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TO DIRECTOR	EXREG CONTROL NUMBER		KCC CONTROL N IG-9932-0	
D/DIR , D SECR	ETARIAT faw 3/1/02	ACTI	ON APPROVAL	EXREG SUSPENSE
SUBJECT Quarterly Report to the	he Intelligence Oversight Board	X	SIGNATURE	KCC SUSPENSE
on NSA Activities—F	irst Quarter FY02		INFORMATION	ELEMENT SUSPENSE
DISTRIBUTION				

SUMMARY

PURPOSE: To forward to the Intelligence Oversight Board (IOB) of the President's Foreign Intelligence Advisory Board, via the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)), NSA's quarterly report on its intelligence activities.

BACKGROUND: Executive Order 12333 and Executive Order 12863 require Intelligence Community agency heads and Intelligence Community General Counsels and Inspectors General, respectively, to report to the IOB on a quarterly basis concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive Order or Presidential Directive. The enclosed memorandum covers all reportable activities known to the Inspector General and General Counsel. Per PIOB letter of 6 August 1982, Agency heads are responsible for reporting separately any additional reportable activities known to them, unless the President has specifically instructed that the Board is not to be informed. The Director's signature signifies that no other activities that require reporting are known to him.

RECOMMENDATION: Director sign the enclosed memorandum.

Approved for Release by NSA on 12-19-2014, FOIA Case # 70809 (Litigation)

(b)(3)-P.L. 86-36

DECLASSIFY UPON REMOVAL OF THE ENCLOSURE(S)

		COORDINATION	APPROVAL			
OFFICE	NAME AND DATE	SECURE PHONE	OFFICE	NAME AND DA	ΓE	SECURE PHONE
GC &	Robert Deitz	5548s				
AGC(O)	3	3121s				
Acting IG	Brian R. McAndrew	3544s	1			
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OBIGINITOR			ORG. D11	PHONE (Secure) 963-3544	DATE PREPARE 19 Februa	
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NATIONAL SECURITY AGENCY CENTRAL SECURITY SERVICE

FORT GEORGE G. MEADE. MARYLAND 20755-6000

7 March 2002

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE OVERSIGHT BOARD

THRU: Assistant to the Secretary of Defense (Intelligence Oversight)

SUBJECT: (U) Report to the Intelligence Oversight Board on NSA Activities -INFORMATION MEMORANDUM

- (U) Except as previously reported to you or otherwise stated in the enclosure, we have no reason to believe that any intelligence activities of the National Security Agency during the quarter ending 31 December 2001 were unlawful or contrary to Executive Order or Presidential Directive, and thus required to be reported, pursuant to Section 1.7.(d) of Executive Order 12333.
- (U) The Inspector General and the General Counsel continue to exercise oversight of Agency activities by means of inspections, surveys, training, review of directives and guidelines, and advice and counsel. These activities and other data requested by the Board or members of the staff of the Assistant to the Secretary of Defense (Intelligence Oversight) are described in the enclosure.

BRIAN R. MCANDREW Acting Inspector General

Brian R. Wik (Mé

General Counsel

(U) I concur in the report of the Inspector General and the General Counsel and hereby make it our combined report.

MICHAEL V. HAYDEN

Lieutenant General, USAF

Director, NSA/Chief, CSS

Encl: a/s

This Memorandum is Unclassified **Upon Removal of Enclosure**

DERIVED FROM: NSA/CSSM 123-2 DATED: 24 FEB 98 DECLASSIFY ON: X1

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1. (U) INSPECTOR GENERAL ACTIVITIES

a. (U/ /FUUU) During this quarter, the Office of Inspector General (OIG) reviewed	
various reports of inadvertent violations of the Attorney General (AG) procedures,	
as well as Department of Defense (DoD) and internal directives, to determine if	
corrective action was appropriate. (b) (3)-P.L. 86-	3
b. (S//SI) An OIG team conducted an inspection of the Signa <u>ls Int</u> elligence	
Directorate (SID) . The team found that did not have an	
office-wide Intelligence Oversight (I/O) program, resulting in inconsistent	
compliance with I/O policies. Several recommendations were made to remedy the	
inadequacies identified. One recommendation addressed publishing policy and	
procedures for executing and managing the I/O program, to include such	
things as specific supervisory responsibilities, newcomer and refresher training, and	
mechanisms to verify that all employees took the training. Other recommendations	
include listing I/O related duties in the I/O point of contact's performance plan and	
updating the 10 web page to include the organization's I/O policy and	
procedures and the name and responsibilities of the I/O point of contact.	
• • • • • • • • • • • • • • • • • • • •	
concurred with the recommendations and has implemented them.	
c. (S//SI) In our report for third quarter 2001, we described an incident in which an analyst claimed that he had not submitted a query on a U.S. business even though audit data indicated otherwise. Our investigation of this incident determined that	
the query was unintentional. A copy of our report of investigation is attached.	
d. (U// TOUO) The OIG issued its "Strategic Assessment of Intelligence Oversight"	

