(U) REPORT OF AUDIT

(U) CIA's Process for Investigating Leaks of Classified Information

Report No. 2012-0002-AS

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(U) REPORT OF AUDIT

(U) CIA’s Process for Investigating Leaks of Classified Information

(U) EXECUTIVE SUMMARY

(U) The objectives of this audit were to:

- Address the congressionally directed action (CDA) contained in the Classified Annex of the Consolidated Appropriations Act, 2012 (H.R. 2055), to include:
  - An inventory of the leaks of Sensitive Compartmented Information from the past three calendar years.
  - The actions taken to investigate each leak.
  - The investigations that were referred to the Department of Justice.
  - The additional actions that were taken after the DoJ investigations.

- Determine whether the CIA’s process for identifying, investigating, and reporting leaks of classified information is effective.

For the purpose of the audit, an unauthorized disclosure is defined as any form of communication or physical transfer of classified information to an unauthorized recipient; a leak is an unauthorized disclosure of CIA classified information to the media.

(U/IP)(O) The Classified Annex of the Consolidated Appropriations Act, 2012 (H.R. 2055) was enacted on 23 December 2011 and directed the CIA Office of Inspector General (OIG) to investigate the taskings contained in the first audit objective and provide a report to the Subcommittees on Defense of the House of Representatives and the Senate, Committee on Appropriations within 60 days. The OIG team reviewed all leak cases initiated from 1 January 2009 through 31 December 2011 and concluded that there were a total of [ ] cases—reported in [ ] publications—of first-time leaks of the [ ] cases were attributed to ‘senior administration officials’ in the publications. [ ] of the [ ] cases were referred to the DoJ. Of the [ ] cases referred to the DoJ [ ] were declined, [ ] were subsequently referred to the FBI for investigation, and [ ] were open pending DoJ action as of 31 December 2011. CIA took no additional action on [ ] of the [ ] cases that were declined by the DoJ.

The OIG team reviewed the information in the case files; the classified information disclosed in [ ] of the [ ] cases was considered by CIA officials to be Sensitive Compartmented Information. The OIG

SECRET//NOFORN

(b)(3) NatSecAct
(b)(7)(e)
sent a letter to the Committees on 21 February 2012 that documented this information and addressed the CDA. (See Exhibit B.)

(U//FOOU) The letter also noted that the OIG team would review whether the CIA’s processes for identifying, investigating, and reporting leaks of classified information are effective, the results of which are presented in this audit report.

| (b)(3) CIAAct |
| (b)(3) NatSecAct |
| (b)(7)(e) |

The exposure of classified information to the public represents a significant threat to the CIA’s operations and causes egregious harm to both the Intelligence Community (IC) and national security; the exposure of sources and methods allows adversaries to identify, deny, counteract, and deceive intelligence collection methods, leading to the loss of critical capabilities, resources, and even lives. The OIG team found that the CIA’s process for reporting leaks to the Office of the Director of National Intelligence (ODNI) and the DoJ is effective.

| (b)(3) NatSecAct |

Acting Assistant Inspector General for Audit
SECRET//NOFORN

(U) BACKGROUND

(U) The Administration of Leaks

The stated mission of the Office of Security, formally established in 1994—is to stop or minimize unauthorized disclosures of CIA classified information to the media by detecting, identifying, investigating, and reporting compromises to the DoJ.

For the purpose of this audit, an unauthorized disclosure is defined as any form of communication or physical transfer of classified information to an unauthorized recipient; a leak is an unauthorized disclosure of CIA classified information to the media. CIA officials categorize published unauthorized disclosures of classified information as leak cases, whereas they categorize unpublished unauthorized disclosures of classified information as unauthorized disclosure cases. Examples of unauthorized disclosure cases include unauthorized disclosures of classified information in résumés, electronic mail, or to individuals who are not associated with the media.

The CIA only pursues first-time leak events. OS officials stated that once information is initially published in the media, the assumption is that any subsequent disclosures of the same information in other publications stem from the original publication; any new information disclosed in subsequent publications is considered a first-time leak. However, OS officials stated that if they had evidence that someone leaked information, they would pursue disciplinary action regardless of whether the leak was a first-time disclosure.

