Source Utilization Record (SUR)	
Number assigned to a confidential source and retained throughout the source's use, even if source is used in subsequent separate investigations or is deactivated and later reactivated.	Source Code Number	Cooperating Witness Control Number (CWCN)		Confidential Source Control Number (SCN)	

Definition	CID	NCIS	AFOSI	DCIS	FBI
Any person admitted to practice law in state court, any licensed physician, any practicing member of the clergy, any member of the news media.					Privileged Informant
Provides information to the DCIO through a cooperating witness (CW) but is under primary control of the CW. Identity may or may not be known.		Secondary Witness			
Identifies sources terminated for cause (e.g., fabricators and swindlers).			Burn List		
A file for information relating to a single source.	Source File	Dossier	Dossier	Dossier	
Provides information w/out being aware that the person he/she is dealing with is an agent, and is unwilling to be registered.	Unwitting Source				
Source payments or reimbursements.	Contingency Limited Funds/ .0015 Funds	C&CI Funds	C-Funds	Extraordinary Funds (E&E) Chapter 10, SA Manual	Informant Payment

Appendix B. Policies, Procedures, and Regulations Reviewed

Army

(1) CIDR 195-1, Chapter 14, USACIDC Source Program, October 1, 1994
(2) CIDR 1-201, USACIDC Organization Inspection Program, January 1, 1996

Navy

(1) SECNAVINST 5520.3B, Criminal and Security Investigations and Related Activities within the Department of the Navy, January 4, 1993
(2) SECNAVINST 5820.7B, Cooperation with Civilian Law Enforcement Officials, March 28, 1988
(3) NCIS-1, Manual for Administration, Chapter 5, Inspections, undated
(4) NCIS Policy Document No. 95-18-Pre-Operational Plan (Criminal Undercover Operations), undated.
(5) NCIS III Manual, Chapter 8, NCIS Cooperating Witness Program, 1997
(6) Marine Corps Order P5580.2, Marine Corps Law Enforcement Manual, May 30, 1990

Air Force

(1) AFOSI Manual 71-118, General Investigative Methods, November 4, 1996
(2) AFOSI Instruction 71-106, Volume 1, General Investigative Methods, March 25, 1997
(3) AFOSI Instruction 90-202, Inspector General Matters, December 5, 1996

Inspector General, Department of Defense

(1) DCIS, Special Agents Manual, Chapter 7, Sources, June 1994
(2) DCIS, Special Agents Manual, Chapter 55, Inspections and Visits, March, 1998
(3) DoDIG Criminal Investigations Policy Memorandum Number 5, Criminal Drug Investigative Activities, October 1, 1997
(4) DoDI 5505.3, Initiation of Investigations by Military Criminal Investigative Organizations, July 11, 1986
(5) DoDI 5525.5, DoD Cooperation with Civilian Law Enforcement Officials, July 11, 1986

Other Federal Government Agencies Policies and Procedures

Federal Bureau of Investigation

(1) Manual of Investigative Operations and Guidelines, Part I, Responsibility for the Development and Operation of Informants, undated
(2) Field Division Inspection, Criminal Informant Program Audit, January 19, 1996

Appendix C. Organizations Visited or Contacted

Department of the Army

Headquarters USACIDC, Fort Belvoir, VA
USACIDC, Fort Lewis, WA
USACIDC, Fort Stewart, GA
USACIDC, Fort Sill, OK

Department of the Navy

Headquarters, NCIS, Washington Navy Yard, Washington, DC
NCIS, Orlando, Florida
NCIS, Jacksonville, Florida
NCIS, San Diego, California
NCIS, Camp Pendleton, California

Department of the Air Force

Headquarters, AFOSI, Bolling Air Force Base, Washington, DC
AFOSI, MacDill Air Force Base, Florida
AFOSI, McChord Air Force Base, Washington
AFOSI, Tinker Air Force Base, Oklahoma

Defense Organizations

Headquarters, Defense Criminal Investigative Service, Arlington, VA
DCIS, Orlando, Florida
DCIS, Mid-Atlantic Field Office, Washington, DC
DCIS, Los Angeles, California

Appendix D. FBI Criminal Informant Program

Terminology

- Confidential Source - Any person or entity "...providing information to the FBI on a confidential and regular basis as a result of legitimate employment or routine access to records and is not as a result of association with persons of an investigative interest to the FBI."