2. (U) GENERAL COUNSEL ACTIVITIES

under separate cover.

a. (C//SI) The OGC reviewed various intelligence activities of the United States Signals Intelligence System (USSS) to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. The OGC advised Agency elements on a number of questions, including the collection and dissemination of communications of or concerning U.S. persons; the reporting of possible violations of federal criminal law contained in SIGINT product; the testing of electronic equipment; and the applicability of the Foreign Intelligence Surveillance Act (FISA). With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on SIGINT operations. The OGC did not file any reports with the Intelligence Oversight Board during this quarter.

on 14 December 2001. Copies of the report have been provided to the ATSD (IO)

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3. (U) SIGINT ACTIVITIES

a. (S//SI) Collection Against U.S. Persons

(1) (U) Intentional (S//SI) During this quarter, the DIRNSA granted approval for consensual collection against persons; DIRNSA-approved consensual collection against U.S. persons was routinely terminated this quarter. (S//SI) The Attornev General granted authority to collect the communications of U.S. persons during this quarter. (b) (1) (b) (1) (b) (3) -P.L. 86-36 (c) (U) Unintentional (S//SI) This quarter, unintentional retrieval strategies using the raw traffic files resulted in incidents against U.S. persons. All incidents were reported to responsible oversight officials and investigated; corrective actions were taken. b. (U//FOUO) Dissemination of U.S. Identities

(1) (U) Intentional

(S//SI) In accordance with section 7 of USSID 18. U.S. identities were disseminated. The following table shows the justification and the number of instances of dissemination: in the "Unmasked" column, the U.S. identity was revealed in a serialized end product; in the "User Requested" column, a U.S. identity was released to a user at the user's request.

JUSTIFICATION	Unmasked	User Requested	TOTAL
7.2.c Necessary			
7.2.c.1 Foreign Official			Ī
7.2.c.2 Disclosure of classified info			
7.2.c.3 International narcotics			
7.2.c.4 Criminal activity			
7.2.c.7 U.S. Government Official			
TOTAL			

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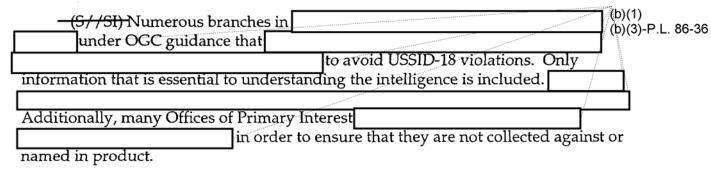
	(b) (1) (b) (3) -P.L. 86-36
	(2) (U) Unintentional
	(S//SI) During the fourth quarter of 2001, SIGINT products were canceled because they contained the identities of U.S. persons, organizations, or entities. Of these, were reissued with the reference to the U.S. person obscured.
	4. (U) OTHER ACTIVITIES (b) (3)-P.L. 86-36 (b) (3)-P.L. 86-36 (c) (3)-50 USC 3024(i) OGA
	(U) External Agency Relations
	(S//SI) Last quarter we reported on an incident at the
	NSA Oversight and Compliance and OGC personnel
	identified improper use of a SIGINT computer terminal by non-SIGINT personnel
	and other issues. Although corrective actions were implemented, another problem
	was recently identified at the SID Oversight and Compliance personnel discovered that since at least personnel at had
	discovered that since at least personnel at had been
(b)(1)	
(b)(3)-P.L. 86-36	
	SID personnel had repeatedly informed that this information
\	was considered raw traffic that may not be disseminated to other than SIGINT
	production personnel. had also been reminded that their unit does not have
	dissemination authority (per its USSID) and is not using an approved dissemination vehicle. After continuing dialogue, this issue was finally resolved. As of
	Vendere. Firet continuing dialogue, this issue was many resolved. As of
	-(S//SI) As reported last quarter,
l	provides NSA coordination and assistance on all support from federal law
	requests for support from federal law enforcement agencies and Intelligence Community partners.
	has been established to facilitate this effort; the OIG's testable policy base review of
	the operation is ongoing. During this quarter, there were instances—
	in which after OGC
	approval, provided assistance
	(b) (3)-P.L. 86-36
	(U) OGC Legal Authorities Briefing (b) (1) (b) (3) -P.L. 86-36
	(U/ FOUO) The SID has engaged the OGC to present a briefing on NSA's