The CIA is required to notify both the ODNI and the DoJ of all first-time leak cases. The ODNI maintains information on IC leak cases for oversight purposes and the DoJ determines whether to open a criminal investigation. Prior to May 2011, the CIA referred first-time leak cases to the DoJ for criminal investigation via Crimes Reports that contained responses to “11 Questions” [See Figure 1, pg 6] established in a memorandum signed by then FBI Director J. Edgar Hoover on 5 November 1969. Based on the CIA’s responses to the “11 Questions,” DoJ officials decided whether to open a criminal investigation for each leak case. On 7 May 2011, the DNI issued a memorandum, Executive Secretariat (E/S) 00274, Intelligence

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1 (U) Executive Order 12333, United States Intelligence Activities, requires Heads of Elements of the IC to report to the Attorney General possible violations of federal criminal laws by employees and of specified federal criminal laws by any other person as provided in procedures agreed upon by the Attorney General and the head of the department, agency, or establishment concerned, in a manner consistent with the protection of intelligence sources and methods, as specified in those procedures.

2 (U) The OIG team was unable to locate a copy of the 5 November 1969 memorandum.
Community Reporting and Investigation of Unauthorized Disclosures of Classified Information, establishing a three-tiered investigation process to categorize all leaks by their dissemination and threat to national security.

- Tier I: A disclosure where a preliminary investigation by CIA officials reveals that further investigation is not warranted or feasible, usually because of extensive dissemination of the disclosed information. The ___ categorizes a disclosure with wide dissemination as "Tier I." A Tier I Crimes Report notifies the DoJ that the CIA intends there be no further action on the case and includes responses to three of DoJ's "11 Questions" (Questions 1, 2, and 3).

- Tier II: A disclosure where a preliminary investigation by CIA officials indicates that an internal administrative investigation is appropriate. The ___ categorizes a disclosure with a small dissemination, a high probability of identifying the source of the disclosure, and a minimal threat to national security as "Tier II." A Tier II Crimes Report notifies the DoJ of the CIA's intent to conduct an internal administrative investigation and requests DoJ concurrence. A Tier II Crimes Report also includes responses to six of DoJ's "11 Questions" (Questions 1, 2, 3, 4, 5, and 9).

- Tier III: A disclosure where a preliminary investigation by CIA officials indicates that a criminal investigation should be requested based upon specific circumstances of the disclosure. The ___ categorizes a disclosure with a small to moderate dissemination and a high threat to national security as "Tier III." A Tier III Crimes Report requests that the DoJ open a criminal investigation and includes responses to all of DoJ's "11 Questions."
Figure 1 is UNCLASSIFIED//FOUO

The Department of Justice's "11 Questions" for Leak Cases

1. The date and identity of the article containing the classified information.
2. Specific statements in the article that are considered classified and whether the information was properly classified.
3. Whether the classified information is accurate.
4. Whether the information came from a specific document and, if so, the origin of the document and the name of the individual responsible for the security of the classified data disclosed.
5. The extent of official dissemination of the information.
6. Whether the information has been the subject of prior official releases.
7. Whether prior clearances for publication or release of the information was sought from proper authorities.
8. Whether the material, or portions thereof, or enough background data has been published officially or in the press to make an educated speculation on the matter possible.
9. Whether the information can be made available for use in a prosecution and, if so, the name of the person competent to testify concerning its classification.
10. Whether declassification has been considered or decided upon prior to the publication of the release of data.
11. What effect the disclosure of the classified information could have on national defense.


(U) Congressional Concerns Related to Recent Leaks

(U) On 23 December 2011, the Consolidated Appropriations Act, 2012 (H.R. 2055) was enacted. The conference committee members for the Act expressed concerns in the Classified Annex of the Act with "the number of leaked classified and compartmented facts and reports that have occurred over the past three calendar years." Specifically, the conference committee members had "grave concern" that "sources and methods used for clandestine and covert activities...are being exposed." The Act contained a CDA related to administration leaks of highly classified material and directed the CIA OIG to report to the Subcommittees on Defense of the House of Representatives and the Senate, Committee on Appropriations within 60 days the following: an inventory of the leaks of Sensitive Compartmented Information including those attributed to a 'senior administration official' from the past three calendar years; the actions taken to investigate each leak; which of the investigations were referred to the DoJ; and, what additional actions were taken after the DoJ
investigations. The OIG sent a letter to the Committees on 21 February 2012 that documented this information and addressed the CDA. (See Exhibit B.) The letter also noted that the OIG team would review whether the CIA's processes for identifying, investigating, and reporting leaks of classified information are effective, the results of which are presented in this audit report.

