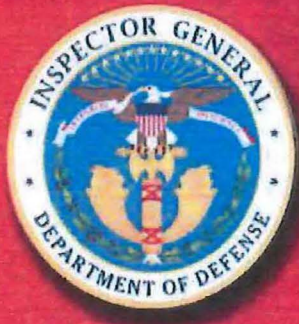


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Report No. 08-INTEL-06
June 12, 2008

Inspector General

United States
Department of Defense



DEPUTY INSPECTOR GENERAL FOR INTELLIGENCE

**Review of the United States Government's Relationship
with the Iraqi National Congress:
Phase Two - Relationship Between the Iraqi National
Congress and the Department of Defense (U)**

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(U)

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Acronyms (U)

ASD(C3I)	Assistant to the Secretary of Defense for Command, Control, Communications, and Intelligence
CIA	Central Intelligence Agency
DIA - (b)(3), 10 U.S.C. § 424	[redacted]
DIA	Defense Intelligence Agency
DIAM	Defense Intelligence Agency Manual
DH	Directorate for Human Intelligence, DIA
DI	Directorate for Analysis, DIA
FBI	Federal Bureau of Investigation
FORMICA	Foreign Military Intelligence Collection Activities
HUMINT	Human Intelligence
INC	Iraqi National Congress
IIR	Intelligence Information Report
NSC	National Security Council
OSD	Office of the Secretary of Defense
WMD	Weapons of Mass Destruction



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

JUN 12 2008

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE
UNDER SECRETARY OF DEFENSE FOR POLICY
DIRECTOR, DEFENSE INTELLIGENCE AGENCY

SUBJECT: Review of the United States Government's Relationship with the Iraqi National Congress: Phase Two - Relationship Between the Iraqi National Congress and the Department of Defense (Report No. 08-INTEL-06) (U)

(U) We are providing this report for review and comment. We considered the comments from the Under Secretary of Defense for Intelligence, the Under Secretary of Defense for Policy, and the Defense Intelligence Agency on a draft of this report when preparing the final report.

(U) DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Under Secretary of Defense for Intelligence comments were responsive and require no further comment. We made no recommendations to the Under Secretary of Defense for Policy and no further comment is required. The Director, Defense Intelligence Agency comments were responsive. As a result of management comments from the Under Secretary of Defense for Intelligence, we added Recommendation A.3. We request the Director, Defense Intelligence Agency provide comments on Recommendation A.3. no later than July 14, 2008.

(U) If possible, please send management comments in electronic format (Adobe Acrobat file only). Copies of the management comments must contain the actual signature of the authorizing official. We cannot accept the / Signed / symbol in place of the actual signature. If you send classified comments electronically, they must be sent via Joint Worldwide Intelligence Communications System.

(U) The team members are listed inside the back cover.

(U) We appreciate the courtesies extended to the staff. Questions should be directed to DoD OIG - (b)(6) at (703) 604- (b)(6) (DSN 664- (b)(6)). See Appendix D for the report distribution.

Shelton Young
Shelton R. Young
Deputy Inspector General
for Intelligence

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Department of Defense Office of Inspector General

Report No. 08-INTEL-06

June 12, 2008

(Project No. D2005-DINTEL-0122)

**Review of the United States Government's Relationship with the
Iraqi National Congress: Phase Two – Relationship Between the
Iraqi National Congress and the
Department of Defense (U//~~FOUO~~)**

(U) Executive Summary

(U) Who Should Read This Report and Why? The Under Secretary of Defense for Intelligence, responsible for overseeing DoD intelligence collection and counterintelligence; the Under Secretary of Defense for Policy, responsible for providing recommendations for policy to the Secretary of Defense; and Director, Defense Intelligence Agency, responsible for collecting human intelligence and providing counterintelligence support should read this report because it discusses oversight, collection, evaluation, and production of intelligence information from intelligence and non-intelligence DoD personnel and counterintelligence support to overt human intelligence operations.

(S//NF) Background. The Classified Annex of Public Law 108-287, "Defense Appropriations Act for the Fiscal Year 2005," directed the National Counterintelligence Executive to answer six questions on the Government's relationship with the Iraqi National Congress.


(U//~~FOUO~~) On January 27, 2005, the National Counterintelligence Executive requested the support of the DoD Inspector General in responding to the House Appropriations Committee. We opted to deliver a two phased response because of the sensitive nature of Questions 1 and 2. We published "Review of the United States Government Relationship with the Iraqi National Congress: Phase One Compromises of Information, Sources, and Methods, ~~TOP SECRET//COMINT-GAMMA//ORCON,NOFORN~~," in June 2006 and provided it to limited leadership within Congress and DoD. The report addressed:

1. (S//NF) Have any United States intelligence sources and methods been discovered or compromised; Have any United States intelligence operatives been compromised; and
2. (S//NF) Have any sensitive United States military information been compromised?

(U) Results. The Phase Two report responds to the remaining four questions. As in Phase One, we limited our review to the relationships between the Iraqi National Congress and elements of DoD. Questions 3 through 6 and a short synopsis of the answers are as follows:

(S//NF) Question 3. How much, if any, of the information provided by the Iraqi National Congress was vetted or discredited by the Intelligence Community prior to the onset of United States hostilities with Iraq and in the period thereafter?

~~(S//NF)~~ DIA - (b)(1), 1.4(c)
DIA - (b)(1), 1.4(c)

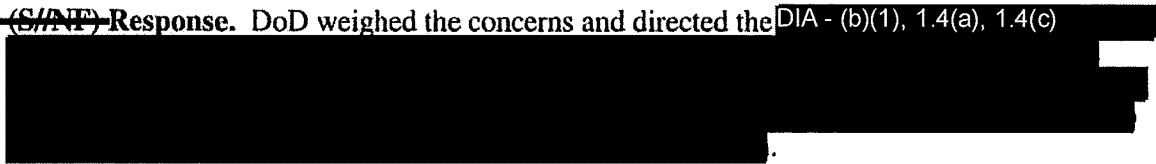


(S//NF) Question 4. Did the Department of State, the Central Intelligence Agency or the ~~DIA - (b)(1), 1.4(c)~~, or other elements of the Intelligence Community make known to the DoD their concerns about the Iraqi National Congress?

(S//NF) Response. The Central Intelligence Agency shared counterintelligence concerns with senior officials at DoD. The ~~DIA - (b)(1), 1.4(c)~~ expressed concerns about the Iraqi National Congress agenda and possible penetration by hostile intelligence services to DoD and Congress. The Department of State also shared financial management concerns with DoD leadership.


(S//NF) Question 5. To whom was this information passed; What decisions were made based on this information; Were any safeguards implemented?

~~(S//NF)~~ Response. DoD weighed the concerns and directed the ~~DIA - (b)(1), 1.4(a), 1.4(c)~~



(S//NF) Question 6. Which United States intelligence personnel and other United States Government personnel had close contact and interaction with the Iraqi National Congress, what was the extent of those relationships, and what benefit were they to the United States Government; Have any or

¹ ~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



² (U) The percentage was computed using Defense Intelligence Agency attributed pre and post war Iraqi National Congress derived Intelligence Information Reports and the quantity of Intelligence Community evaluations covering the period December 20, 2001 through June 3, 2004.

should any changes in policy and oversight be implemented to ensure that source and officer relationships are managed appropriately?

~~(S//NF)~~ DIA - (b)(1), 1.4(c), (d)
DIA - (b)(1), 1.4(c), (d)

(U) Findings and Recommendations.

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c); (b)(5)
(b)(1), 1.4(a), (c); (b)(5)

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c); (b)(5)

~~(S//NF)~~ The DoD did not promote overt collection of information from DoD senior officials in contact with the Iraqi National Congress. DIA - (b)(1), 1.4(a), (c); (b)(5)

[Redacted]

~~(U//FOUO)~~ **Limitations.** We interviewed two individuals, who told us during the interviews that USD(I) - (b)(6) had limited contact with Dr. Ahmad Chalabi and other members of the Iraqi National Congress, including a private meeting with Aras Habib. USD(I) - (b)(6)

(U) Management Comments. The Under Secretary of Defense for Intelligence, the Under Secretary of Defense for Policy, and the Director, Defense Intelligence Agency commented on the draft. We included their complete responses in the Management Comments section of the report.

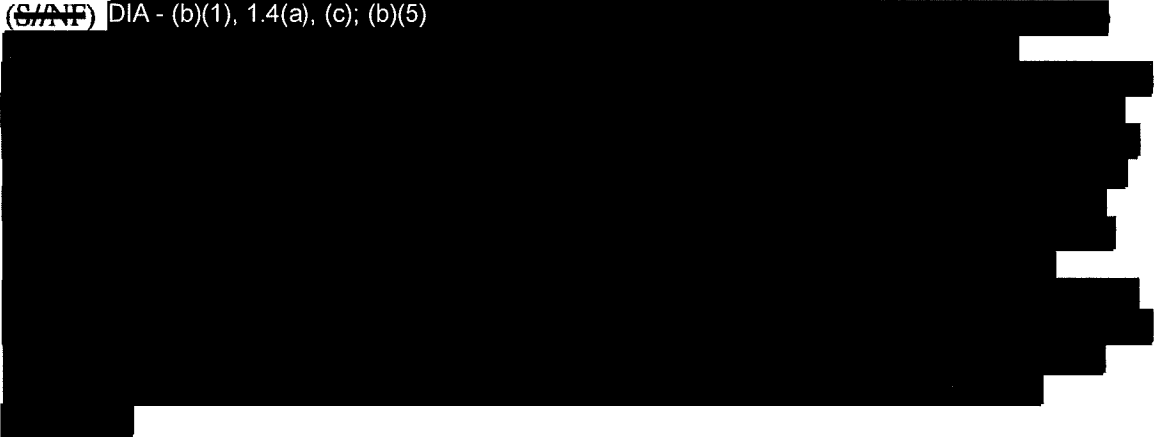
~~(S//NF)~~ USD(I) - (b)(7)(E); DIA - (b)(1), 1.4(c)
~~(S//NF)~~ USD(I) - (b)(7)(E); DIA - (b)(1), 1.4(c)

USD(I) - (b)(7)(E); DIA - (b)(1), 1.4(a), (c)



(U) We made no recommendations to the Under Secretary of Defense for Policy, but gave him the opportunity to comment. The Under Secretary offered several suggestions to improve the clarity of the report.

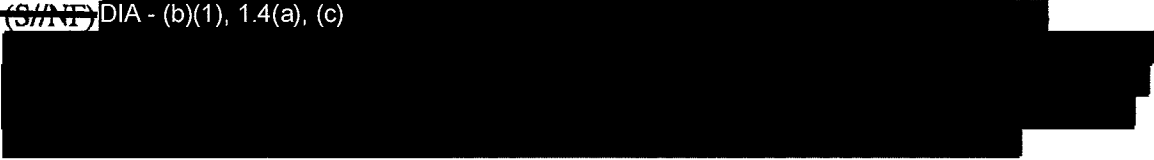
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c); (b)(5)



(U//~~FOUO~~) The Director requested that we review additional documents and conduct additional interviews. We agreed and delayed issuance of this report until this was completed.

(U) **Evaluation Response.** We agree with most of the suggestions from the Under Secretaries and integrated them into the final report as indicated in Management Comments.

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



(U) We conducted our analysis and developed our conclusions and recommendations based on "data call" information that the Agency's staff provided to us, from our interviews of staff and operational personnel and from other DoD entities. Without documentary evidence to the contrary, we stand behind the report as written. Where we could agree with the Agency's suggestions, we integrated them into the report as indicated in the Management Comments.

(U) We request the Director, Defense Intelligence Agency provide comments on Recommendation A.3., indicating concurrence or nonconcurrence and planned corrective actions by July 14, 2008. As part of the followup process, initiated after receipt of management comments to the final report, we will request documentation on actions taken and planned milestones for actions on-going; until after completion.

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(U) Background

(~~S//NF~~) The DoD Office of the Inspector General conducted this evaluation to meet requirements of the Classified Annex to Public Law 108-287, "Defense Appropriations Act for the Fiscal Year 2005," which directed the National Counterintelligence Executive to conduct a damage assessment regarding the potential compromise of information, sources, and methods that may have occurred as a result of the Government's relationship with the Iraqi National Congress (INC). The House Appropriations Committee also directed the National Counterintelligence Executive to answer the following questions concerning the Government's relationship with the INC:

1. (~~S//NF~~) Have any United States intelligence sources and methods been discovered or compromised; Have any United States intelligence operatives been compromised;
2. (~~S//NF~~) Have any sensitive United States military information been compromised;
3. (~~S//NF~~) How much, if any, of the information provided by the Iraqi National Congress was vetted or discredited by the Intelligence Community prior to the onset of United States hostilities with Iraq and in the period thereafter;
4. (~~S//NF~~) Did the Department of State, the Central Intelligence Agency or the ~~DIA - (b)(1), 1.4(c)~~, or other elements of the Intelligence Community make known to the DoD their concerns about the Iraqi National Congress;
5. (~~S//NF~~) To whom was this information passed; What decisions were made based on this information; Were any safeguards implemented;
6. (~~S//NF~~) Which United States intelligence personnel and other United States Government personnel had close contact and interaction with the Iraqi National Congress, what was the extent of those relationships, and what benefit were they to the United States Government; Have any or should any changes in policy and oversight be implemented to ensure that source and officer relationships are managed appropriately?

(U//~~FOUO~~) On January 27, 2005, the National Counterintelligence Executive requested the support of the DoD Office of the Inspector General in responding to the House Appropriations Committee. On February 22, 2005, we agreed to assist and shortly thereafter began data collection and interviews.

(U//~~FOUO~~) We provided a two-phased response. We issued the Phase One report on June 12, 2006, which answered Questions 1 and 2 from the House Appropriations Committee. Because Phase One contained highly sensitive information, we published it under separate cover with limited distribution. Phase

Two answers Questions 3 through 6 from the House Appropriations Committee about the relationship between the DoD and INC.³ We recognize that the INC had interaction with many individuals in the United States Government for many years; this report, however, will not discuss those relationships. Due to the large scope of the inquiry, we limited our review to the relationship between the INC and the Office of the Under Secretary of Defense for Policy; the Office of the Under Secretary of Defense for Intelligence; and the Defense Intelligence Agency (DIA).

(U) Objectives

~~(S//NF)~~ The review objective was to respond to questions 3-6 contained in the Classified Annex to the Fiscal Year 2005 Defense Appropriations Act, Public Law 108-287.

(U) See Appendix A for a discussion of the scope and methodology and Appendix B for prior report coverage.

(U) Review of Internal Controls

(U) DoD Directive 5010.38, "Management Control (MC) Program," and DoD Instruction 5010.40, "Management Control (MC) Program Procedures," require DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

(U) Scope of the Review of the Managers' Internal Control Program. This report is provided in response to four questions from the House Appropriations Committee. The scope of the report is limited to those four questions. Accordingly, a review of the managers' internal control program was not performed and was outside the scope of this review.

³ ~~(U//FOUO)~~ On September 8, 2006, the Senate Select Committee on Intelligence issued its report "Report of the Select Committee on the Use by the Intelligence Community of Information Provided by the Iraqi National Congress." The Senate report included background on the relationship between the INC and the Central Intelligence Agency and discussed more fully the relationships of the INC with United States Government personnel outside the Office of the Secretary of Defense. The Senate Report also included information responding to the House Appropriations Committee's Questions 3 through 6 that are the subject of this report.

(U) History of the Relationship between the DoD and the Iraqi National Congress

(S//NF) The INC began in 1992 as an umbrella organization of Iraqi opposition groups. The INC, headed by Dr. Ahmad Chalabi (Chalabi), represented the first major attempt by opponents of Saddam Hussein to join forces. Under the Iraq Liberation Act of 1998, the Government provided assistance to the INC as part of a transition plan for democracy in Iraq. The Department of State, followed by the DIA - (b)(1), 1.4(a), (c), administered an INC program called the DIA - (b)(1), 1.4(a), (c). The DIA - (b)(1), 1.4(a), (c) was established to collect information about Iraq from a network of overt sources provided by the INC. The INC established the position of Chief of Operations for the DIA - (b)(1), 1.4(a), (c) to interface between overt information sources and United States Intelligence. The DIA - (b)(1), 1.4(a), (c) facilitated collection activities against the Iraqi regime and exploited INC resources inside Iraq.

(U) On October 31, 1998, Congress passed the Iraq Liberation Act of 1998, Public Law 105-338. The Act established a transition plan for democracy in Iraq and authorized the Government to provide assistance to select Iraqi opposition groups, among them the INC. On October 29, 1999, President Clinton authorized assistance to the INC through Presidential Determination No. 2000-5, "Determination to Authorize the Furnishing of Drawdown Assistance to the Iraqi National Congress under Section 4(a)(2) of the Iraq Liberation Act of 1998." The authorization included "furnishing up to \$5 million in defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training in order to provide assistance to the Iraqi National Congress." On May 2, 2000, the Secretary of Defense issued a memorandum for the Secretaries of the Military Departments and the Directors of the Defense Agencies concerning, "Support for the Implementation of the Iraq Liberation Act," and stated that it was a top Administration "goal to help create a viable, effective, external Iraqi political opposition that can demonstrate to the Iraqi people that alternatives to Saddam Hussein exist."

(S) After enactment of the Iraq Liberation Act, the Department of State became significantly involved with the INC.⁴ In March 2001, the Department of State established the DIA - (b)(1), 1.4(a), (c), wherein the INC collected information on human rights abuses, the oil-for-food program, war crimes evidence, and other topics, from a network of sources in Iraq. The INC disseminated the information through its media outlets (newspaper, television, radio) and through discussions with the international community. Additionally, the INC made available several Iraqi "defectors" with information of intelligence value. The DIA - (b)(1), 1.4(a), (c) the Federal Bureau of Investigation (FBI), and the Central

⁴ (U) The Department of State involvement was summarized in two reviews conducted by the Department of State Office of the Inspector General ("Review of Awards to Iraqi National Congress Support Foundation," Report Number 01-FMA-R-092, September 2001; and "Follow Up Review of Iraqi National Congress Support Foundation," Report Number AUD/CG-02-44, September 2002) and will not be discussed in detail in this report.

Intelligence Agency (CIA) assisted in debriefing the defectors, and the Department of State managed the ~~DIA - (b)(1), 1.4(a), (c)~~

~~(S//NF)~~ In 2002, DoD became involved in developing a program called the Free Iraqi Forces. This was an overt program for training and equipping Iraqi opposition groups.⁵ The Office of the Deputy Under Secretary of Defense, Near East and South Asia Division, within the Office of the Under Secretary of Defense for Policy, oversaw the Free Iraqi Forces program. The resources for the Free Iraqi Forces program came under the drawdown authorities of the Iraqi Liberation Act. All certified democratic opposition groups were invited to supply names of volunteers for the Free Iraqi Forces. The INC provided the names of thousands of individuals, some of whom were Iraqi refugees living in Iran. The Office of the Secretary of Defense (OSD) submitted all names to the ~~PA - (b)(1)~~ for vetting. Of the thousands of names submitted by the INC, only 90 individuals actually arrived for training. Of those, only 70 deployed into Iraq. The Free Iraqi Forces program lasted for 6 months and ended on July 31, 2003.

