NOTE: Because of the sensitive nature of the operations described herein, and the fact that the mere existence of a HUMINT capability within Navy is classified Secret No Foreign Dissemination, the true title of the Navy HUMINT organization will not be revealed. It will be referred to only as "The Activity."

Summary. In 1974, The Activity produced nearly 10,000 hard copy or electrically transmitted intelligence reports. The reports responded to myriad formal collection requirements levied by the Navy and other U.S. commands and agencies. Analyst evaluations revealed that a significant majority of the reports were valid, valuable and useful.

Intelligence production increased significantly in 1974 and the high quality of The Activity's reporting was maintained.

1. Objectives and Production. 663 ICRs and CIRs, and many other formal collection tasks, such as COLOPs, were levied on The Activity during 1974 and were in turn levied on Navy HUMINT collectors in the field.

During the year, The Activity produced 5,416 DOD IIRs (Intelligence Information Reports), 1,346 more than in 1973. Most of the reports concerned the Soviet Union and other Communist countries, 596 pertained to the Indian Ocean and 610 dealt with the Middle East. Virtually all reports received lateral distribution to appropriate theater and component commanders. Many of the IIRs were in message form and were transmitted electrically.

Based on evaluations received thus far, 78% of the reports were of great or moderate value to intelligence analysts. 94% of the IIRs were judged to be confirmed or substantially true. 92% of the information was utilized in some way by intelligence analysts and 65% of the reports were used in preparing intelligence publications.

It is interesting to note that production has increased dramatically in the last four years. CY 1974 production increased 25% over 1973. Production has doubled since 1970. Most importantly, the high quality of The Activity's intelligence reports has been maintained.
Information contained in the reports enabled NISC to code 226 foreign merchant ships in 1974. Approximately 30% of all ships coded by NISC are coded on the basis of information provided by The Activity. In addition to DOD IIRs, field elements last year produced 3,175 "MSL" reports which listed 31,426 movements by Communist and Communist chartered merchant ships. These reports were produced in response to specific tasking generated by NOSIC and listed in the DIRM. During CY 1974, fifteen field units were involved in MSL reporting. Reports were transmitted directly to NOSIC and to other interested consumers. The Activity is responsible for approximately 10% of all MSL reporting.

In the past year, 517 "Alert Reports" were transmitted by a field unit in the Eastern Mediterranean. They were sent directly to a variety of consumers. The reports contained information on the transits of Soviet naval and merchant ships through the Turkish Straits. The unit also produced 36,250 photographic negatives of Communist shipping.

Other units provided an additional 241 spot reports, most of which contained operational intelligence information on Communist navies. Among these were 50 spot reports issued during the last six months of 1974 in response to a request from DEA (Drug Enforcement Administration). The reports listed 110 movements by ships suspected of being involved in the illicit narcotic trade. These and other spot reports were rapidly disseminated to appropriate consumers.

In summary, The Activity produced 9,532 highly rated intelligence reports and collected a variety of technical intelligence data in 1974. Production was responsive to ICR, CIR, COLOP, DIRM and other formal intelligence collection tasking. Intelligence reports produced were in partial response to fourteen of 69 FY 1975 Key Intelligence Questions (primarily those related to military subjects) and to eight of 17 Critical Near-Term Defense Intelligence Objectives.
In 1974, Sources conducted missions into the Leningrad area, Black Sea ports, the Kola Inlet and into Soviet ports in the Far East. In the Middle East, reports contained information from 68 missions into Egyptian and Syrian ports, and sources conducted four missions into Berbera, Somali Republic. In the Far East, sources obtained intelligence on Communist Chinese and North Korean ship construction and naval order of battle. Sources entered the two countries nearly 100 times in 1974. One source observed and sketched for the first time a
new class of Chinese missile equipped patrol boat and CIA clandestine photography later confirmed the existence of the new unit. In North Korea, a source obtained the first ground level photography of three new classes of patrol boats, including the first indigenously produced North Korean guided missile boat. Another source spent nearly three months in a Communist Chinese port and kept a detailed log of all naval and air activity in the port during that period. Several hundred ship identification numbers were recorded.

4. Collection Operations in the Continental United States. In 1974, several overt and sensitive collection programs were conducted by personnel in The Activity’s headquarters and by field units in CONUS.