(U) AUDIT RESULTS AND RECOMMENDATIONS

(U) Congressionally Directed Action Related to Administration Leaks of Highly Classified Material

(U//FOOU) In response to the CDA, the OIG team reviewed all leak cases initiated from 1 January 2009 through 31 December 2011 and concluded that there were a total of [ ] cases—reported in [ ] publications—of first-time leaks, [ ] of which were attributed in the publications to 'senior administration officials,' [ ] were declined, [ ] were subsequently referred to the FBI for investigation, and [ ] were open pending DoJ action as of 31 December 2011. CIA took no additional action on [ ] of the [ ] cases that were declined by the DoJ.

(U//FOOU) The OIG team reviewed the information in the case files; the classified information disclosed in [ ] of the [ ] cases was considered by CIA officials to be Sensitive Compartmented Information. Exhibit B provides the OIG's response to the CDA.

(U//FOOU) Intelligence Community Directive (ICD) 701, Security Policy Directive for Unauthorized Disclosures of Classified Information, dated 14 March 2007, establishes the DNI's policy to deter, report, and investigate unauthorized disclosures, including leaks, and to take appropriate protective and corrective action. The Directive states that the Senior Officials of the Intelligence Community (SOICs) are responsible for educating their workforces on the processes and procedures for promptly reporting unauthorized disclosures, including leaks. The Directive further states that the SOICs should develop, implement, and update continuing security, counterintelligence, and security awareness programs for the protection of classified information.
The OIG team reviewed a sample of leak cases and found that approximately two-thirds of the cases originated from referrals from other components.

The OIG team obtained an inventory of potential leak cases initiated from 1 January 2009 through 1 December 2011 from the This report of cases defined the population of potential leak cases. The OIG team selected and reviewed a judgmental sample of cases—20 percent—to gain an understanding of how the CIA identifies, investigates, and reports leaks and to determine compliance with applicable guidance.
Investigating leaks is a necessary step to attempt to determine factors surrounding the disclosure, to hold responsible parties accountable, and to deter future leaks.

The exposure of sources and methods to the public allows adversaries to identify, deny, counteract, and deceive our intelligence collection methods, leading to the loss of critical capabilities, resources, and even lives.

(U//FOUO) ICD 701 establishes the DNI’s policy to deter, report, and investigate unauthorized disclosures, including leaks, and to take appropriate protective and corrective action. The Directive states that the SOICs are responsible for identifying all factors determined to have contributed directly or indirectly to the compromise of classified information and ensure they are corrected. The Directive further states that the SOICs should develop, implement, and update continuing security, counterintelligence, and security awareness programs for the protection of classified information.

(U//FOUO) the has procedures for determining whether a suspected leak should be referred to the DoJ.
The OS/Legal Staff uses the Crimes Referral Recommendation to prepare a Crimes Report to notify the ODNI and the DoJ of the first-time leak.

(U) If the DoJ elects to conduct a criminal investigation and refers the case to the FBI for investigation, the FBI will often assist the DoJ and the FBI. Otherwise, the DoJ generally notifies the CIA via a declination letter when the DoJ declines to take further action on a case. However, in Tier II cases where the CIA has expressed a desire to conduct an internal administrative investigation, the DoJ must notify the CIA within 21 days of the receipt of the Crimes Report whether the DoJ intends to conduct a criminal investigation. If the DoJ elects not to conduct a criminal investigation or does not notify the CIA within 21 days, the CIA may begin an internal administrative investigation.

If the case is declined, it is returned to the CIA for consideration for an internal administrative investigation or closure.

Nevertheless, for the period 1 January 2009 through 31 December 2011, the CIA took no additional action on any of the cases that were declined by the DoJ.

(U) As stated in DNI memorandum E/S 00212, Intelligence Community Handling of Unauthorized Disclosures, 21 May 2010 and DNI memorandum E/S 00274: Attachment.
(b)(3) CIAAct
(b)(3) NatSecAct
(b)(5)

(U//FOUO) Source: Auditor-developed from information contained in the a leak case files.