~~(S//NF)~~ During this same time period in 2002, United States Government support for several Iraqi opposition groups, including the INC, was discussed by members of the National Security Council (NSC) Deputies Committee⁶ at Deputies Luncheons. The participants at the Deputies Luncheons were limited to the Deputy National Security Advisor, the Deputy Secretary of State, the Under Secretary of State for Political Affairs, the Deputy Secretary of Defense, the Under Secretary of Defense for Policy, the Vice Chairman of the Joint Chiefs of Staff, the Deputy Director of the CIA, and the Assistant to the Vice President for National Security Affairs. During these Deputies Luncheons, as one senior DoD official described, "there were often discussions about ... accusations of financial irregularities and the fact that State wanted to cut off the INC."

~~(S//NF)~~ To ensure the United States Government interacted with all democratic Iraqi opposition groups, the NSC established a mechanism for dealing with the Iraqi opposition groups, wherein a senior official from the Department of State was the primary contact for meetings, and all agencies would be notified and allowed to participate.

~~(S//NF)~~ By July 2002, the Department of State decided to stop funding the ~~DIA - (b)(1), 1.4(a), (c)~~ because it could not justify the expense. According to a senior DoD official, the Deputy National Security Advisor affirmed that intelligence on Iraq was needed because of the possibility of going to war, and he did not want to cut off one of the few sources of intelligence on Iraq.

~~(S)~~ On July 25, 2002, the Deputies Committee agreed to transfer administration of the ~~DIA - (b)(1), 1.4(a), (c)~~ from the Department of State to the DoD.

⁵ ~~(S//NF)~~ The entirety of this program was beyond the scope of this report; DoD involvement in this program included the Joint Staff, United States Central Command, the Office of the Secretary of Defense, and the ~~PA - (b)(1)~~

⁶ (U) Presidential Decision Directive 2, January 20, 1993, established a Deputies Committee to serve as the senior sub-Cabinet interagency forum for consideration of policy issues affecting national security.

The Deputy Secretary of Defense recommended that the [DIA - (b)(1)] administer the program to avoid losing valuable sources of information about Iraq. In the meantime, the Department of State worked with relevant congressional appropriators to remove staff holds on INC funding and "stress[ed] to the committee staffs that the Government needs as much collection on Iraq as possible, and that the [DIA - (b)(1), 1.4(a), (c)] defector program has produced valuable results."

(S//NF) In August 2002, senior officials from the Department of State and the OSD co-chaired a meeting of all opposition leaders, including the INC, Patriotic Union of Kurdistan, Iraqi National Accord, and Kurdistan Democratic Party, Constitutional Monarchists, and the Supreme Council for the Islamic Revolution in Iraq at the Department of State.

(S//NF) On August 1, 2002, the Deputy Secretary of Defense directed the [DIA - (b)(1)] to administer the [DIA - (b)(1), 1.4(a), (c)]. A senior [DIA - (b)(1)] official noted that there were some positives to the [DIA - (b)(1), 1.4(a), (c)]: "INC had the potential sources to exploit, and [DIA - (b)(1), 1.4(a), (c)]

[REDACTED] because senior leaders in the Government wanted to professionalize the INC intelligence capabilities, to codify the reporting, and to improve its accounting skills. The Department of State was not an intelligence organization so it was not well suited to accomplish that mission. The senior [DIA - (b)(1)] official saw his mission as cleaning up an existing program.

(S//NF) The Deputy Secretary of Defense directed the [DIA - (b)(1)] to develop a concept of operations for administering the [DIA - (b)(1), 1.4(a), (c)] and stated, "the program should focus on defector debriefings (with INC, CIA, and [DIA - (b)(1)] participation) and a process for efficient dissemination of intelligence." Senior OSD officials worked to transfer the [DIA - (b)(1), 1.4(a), (c)] from the Department of State to [DIA - (b)(1)]. According to one senior OSD official, once the [DIA - (b)(1), 1.4(a), (c)] transferred from Department of State to [DIA - (b)(1)] "OSD stepped out of the process."

(S//NF) In September 12, 2002, the Deputy Secretary of Defense notified the House and Senate Committees on Appropriations, the House and Senate Appropriations Subcommittees on Defense, the House and Senate Armed Services Committees, the House Permanent Select Committee on Intelligence, and the Senate Select Committee on Intelligence that the DoD intended to administer the Information Collection Program.

(S//NF) In September and October 2002, senior [DIA - (b)(1)] officials briefed the House Appropriations Committee, the House Permanent Select Committee on Intelligence, and the Senate Select Committee on Intelligence on key aspects of the [DIA - (b)(1), 1.4(a), (c)] that included funding, accountability, and counterintelligence concerns. [DIA - (b)(1), 1.4(a), (c)]

DIA - (b)(1), 1.4(a), (c)

(S//NF) On October 25, 2002, ^{DIA - (b)(1), 1.4(a), (c)} officials formalized the relationship with the INC in a Letter Agreement that specified the scope of responsibilities, procedures, security arrangements, operational concepts, dispute resolution settlement, and duration of the ^{DIA - (b)(1), 1.4(a), (c)}. The Letter Agreement also outlined the financial provisions, including a \$340,000 monthly allocation from ^{DIA - (b)(1), 1.4(a), (c)}

(S//NF) From November 2002 through January 2003, ^{DIA - (b)(1), 1.4(a), (c)} officials debriefed ^{DIA - (b)(1), 1.4(a), (c)} sources that the INC provided in Europe and East Asia. During that time, the INC ^{DIA - (b)(1), 1.4(a), (c)} headquarters was located in Washington, D.C. The sources provided information including Iraqi leadership movements, smuggling routes in Iraq, Iraqi missile forces and deployments, Saddam Hussein's use of oil revenue, possible chemical component sales to Syria, and al-Qaida use of forged passports.

(S//NF) In late February 2003, the INC moved its operations into northern Iraq. The INC information collection network continued to report on the disposition, location, and movements of Iraqi military, intelligence, security, and Fedayeen Saddam forces. The sources passed this information to INC officials in Iraq, who passed it to INC ^{DIA - (b)(1), 1.4(a), (c)} headquarters in Washington, D.C., who passed it to ^{DIA - (b)(1), 1.4(a), (c)} officials.

(U) On March 19, 2003, Coalition forces invaded Iraq.

(S//NF) In late March 2003, following Director Central Intelligence Directive (DCID) 5/1⁷ coordination with the CIA and coordination with the United States Central Command, ^{DIA - (b)(1), 1.4(a), (c)} liaison officer to work with the INC in Iraq to better satisfy tactical intelligence collection requirements.

(S//NF) From March 26 through May 1, 2003, the ^{DIA - (b)(1), 1.4(a), (c)} ^{DIA - (b)(1), 1.4(a), (c)} liaison officer accompanied the INC as it moved from northern Iraq to Nassiriyah in southern Iraq and then into Baghdad. The INC located and provided the ^{DIA - (b)(1), 1.4(a), (c)} liaison officer access to Iraqi officials for debriefings and also provided caches of Ba'ath party documents for exploitation

⁷ (S) DCID 5/1, "Espionage and Counterintelligence Activities Abroad," December 19, 1984, governs the Government's conduct and coordination of espionage, counterintelligence operations, and related intelligence liaison activities abroad.

by Coalition forces. The reporting answered tactical intelligence collection requirements.

~~(S//NF)~~ DIA - (b)(1), 1.4(c)

of United States Central Command. The Base assigned additional overt intelligence collectors (debriefers) to work with the

~~(S//NF)~~ In mid-June 2003, with the establishment of the Iraq Survey Group,⁸ the in-country responsibility for managing, tasking, and reporting of the DIA - (b)(1), 1.4(a), (c) transferred to elements in the Iraq Survey Group.

~~(S)~~ On September 30, 2003, the Deputy Secretary of Defense notified the House and Senate Appropriations Subcommittees on Defense and the House and Senate Armed Services Committees that management of the DIA - (b)(1), 1.4(a), (c) would be extended for an additional year.

~~(S//NF)~~ On October 16, 2003, the and the INC renewed the Letter Agreement to reflect changes in the Government's information collection priorities and the postwar situation in Iraq.

~~(S//NF)~~ From May 2003 through May 2004, the liaison team continued to debrief sources who provided tactical, force protection, counterterrorism, and weapons of mass destruction information in response to DoD intelligence collection requirements.

~~(S//NF)~~ On May 11, 2004, the Principals Committee⁹ of the NSC met and agreed with the DoD decision to terminate its relationship with the INC. On May 13, 2004, the Under Secretary of Defense for Intelligence instructed the Director to "implement a rapid termination of the contract effective May 14, 2004." On May 14, 2004, the Deputy Secretary of Defense notified the House and Senate Appropriations Subcommittees on Defense, the House and Senate Armed Services Committees, the House Permanent Select Committee on Intelligence, the Senate Select Committee on Intelligence, the Vice President, the White House Chief of Staff, the Secretary of State, the Director of Central Intelligence, the Assistant to the

⁸ (U) The Iraq Survey Group consolidated the efforts of the various collection operations in Iraq under one national-level headquarters. The group's primary goal was to search for and eliminate weapons of mass destruction. The Iraq Survey Group also exploited documents and media related to terrorism, investigated war crimes, and gathered information on Prisoners of War/Missing In Action issues.

⁹ (U) Presidential Decision Directive 2, January 20, 1993, established the Principals Committee to serve as the senior interagency forum for consideration of policy issues affecting national security.

President for National Security Affairs, the White House Counsel, and the Administrator of Coalition Provisional Authority of the intent to terminate the ^{DIA - (b)(1), 1.4(a), (c)} [REDACTED] Several senior DoD officials told us that the [REDACTED] was terminated because a transitional government was being established in Iraq and the United States Government could not have a known intelligence program with a political party in a sovereign country.

(U) On May 14, 2004, the ^{DIA - (b)(3), 10} [REDACTED] provided INC leadership 30 day notice of intent to terminate the ^{DIA - (b)(3), 10 U.S.C. § 3024(i)} [REDACTED].

(U) Evaluation Responses to Questions 3 through 6 from the House Appropriations Committee Request

~~(S//NF)~~ Question 3: How much, if any, of the information provided by the Iraqi National Congress was vetted or discredited by the Intelligence Community prior to the onset of United States hostilities with Iraq and in the period thereafter?

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

~~(S//NF)~~ Scope. DIA - (b)(1), 1.4(a), (c)
[Redacted]

¹⁰ ~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

¹¹ ~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

DIA - (b)(1), 1.4(a),(c); (b)(5)



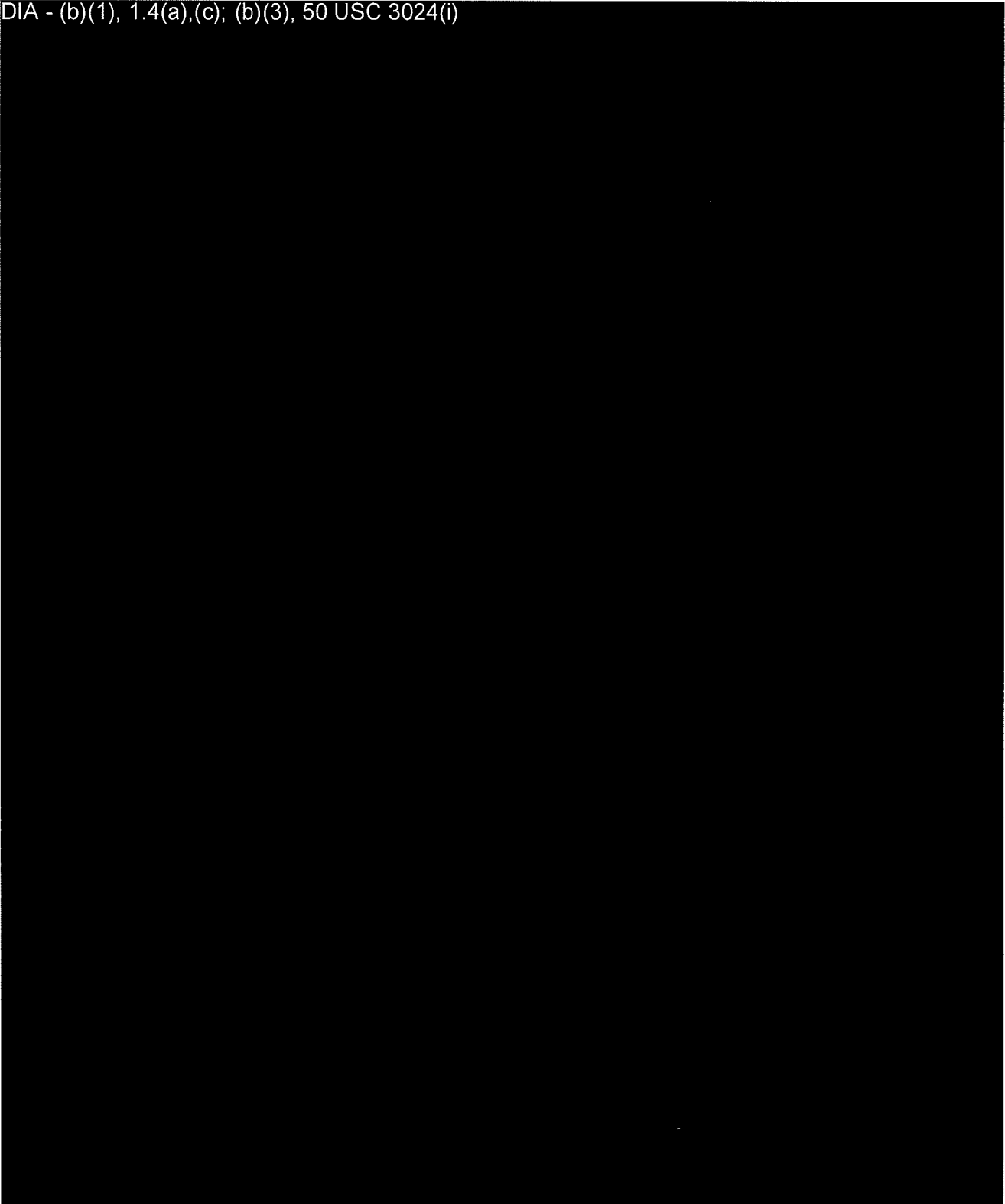
DIA - (b)(1), 1.4(a),(c); (b)(5)



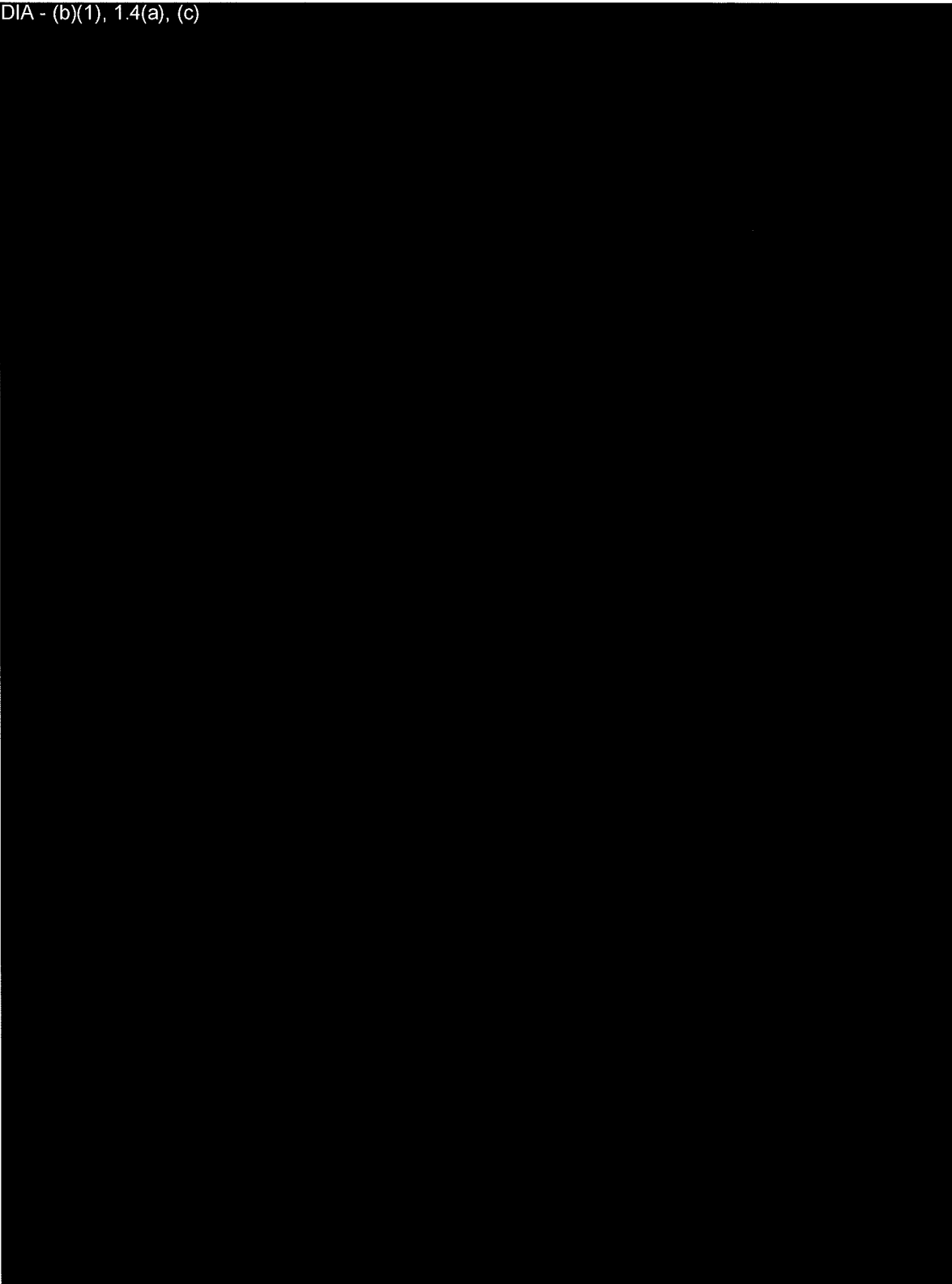
DIA - (b)(1), 1.4(a),(c); (b)(5)