(U/FOUO) The SID has engaged the OGC to present a briefing on NSA's legal authorities and restrictions to the entire SID workforce (civilians, military, contractors and integrees). It is geared toward a broad understanding of the

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fundamental legal principles underlying the SID mission. At the briefing, each individual is given handouts containing a list of all the legal documents that must be read on a yearly basis, procedures for handling a USSID-18 violation, and points of contact for specific oversight issues in the SID Oversight and Compliance Office. The first briefing was presented on 6 September; after a 2-month hiatus related to the September 2001 terrorist attacks, briefings resumed on 6 November. The goal is to brief each person assigned to SID by the end of March 2002. Most individuals assigned to NSA Headquarters will attend a live presentation of the briefing; those assigned to the field and other persons unable to attend will be able to view the presentation remotely or via videotape.

(U) Databases





NSA/CSS OFFICE OF THE INSPECTOR GENERAL

SUMMARY REPORT IV-01-058 7 January 2002

I. (U) INTRODUCTION (a) (3) -P.L. 86-36
(S//SI) The Chief, Oversight and Compliance (O&C) Office notified the OIG by memorandum that an analyst working in the had used the system to query on a U.S. Routine review by the back-up auditor, revealed that queried on a U.S. located in reported the incident to the O&C Office, and an inquiry was conducted
of O&C. (b) (1) (b) (3) -P.L. 86-36 (S//SI) inquiry concluded that the query could only have been submitted by the user explained that the query was that were made at the exact same time on
but not of the queries were valid queries made on that date and time; and he had no knowledge of the other queries, which included the query.
then sought to find if could have inadvertently or unknowingly queried Personnel in charge of the system were unable to find a scenario that could explain an inadvertent query by therefore, the matter was referred to the OIG. (b) (3) -P.L. 86-36
II. (U) SCOPE
(b)(1) (b)(1) to determine if (b)(3)-P.L. 86-3
any links could be established between and its key officers, or its location We interviewed (the back-up auditor), and Operations Manager). We obtained and reviewed the backup audit report pertaining to query activity along with what his office submitted about the incident to the IG Quarterly Compliance Report.
(b)(3)-P.L. 86-36

Personnel Privileged Information

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(U) FINDINGS	b)(3)-P.L. 86-36	
ALLEGATION: (S//S	I) Didviolate USSID 18 prohibitions b	by targeting a U.S.
(S//SI) Not Substantintentionally querified did not establish at geographic location had conducted fur	ny link between and further. the back	that knowingly or h Security, its key officers, or its up auditor testified that she ad learned that a (b)(1) (D)(3)-P.L. 86
since he started as he thoughtduring the O&C report - that t	time frame of the incident. reaffer was responsible for	id at the time of the incident he had no interest in firmed what he stated in the
gaid he f query, came from s Nevertheless sever	other queries as queries he had made in the had no idea where the other queries, since he could not recall ever having queried admitted that he may have queried all months prior, thinking recall more than that.	including the ed on them at all.
query.	testified that he made a thorough inquine other than could have been recould not determine why lis not on	iry, and it led him to
contacted	hat she noticed the query du She stated that told her he did argeted. Therefore, she sought to find out	e back-up auditor on ring a routine audit and d not know how or why howsystem (b) (3) -P.L. 86-
<u>(S//SI)</u>	testified that she learned from the	operations manager that
written technical exemplained	similar to what occurred on cplanation of how	provided a She
(S//SI)		ecord and credibility, she vertent and due to the could not recall
)(3)-P.L. 86-36	Personnel Privileged Information	(b) (1) (b) (3) -P.L. 86-36

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DOCID: 4165391 (b) (1) (b) (3)-P.L. 86-36 knowledge said she instructed all analysts using and will seek additional training for (b)(3)-P.L. 86-36 (S//SI) operations manager, testified that she thoroughly stated she concurs with discussed explanation of what led to inadvertent query on confirmed that and therefore could account for what occurred to (b)(3)-P.L. 86-36 IV. (U) ANALYSIS AND CONCLUSIONS (b) (1) (b) (3) -P.L. 86-36 (S//SI) explanation coincides with testimony that he recognized queries on not intend to make them, Those That he did not recall because the queries still allows that they were probably could not recall them. There is no way to confirm directory because, at direction, deleted all of his shortly after the incident to prevent future inadvertent queries. (S//SI) We conclude that query on was inadvertent and the cause was corrected. (b)(3)-P.L. 86-36 V. (U) Recommendation be notified of the (U//FOUO) Case be closed without further action, and results. Assistant Inspector General

Senior Assistant Inspector General for Investigations

Concurred By:

Personnel Privileged Information

SECRETI/COMINT//X1