(U//FOUO) DNI memorandum E/S 00274 states that the DNI strongly encourages IC elements to utilize internal administrative procedures to uncover and resolve matters relating to unauthorized disclosures and to promptly pursue administrative remedies in those instances where criminal prosecution is not appropriate. Also, the attachment to the memorandum states that there are several investigative steps an IC agency can take as soon as the disclosure is discovered that would not impede any potential criminal investigation, including:

- (b)(3) NatSecAct
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<td>(b)(3) NatSecAct</td>
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(U//FOUO) The CIA’s Process for Reporting Leaks Is Effective

(U//FOUO) The CIA is, overall, reporting identified first-time leaks documented by the{CIAAct}{NatSecAct} to both the ODNI and the DoJ in accordance with Executive Order 12333, United States Intelligence Activities; ICD 701; DNI memorandum E/S 00212, Intelligence Community Handling of Unauthorized Disclosures; and DNI memorandum E/S 00274. The OIG team obtained an inventory of potential leak cases initiated from 1 January 2009 through 1 December 2011 from the{ODNI}{DOJ}. To ensure completeness of its inventory, the OIG team also obtained inventories of first-time leak cases from{CIAAct} and an ODNI/Office of the National Counterintelligence Executive (ONCIX)/Special Security Directorate (SSD) officer and reconciled these lists to{ODNI}{DOJ}’s inventory. Using the reconciled inventory, the OIG team examined all first-time leak cases to determine whether the ODNI and the DoJ had been notified of each first-time leak case. The OIG team found that, overall, the CIA had reported identified first-time leaks documented by the{ODNI}{DOJ} to both the ODNI and the DoJ.

(U//FOUO) The ODNI/ONCIX/SSD is the designated group within the ODNI that is responsible for maintaining information on IC leak cases for oversight purposes.
(U) Objectives, Scope, and Methodology

(U) Conducting this audit was planned as part of the annual Office of Inspector General (OIG) Work Plan. This audit included the CIA OIG’s response to a Congressionally directed action (CDA) contained in the Classified Annex of the Consolidated Appropriations Act, 2012 (H.R. 2055). The exposure of classified information represents a significant threat to the CIA’s operations and causes egregious harm to both the Intelligence Community and national security; the exposure of sources and methods allows adversaries to identify, deny, counteract, and deceive our intelligence collection methods, leading to the loss of critical capabilities, resources, and even lives. The objectives of the audit of CIA’s Process for Investigating Leaks of Classified Information were to:

- Address the CDA contained in the Classified Annex of the Consolidated Appropriations Act, 2012 (H.R. 2055), to include:
  - An inventory of the leaks of Sensitive Compartmented Information from the past three calendar years.
  - The actions taken to investigate each leak.
  - The investigations that were referred to the Department of Justice.
  - The additional actions that were taken after the DoJ investigations.

- Determine whether the CIA’s process for identifying, investigating, and reporting leaks of classified information is effective.

(CONT) To accomplish the audit objectives the OIG team:

- Identified and reviewed applicable federal laws; Director of National Intelligence (DNI) guidance; Executive Orders, and CIA regulations, policies, and procedures related to unauthorized disclosures, including leaks.

- Interviewed responsible officials from the following components to gain an understanding of their respective components’ involvement in identifying, investigating, and reporting leaks:

  (b)(3) CIAAct
  (b)(3) NatSecAct
• Obtained an inventory of potential leak cases initiated from 1 January 2009 through 1 December 2011 from the [ ]. This report of [ ] cases defined the population of potential leak cases. The OIG team selected and reviewed a judgmental sample of [ ] cases—20 percent—to gain an understanding of how the CIA identifies, investigates, and reports leaks and to determine compliance with applicable guidance.

• Determined the inventory of first-time leak cases based on the inventories obtained from the [ ] the [ ] and the ODNI/ONCIX/SSD. Based on the results of the reconciliation, the OIG team determined whether each case was reported to the ODNI and the DoJ.

• Reviewed the case summaries for the [ ] cases that were declined by the DoJ to determine what additional actions were taken by CIA officials and to identify the reasons why [ ] subsequently closed the cases.