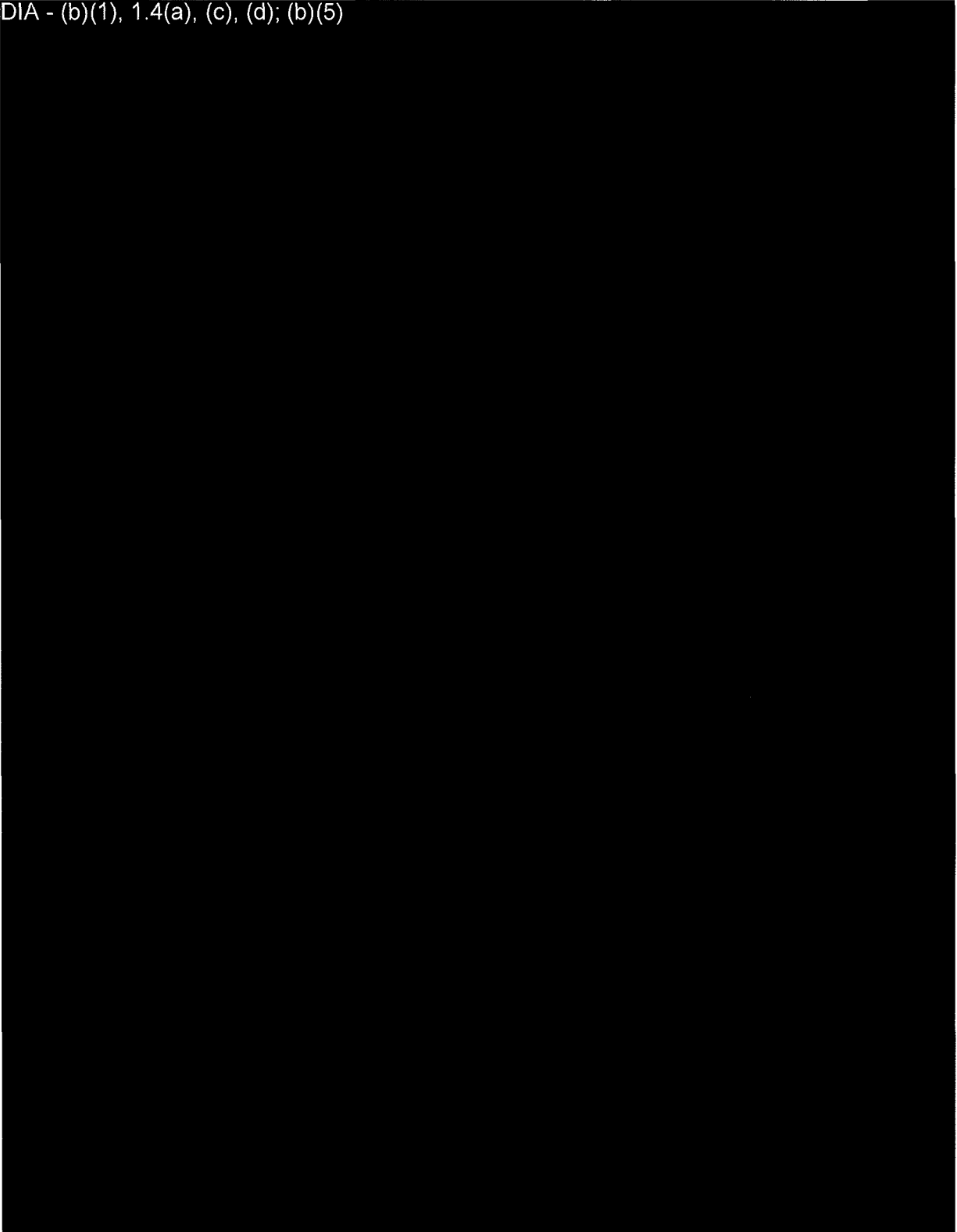
DIA - (b)(1), 1.4(a),(c); (b)(3), 50 USC 3024(i)



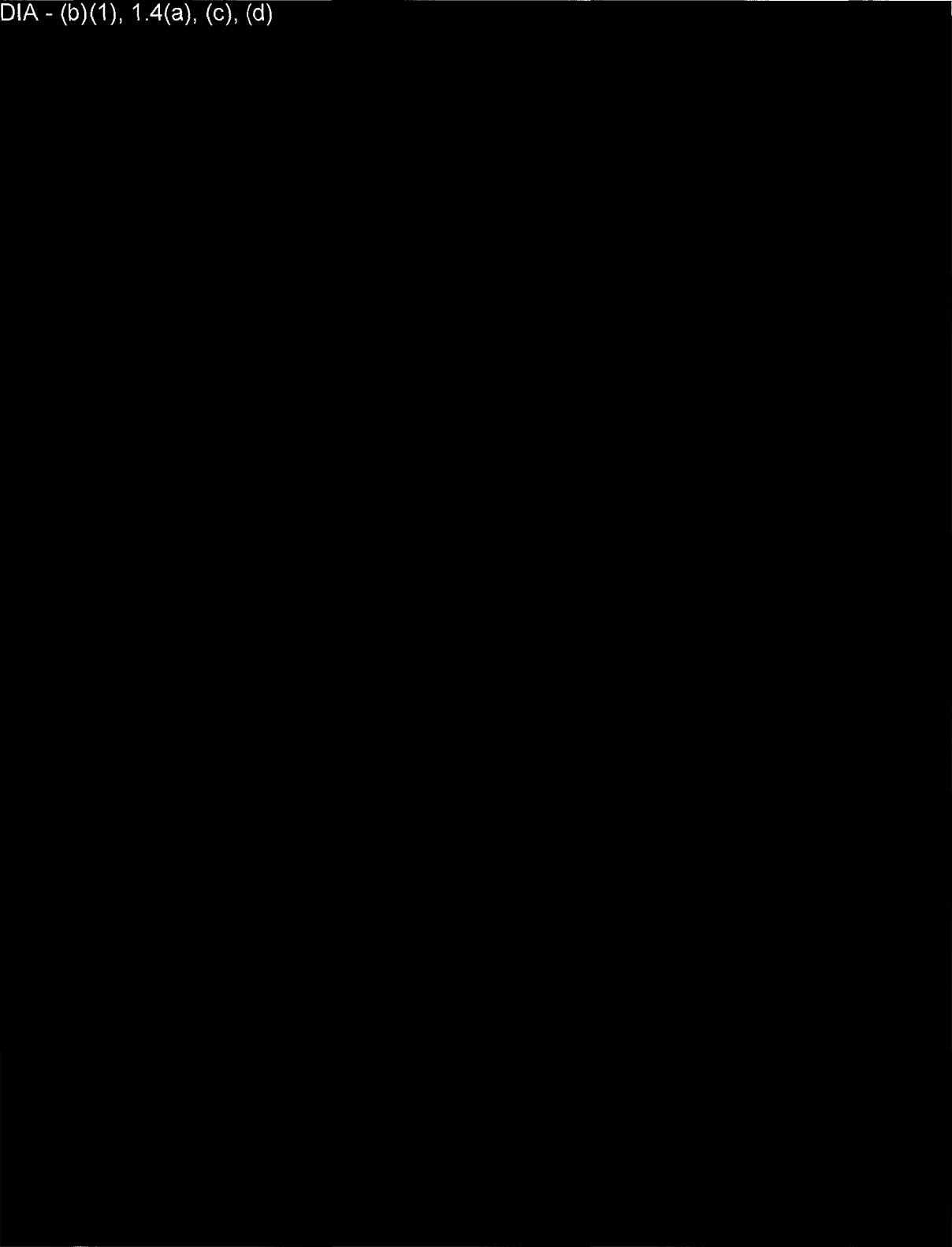
DIA - (b)(1), 1.4(a), (c)



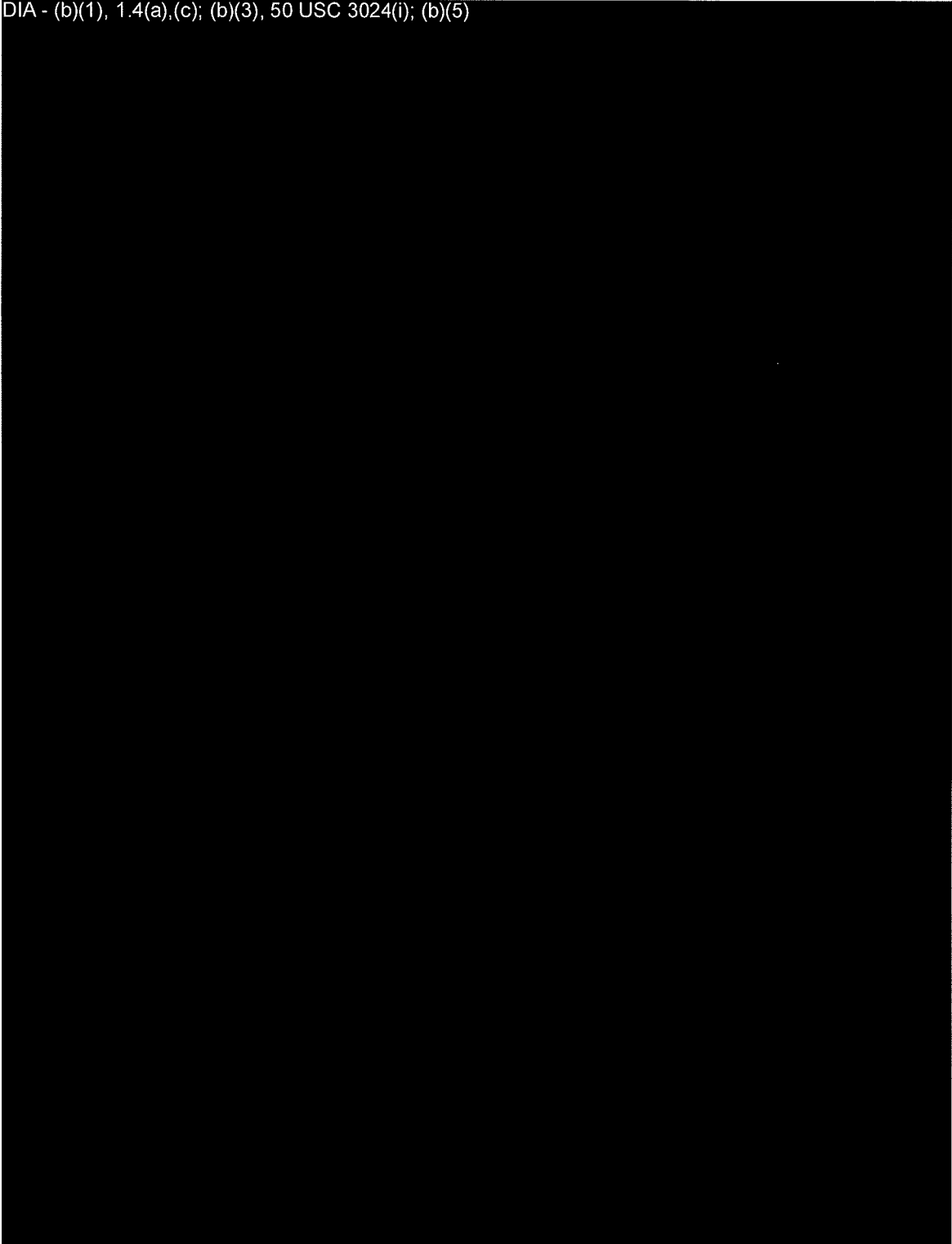
DIA - (b)(1), 1.4(a), (c), (d); (b)(5)



DIA - (b)(1), 1.4(a), (c), (d)



DIA - (b)(1), 1.4(a),(c); (b)(3), 50 USC 3024(i); (b)(5)



~~(S//NF)~~ Question 4: Did the Department of State, the Central Intelligence Agency or the ~~DIA: (b)(1), 1.4(c)~~, or other elements of the Intelligence Community make known to the DoD their concerns about the Iraqi National Congress?

~~(S//NF)~~ The CIA, Department of State, and ~~DIA - (b)(1)~~ were concerned about using the INC and particularly some of its members in United States intelligence operations because of their known connections with foreign and security intelligence services.

~~(S//NF)~~
DIA - (b)(1), 1.4(a),(b),(c),(d);
CIA - (b)(1) and (b)(3), 50 U.S.C. 403g, Sec. 6 CIA Act of 1949 and Sec. 102A(i)(l) of the National Security Act of 1947

~~(S)~~ DIA - (b)(1), 1.4(a),(b),(c),(d);
CIA - (b)(1) and (b)(3), 50 U.S.C. 403g, Sec. 6 CIA Act of 1949 and Sec. 102A(i)(l) of the National Security Act of 1947

~~(S//NF)~~ DIA - (b)(1), 1.4(a),(b),(c),(d);
CIA - (b)(1) and (b)(3), 50 U.S.C. 403g, Sec. 6 CIA Act of 1949 and Sec. 102A(i)(l) of the National Security Act of 1947

18 ~~(S//NF)~~
DIA - (b)(1), 1.4(a),(b),(c),(d);
CIA - (b)(1) and (b)(3), 50 U.S.C. 403g, Sec. 6 CIA Act of 1949 and Sec. 102A(i)(l) of the National Security Act of 1947

19 ~~(S//NF)~~ DIA - (b)(1), 1.4(a),(b),(c),(d); CIA - (b)(1) and (b)(3), 50 U.S.C. 403g, Sec. 6 CIA Act of 1949 and Sec. 102A(i)(l) of the National Security Act of 1947

~~(U//FOUO)~~ Department of State Concerns about the Iraqi National Congress. The Department of State concerns centered primarily on the financial aspects of the ~~DIA - (b)(3), 50 USC § 3024(i)~~. A September 2001 audit of the ~~DIA - (b)(3), 50 USC § 3024(i)~~ by the Department of State Inspector General found that significant improvements in accountability were needed, internal controls were deficient and INC Support Foundation did not comply with applicable regulations and agreements. Department of State officials were concerned about the lack of financial accountability and the potential for fraud in the program. Additionally, the Department of State began to doubt the value of the information that the INC was providing and was unable to judge the program's effectiveness because the INC refused to grant Department of State officials access to ~~DIA - (b)(3), 50 USC § 3024(i)~~ materials. The Department of State's Bureau of Near Eastern Affairs, which had overall responsibility for the ~~DIA - (b)(3), 50 USC § 3024(i)~~ was unable to determine the value of the information that the ~~DIA - (b)(3), 50 USC § 3024(i)~~ provided without a professional assessment by the intelligence community. The Bureau of Near East Affairs also believed that the program should be managed by another agency more experienced in managing intelligence collection.

~~(S)~~ The Department of State did not want to continue the ~~DIA - (b)(1), 1.4(c)~~ because the Department of State was not in the intelligence collection business and had no system in place to manage the information received. According to the Department of State, the ~~DIA - (b)(1), 1.4(c)~~ was costly, inefficient, and mismanaged by the INC. The Department of State believed that the DoD or CIA was better suited to fund and manage the ~~DIA - (b)(1), 1.4(c)~~ and ceased funding the ~~DIA - (b)(1), 1.4(c)~~ in May 2002.

~~(S//NF)~~ ~~DIA - (b)(1), 1.4(a), (b), (c); (b)(5)~~

~~(S//NF)~~ ~~DIA - (b)(1), 1.4(a), (b), (c); (b)(5)~~

~~(S//NF)~~ ~~DIA - (b)(1), 1.4(a), (b), (c); (b)(5)~~
~~DIA - (b)(1), 1.4(a), (b), (c); (b)(5)~~

activities, the ~~DIA - (b)(1), 1.4(c)~~ became unpopular with congressional oversight committees and was the subject of a negative report from the Department of State Inspector General on funding controls and accountability. The Department of State Inspector General eventually cleared the INC of any wrongdoing; nevertheless, the congressional committees refused to approve a reprogramming action to continue funding the ~~DIA - (b)(1), 1.4(c)~~ with the Department of State.

~~(S//NF)~~ **OSD Concerns about the Iraqi National Congress.** Senior personnel from the Office of the Under Secretary of Defense for Policy, who were working with the Iraqi exile groups, assumed that the exile groups were penetrated. Several senior officials interviewed did not recall anyone expressing specific concerns about the ~~DIA - (b)(1), 1.4(c)~~, but they believed that every Iraqi opposition group had an agenda. They were aware that the INC, as well as other opposition groups, had contacts in Iran. The Under Secretary of Defense for Policy stated that his position was that “you must assume all groups are penetrated.” The presumption was that ~~DIA (b)(1)~~ was diligent in addressing counterintelligence concerns. A senior official from the Office of the Under Secretary of Defense for Intelligence, who started his tenure after the ~~DIA (b)(1)~~ had started to manage the ~~DIA - (b)(1), 1.4(c)~~, remarked that he was surprised that OSD developed an alliance with Chalabi. The senior official believed that if one United States Government organization, particularly one as important as CIA, had such strong feelings about an individual or organization, it should have reconciled the issues before another Government organization “rushed into a relationship.”

~~(S//NF)~~ **Congressional Concerns about the Iraqi National Congress.** Several congressional committee members and staff directors expressed concerns about the DoD assuming control of the ~~DIA - (b)(1), 1.4(c)~~. According to an April 2003 memorandum from the Director, ~~DIA (b)(1)~~ to the Under Secretary of Defense for Intelligence, DoD’s assuming funding responsibility for the ~~DIA - (b)(1), 1.4(c)~~ was a controversial subject with the congressional oversight committees. To answer these concerns, senior ~~DIA (b)(1)~~ managers conducted extensive briefings and had meetings with the Senate and House Armed Services, Intelligence, and Appropriations Subcommittees on Defense staffs.

~~(S)~~ The Senate Armed Services Committee expressed concerns to the OSD that were based on a *Washington Post* story reporting on DoD willingness to fund the intelligence activities of the INC and the concern that DoD might be engaging in covert activities. The OSD official responded that the ~~DIA - (b)(1), 1.4(c)~~ ~~DIA (b)(1), 1.4(c)~~ was a foreign intelligence collection program with no aspect of covert action, that the Deputies Committee had agreed that DoD would assume responsibility for the program from the Department of State and fund it out of the General Defense Intelligence Program, and that DoD would spend no funds and conduct no intelligence collection until it received the required Congressional approvals. Additionally, the Senate Armed Services Committee had four other concerns:

...the Department of State appeared to be "offloading" a program they did not want to do to DoD, yet the Department of State was keeping the funds;

...the DoD was not supposed to conduct national intelligence collection, but instead was supposed to collect military intelligence, and implied that the CIA was generously funded to collect national intelligence;

...before DoD started the program, Department of State should conduct a thorough accounting and settling up the bookkeeping problems; and

...the INC seemed to be shopping United States Government agencies, having failed to meet Department of State standards, it was now being transferred to DoD without having to mend its ways.

~~(S//NF)~~ Staff Directors for the Senate Armed Services Committee also had serious counterintelligence concerns about the NSC's policy decision to allow INC personnel to be present at CIA and ~~(S//NF)~~ debriefings of sources. They pointed out that any intelligence from such sessions may be tainted. The ~~(S//NF)~~ responded that it was not comfortable with the policy, but had been directed to "live with it" and was planning to implement safeguard measures before allowing INC personnel to participate.