- Informant - "[A]ny other person or entity who furnishes information to the FBI on a confidential basis." Informants can be classified into one of seven categories of crimes. In order to form a basis of comparison with the DCIOs' investigative missions, we are listing only the categories that are common to both the FBI and the DCIOs: criminal, white-collar crime, drug, and confidential source categories.[11]

- Cooperative Witness - Any person assisting the FBI in operational data gathering, (e.g., making consensual monitorings, purchasing evidence, etc.).

FBI Administrative Requirements

- Collect biographical data and signed declaration agreements on prospective informants.

- Assign an alternate agent at the time the informant is opened. The alternate agent will handle some contacts and must meet or observe the informant.

- Upon acceptance as an informant, individuals are assigned identification numbers/characters by the field office and the information is entered into a criminal information database. All correspondence relating to the development or operation of the informant must be transmitted to FBI Headquarters by secure teletype.

- All investigative activity must be made a matter of record in the field office files, including negative contacts.

[11] Additional classifications of informants are: Organized Crime, Top Echelon (high levels of organized crime), and Domestic Terrorism.

- Constant care is exercised to avoid any disclosure of information which might result in the identification of the informant.

- Upon termination of the use of an informant, the case agent ensures that all pertinent information has been entered into the criminal information database, to include a statement stating the specific reason for terminating the use of the informant.

FBI Control Mechanisms

- The Special Agent in Charge (SAC) should ensure that informant files are reviewed every 60-days by a Supervisory Special Agent or Assistant Special Agent in Charge.

- The results of the 60-day review must be documented in the informant's file and indexed. The purpose of the review is to ensure that the informant is being operated in accordance with FBI and Attorney General guidelines, and that adequate coverage is established for the investigative matters under his/her supervision.

- The Criminal Informant Program Coordinator at the field element is responsible for ensuring that the SAC and Criminal Informant Program Manager at headquarters are made aware of all significant issues and developments which impact on the Criminal Informant Program.

- The SAC is personally responsible for all payments to informants. All payments must be requested by the submission of a draft request form and a memorandum to the SAC. The alternate contacting agent or a second witnessing agent must be present at all payments to an informant, unless an exception is approved.

- A receipt must be obtained from all informants at the time of each payment. The receipt is to be signed by the informant using his/her code name, and witnessed by the case agent or alternate agent. Receipts are forwarded to FBI Headquarters and a copy of the receipt attached to the request memo, is to be maintained in the informant's main file.

- A separate and secure room is to be utilized for the maintenance of all informant and cooperative witness indices and pending informant and cooperative witness files. When possible, closed informant files should also be maintained in this room or otherwise maintained in a secure and locked condition. All pending and closed informant files are to be maintained under the personal authority of the SAC or a person designated by the SAC.

FBI Oversight Management

- "To enhance the administrative efficiency of the Criminal Informant Program at FBI Headquarters and in the field offices, an on-site review will be conducted periodically of the CIP of each field office." The review examines not only the number of informants, but the quality of the informants, the priority of the investigative programs in which information is provided, and the degree of compliance with FBI and Attorney General policies and guidelines.

- Prior to an on-site review, each field office evaluates each informant based on information furnished and statistical accomplishments of the informant, and closes those that have not provided any pertinent information.

Appendix E. Amount of Time Devoted to Source Instruction During Basic Agent Training

DCIO	LOCATION	LENGTH OF COURSE	HOURS OF SOURCE TRAINING
AFOSI	Andrews AFB, Maryland	12 Weeks	7 Hours
DCIS	FLETC Glynco, Georgia	9 Weeks	2 Hours
NCIS	FLETC Glynco, Georgia	9 Weeks	2 Hours
USACIDC	Fort McClellan, Alabama	16 Weeks	3 Hours

Appendix F. Report Distribution

Office of the Secretary of Defense

General Counsel, Department of Defense
Deputy General Counsel (Inspector General)*
Director, Defense Criminal Investigative Service*

Department of the Army

Inspector General, Department of the Army
Auditor General, Department of the Army*
U.S. Army Criminal Investigation Command*

Department of the Navy

Assistant Secretary of the Navy (Financial Management & Comptroller)*
Director, Naval Criminal Investigative Service*
Inspector General, Department of the Navy
Counsel for the Commandant (Marine Corps)*
Inspector General, U.S. Marine Corps

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management & Comptroller)*
Inspector General, Department of the Air Force*
Commander, Air Force Office of Special Investigations*

*Recipient of draft report.