• Reviewed all first-time leak cases to determine the corresponding attributions in the publications and whether the CIA classified information disclosed was considered by CIA officials to be Sensitive Compartmented Information.
(U) The OIG team conducted this performance audit from January to March 2012 in accordance with generally accepted government auditing standards. Those standards require that the OIG team plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the OIG team's findings and conclusions based on the OIG team's audit objectives. The OIG team believes that the evidence obtained provides a reasonable basis for the OIG team's findings and conclusions based on the OIG team's audit objectives.

(U) Comments on a draft of this report were provided by the Director for Support and included remarks from the Office of Security. The OIG team considered the comments in preparing the final report.
The Honorable Daniel K. Inouye
Chairman
Senate Appropriations Committee
Subcommittee on Defense
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing in response to a Congressionally directed action (CDA) contained in the Classified Annex of the Consolidated Appropriations Act, 2012 (H.R. 2055). The CDA related to administration leaks of highly classified material and directs the CIA Office of Inspector General (OIG) to report within 60 days of passage of the Act the following: an inventory of the leaks of Sensitive Compartmented Information including those attributed to a senior administration official from the past three calendar years; the actions taken to investigate each leak; which of the investigations were referred to the Department of Justice; and, what additional actions were taken after the DoJ investigations.

For the purpose of our analysis, an unauthorized disclosure is defined as any form of communication or physical transfer of classified information to an unauthorized recipient; a leak is an unauthorized disclosure of CIA classified information to the media. The CIA documents and maintains case files for first-time leaks. We reviewed all leak cases initiated from January 2009 through 31 December 2011.

The enclosed CIA inventory of first-time leak cases is provided to you in response to the CDA. We concluded that there were a total of cases reported in publications—of first-time leaks—of which were attributed to senior administration officials in the publications. Of the cases were referred to the DoJ. Of the cases referred to the DoJ were declined, were subsequently referred to the FBI for investigation, and were open pending DoJ action.
The Honorable Daniel K. Inouye

(b)(7)(e)

as of 31 December 2011. CIA took no additional action on any of the cases that were declined by the DoJ.

(b)(3) NatSecAct

Based on our review of information in the files, we believe that the CIA classified information disclosed in any of the cases was considered Sensitive Compartmented Information. The CIA OIG is currently conducting an audit to determine whether the CIA's process for identifying, investigating, and reporting leaks of classified information is effective. We will apprise you of the results when the audit is complete.

(U) If you have any questions or want additional information, please contact me or my Executive Officer.

An original letter, with enclosure, is also being provided to Ranking Member Cochran, the Subcommittee on Defense of the House Appropriations Committee, the Senate Select Committee on Intelligence, and the House Permanent Select Committee on Intelligence.

Enclosure: As Stated
CIA's Inventory of First-Time Leak Cases
(1 January 2009 – 31 December 2011)

<table>
<thead>
<tr>
<th>Case Number</th>
<th>Number of Associated Publications</th>
<th>Attributed to 'Senior Administration Official'?</th>
<th>Referred to DoJ</th>
<th>Additional Action Taken After Referred to DoJ</th>
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- (b)(3) CIAAct
- (b)(3) NatSecAct
- (b)(7)(e)

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(b)(3) CIA Act  
(b)(3) NatSec Act  
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(b)(3) CIAAct
(b)(3) NatSecAct
(b)(7)(e)

* CIA officials stated that based on Director of National Intelligence (DNI) memorandum FIS 0274, Intelligence Community Reporting and Investigation of Unauthorized Disclosures of Classified Information, 7 May 2011, CIA categorized this case as "Tier 1." The memorandum states that a Tier 1 designation is assigned for a disclosure where the preliminary investigation reveals that further investigation is not warranted or feasible, usually because of extensive dissemination of the disclosed information. CIA officials stated that they categorized the cases that were not referred to DoJ as Tier 1.

** CIA officials stated that based on DNI memorandum FIS 0274, CIA would have categorized this case as "Tier 1." However, CIA had opened the case prior to implementing the guidance in the memorandum. CIA officials stated that they would have categorized the cases that were not referred to DoJ as Tier 1.
(U) The status of significant recommendations will be included in the Inspector General’s semiannual reports to the Director, Central Intelligence Agency.
Exhibit D

(U) Audit Team

(U//FOUO) This audit report was prepared by the Audit Staff, Office of Inspector General.

(b)(3) CIAAct