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(B) CENTRAL INTELLIGENCE AGENCY - OPERATIONS IN THE UNITED STATES -- The Bureau recently completed discussions with the Central Intelligence Agency (CIA, regarding that agency's operational activities in the United States. These discussions essentially dealt with CIA's assessment and recruitment of foreign intelligence sources in the United States. Enclosed for your use is a list of the ground rules which both agencies have accepted as guidelines for effecting the necessary coordination. In order that you may be adequately oriented in this matter, the following background is set forth. The need for the ground rules is related to CIA's interest in developing positive intelligence sources in the United States and the necessity for protecting the Bureau's jurisdiction in the counterintelligence field. The latter is essential to the adequate discharge of our responsibilities to national security.

Positive intelligence may be described as a comprehensive product resulting from collection, evaluation, collation, analysis, and interpretation of all available information relating to national security and concerning other countries where such information is significant to our Government's development and execution of plans, policies, and courses of action. Such intelligence can be divided into various categories, such as economic, military, scientific, political, geographic, et cetera. The collection of positive intelligence is distinguished from counterintelligence which is primarily designed to penetrate, monitor, neutralize and/or disrupt the foreign intelligence and security services. Counterintelligence further includes other functions of an internal security nature directed against subversive groups, organizations, and individuals. By law CIA does not have any law enforcement or internal security functions. CIA's authorization for collecting positive intelligence is predicated on the National Security Act of 1947 and subsequent issuance of National Security Council Directives. There is no law, directive, or charter which authorizes CIA to engage in the clandestine development of positive intelligence sources in the United States. Therefore, in the absence of any statutory prerogative to conduct such activity in the United States. it has been mutually agreed by FBI and CIA that the Agency can only engage in the clandestine development and handling of positive intelligence sources in this country by coordinating with the Bureau. The Bureau in turn legally has the primary counterintelligence responsibility in the U.S. and is continually developing positive intelligence. It, however, must be regarded an incidental product to our main objective. The Bureau does not have a primary responsibility to collect positive intelligence, but we do have numerous and very significant obligations in this field. In actual practice the Bureau is required by the President and other agencies to develop information

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of a positive intelligence nature. This requires Bureau action designed to bring about the necessary coverage. A good example is our involvement in the development of information relating to the crisis in the Dominican Republic. From the above you will recognize that there can be "gray areas" of interest to the Bureau and CIA. It, therefore, has been necessary to effect adequate coordinating machinery.

The potential for the development of positive intelligence in this country is vast and varied. Voluminous positive intelligence is collected overtly through the review of foreign and domestic publications, interviews of travelers, arriving aliens, contacts with scientists, et cetera. In this area there have been no serious issues between the Bureau and CIA.

However, in the field of clandestine development of positive intelligence both agencies have an interest, and there is a necessity for a clear-cut understanding of jurisdiction and coordination. Particularly is this true in the development of positive intelligence sources who are employees or officials of foreign governments stationed in the United States or who are visiting this country on a temporary basis.

For many years the Bureau has had a continuing program of developing sources in diplomatic installations for the purpose of discharging our counterintelligence responsibilities and incidentally for developing positive intelligence information which might assist the Government in formulating policy. The Bureau, recognizing CIA's need for sources in the positive intelligence field, has permitted CIA to assess and recruit sources in the United States in a limited manner with the understanding that such activities are fully coordinated with the Bureau. In January, 1964, CIA established their Domestic Operations Division (DOD) to conduct such operations in the United States, and certain Bureau field offices were alerted and furnished the necessary guidance and instructions. The recent discussions with CIA resulted in a refinement of the understanding of the ground rules established in January, 1964.

The enclosed ground rules will be applied by the Bureau and CIA as cases arise. The Bureau position in each matter will be decided at the Seat of Government. As a general rule, Bureau Headquarters will be informed by CIA regarding its interest in an individual or a target. Prior to notification of CIA regarding our position, the situation will be carefully reviewed at the Seat of Government. This may often include a request to the field for

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observations and recommendations before notice is transmitted to CIA. At the same time, it is possible that you may be contacted in the field by a representative of DOD, CIA. If so, you should be guided by the enclosed ground rules in any discussions, bearing in mind that the approval for any particular operational activity is to be made at Bureau Headquarters.

You should hold to the concept that the protection of the internal security of the United States involves very basic clear-cut responsibilities of the FBI. This should be kept in mind in each case and in any contacts which you may have with CIA representatives. There is to be no interference with or infringement upon our jurisdiction. It is recognized that unforeseen developments may create situations not adequately covered by the ground rules. You, therefore, should report such matters to the Bureau setting forth complete details with your recommendations. Although we have been informed by CIA that the Bureau's jurisdiction and operational interests will not be interfered with, we cannot discount the results of past experiences stemming from CIA's operational and organizational deficiencies. We have no reason to believe that there will be a revolutionary change of these conditions. It is, therefore, incumbent upon you to be extremely alert for any breakdown of the adherence to the ground rules. I emphasize that this is an area of activity which must be closely monitored by each Special Agent in Charge. You should be certain that your personnel is adequately oriented so that the Bureau can have the full benefit of any constructive suggestions pertaining to this entire matter.

Very truly yours,

John Edgar Hoover

Director

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