~~(S//NF)~~ **Question 5: To whom was this information passed; What decisions were made based on this information; Were any safeguards implemented?**

~~(S//NF)~~ **To whom was this information passed?**

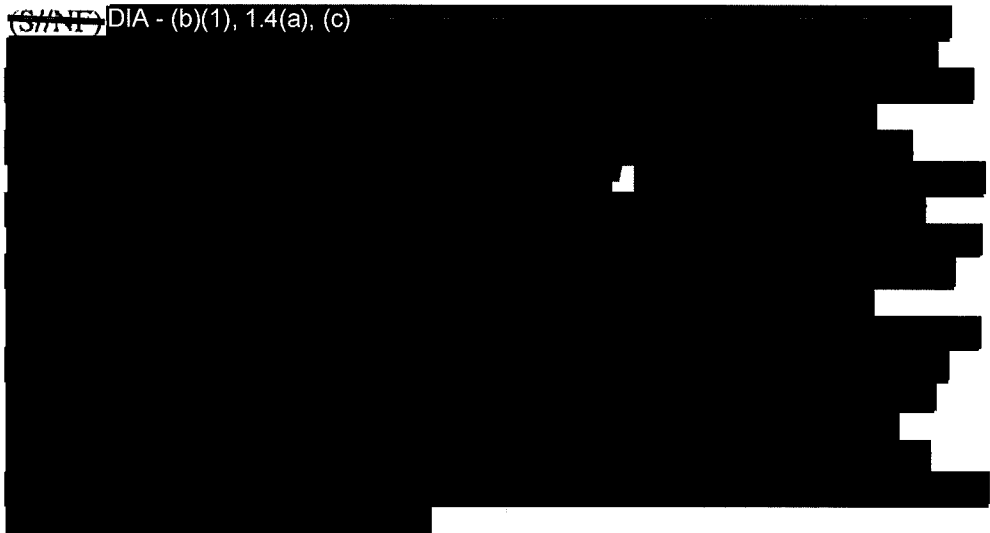
~~(S//NF)~~ The ~~(S//NF)~~ briefed OSD and congressional oversight committees about its concerns and potential problems surrounding involvement with the INC. Early in the process of establishing a relationship with the INC, ~~(S//NF)~~ action officers informed ~~(S//NF)~~ and OSD leadership of potential problems involving the INC and Iran. ~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)


DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



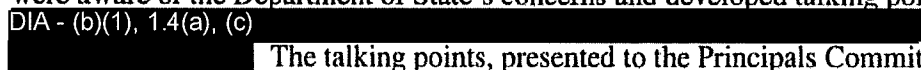
~~(S//NF)~~ What decisions were made based on this information?

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



The Deputy Secretary of Defense and his staff were aware of the Department of State's concerns and developed talking points

DIA - (b)(1), 1.4(a), (c)



The talking points, presented to the Principals Committee, included:

- the collection of information through defectors made available by the INC,
- emphasis on the value of the INC defector program,

²⁰ (U) The October 2002 DIA briefing included staffers from the Intelligence, Appropriations, and Armed Services Committees of both Houses of Congress.

- DIA - (b)(1), 1.4(a), (c) [Redacted]
- DIA - (b)(1), 1.4(a), (c) [Redacted]
- DIA - (b)(1), 1.4(a), (c) [Redacted]


~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c) [Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c) [Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c) [Redacted]

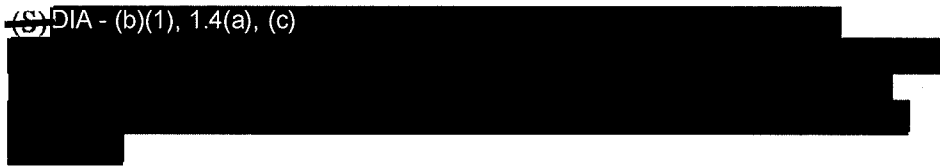
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DIA - (b)(1), 1.4(a), (c)

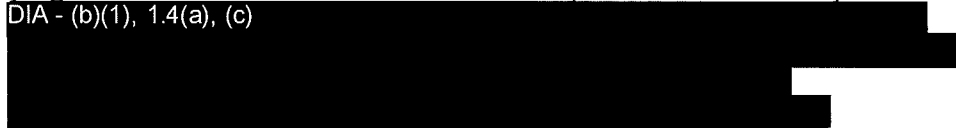


~~(S//NF)~~ Were any safeguards implemented?


~~(S)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ The Office of the Under Secretary of Defense for Policy presumed that
DIA - (b)(1), 1.4(a), (c) concerns about the
DIA - (b)(1), 1.4(a), (c). An August 16, 2002 memorandum on the
program from the Office of the Under Secretary of Defense for Policy stated that
DIA - (b)(1), 1.4(a), (c)



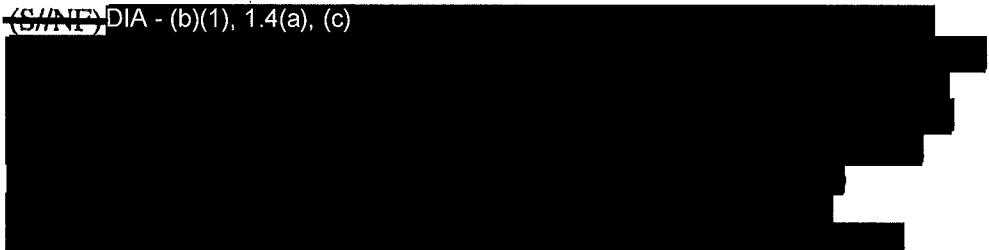
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



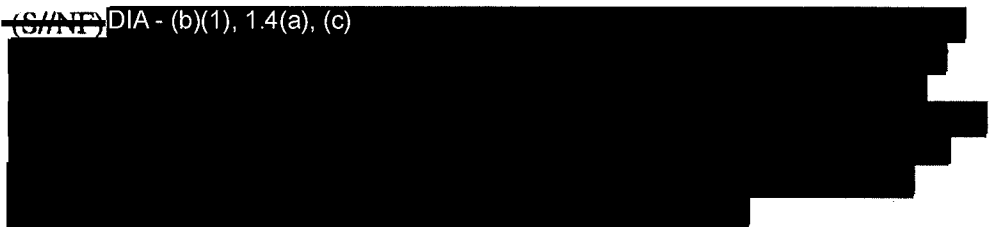
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



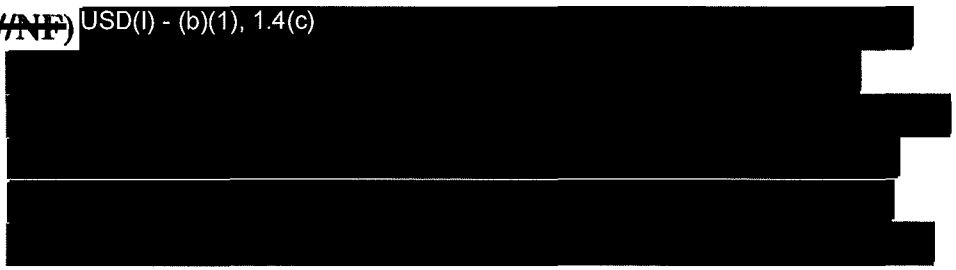
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



(U) DIA - (b)(3), 10 U.S.C. § 424



~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)



²¹ (U) The Compound was the former headquarters of the Iraqi Intelligence Service.

USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

DIA-(b)(1)
1.4(c)

(U) Office of the Secretary of Defense contacts with the Iraqi National Congress.

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

²² ~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

~~(S//NF)~~ USD(I): (b)(1), 1.4(c)

USD(I): (b)(1), 1.4(c); DIA: (b)(1), 1.4(a), (c)

■ USD(I) - (b)(1), 1.4(c)

~~(U//FOUO)~~ USD(I) - (b)(5)

²³ (U) USD(I) - (b)(6)

~~(S//NF)~~ USD(I) - (b)(5)

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

(U) DIA - (b)(3), 10 U.S.C. § 424 contacts with the Iraqi National Congress.

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

~~(S//NF)~~

DIA - (b)(1), 1.4(a),(c)

CIA - (b)(1) and (b)(3), 50 U.S.C. 403g, Sec. 6 CIA Act of 1949 and Sec. 102A(i)(I) of the National Security Act of 1947

~~(S//NF)~~ What benefit were these relationships to the United States Government?

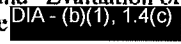
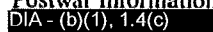
~~(S//NF)~~ USD(I) - (b)(1), 1.4(c); DIA - (b)(1), 1.4(a), (c)

USD(I) - (b)(1), 1.4(c); DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ Have any or should any changes in policy and oversight be implemented to ensure that source and officer relationships are managed appropriately?

(U//~~FOUO~~) The answer to this question is addressed in the Findings and Recommendations contained in this report.

²⁴ ~~(S//NF)~~ Evaluator response to Question 3, "Evaluation of Pre War Information," and "Evaluation of Postwar Information - Spot Reports," provides further analysis of the benefit of the ~~(b)(1), 1.4(c)~~  ~~(b)(1), 1.4(c)~~ 

(U) Finding A. ~~(S//NF)~~ DIA - (b)(3), 10 U.S.C. § 424

[Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

[Redacted]

(U) Background

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

[Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

[Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

[Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)

[Redacted]

²⁵ (U) For a full discussion of the safeguards, see Evaluator Response to Question 5 of this report.

(U) Criteria

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

DIA - (b)(1), 1.4(a), (c)
[Redacted]

DIA - (b)(1), 1.4(a), (c)
[Redacted]

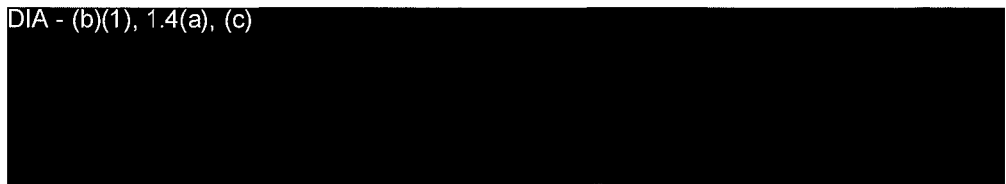
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

(U) Insufficient Counterintelligence Support


~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

DIA - (b)(1), 1.4(a), (c)




(U) Lack of Personnel and Senior Leadership Emphasis


~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



²⁶ ~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]


(U) Effect

~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
[Redacted]

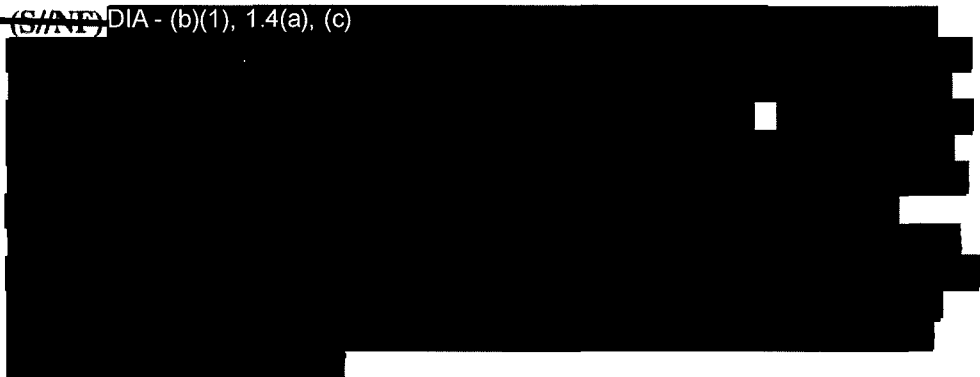
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
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~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)
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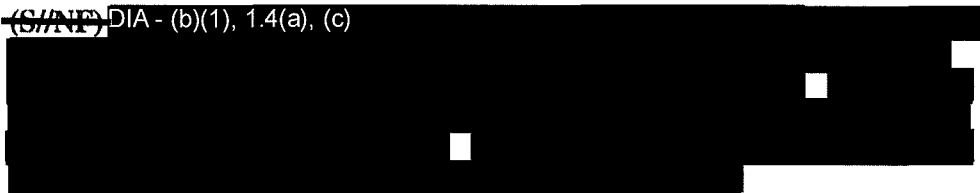
DIA - (b)(1), 1.4(a), (c)



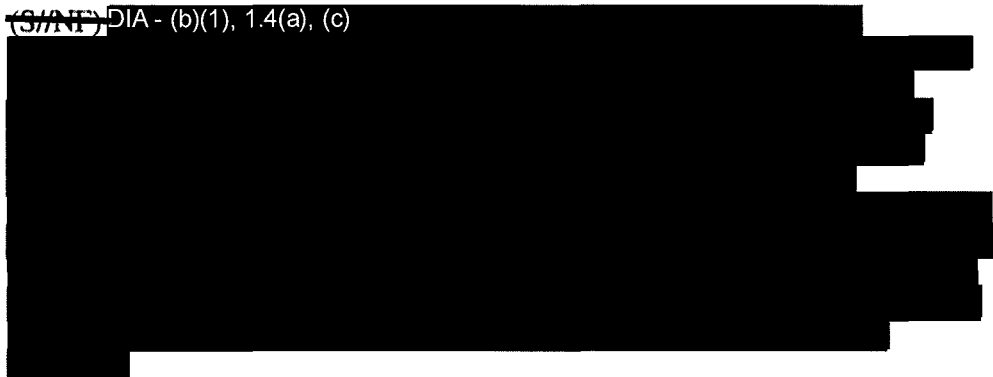
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



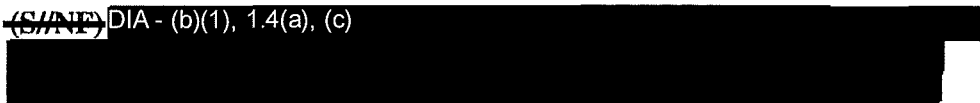
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



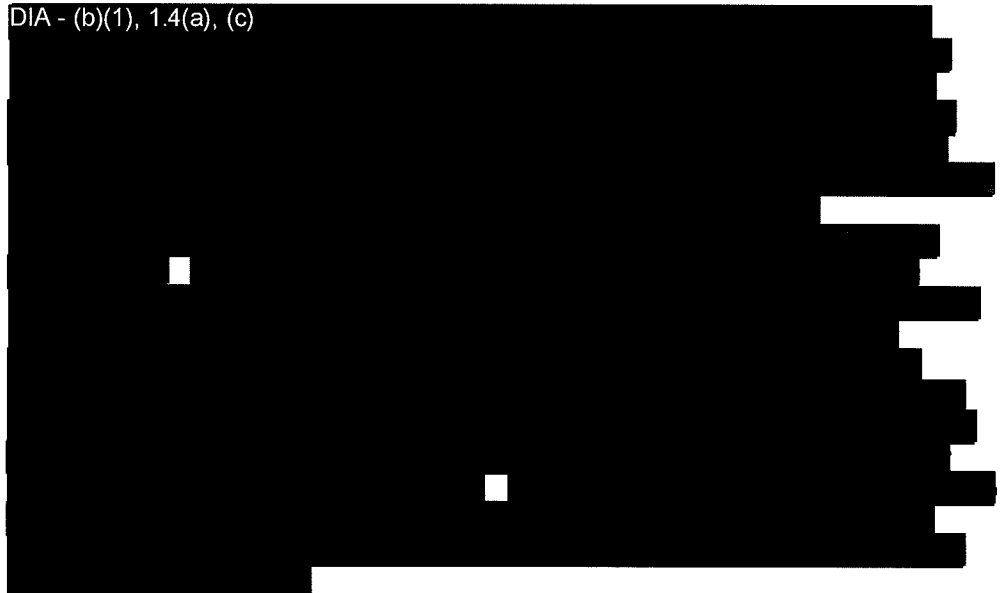
~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)




(U) Recommendation, Management Comments, and Response

~~(S//NF)~~ A. We recommend that the Director, Defense Intelligence Agency:

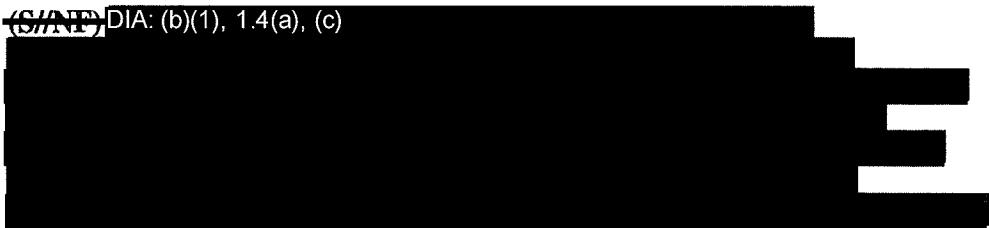
1. Dedicate sufficient counterintelligence personnel to support overt human intelligence operation.
2. Re-emphasize counterintelligence support to overt operations by codifying in policy:
 - a. Conducting threat assessments and vulnerability assessments for all operations.
 - b. Defining low, medium, and high-risk operations by assessing the hostile agent threat, the command and control of assets, and the environment.
 - c. Defining the baseline for counterintelligence support for all overt operations.
 - d. Explaining how the counterintelligence support will increase as the operational risk level increases from low to medium and high risk.
3. Integrate all security requirements into the planning, execution, and dismantling phases of overt operations.

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c); DIA - (b)(1), 1.4(c)




~~(U//FOUO)~~ DoD IG Response to the Under Secretary of Defense for Intelligence. We agreed with the Under Secretary's suggestion and added Recommendation A.3. above.


~~(S//NF)~~ DIA: (b)(1), 1.4(a), (c)



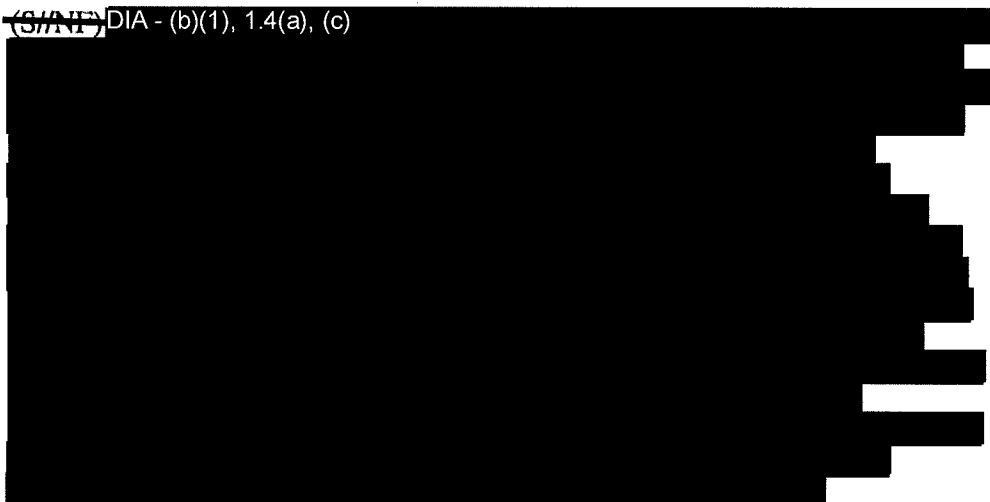
DIA - (b)(1), 1.4(a), (c)




~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



~~(S//NF)~~ DIA - (b)(1), 1.4(a), (c)



(U) The complete comments are presented in the Management Comments section of the report.

~~(S//NF)~~ DoD IG Response. We recognized that the ~~(b)(1), 1.4(a), (c)~~ had limited counterintelligence resources to dedicate qualified personnel to all of its counterintelligence missions and we recognized that, during part of its relationship with the ~~(b)(1), 1.4(a), (c)~~, it was operating in a wartime environment where competition for resources was great. We also

recognized that ~~(S//NF)~~ ^{DIA-(b)(1), 1.4(c)} practice was to prioritize its counterintelligence resources to support clandestine operations more than overt operations. However, we believed that support to the ^{DIA: (b)(1), 1.4(a), (c)} should have been the exception to that practice. As early as October 2002, the ^{DIA-(b)(1), 1.4(c)} assessed that the INC was penetrated "like a sieve" by Iran and that Chalabi was giving information to the Iranians. Armed with that information alone, we believed that the ^{DIA-(b)(1), 1.4} should have dedicated sufficient counterintelligence personnel to help ensure the integrity of the operation and the information obtained from it.