Part III - Management Comments

Department of the Army Comments

Final Report Reference

DEPARTMENT OF THE ARMY
U.S. ARMY CRIMINAL INVESTIGATION COMMAND
6010 6TH STREET
FORT BELVOIR, VA 22060-5506

REPLY TO ATTENTION OF

CIOP-IN (195)

OCT 1999

MEMORANDUM FOR The Inspector General, Department of Defense, ATTN: Policy and Programs Directorate, 400 Army Navy Drive, Arlington, VA 22202-2884

SUBJECT: Evaluation of the Defense Criminal Investigative Organizations' Source Management Programs (Project No. 70G-9031)

1. Reference DODIG Draft Proposed Evaluation Report, 5 Jun 98, SAB.

2. Draft proposed report has been reviewed as requested. Nonconcur.

a. The report incorrectly states in the Summary of Finding B that "...there is no required or regularly offered continuing training opportunities regarding sources unless new agents are teamed with senior agents who use sources." Yet, three paragraphs earlier, the report states that "The USACIDC offers Warrant Officer Basic and Advanced Courses which include blocks of source training." These Warrant Officer Basic and Advanced Courses are not "offered" to our warrant officers, they are required of all our agent warrant officers (who are also our Team Chiefs and Special Agents-in-Charge). Advancement by our agent warrant officers up the supervisory chain in CID requires attendance at these courses. It should also be noted that our Army Basic and Advanced NCO Courses also provide refresher training for our enlisted CID agents.

Page 10 and 11

b. Given the correct facts of paragraph 2a above, the Recommendation for Finding B is flawed. That is, the recommendation that "...the DCIOs establish training beyond basic agent school for ongoing development of supervisors' and agents' skills..." is incorrect because the Army CID already has training in existence for our supervisors.

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3. We fully concur with the benefits of additional formal training. Unfortunately, resource constraints (funding, time, personnel, OPTEMPO, etc.) limit our options with respect to how much training we can afford to provide, and in what functional areas we provide that training. Given the comments from the field agents that your report alludes to, and the importance of this subject, we will:

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a. Conduct a "needs assessment" to determine the extent of the training void.

b. If warranted, explore the feasibility of integrating additional source recruitment, utilization, and management training into existing programs of instruction at the U.S. Army Military Police School.

c. Explore the feasibility of obtaining additional training from other federal agencies.

Printed on Recycled Paper

Final Report Reference

CIOP-IN
SUBJECT: Evaluation of the Defense Criminal Investigative Organizations' Source Management Programs (Project No. 70G-9031)

Page 11 and 12

4. Recommend that Finding B's Summary be corrected to reflect facts provided above. Further recommend that Finding B's Recommendation be changed to require the DCIOs to conduct their own assessment of training needs to address shortcomings perceived by the agents surveyed.

5. The point of contact for this action is Mr. Jackson, 806-0293, or CPT Ingros, 806-0283.

FOR THE COMMANDER:

DANIEL M. QUINN
Colonel, GS
Deputy Chief of Staff
for Operations

CF:
HQDA (DAMO-ODL)

2

Department of the Navy Comments

Final Report Reference

DEPARTMENT OF THE NAVY

HEADQUARTERS
NAVAL CRIMINAL INVESTIGATIVE SERVICE
WASHINGTON NAVY YARD BLDG 111
716 SICARD STREET SE
WASHINGTON DC 20388-5380

12736
Ser 006/8U0021
12 August 1998

MEMORANDUM FOR DEPUTY ASSISTANT INSPECTOR GENERAL, DEPARTMENT OF DEFENSE (CRIMINAL INVESTIGATIVE POLICY AND OVERSIGHT)

SUBJECT: Evaluation of the Defense Criminal Investigative Organizations Source Management Programs (Proj No. 70G-9031)

A review of the proposed evaluation report concerning the Defense Criminal Investigative Organizations Source Management Programs was accomplished by the Naval Criminal Investigative Service' (NCIS) Criminal Investigations Department and the following comments/recommendations are provided:

Evaluation Results:

(Finding A) - DODIG's office found each of the DCIO's have adequate administrative requirements, management controls, and oversight mechanisms in place addressing recruiting, controlling and managing of sources.

