



GENEVA CENTRE FOR THE DEMOCRATIC CONTROL OF
ARMED FORCES (DCAF)

CONFERENCE PAPER

CZECHOSLOVAK (CZECH) INTELLIGENCE AFTER THE COLD WAR

Oldřich Černý

*Executive Director of Forum 2000
Prague, Czech Republic*

cerny@forum2000.cz

Paper presented at the Workshop on "Democratic and Parliamentary Oversight of Intelligence Services", held in Geneva 3rd-5th October 2002, organized by the Working Group on the Parliamentary Control of Armed Forces (PCAF) and the Working Group On Democratic Control Of Internal Security Services (DCOIS) and the Geneva Centre for the Democratic Control of Armed Forces.

DCAF Conference Papers

DCAF Conference Papers constitute studies designed to promote reflection and discussion on civil-military relations and issues of democratic control over defence and security sector. The publication of these documents is **unedited** and **unreviewed**.

The views and opinions expressed are those of the author(s) and do not necessarily reflect those of the Geneva Centre for the Democratic Control of Armed Forces.

DCAF Conference Papers are **not for quotation** without permission from the author(s) and the Geneva Centre for the Democratic Control of Armed Forces.

CZECHOSLOVAK (CZECH) INTELLIGENCE AFTER THE COLD WAR

Oldřich Černý

To understand why the Czechs and Slovaks decided to choose different paths to build their intelligence community after the huge changes of 1989 than the rest of the Warsaw Pact countries, one has to take into account the political climate that existed in communist Czechoslovakia and compare it with developments elsewhere, namely in Poland and Hungary.

The year that brought a gradual end to the bi-polar world, 1989, was filled with huge contrasts. That amazing year begun in January in Prague with a so called Palach's week with the police beating up protesters honouring the memory of the student who in 1969 immolated himself in 1969 in protest of the Soviet occupation of the country. At the same time in Poland the round-table discussions were already on the way and the Hungarians were engaged in a free discussion of the 1956 uprising. June 1989: the Poles had their first semi-free elections filling the upper house of their parliament, the Sejm, with anti-communists while Havel was still serving his last prison sentence. August 1989: The governments of Hungary and Poland issued their apologies for the part their countries played during the 1968 invasion, causing huge embarrassment to the Czechoslovak communists who were just getting ready for the August 21 demonstration planned by the opposition by arresting the dissidents and putting them into preventive detention cells. October 1989: Guyla Horn is letting the East Germans go to Austria. At the same time, Havel is in the hospital fighting pneumonia. When I visited him on October 28, he was in a very pessimistic mood and he was talking about Czechoslovakia as of a Castro-like island in a sea of democracy. Then on November 17, everything happened nearly overnight.

Therefore, while certain evolutionary processes were happening in Poland and Hungary giving the Polish and Hungarian services time to reflect them, regroup and

somehow get ready for a new era, the Czechoslovak secret services (1st and 2nd directorates of the STB which is the abbreviation for the communist secret police) were, to the last minute ,together with the army and people's militia, the direct power tools of the Communist party of Czechoslovakia. They were strong, feared and unreformable and their structure was a mystery.

Although until the events of 1989, the overwhelming majority of ordinary citizens of the Czechoslovak Socialist Republic dutifully obeyed the communists' orders, after November 17 a lot of them became fervent revolutionaries with tales to tell and real or imaginary scores to settle. The situation in the first half of December 1989 was absurd. We had our first democratic government, but the STB people still reported for work busily shredding the ongoing files, conspiracy theories abounded, and the seat of the Minister of Interior was strangely vacant. Officially, the Ministry of Interior was administered by two deputy prime-ministers and the prime – minister, but on a day to day basis it was run by general Lorenz who until Nov 17 was in charge of both 1st and 2nd directorates. General Lorenz played a prominent part in destroying the documents, for which he was later sentenced to three years in prison, a sentence that due to the break-up of Czechoslovakia was never served. The shredding of the on-going files continued more or less uninterrupted until mid-December. The communist secret police were thus given ample time to cover their tracks and provide protection to their secret collaborators, a service which, they thought, could come very handy in uncertain times ahead. This strange situation changed only after Havel was elected President on December 30. One of his first acts as President was to name Richard Sacher, a prominent functionary of the Christian Democratic Party, the Minister of Interior tasking him to dismantle the STB so that the new regime would finally get rid of the climate of suspicion and fear. Sacher set out to fulfil his role nearly immediately after he was appointed. He had closed down all politically compromised sections of STB, namely the huge directorate for the fight against the so called inner enemy, all the officers had to hand in their badges and weapons and were transferred from active duty to the reserves. Therefore, we can say that as of mid- February, 1990 the STB no longer existed (17 000 people).

Sacher insisted that the STB officers should be dealt with according to the existing laws. All those laws, including the Labour Code, were designed by the communists

lawyers. The result: most of those STB officers who left in the first months after Nov 17 were given hefty financial bonuses for the years they spent in the service.