~~(S//NF)~~ Additionally, we recognized that initial design of the ^{DIA - (b)(1), 1.4(a),(c)} ^{DIA - (b)(1), 1.4(a), (c)} did not involve operations in Iraq. However, the ^{DIA-(b)(1), 1.4} provided us with no plan of operation that amended or superseded the concept of operations. Furthermore, nowhere does the concept of operations state that the requirements contained therein would be negated should the program shift to another locale. In fact, the concept of operations states, "Within manpower requirements and constraints, the counterintelligence referent will travel or deploy to forward elements and other areas as needed to provide operational support." Finally, it is illogical to argue that counterintelligence safeguards (such as those enumerated in the concept of operations) had limited application in Iraq or that the ^{DIA-(b)(1), 1.4(a)} should have been held to a lower standard for counterintelligence controls and safeguards once the operation moved into a war zone in Iraq. We believed that the ^{DIA-(b)(1), 1.4} should have considered the threat of compromise to foreign intelligence services even graver.

(U) Regarding the recommendations, the comments and actions are responsive. We request that the Director, DIA, provide comments on Recommendation A.3. (suggested by the Under Secretary of Defense for Intelligence) by July 14, 2008. The comments should indicate concurrence or nonconcurrence with the recommendation and planned actions.

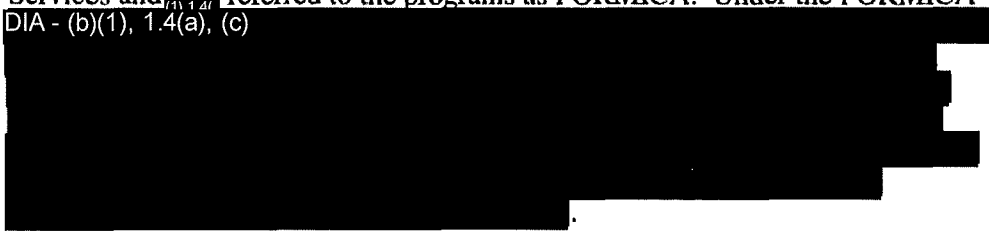
(U) Finding B. Foreign Military Intelligence Collection Activities

(S//NF) The ~~(S//NF)~~ ^{DIA-(b)(1), 1.4(a)} and the then Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)) did not promote collecting intelligence information from DoD personnel in contact with Chalabi and other INC members. This occurred because of lack of awareness, emphasis, and oversight regarding the Foreign Military Intelligence Collection Activities (FORMICA)²⁷ program. As a result, the Intelligence Community did not have the opportunity to evaluate or vet potential intelligence information.

(U) Background

(S//NF) Military and civilian DoD personnel not involved in intelligence collection (non-intelligence personnel) often have unique access to foreign personnel and organizations in which the United States has an intelligence interest. Such was the case with personnel from the Office of the Under Secretary of Defense for Policy in their official meetings with Chalabi and other members of the INC. Those personnel met with Chalabi and other INC members in the United States and overseas before and after the March 2003 invasion of Iraq.

(S//NF) The Military Services and ~~(S//NF)~~ ^{DIA-(b)(1), 1.4(a)} had long recognized the potential intelligence value of non-intelligence personnel's foreign contacts and established formal programs to collect foreign positive intelligence²⁸ from them. The Services and ~~(S//NF)~~ ^{DIA-(b)(1), 1.4(a)} referred to the programs as FORMICA. Under the FORMICA
DIA - (b)(1), 1.4(a), (c)




(U) Criteria

(U) DoD Directive 5111.1, "Under Secretary of Defense for Policy USD(P)," December 8, 1999, authorized the Under Secretary of Defense for Policy to communicate with representatives of foreign governments to carry out assigned

²⁷ (U) The FORMICA program was classified SECRET//NOFORN.

²⁸ (S//NF) ~~(S//NF)~~ ^{DIA-(b)(1), 1.4(a), (c)}



functions. The Directive also authorized the Under Secretary of Defense for Policy to coordinate and exchange information with other OSD officials, heads of DoD Components, and Federal officials with collateral or related functions.

(U) DoD Directive 5105.21, "Defense Intelligence Agency," February 18, 1997, charged DIA with managing and directing DoD HUMINT activities and delegated DIA authority to communicate with DoD Components to carry out assigned functions.

(U) DoD Directive 5137.1, "Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD (C3I))," February 12, 1992, delegated supervision of DoD intelligence affairs to the ASD (C3I) and assistance to other OSD staff elements on intelligence matters for which they were responsible. The position of ASD (C3I) and the need for the Directive was eliminated with the creation of the Under Secretary of Defense for Intelligence in 2003.

(U) DoD Directive 5200.37, "Centralized Management of Department of Defense Human Intelligence (HUMINT) Operations," December 18, 1992, delegated the ASD (C3I) with the authority to designate the Director, DIA as the DoD HUMINT Manager with the responsibility of establishing procedures for conducting DoD HUMINT activities and establishing processes to receive, validate, coordinate, approve, and track DoD HUMINT requirements.

~~(S//NF)~~ DIA - (b)(1), 1.4(c)



(U) Defense Intelligence Agency

~~(S//NF)~~ ^{DIA-(b)(1),1.4(c)} Did Not Sensitize or Debrief the Under Secretary of Defense for Policy Staff Concerning the INC

~~(S//NF)~~ ^{DIA-(b)(1),1.4(c)} overt collectors did not inform senior DoD officials within the Office of the Under Secretary of Defense for Policy of DoD intelligence requirements (known as "sensitizing") or debrief them about their dealings with Chalabi, the INC, or its personnel. The ^{DIA-(b)(1),1.4(c)} mandated that ^{DIA-(b)(1),1.4(c)} establish FORMICA to acquire and report foreign positive intelligence information from civilian personnel employed in DoD organizations to satisfy the strategic needs of the warfighter, DoD, and national policymakers.

~~(S//NF)~~ Three senior DoD officials within the Office of the Under Secretary of Defense for Policy informed us that they had never heard of FORMICA. One stated that "gathering intelligence is not what we do," but added that he would have been willing to talk to ~~(DIA-(b)(1), 1.4c)~~ collectors about his meetings if the collectors had requested. The senior DoD official emphasized his willingness by adding that he had talked to CIA personnel when they had requested to "sensitize" him to CIA intelligence requirements unrelated to the INC.²⁹ Another senior DoD official told us that he was not aware of ~~(DIA-(b)(1), 1.4c)~~ collectors ever contacting personnel in the Under Secretary of Defense for Policy to sensitize them to intelligence information or to debrief them for information of intelligence value, however, he stated that he had briefed intelligence personnel. The intelligence personnel, to whom he was referring, were apparently not ~~(DIA-(b)(1), 1.4c)~~ collectors, but were more likely ~~(DIA-(b)(1), 1.4c)~~ analysts who were at the Pentagon to brief -- not to collect. The third senior DoD official told us that personnel in the Office of the Under Secretary of Defense for Policy had, "extremely important meetings with people that [Intelligence Community] analyst [were only] speculating about" and stated that he thought it, "peculiar that intelligence [personnel] didn't debrief policy folks" about the meetings.

(U) Assistant to the Secretary of Defense for Command, Control, Communications, and Intelligence did not Provide Oversight of DIA and within OSD

(U) The ASD (C3I) did not provide oversight and emphasis on the FORMICA program to ensure that non-intelligence personnel passed potential intelligence information to ~~(DIA-(b)(3), 10)~~ collectors for Intelligence Community analysis and consumption.

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c); DIA- (b)(1), 1.4(c)

[REDACTED]

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)

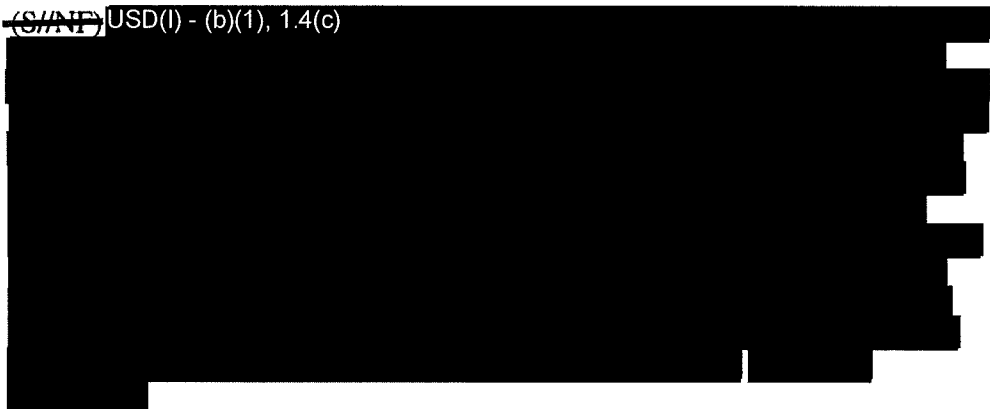
[REDACTED]

²⁹ ~~(S//NF)~~ We did not determine whether CIA coordinated that meeting through ~~(DIA (b)(1))~~ because it was beyond the scope of this evaluation.

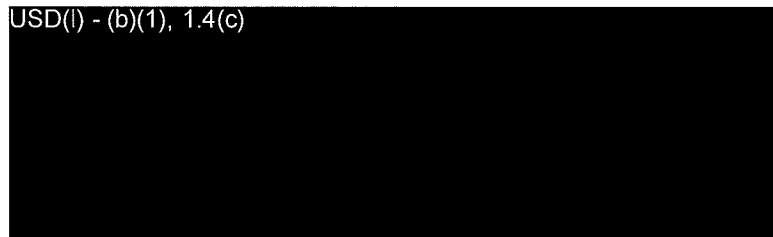
(U) Missed Opportunity

~~(S//NF)~~ Senior personnel in the Office of the Under Secretary of Defense for Policy did not routinely pass potential intelligence information that they received at meetings with Chalabi and other INC members to ~~(S//NF)~~ collectors because ~~(S//NF)~~ under the auspices of the FORMICA program, did not sensitize them to the potential intelligence value of the information.

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)



USD(I) - (b)(1), 1.4(c)




~~(S//NF)~~ The ~~(S//NF)~~ lack of FORMICA collection meant that the Intelligence Community did not have the opportunity to vet potential intelligence information provided by Chalabi and the INC.

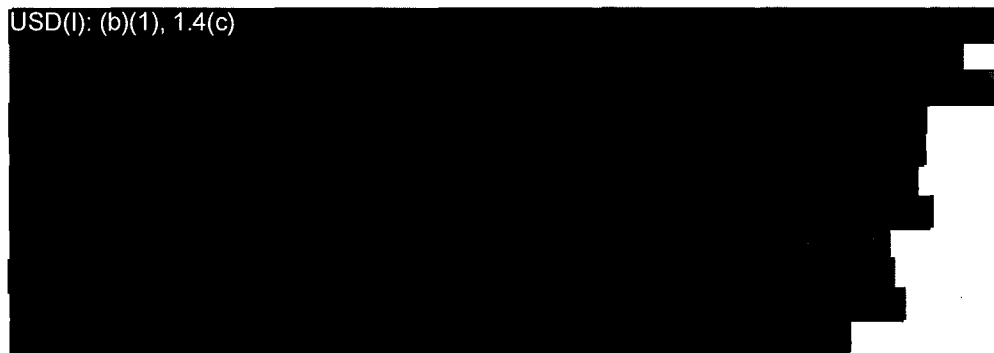
(U) Subsequent Actions

(U) The Secretary of Defense created the position of Under Secretary of Defense for Intelligence in 2003 and detailed the responsibilities and authorities of that office in DoD Directive 5143.01, "Under Secretary of Defense for Intelligence," November 23, 2005. One of the responsibilities was to oversee Defense intelligence organizations to ensure that they were manned, trained, equipped, and structured to support DoD missions.

~~(S//NF)~~ USD(I) - (b)(1), 1.4(c)




USD(I): (b)(1), 1.4(c)




(U) Recommendations, Management Comments and Response

~~(S//NF)~~ B.1. We recommend that the Director, Defense Intelligence Agency revitalize the Foreign Military Intelligence Collection Activities Program within the Office of the Secretary of Defense to sensitize non-intelligence personnel within the Office of the Secretary of Defense of intelligence requirements and overtly collect intelligence information from them.

~~(S//NF)~~ USD(I): (b)(1), 1.4(c)

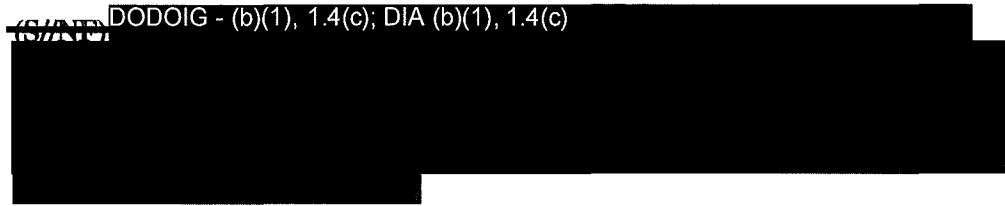


~~(S//NF)~~ USD(I): (b)(1), 1.4(c)



~~(S//NF)~~ DIA (b)(1)1.4(c)



~~(S//NF)~~ DODOIG - (b)(1), 1.4(c); DIA (b)(1), 1.4(c)


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(U) Appendix A. Scope and Methodology

(U//~~FOUO~~) The scope of this report was limited to four of the six questions addressed to the National Counterintelligence Executive in the Classified Annex to the Fiscal Year 2005 Defense Appropriations Act, Public Law 108-287. Due to the large scope of the inquiry, we focused our review on the relationship between the INC and the Office of the Under Secretary of Defense for Policy; the Office of the Under Secretary of Defense for Intelligence; and the DIA. We performed this evaluation from February 14, 2005 through February 14, 2008, in accordance with the President's Council on Integrity and Efficiency standards.

(U//~~FOUO~~) In response to the Director, DIA request received after the issuance of our draft report in March 2007, we received additional documentation and conducted additional interviews in November and December 2007.

(U//~~FOUO~~) To achieve our objective, we conducted 56 interviews with current or former officials associated with the following organizations:

- Office of the Under Secretary of Defense for Intelligence;
- Office of the Under Secretary of Defense for Policy;
- Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence
- Office of the Assistant to the Secretary of Defense for Intelligence Oversight;
- United States Central Command;
- National Security Agency;
- DIA;
- Defense Security Cooperation Agency; and
- Federal Bureau of Investigation.

- Examined documents from the above organizations and the Department of the Army, the Department of the Air Force, the Joint Staff, United States Joint Forces Command, United States European Command, United States Transportation Command, United States Special Operations Command, General Counsel of the Department of Defense, and the Defense Reconstruction Support Office.

- Reviewed published reports as shown in Appendix B.

(U) Use of Computer-Processed Data. We did not use computer-processed data to perform this evaluation.

(U) Use of Technical Assistance. We did not use technical assistance to perform this evaluation.

(U) Government Accountability Office High-Risk Area. While this evaluation does not specifically address a Government Accountability Office high-risk area, it does address a Secretary of Defense Priority – Significantly improve Intelligence Capabilities.

(U//FOUO) USD(I): (b)(6)
USD(I): (b)(6)



(U) Appendix B. Prior Coverage

(U) During the last 5 years, the Government Accountability Office (GAO), the Department of Defense Inspector General (DoD IG), the Senate Select Committee on Intelligence, the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, the Department of State, the National Intelligence Council, and the DIA have issued reports discussing the INC or related topics.

(U) GAO

(U) GAO Report No. GAO-04-559, "Issues Affecting Funding of Iraqi National Congress Support Foundation," April 30, 2004 (U)

(U) DoD OIG

(U//~~FOUO~~) DoD OIG Report No. 06-INTEL-06, "Review of the United States Government's Relationship with the Iraqi National Congress: Phase One - Compromises of Information, Sources, and Methods (U//~~FOUO~~)," June 12, 2006 (~~TS//SI C//OC,NF~~)

(U) Senate Select Committee on Intelligence

(U) "Report of the Select Committee on Intelligence on the Use by the Intelligence Community of Information Provided by the Iraqi National Congress," September 8, 2006 (U)

(U) Presidential Commission

(U) "The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, Report to the President of the United States," March 31, 2005 (~~TS//ICS//SI C//TK//RSEN//OC,NF~~)

(U) Department of State OIG

(U) Department of State Report No. AUD/CG-02-44, "Follow Up Review of Iraqi National Congress Support Foundation," September 2002 (U)

(U) Department of State Report No. 01-FMA-R-092, "Review of Awards to Iraqi National Congress Support Foundation," September 2001 (U)

(U) National Intelligence Council

(U) National Intelligence Council, ~~ODNI - (b)(1), 1.4(c), (d); (b)(3), 50 USC 3024(i)(1)~~

~~(S//NF)~~

(U) National Intelligence Council Report No. NIC 1768-02,

~~ODNI - (b)(1), 1.4(c), (d); (b)(3), 50 USC 3024(i)(1)~~

~~(S//NF)~~

(U) DIA OIG

(U) DIA Project No. 04-2272-OA-026, "INC Iraqi National Congress Audit," April 20, 2004 (~~S//NF~~)

(U) DIA Project No. 04-2249-OA-026, "DIA Support to the INC/ICP Audit," December 19, 2003 (~~S//NF~~)

(U) DIA Project No. 00-1892-HQ-002, "CI Support to Operational HUMINT Inspection" March 23, 2001 (~~S//NF~~)

(U) Appendix C. Summary of Director, DIA Comments and DoD IG Response

(U) The Under Secretary of Defense for Intelligence, Under Secretary of Defense for Policy, and Director, DIA, provided comments in response to the draft report. (See Management Comments for the complete text of those comments.) The following discusses those issues raised by the Director, DIA that were not rebutted in the main body of the report.

(U) Issue No. 1 - Accuracy and Completeness of Information

(U) ~~DIA - (b)(3) 50 USC 3024(i)~~ [REDACTED]

(U) **DoD IG Response.** Where we agreed with the Agency's suggestions we integrated them into the report. However, the ~~DIA - (b)(3) 50 USC 3024(i)~~ provided no new documentary evidence to substantiate its assertion that our draft contained serious inaccuracies or that we did not give a complete description of the Agency's involvement with the ~~DIA - (b)(3) 50 USC 3024(i)~~. If the ~~DIA - (b)(3) 50 USC 3024(i)~~ possessed documents that were critical to the completeness and accuracy of the report, it was incumbent upon it to deliver that information to us. Without documentary evidence to the contrary, we stand behind the report as written.

(U) We conducted our analysis and developed our conclusions and recommendations based on "data call" information from approximately 18 different U.S. government organizations, including ~~DIA - (b)(3) 50 USC 3024(i)~~. In addition, we conducted interviews with individuals from approximately nine U.S. government agencies. Although our review focused on the relationship between the INC and the Office of the Under Secretary of Defense for Policy; the Office of the Under Secretary of Defense for Intelligence; and the ~~DIA - (b)(3) 50 USC 3024(i)~~ we do acknowledge in our report that the INC had close contact with many U.S. government personnel in the Executive and Legislative branches.