Response: Concur

Finding (A) further documented that the FBI and all other DCIO's require the Declaration agreements to be completed by all informants; However, NCIS Agents are authorized to annotate an unsigned agreement in the case file if the handler feels it would discourage a source from participating.

Response: In the past, Special Agent source handlers, generally in the fraud arena, had problems with well educated professional Cooperating Witnesses (CW) executing a Declaration of Cooperation. The Handler's opined it was demeaning to the CW and that it could discourage the source from participating. For this reason the establishment of the Criminal Source (CS) was implemented for these situations. The CS would be utilized for criminal intelligence collection only.

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(Finding B) - DODIG's recommendation was to provide advanced practical source training as current DCIO guidance does not require supervisors and agents to receive training beyond basic school.

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Response: NCIS expands the source handling training provided by FLETC with a NCIS "add-on", a period of six weeks training given following the completion of the Basic Criminal Investigator course. During this time almost a full training day is given to sources, source recruitment, and operations. The class room training is followed by a practical exercise emphasizing all administrative requirements. In the first year of employment, a new agent must work with a field training agent who oversees their on the job training which includes source recruitment, handling and reporting. NCIS also has a two week advanced criminal agent's course which devotes eight hours to sources, source management issues and special operations.

(Finding C) - DON policy requiring command approval before utilizing military members as sources, and the Marine Corps policy of restricting the use of military members as sources off-base restricts the ability of NCIS to fully utilize sources and comply with DOD guidance. These policies are contradictory to DOD policy. It was recommended that the Secretary of Navy ammend SECNAVINST 5520.3B to eliminate the requirement for command approval prior to the utilization of military personnel as sources by the NCIS. It was also recommended that the Marine Corps substantially modify the policy which restricts the off-base utilization of Marines as sources, to allow for such use when allowable under existing DOD policies.

Response: Concur

T.W. FISCHER
By Direction

Department of the Air Force Comments

DEPARTMENT OF THE AIR FORCE
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, DC

Office of the Secretary

13 Jul 98

MEMORANDUM FOR DOD/IG (Ms Golden)

FROM: SAF/IGX

SUBJECT: AFOSI Reply to DOD/IG Evaluation of DCIO's Source Management Programs

Please find the attached reply from the Commander, Air Force Office of Special Investigations in reply to your on going evaluation of DCIO's Source Management Programs. If this office can be of further assistance, please do not hesitate to contact us. My POC is Lt Col Robert Broeking, (703) 695-3045.

CHARLES P. AZUKAS, Col, USAF
Director of Special Investigations

Attachment:

AFOSI/CC ltr dtd 7 Jul 98, same subject

Golden Legacy, Boundless Future... Your Nation's Air Force

Final Report Reference

DEPARTMENT OF THE AIR FORCE
AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

U.S. AIR FORCE 50 1947 - 1997

7 Jul 98

MEMORANDUM FOR SAF/IGX

FROM: AFOSI/CC

SUBJECT: DoDIG Evaluation of the Defense Criminal Investigative Organizations Source Management Programs

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1. AFOSI has instituted advanced Source Training for our Detachment Commander's Course and Advanced Agents Course. These courses are designed to emphasize and strengthen the processes involved in all aspects of AFOSI's Source Program. In addition, our Operations Enhancement Specialist, along with our Operations Support Agents, provide hands-on Source Training to field agents once they have graduated the basic academy. This provides continuous development of their source recruiting, handling and management skills.

2. Should you have additional comments or questions, my point of contact for this matter is Mr. Michael J. Speedling, Chief, Criminal Investigations Division, (301) 981-1117.