Some of the STB officers made an assessment of their situation, did not wait for the screening processes to start and left of their own will. This is particularly true of the officers of the First Directorate (Foreign Intelligence) who knew foreign languages, acquired civilized manners and had good contacts abroad. These people were among the first on the starting line of the new brave capitalistic world. However, most of their ventures sooner or later crashed because despite all their comparative advantages they never really understood the rules of a market economy and relied on the favour for favour system.

Those who did not leave of their own free will were subjected to systematic vetting by the Citizens committees established by the Civic Forum and its Slovak counterpart Public Against Violence. Paperwork was done by a network of 3 man-screening commissions (1 former STB officer fired after 1968, one member of the citizens committee and one current employee of the Interior Ministry).

The vetting procedures were long, many mistakes were committed, some of the commissions were infiltrated by agents of the STB, but on the whole one can say that the STB had been dismantled methodically and lawfully and an institution which plagued the Czechs and Slovaks with nightmares was completely discontinued. There were fears that the fired officers of the STB would form underground organizations and conspire against the new regime, but those fears never materialized.

Somewhat different steps were taken in dismantling the First Directorate, that is the Intelligence Service. This service also operated under the Ministry of Interior and at the end of 1989 employed both at home and abroad approximately 1 300 people working on KGB orders in 35 countries all over the world. In the first two or three months the atmosphere at the First Directorate HQ was quite chaotic. There were rumours that the new regime would nullify the benefits due to those who were about to retire (generous severance pay and a special bonus) and most of the officers over 55 asked for retirement before Christmas. The officers abroad were gradually cancelling their meetings with their agents. Some of the officers, particularly in

Washington, New York, London, Tokyo and Brussels were approached by their CIA counterparts from with offers of cooperation. Most of them reported it to Prague, but Prague remained silent. Just before Christmas all six Soviet advisers left for their holidays vowing to return after the Russian New Year, a promise that somehow never materialized. Otherwise, nothing much was happening until the end of February 1990 when Mr Holan, (a former First Directorate officer and one of the first to be purged after the 1968 Russian invasion) was appointed as acting director of the service. Holan's first directive to the "residents" abroad was: "Stop all activities immediately." At the same time he ordered an audit of all financial resources, an act for which, I, as one of his successors, am still eternally grateful to him. At that time, the Czechoslovak intelligence had about 300 agents all over the world. Apart from the meetings that were already fixed a long time ahead and where the agents were told that the marriage was over, all of these people were left out in the cold practically over night. Recalling the "illegals" was a bit more complicated. Analyses of each individual case were made and the process took nearly two years to complete. There were some bizarre situations: one Czech intermediary was detected by the FBI in New York and rather complicated and awkward negotiations ensued. In summer 1990, the new director of the service, Mr Radovan Procházka, who spent fourteen years in communist concentration camps, recalled all the embassy residents in western capitals, installed a few declared representatives instead and recalled all operatives sent abroad without diplomatic cover. Despite all these steps, some continuity with the First Directorate still persisted until the division of the country at the end of 1992. The search for a new orientation was difficult and some old habits were dying very slowly.

When it came to building the new institutions, there was a general consensus within the Czech society that the new Czechoslovak intelligence community must be based on appropriate and relevant laws, must have parliamentary oversight, must be stripped of all executive powers (arrests, interrogation), must be tasked and coordinated by the government and should limit its activities to information gathering and analysis with special emphasis on terrorism, extremism and organized crime. Despite this universally shared consensus, our first version of the non-communist internal security service, called the Office for the Protection of Constitution and Democracy (OPCD), was an unbelievable mess, a very convincing proof of the overall confusion in those days. The new democratic elites were babes in the woods

when it came to intelligence, so they turned for help to old professionals who eagerly volunteered for the top jobs. Those professionals were former STB officers fired after the 1968 invasion who spent the next twenty years in oblivion often working in manual jobs. The problem with some of these people was that they thought that in 1990 they could start work exactly where they left in 1968 or 1969 without taking note that nearly twenty years had passed and the world had changed a little bit. The result was that for several months in 1990 we had to cope with a big misunderstanding called the OPCD, which employed nearly 6 000 people and was structured along the lines of the old STB. Even though the new government clearly stated its foreign policy goals (back to Europe!), a clearly stated security policy was painfully lacking. Two sections of the OPCD were focused on good old enemies the USA, Great Britain and Germany. Surveillance and technological (eavesdropping) sections were staffed by technicians from the old era who were kept busy by answering the citizens' complaints regarding the real or imaginary listening devices. At that time, no new laws were even considered by the Czechoslovak parliament and oversight rested solely with the Defence and Security Committee of the Federal Parliament and was mostly perfunctory and unqualified. Privatisation of the economy, rehabilitation, and restitution concerns were far more important than security issues. But the structure of the OPCD was too much to ignore. President Havel, therefore persuaded an old friend and former dissident, Jan Ruml, into taking a job at the Ministry of Interior with special responsibility for the OPCD. Ruml purged the OPCD of most of the old veterans from the sixties and most of the remaining STB leftovers. With surveillance and technological departments becoming an integral part of the Ministry of Interior, the OPCD was trimmed to roughly 1 000 people, mostly those who volunteered after 1989. It was a very strange bunch consisting of former dissident activists, "grey zone" people and band wagon jumpers, but a vast majority of them had one common denominator: no experience in security issues, tradecraft and the ways an intelligence service should function in a democratic society. How did we tackle this problem? The old STB schools were no longer in existence. So we simply asked our new western friends for help. And the help was given: by the Americans, by the Germans, by the Dutch and, most of all by the British who were extremely helpful in preparing and organizing several very well structured courses both in Britain and Czechoslovakia. The graduates of those (and other) courses gradually assumed higher posts within the intelligence community hierarchy and some of them later