(U) **Issue No. 2 -** ~~DIA - (b)(3) 50 USC 3024(i)~~ [REDACTED]

~~(S//NF)~~ ~~DIA - (b)(1), 1.4(c)~~ [REDACTED]

~~(S//NF)~~ DIA - (b)(1), 1.4(c) [REDACTED]

~~(S//NF)~~ DIA - (b)(1), 1.4(c) [REDACTED]

(U) Appendix D. Report Distribution

(U)

Office of the Secretary of Defense

Secretary of Defense
Deputy Secretary of Defense
Under Secretary of Defense for Intelligence
Under Secretary of Defense for Policy
Office of the General Counsel

Other Defense Organizations

Director, Defense Intelligence Agency
Inspector General, Defense Intelligence Agency
Director, National Security Agency
Inspector General, National Security Agency

Non-Defense Federal Organization

Director of National Intelligence
Inspector General, Office of the Director of National Intelligence
National Counterintelligence Executive

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Armed Services
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Homeland Security and Governmental Affairs
Senate Select Committee on Intelligence
House Committee on Armed Services
House Subcommittee on Defense, Committee on Appropriations
House Committee on Oversight and Government Reform
House Permanent Select Committee on Intelligence

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Under Secretary of Defense for Intelligence (U)



UNDER SECRETARY OF DEFENSE
5000 DEFENSE PENTAGON
WASHINGTON, DC 20301-5000

JUN 15 2007

~~SECRET//NOFORN~~

MEMORANDUM FOR INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Review of the United States Government's Relationship with the Iraqi National Congress: Phase Two—Relationship Between the Iraqi National Congress and the Department of Defense (Project No. D2005-INTEL-0122)
(U//FOUO)

As requested, my staff has reviewed the subject draft report. I concur with the report and offer the attached comments. Additionally, my staff conducted a declassification review and found no OUCSD(I) equities.

(S//NF) USD(I): (b)(1), 1.4(c)
[Redacted]

(S//NF) USD(I): (b)(1), 1.4(c)
[Redacted]

(U) My point of contact is [Redacted] USD(I): (b)(6)
[Redacted]

James R. Clapper, Jr.
James R. Clapper, Jr.

Attachment(s):
As stated

Derived from: Draft DoD OIG
Rpt, Project No. D2005-INTEL-
0122-20Mar07
Declassify on: 20320904

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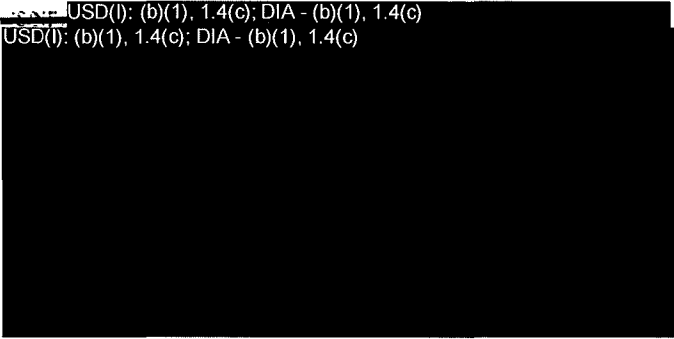
Final Report
Reference

~~SECRET//NOFORN~~

COMMENTS ON REVIEW OF THE UNITED STATES GOVERNMENT'S
RELATIONSHIP WITH THE IRAQI NATIONAL CONGRESS: PHASE TWO—
RELATIONSHIP BETWEEN THE IRAQI NATIONAL CONGRESS AND THE
DEPARTMENT OF DEFENSE (PROJECT NO. D2005-INTEL-0122) (U//~~FOUO~~)

~~SECRET//NOFORN~~ General.

- ~~SECRET//NOFORN~~ USD(I): (b)(1), 1.4(c); DIA - (b)(1), 1.4(c)
USD(I): (b)(1), 1.4(c); DIA - (b)(1), 1.4(c)

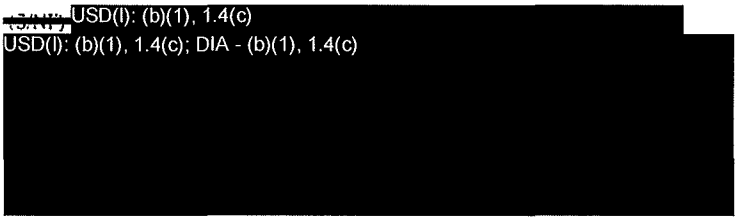


- (U//~~FOUO~~) *Comment:* Refer the draft report to the Central Intelligence Agency (CIA) for a declassification review. *Rationale:* The draft report discusses CIA information.

~~SECRET//NOFORN~~ USD(I): (b)(5)
USD(I): (b)(5)



~~SECRET//NOFORN~~ USD(I): (b)(1), 1.4(c)
USD(I): (b)(1), 1.4(c); DIA - (b)(1), 1.4(c)



~~SECRET//NOFORN~~

Page 37

Revised

Revised
Pages 37-38

Under Secretary of Defense for Policy (U)

Final Report
Reference



041001

~~SECRET//NOFORN~~

OFFICE OF THE UNDER SECRETARY OF DEFENSE
2200 DEFENSE PENTAGON
WASHINGTON, DC 20301-2000

June 25, 2007

MEMORANDUM FOR DEPUTY ASSISTANT INSPECTOR GENERAL FOR INTELLIGENCE EVALUATIONS

FROM: Staff Director and Special Advisor to the
Under Secretary of Defense for Policy

SUBJECT: OUSD(P) Comments on Review of the United States Government's
Relationship with the Iraqi National Congress: Phase Two –
Relationship Between the Iraqi National Congress and the Department of
Defense (Project No. D2005-INTEL-0122 (U//FOUO))

(U) Thank you for your March 30, 2007 memo to the Under Secretary of Defense for Policy, requesting our comments on the draft report by your office of the same date regarding the above subject. The Under Secretary has asked me to provide the following OUSD(P) comments:

P. ii, response to question 4:

- ~~(S//NF)~~ The response states that CIA shared "counterintelligence concerns" with senior officials at DoD. The detailed discussion on pages 17-19 makes clear that CIA shared these "counterintelligence concerns" with ~~(S//NF)~~ but does not identify at what level of seniority within ~~(S//NF)~~. Moreover, in the context of the question (which implies that "DoD" refers to non-intelligence parts of the Department), the response could be misunderstood to suggest that CIA shared its concerns with senior non-intelligence officials in the Department of Defense, though the facts reported in the draft report do not substantiate such an understanding.

P. 4, first full para:

- ~~(S//NF)~~ 5th sentence should read: "All certified democratic opposition groups were invited to supply names of volunteers..."
- ~~(S//NF)~~ 6th sentence should read: "The INC, along with other opposition groups, provided OSD the names of thousands of individuals, some of whom were Iraqi refugees living in Iran." It would be incorrect to imply that only INC provided names.
- ~~(S//NF)~~ 7th sentence should read: "OSD submitted all names to ~~(S//NF)~~ for vetting."

Revised

Revised

Revised



~~SECRET//NOFORN~~

Final Report
Reference

SECRET//NOFORN

P. 4, third para:

Revised

- ~~(S//NF)~~ The meeting also included representatives from SCIRI and the Constitutional Monarchists.

P. 5, second para:

Revised

- (U) The second sentence ends with a quotation mark but lacks an initial quotation mark.

Deleted

- ~~(S//NF)~~ The last sentence ("The senior ^(S//NF) official ... noted that ^(S//NF) had never run a program of the magnitude of the INC operation.") is puzzling. The INC program was not very big (about \$4,000,000 per year). It is surprising that ^(S//NF) had never run a program that big, if the sentence is accurate. It would be useful to provide more context so that the senior ^(S//NF) official's statement can be better understood.

P. 10, last para:

Revised

- (U) This paragraph, which carries over to page 11, could be misunderstood to suggest that the two discredited sources provided by the INC, discussed here, had a significant impact on the US Intelligence Community's pre-war assessments about Iraqi mobile biological weapons laboratories and Iraqi nuclear facilities.
- (U) As the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction ("WMD Commission") reported, however, "CIA's post-war investigations revealed that INC-related sources had a minimal impact on pre-war assessments." WMD Commission Report to the President (March 31, 2005) at 108 unclassified version.
 - (U) The Intelligence Community judgment that Iraq had mobile biological laboratories "was based almost exclusively on information obtained from a single human source - codenamed 'Curveball' - whose credibility ... [later] collapsed ..." and who " * * * came to the attention of the Intelligence Community through a foreign liaison service." *Ibid* at 80, 83.
 - (U) "[T]he CIA's post-war investigations were unable to uncover any evidence that the INC or any other organization was directing Curveball to feed misleading information to the Intelligence Community. Instead, the post-war investigations concluded that Curveball's reporting was not influenced by, controlled by, or connected to, the INC." *Ibid* at 108.

SECRET//NOFORN

~~SECRET//NOFORN~~

- (U) We suggest that the report include this information in order to place the relatively small significance of the two discredited INC sources into proper perspective.

P. 23, second para:

- ~~(S//NF)~~ In spite of concerns from [State and the IC], the Deputies Committee directed ^(S//NF) to implement the INC ^(S//NF). This implies that the concerns should have led to ending the Program, an argument that the IG report doesn't make explicitly and that would be incorrect if made.

Revised

P. 23, final para and top of p. 24:

- ~~(S//NF)~~ One reason for transferring the ICP from State to ^(S//NF) was to put the Program under professional intelligence management. ^(S//NF) DIA - (b)(1), 1.4(c); (b)(5) DIA (b)(1), 1.4(c); (b)(5)

Revised

P. 28:

- (U) The subtitle referring to OUSD(P) and OUSD(I) contacts with the INC is inconsistent with the section of text following that subtitle. That section only discusses contacts with the INC by personnel within OUSD(P) and the Office of Net Assessment, not OUSD(I). Net Assessment is not part of OUSD(P) or OUSD(I). (Footnote 22 at the bottom of page 28, referring to a former OUSD(I) official, relates to the previous section of the text, not the present one.)

Revised
Page 27

P. 29, first para:

- ~~(S//NF)~~ The individual in question is a contract employee (i.e., an employee whom a contractor provides to work in a government office), and not a government contractor. He did not "receive... the contract to perform this mission for OSD."
- ~~(S//NF)~~ The individual was sent to Iraq for three weeks to assist ORHA in re-starting political life in Iraq by helping organize public political events on Iraq soil, and to help maintain liaison with the various former opposition groups, including the INC. The statement that he was sent to Iraq "to help deal with the problems the Iraq opposition groups were having, particularly the INC" is not accurate.

Revised
Page 28

Revised

P. 29, final para:

- ~~(S//NF)~~ The sentence stating that the Net Assessment official "stayed with Chalabi, Aras Habib, and Aras Habib's brother" is inconsistent with the personal experience

Deleted

Final Report
Reference

Revised

~~SECRET//NOFORN~~

of an OUSD(P) staff member who was in Baghdad for part of the relevant time. Accordingly, we discussed this sentence with the Net Assessment official, who confirmed that the sentence is untrue. We suggest that your office contact the Net Assessment official directly to clarify this matter.

P. 43, first para:

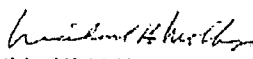
- ~~(S//NF)~~ There seem to be some missing words or phrases after the first "because".

P. 43, second para:

- ~~(S//NF)~~ The sentence stating that "... greater emphasis by Office of the Under Secretary of Defense for Policy in sharing information learned through interaction with INC members, could have accomplished the same thing [i.e., helping to eliminate the possibility of DoD being deceived by the INCI]" incorrectly implies that OUSD(P) personnel were somehow inattentive to sharing information with the Intelligence Community. The text of the report does not support this suggestion, but to the contrary points out that ~~(S//NF)~~ failed to seek the information from OUSD(P). OUSD(P) would have gladly shared information obtained during contacts with the INC if ~~(S//NF)~~ had asked for it and, indeed, would have volunteered the information without being asked if ~~(S//NF)~~ had communicated a desire to have such data. Additionally, nothing in the report supports the implication in this paragraph that the INC deceived DoD.

(U) We have no objection to the public release of these comments. Classified paragraphs in our comments are so marked only because the report paragraphs to which they refer are classified at that level.

(U) Thank you for the opportunity to comment on this draft report.


Michael H. Mobbs
Staff Director and Special Advisor to the
Under Secretary of Defense for Policy

~~SECRET//NOFORN~~

Director, Defense Intelligence Agency (U)



~~SECRET//NOFORN~~
DEFENSE INTELLIGENCE AGENCY
WASHINGTON, D.C. 20340-5100



S-08-1117/CE

MAY 14 2008

To: Office of the Deputy Inspector for Intelligence
Department of Defense Inspector General
400 Army Navy Drive
Arlington, VA 22202-4704
ATTN: Mr. Shelton Young

Subject: (U//~~FOUO~~) Response to the Department of Defense (DoD) Inspector General's
Draft Report on DoD's Relationship with the Iraqi National Congress

1. (~~S//NF~~) As requested, the DIA - (b)(1), 1.4(c) [REDACTED] has reviewed the subject draft report and concurs with the recommendations cited below. [REDACTED] comments follow each recommendation
2. (U) Recommendation A1. We recommend that the Director, Defense Intelligence Agency, dedicate sufficient counterintelligence personnel to support overt human intelligence operation.

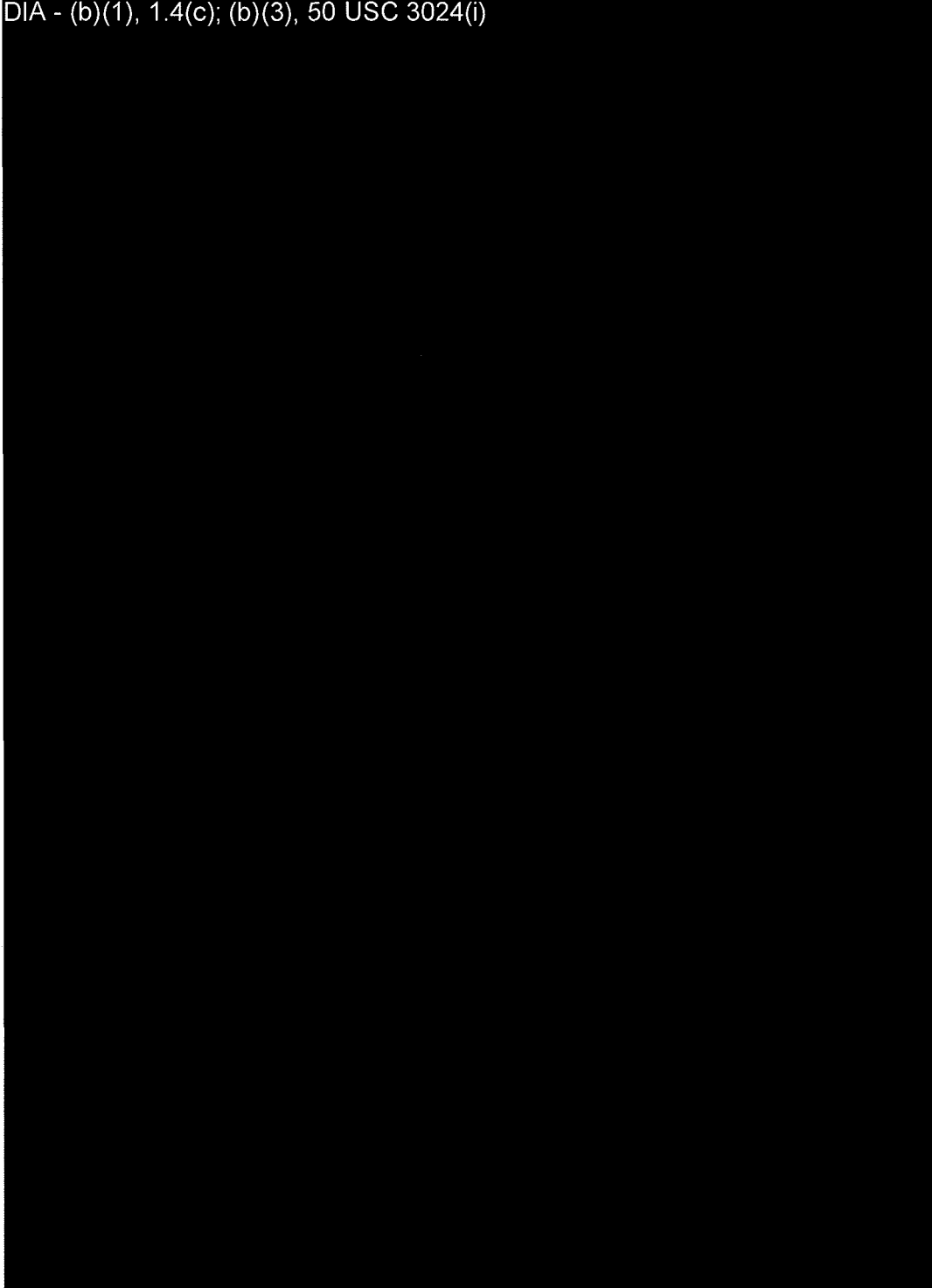
a. (~~S//NF~~) [REDACTED] Response: Concur.

b. (~~S//NF~~) DIA - (b)(1), 1.4(c) [REDACTED]

c. (~~S//NF~~) DIA - (b)(1), 1.4(c) [REDACTED]

Derived from: SI SCG, Oct 04
Declassify on: 25XI-human

DIA - (b)(1), 1.4(c); (b)(3), 50 USC 3024(i)



Director, Defense Intelligence Agency (U)



~~SECRET//NOFORN//MR~~

DEFENSE INTELLIGENCE AGENCY

WASHINGTON, D.C. 20340-5100



S-17,544/CS

To: Office of the Deputy Inspector for Intelligence
Department of Defense Inspector General
ATTN: Mr. Donald A. Ragley
400 Army Navy Drive
Arlington, VA 22202-4704

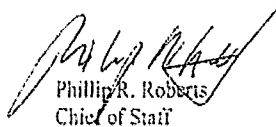
JUL 13 2007

Subject: (U, ~~FOUO~~) Response to the Department of Defense (DoD) Inspector General's Draft Report on DoD's Relationship with the Iraqi National Congress

1. ~~(S//NF)~~ The DIA - (b)(1), 1.4(c) appreciates this opportunity to comment on the conclusions, findings and recommendations contained in the subject draft report.