FRANCIS X. TAYLOR
Brigadier General, USAF
Commander

"HELPING TO PROTECT A GREAT WAY OF LIFE"

Marine Corps Comments

Final Report Reference

DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
2 NAVY ANNEX
WASHINGTON, DC 20380-1775

IN REPLY REFER TO
POS20
9 Sep 98

From: Deputy Chief of Staff, Plans, Policies and Operations
To: Deputy Assistant Inspector General for Criminal Investigative Policy and Oversight, Inspector General, Department of Defense, 400 Army Navy Drive, Arlington, VA 22202-2884

Subj: EVALUATION OF THE DEFENSE CRIMINAL INVESTIGATIVE ORGANIZATION SOURCE MANAGEMENT PROGRAMS (PROJECT NO. 7OG-9031)

Ref: (a) Draft Evaluation Report Project No. 7OG-9031
(b) SECNAVINST 5520.3B
(c) MCO 5830.6

1. As requested by reference (a), the subject draft report has been reviewed and the following comments are provided.

2. Specifically, we are asked to address the two recommendations located in Finding C., "Department of the Navy and Marine Corps Policies Restricting the Use of Military Members as Sources." Our comments are as follows:

Recommendation 1. That the Secretary of the Navy (SecNav) amend reference (b) to eliminate the requirement for command approval prior to the use of military personnel as sources by the Naval Criminal Investigative Service (NCIS).

Comments: Nonconcur. However, we will examine the current command approval procedures. For example, have NCIS brief and request approval from only the battalion or squadron commanding officer. The commanding officer, not NCIS, is then responsible for advising the cognizant commanding generals. This is in accordance with the current requirements of reference (b), but would require a minor change to reference (c).

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Recommendation 2. That the Commandant of the Marine Corps substantially modify the policy which restricts the off-base use of Marines as sources to allow for such use when allowable under existing DoD policies.

Comments: Nonconcur. When this issue surfaced in 1993, the Marine Corps position was that SecNav only waived the use of military personnel in civilian law enforcement investigations for drug investigations. Until SecNav broadens the waiver or issues further definitive guidance, it would not be permissible to expand the roles of military personnel assigned to Marine Corps

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Subj: EVALUATION OF THE DEFENSE CRIMINAL INVESTIGATIVE ORGANIZATION SOURCE MANAGEMENT PROGRAMS (PROJECT NO. 7OG-9031)

installations participating as sources in off-base civilian law enforcement investigations.

3. The point of contact regarding this issue is CWO3 R. M. Attridge at Com (703) 614-9298 or DSN 224-9298.

R. F. GEOFFROY
By direction

Defense Criminal Investigative Service Comments

Final Report Reference

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202

JUN 25 1998

(Investigations)

MEMORANDUM FOR DEPUTY ASSISTANT INSPECTOR GENERAL
CRIMINAL INVESTIGATIVE POLICY AND OVERSIGHT

SUBJECT: Evaluation of the Defense Criminal Investigative Organizations Source Management Programs (Project No. 70G9031)

Review of this draft report revealed several comments regarding the administration of the Defense Criminal Investigative Service (DCIS) Source Program which warrant revision.

Prior to March 1998, DCIS Program Review Directorate conducted inspections of field components every 2 years. The inspections measure the efficiencies, effectiveness and policy compliance in 31 operational and administrative functional areas, including confidential and registered sources and the source management program. In addition to these inspections, field managers conducted semi-annual office visits to evaluate the effectiveness of components under their cognizance in such areas as source management. During March 1998, DCIS implemented a revised inspection program which now consists of a self inspection of 22 functional areas, as well as a subsequent Headquarters verification inspection. The reduced number of functional areas from 31 to 22 results from a streamlining and consolidation of topic areas in the inspection guide, rather than any de-emphasis of areas to be inspected. During the self inspection as with the prior inspection process, field components' compliance with policies and procedures relating to source management are and will continue to be evaluated.

Page 8 & 9

The CIPO draft report contains reference to a requirement for DCIS supervisors to review source files every 30 - 60 days. It should be noted there is no DCIS requirement for source dossiers to be reviewed on the aforementioned time schedule. DCIS Headquarters requires yearly source status reports from field components and maintains all closed registered source files. Investigative case files are reviewed by field management officials every 30 - 60 days. Further, field components are required to continually assess the effectiveness of sources and

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Final Report Reference

deactivate those that are non-productive. It is requested that language contained in the report concerning the necessity to implement a "DCIS self inspection" program as well as reporting requirements be revised as self inspections were recently implemented in DCIS. Please correct Appendix B to the report to indicate that the DCIS Special Agents Manuel, Chapter 55, Inspections and Visits, was revised effective March 1998. Also, please direct questions regarding this matter to Special Agent Joseph A. McMillan at (703) 604-8641.

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John F. Keenan
Deputy Assistant Inspector General
for Investigations