

Industrial Security Webinar Series

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**Potential Espionage Indicators (PEI):
Detecting Actions Outside the Norm**

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Agenda

- What are Potential Espionage Indicators (PEI)?
- PEI Considerations
- Case Studies
- Reporting PEI

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Poll 1 - What is PEI?

- Type your answer in the chat box.



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What is PEI?

- Activities, behavior, or circumstances that may, unless satisfactorily explained, be indicative of potential espionage activity by an individual who may be acting as a witting espionage agent or spy
- PEI are observable traits of the Insider Threat

Key: Identification of potential espionage indicators involves recognizing a pattern of suspicious activity

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PEI

- Historically, espionage and terrorism subjects have exhibited one or more of the following indicators:
 - Foreign Contacts (unreported or attempts to conceal)
 - Foreign Preference or Allegiance
 - Suspicious Foreign Travel (FTVL)
 - Security Violations
 - Financial Concerns
 - Negative Polygraph
 - Employment Behaviors
 - Exploitable Personal Conduct

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PEI Considerations

- Foreign Contacts (FCON)
 - Unreported FCON
 - Attempts to conceal FCON
 - First line foreign relatives associated with a foreign government
 - Foreign government or military service
 - Significant foreign business connections
 - Contact with Foreign Intelligence Entities

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PEI Considerations

- **Foreign Preference or Allegiance**
 - Maintains dual or multiple citizenships
 - Use of a foreign passport for travel
 - Use of a foreign national identification card for travel
 - Foreign bank accounts for financial interests
 - Expresses an affinity, bias, or favor for a foreign nation



Ana Montes

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PEI Considerations

- **Suspicious Foreign Travel (FTVL)**
 - Frequent or unexplained trips of short duration
 - Attempts to conceal FTVL
 - Inconsistencies with reported FTVL and passport entries
- **Security Violations**
 - Pattern of behavior inconsistent with security policies
 - Mishandling classified information
 - Misusing automated information systems
 - Removing classified information from the workspace
 - Attempting to enter areas not granted access, or 'need-to-know' violations on information systems

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PEI Considerations

- **Financial Concerns**
 - Unexplained affluence
 - Suspicious financial activity
 - Unreasonable financial capabilities
 - Personal financial statement (PFS) does not match subject's financial situation
- **Negative Polygraph**
 - Polygraph is inconclusive or indicates deception
 - Polygraph interview provides information inconsistent with Personnel Security Interview and Personnel Security Investigation



Aldrich Ames

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PEI Considerations

- **Employment Behaviors**
 - Long hours
 - Working early mornings, late evenings, or weekends
 - Frequently alone in the office
 - Extensive use of copier, fax, etc. to reproduce or transmit classified or sensitive information
 - Interest in matters outside scope of official duties
 - Excessively disgruntled or 'revenge' complex

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PEI Considerations

- **Exploitable Personal Conduct**
 - Sexual deviance
 - Adultery
 - Drug or alcohol abuse
 - Excessive gambling
- **Stand-Alone PEI**
 - Unofficial contact with Foreign Intelligence Entities
 - Membership in subversive groups or organizations

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PEI Case Study: Regan

- Brian Patrick Regan, Bowie, MD
- Former Air Force intelligence analyst and defense contractor at NRO
- "The spy who couldn't spell"
- Motivation: Mounting debt and disgruntlement
- Asked Saddam Hussein for \$13 million for information about U.S. reconnaissance satellites



August 23, 2001 – Arrested on charges of marketing highly classified documents and gathering national defense information

March 2003 – Sentenced to life in prison for attempting to sell information to Iraq and China and gathering national security information

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Poll 2 – Recognizing PEI

What are some PEI in the Regan case?"

- Type your answer in the chat box.





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PEI Case Study: Regan

- Indicators of Espionage
 - Deeply in debt
 - Works odd hours
 - Foreign national spouse
 - Late nights in copy room
 - Failure to report foreign travel
 - "Top Fifty" user of Intelink
 - Alcohol abuse
 - Inappropriately obtained classified information not related to work duties




Regan used a complex encryption scheme (left) to describe the locations of documents buried in a state park near Washington, DC (right)

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PEI Case Study - Gowadia

- Noshir Gowadia of Haiku, HI
- Principal design engineer of B-2 stealth technology
- Denied TS/SCI access twice
- Provided China with technology information valued at hundreds of millions of dollars for a sum of \$2M



October 25, 2005 – Arrested on charges of marketing and disclosing classified B-2 stealth technology

August 9, 2010 – Convicted of unlawfully exporting technical information, illegally retaining defense information and filing false tax returns. Received a 32-year prison sentence.

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PEI Case Study: Gowadia

- Indicators of Espionage
 - Unexplained affluence
 - Pattern of suspect financial transactions
 - Pattern of suspicious foreign travel location
 - Pattern of suspicious foreign travel frequency



Gowadia's \$1.8 million Maui home

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Poll 3 – What Do You Do?

You are unsure, but you suspect a co-worker has recent unexplained affluence and a new foreign girlfriend... What do you do?

- Type your answer in the chat box.





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Contractor Reporting of PEI

- NISPOM Guidance:
 - 1-302 a. Adverse Information.

Contractors **shall** report adverse information coming to their attention concerning any of their cleared employees.

Reports based on rumor or innuendo should not be made.

The subsequent termination of employment of an employee does not obviate the requirement to submit this report.

If the individual is employed on a Federal installation, the contractor shall furnish a copy of the report and its final disposition to the commander or head of the installation.

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Reporting of PEI

- DoDD 5240.06, Counterintelligence Awareness and Reporting (CIAR), Enclosure 4 - Reporting
 - Reporting Requirements - DoD personnel shall report the contacts, activities, indicators, and behaviors stated in section 5 of this enclosure as potential FIE threats against the DoD, its personnel, information, material, facilities, and activities, or against U.S. national security
 - Section 5 – Reportable contacts, activities, indicators, and behaviors = PEI



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Questions...



CI Products Link:
http://www.dss.mil/isp/count_intell/index.html