~~(S//NF)~~ DIA - (b)(1), 1.4(c); (b)(3), 10 USC 424
DIA - (b)(1), 1.4(c); (b)(3), 10 USC 424

3. (U) Additional information responsive to the IG report is found in the enclosed document. If you have any questions, please contact DIA - (b)(3); 10 USC 424
DIA - (b)(3); 10 USC 424


Phillip R. Roberts
Chief of Staff

Enclosure
Response to the DoD IG Report

Derived from DHS/SIS
Excluded from E.O. 13526

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(U) DIA's Response to the Department of Defense (DoD) Inspector General Report
on the Relationship between the Iraqi National Congress and DoD

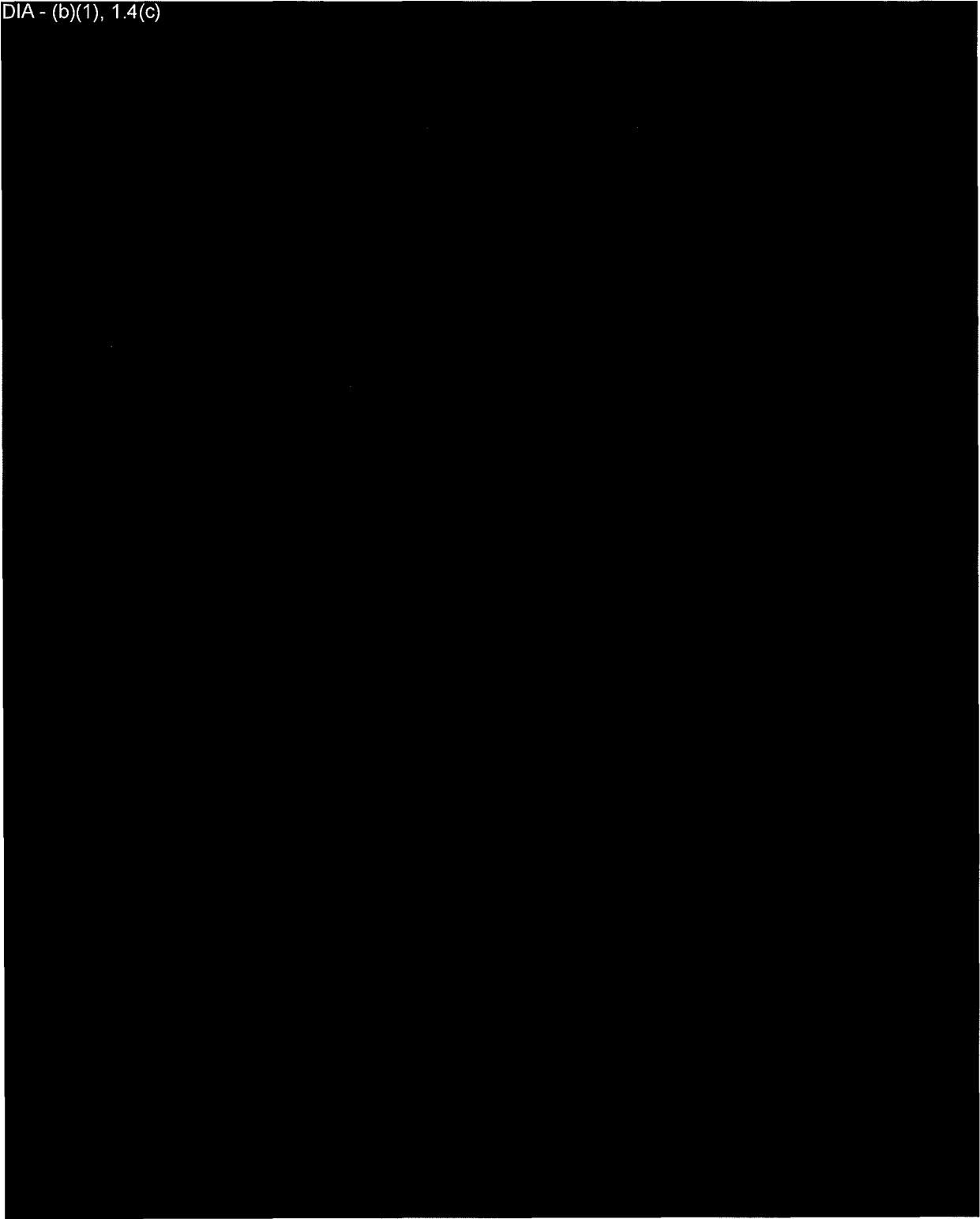
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- I. (U) Introduction
- II. (U) Response to Four Questions
- III. (U) Asset Management Analysis
- IV. (T) ~~DIA - (b)(3), 10 USC 424; (b)(3) 50 USC 3024(i)~~
- V. (U) Conclusions

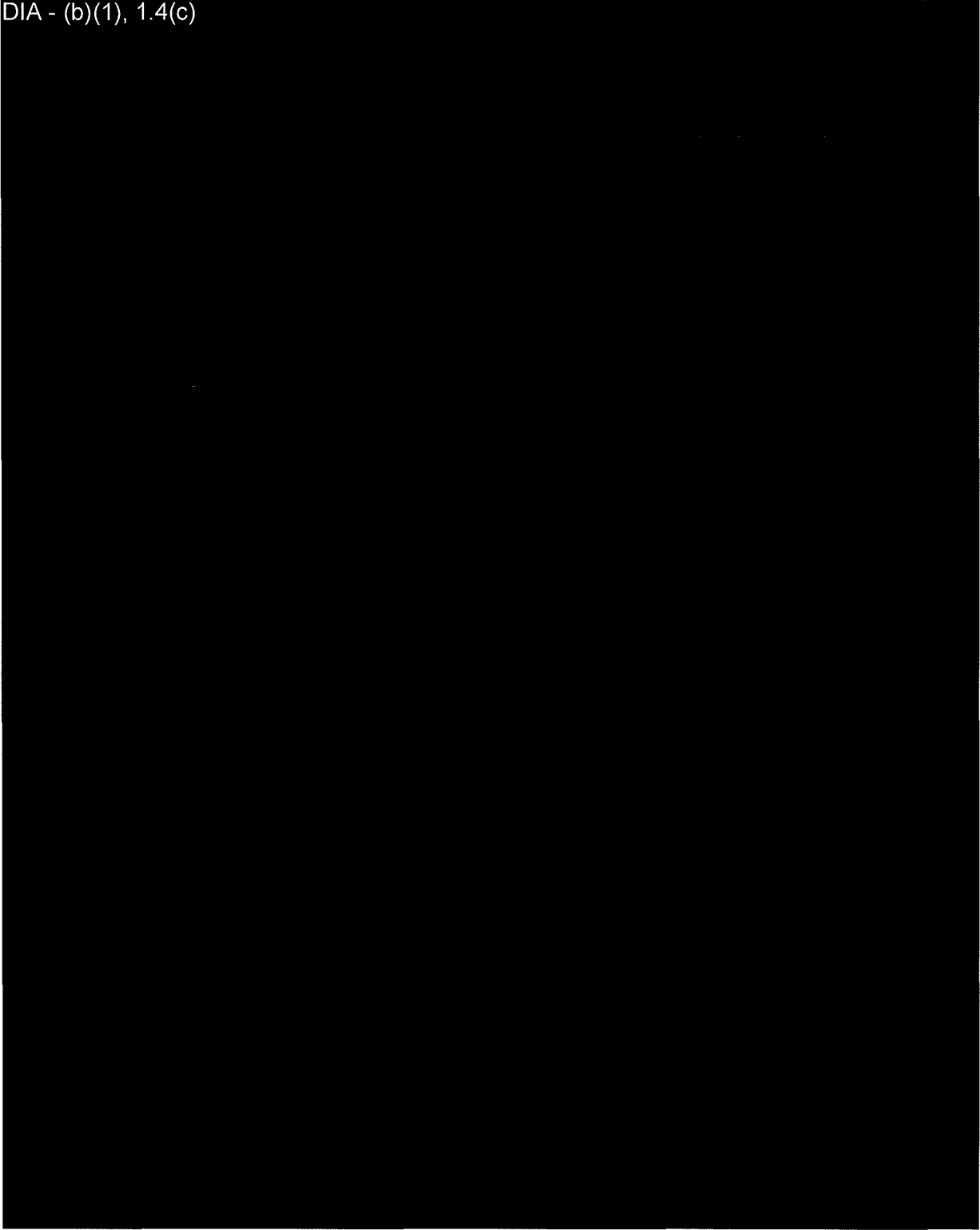
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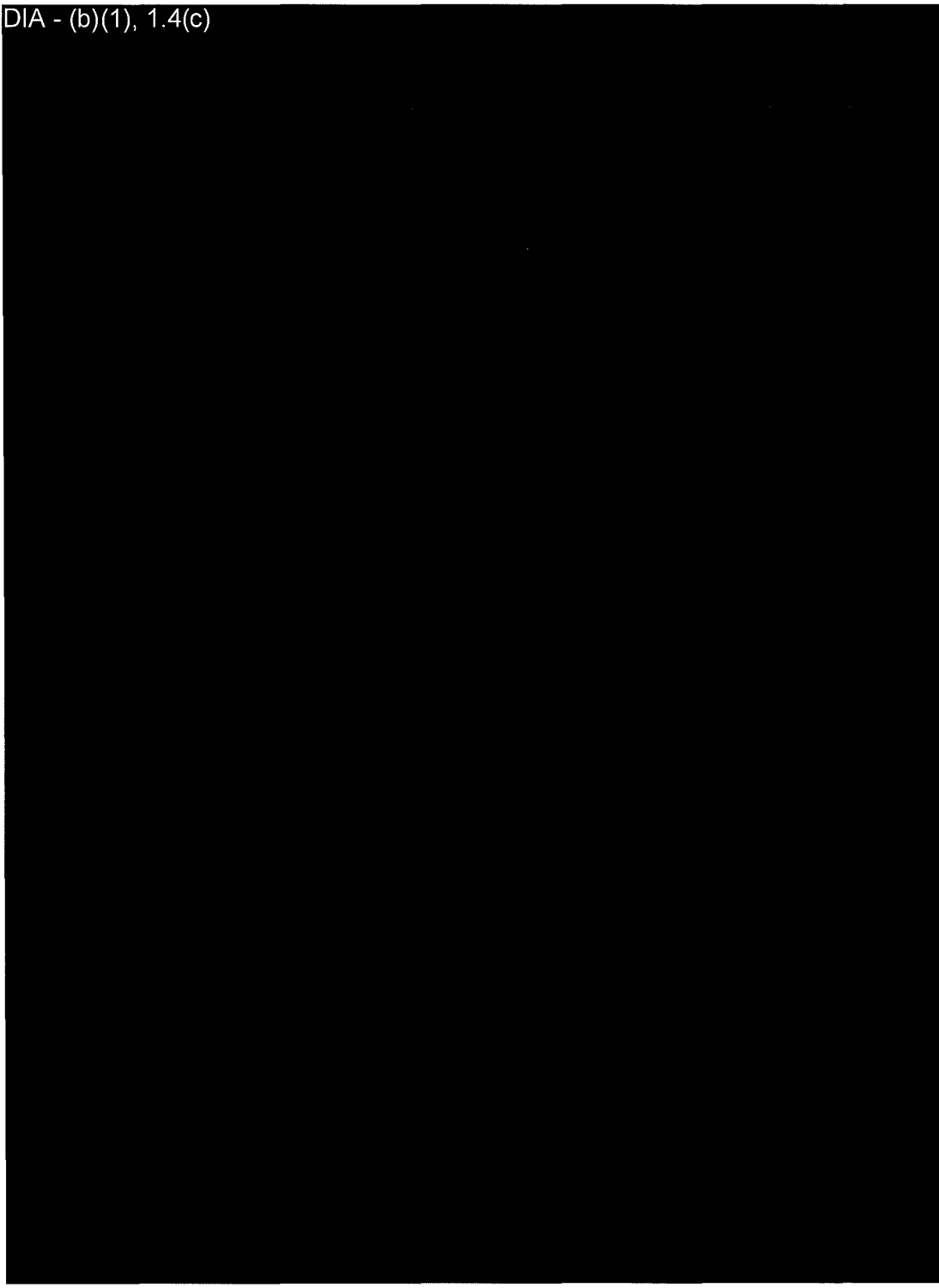
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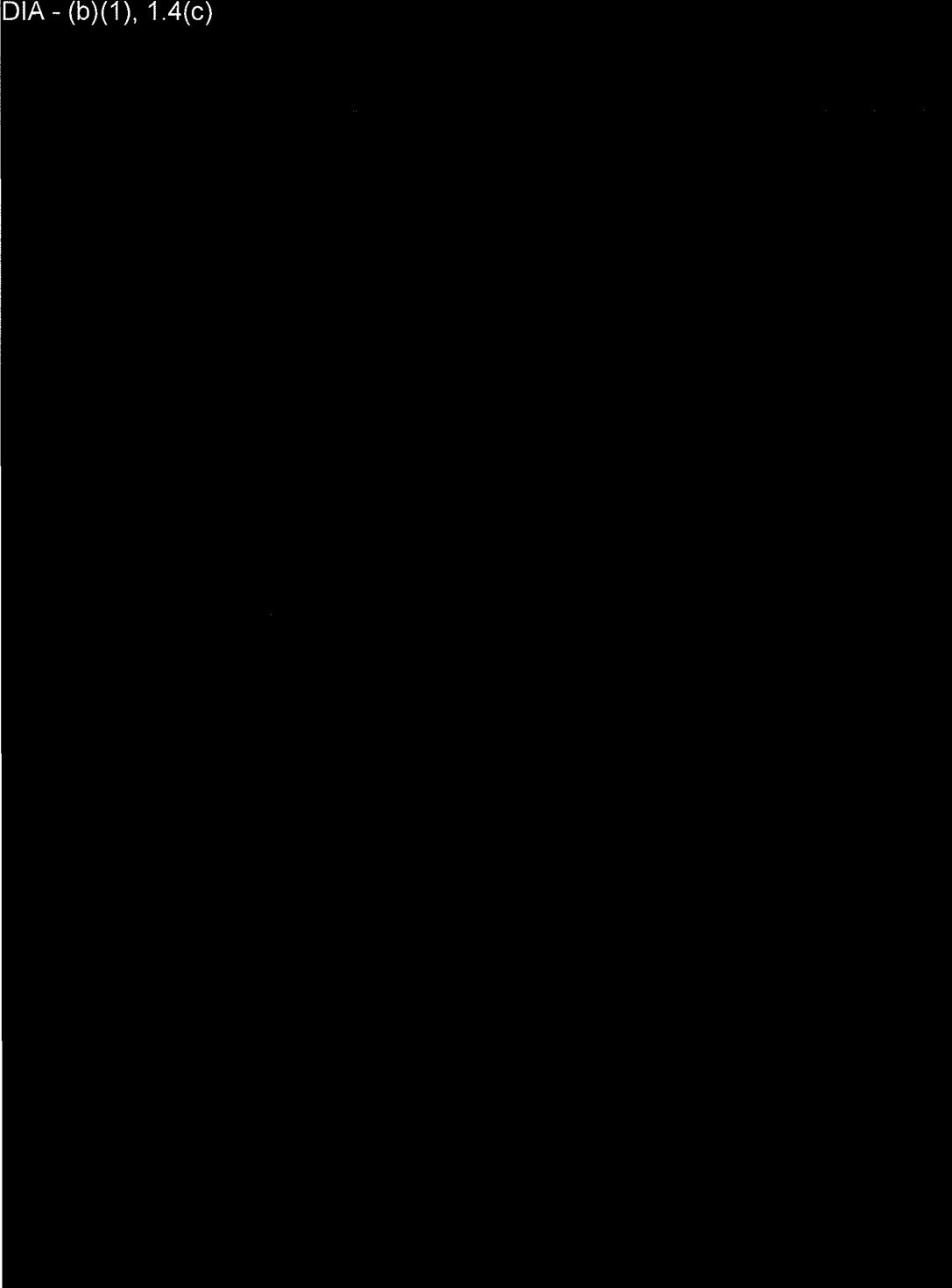
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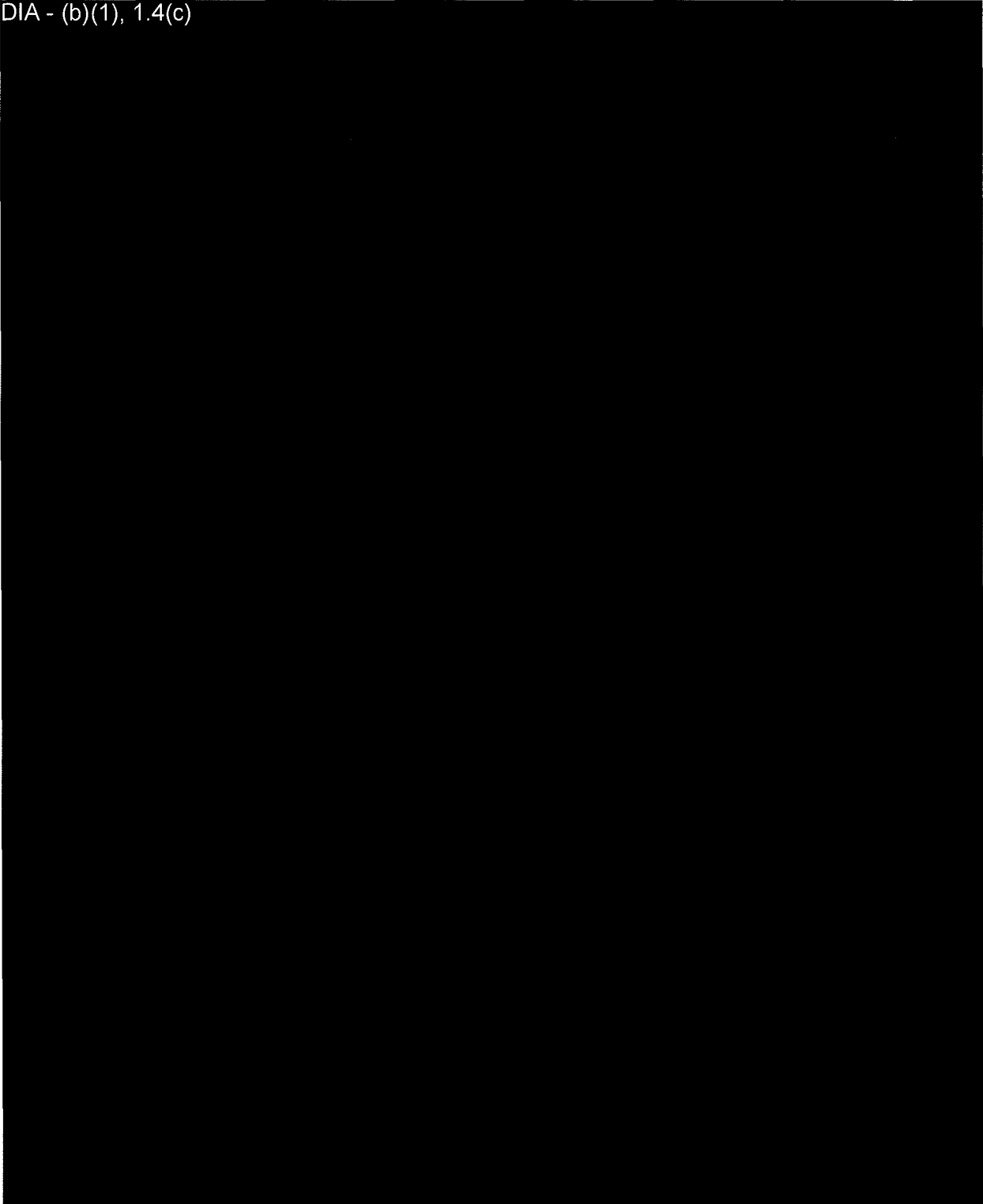
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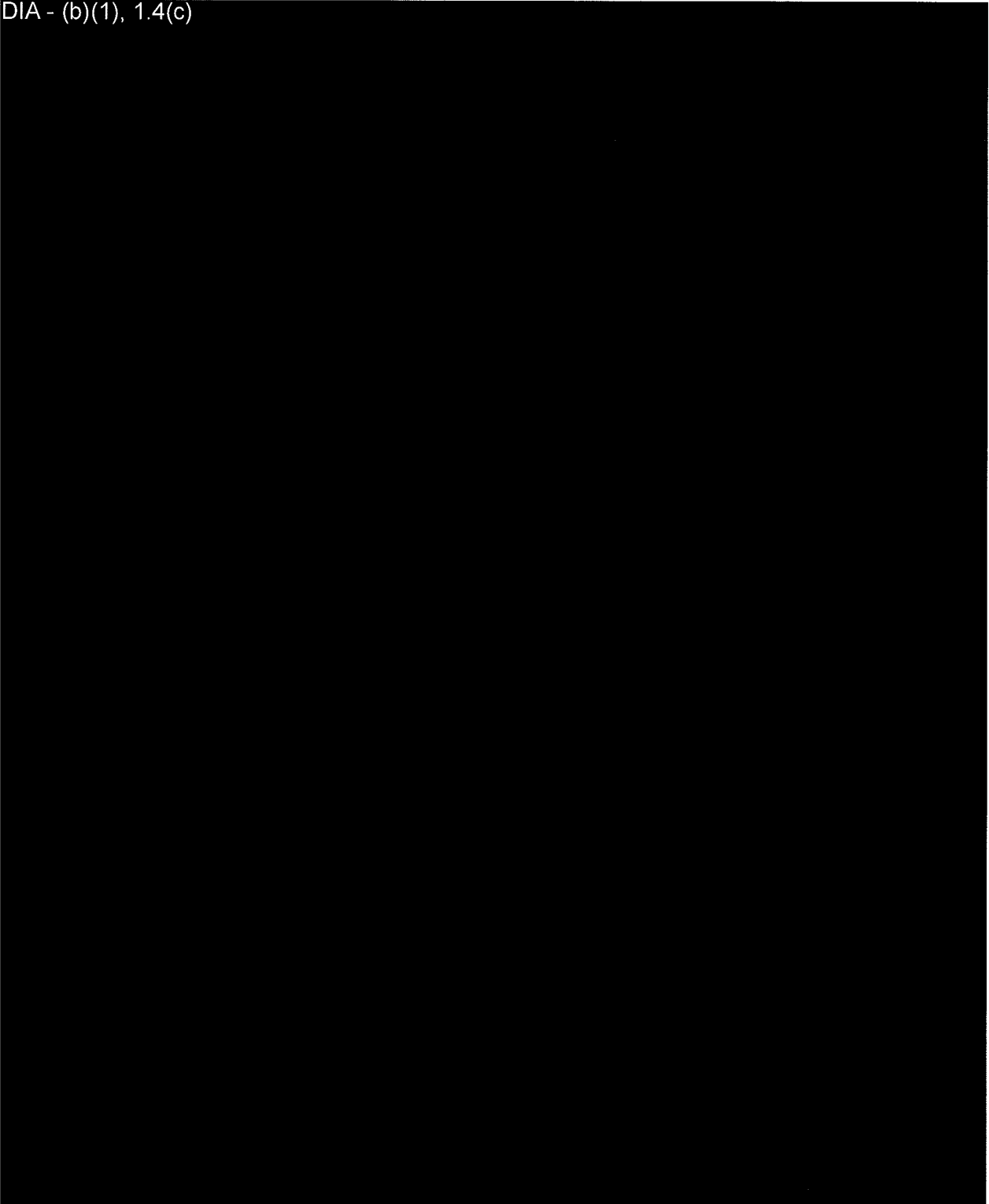
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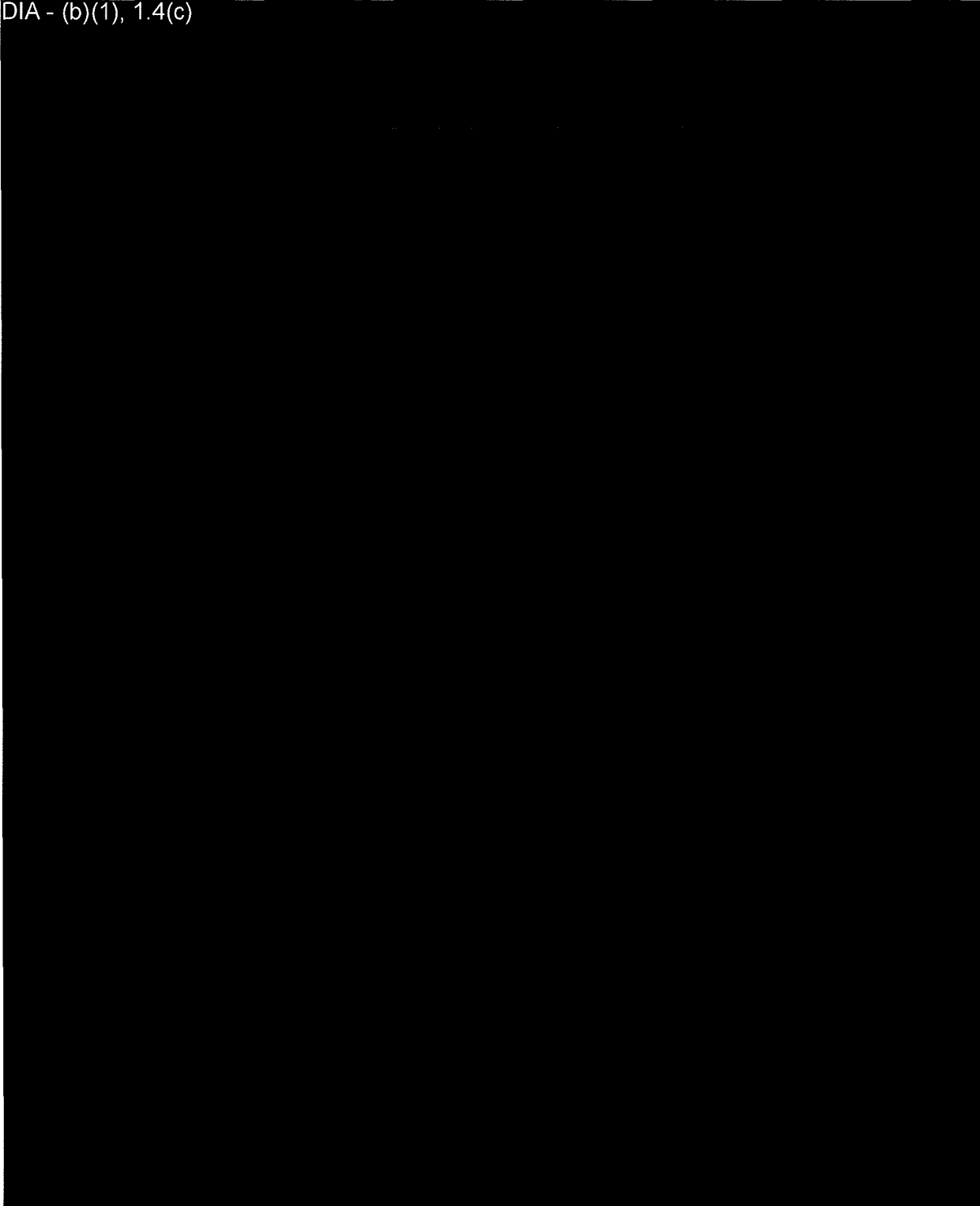
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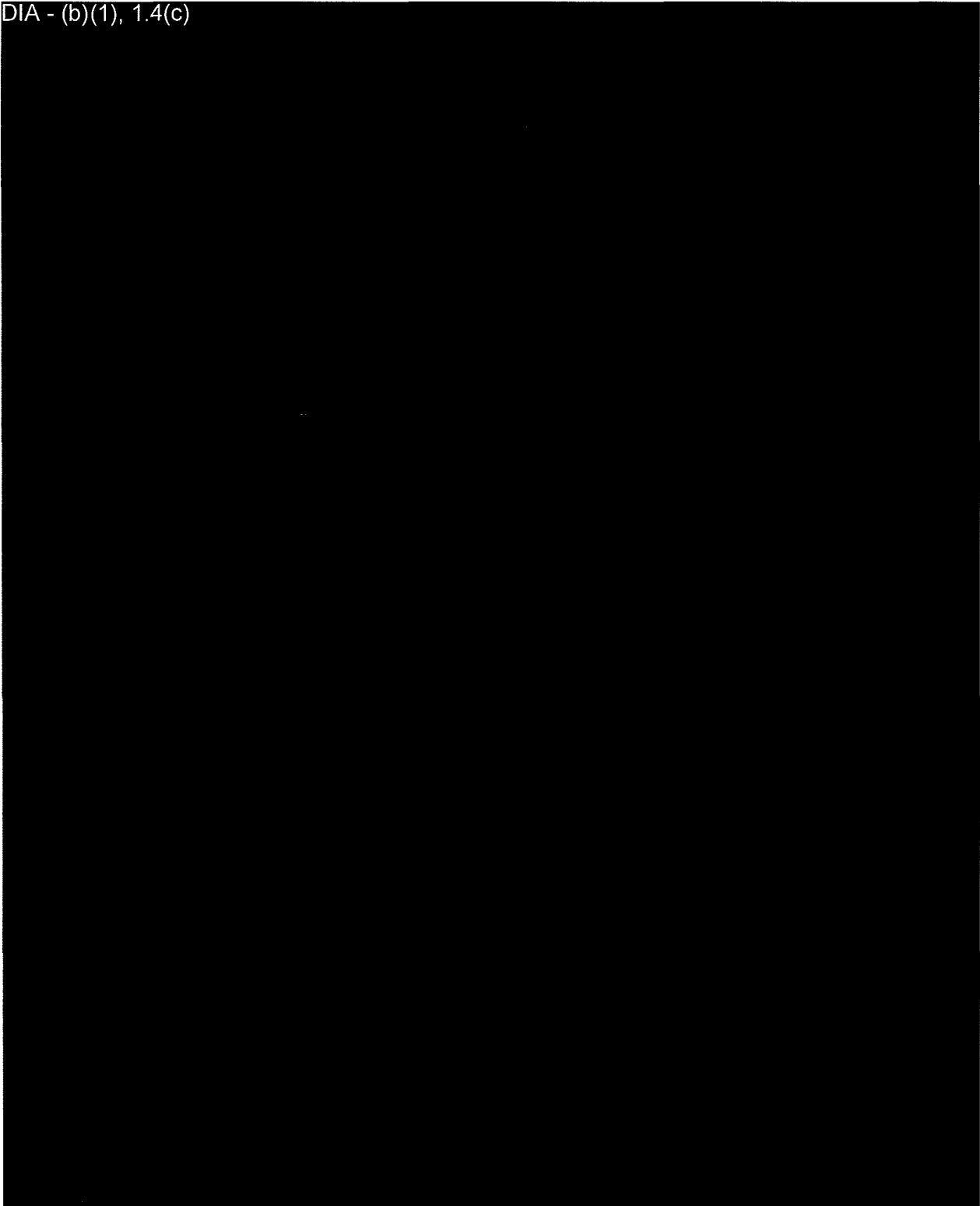
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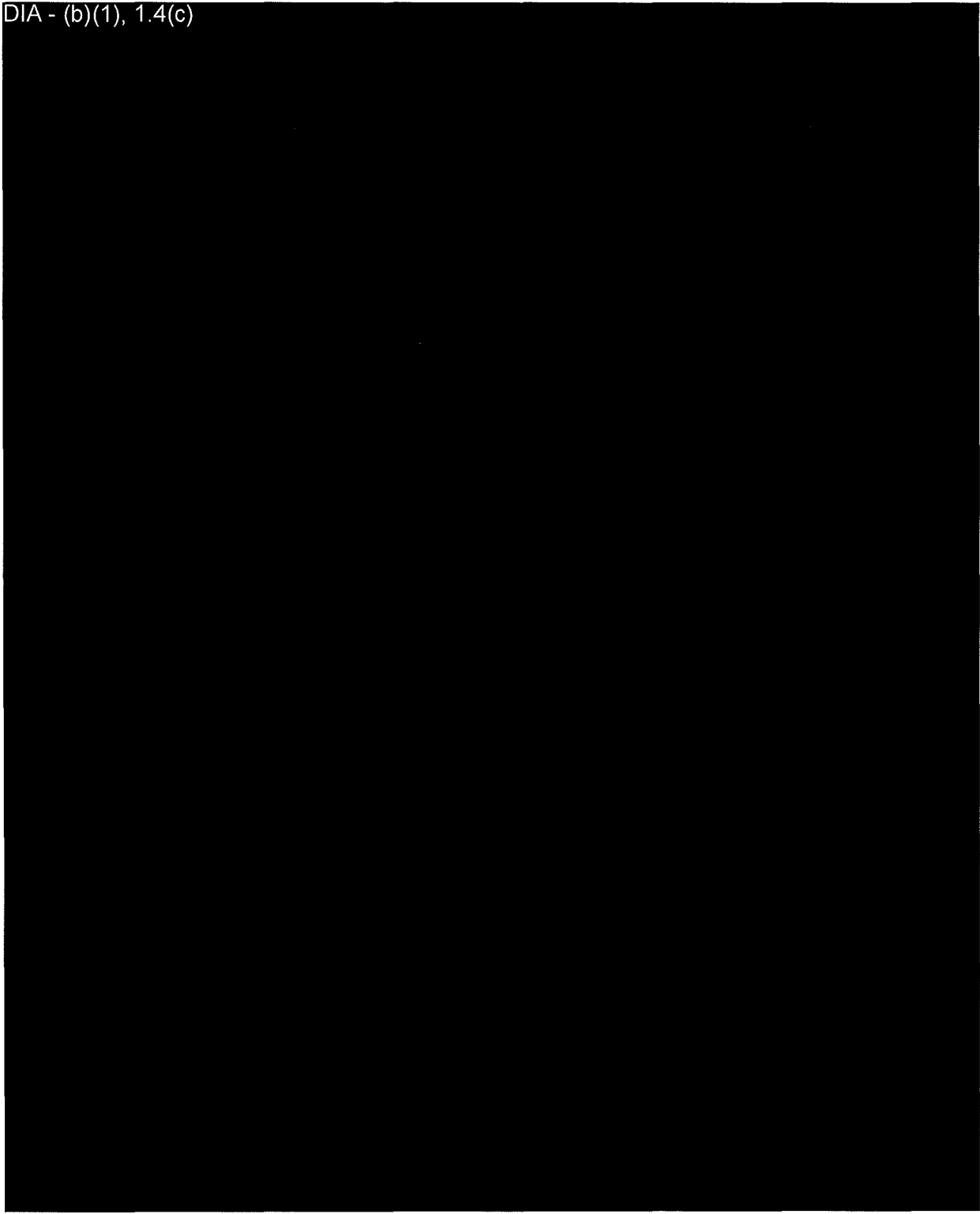
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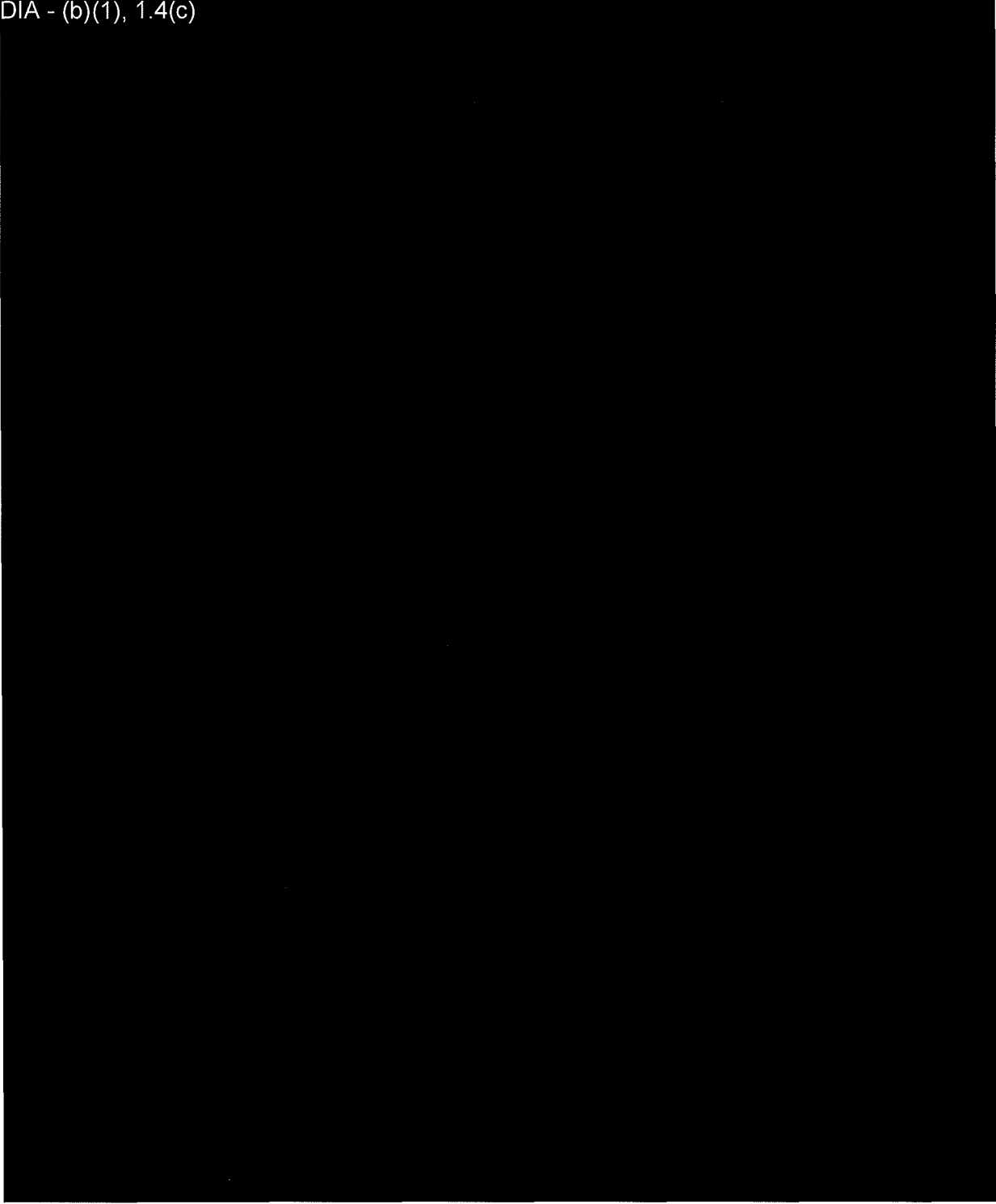
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DIA - (b)(1), 1.4(c)



DIA - (b)(1), 1.4(c)



(U)

Team Members

The Department of Defense Office of the Deputy Inspector General for Intelligence prepared this report. Personnel of the Department of Defense Office of Inspector General who contributed to the report are listed below.

DoD OIG: (b)(6)



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Inspector General
Department of Defense

~~SECRET//NOFORN~~