became teachers and instructors themselves devising the curriculum for the newcomers.

The new officers were taught by their mentors from the other side of the former iron curtain not only of the basic elements of tradecraft, analysis, file keeping etc. but also of the need for oversight and tasking and coordination by the government. The early 90's in Czechoslovakia were marked by a great degree of passivity on the part of the politicians to address these important issues. Although most of our early 90's politicians came from similar dissident or grey zone backgrounds, after 1989 they chose different careers and went to different schools and the traumatic experience of forty years of the communist secret police was still strongly felt. It was as if they were saying: "All right, we have the services because we have to have them but at the moment we are too busy to bother with the necessary laws." This complete lack of government initiative to prepare and present the needed legislation led a group of parliamentarians to draft a law for the Federal Security Information Service (FBIS is how the OPCD was renamed) defining the mandate of the agency, the means that could be used to fulfil it, and the basic elements of control and oversight. The law detached the FBIS from the Federal Ministry of Interior, defined the mechanisms for appointing and removing its director, and the accountability of the director to the parliament. This law, passed by the Federal Parliament in May 1991, was far from perfect (one major flaw: the FBIS was tasked by the government collectively which meant that no government minister was responsible for the activities of the service) but at least laid down the groundwork on which to build later. Foreign intelligence service remained a part of the Federal Ministry of Interior (a nice contradiction in terms pertaining to this day) and no legislative steps in this regard were even thought of.

The first special parliamentary organ to oversee the FBIS was set up in January, 1991 but it took several months before its members were cleared for access to classified information. Reluctance on the part of the government, followed by legislative haste resulting in mistakes can be explained (but not justified) by two reasons. All of this was happening against the backdrop of the demise of the bi-polar world when the traditional military threats were diminishing and a host of "new" threats that did not threaten the territorial sovereignty of the state but its very structure, the function of its institutions and well – being of its citizens was grossly

underestimated. Due to opening of the borders, restitution and privatisation laws, huge masses of property were being moved without appropriate regulative and control measures in a country where the politicians bragged that the economists had overtaken the lawyers, which later proved a fatal mistake. A lot of the Czechs and Slovaks were baffled by the new world unveiling before them. One example: in early 1991, when I served as President Havel's advisor in security matters, I was approached by two policemen from the town of Zlín near the borders with Slovakia. They were worried about some Italian companies cropping up in their region doing everything but what they were registered for. The policemen suspected mafia activities and asked me to consult on their suspicion with appropriate authorities. I handed over their data to a declared representative from SISMI whose response – a fortnight later – I will never forget: "Don't worry, Mr Cerny, we checked it very thoroughly and it is O.K. , it is not mafia, it's only organized crime." But how do you explain this subtle distinction to two policemen whose only knowledge of mafia comes from watching Godfather movies? Another important factor overshadowing everything else was the division of the country. Over the years of co-existence of Czechs and Slovaks there had always been some nationalistic sentiments brewing on both sides. But after 1989, the lid was off and by the beginning of 1992 it was clear that the country was heading for separation into two independent states. The ratio for division of the property and other assets was determined according to the ratio of population (10 000 000 Czechs, 5 000 000 Slovaks)therefore 2: 1. The division of the military brought on some bizarre complications. Given the logistics of the Warsaw Pact, most of the combat troops were stationed on the Czech territory, while the schools, storage facilities and armaments factories were situated in Slovakia. Czechoslovak supersonic fighters operated from the Czech air bases but the only school for training the pilots of the fighters was in the most eastern part of Slovakia and was staffed by the Czech instructors. Good political will on both parts worked miracles and acceptable solutions were found. But there was one problem that was giving nightmares to the Czech and Slovak spymasters: how do you split the archives of the secret services, which together with the army belonged to the most federalist institutions of them all? Finally, we did it on a 1: 1 basis. This decision later, when Mr Mečiar's Slovak Information Service became riddled with old STB cadres and showed its potential by kidnapping the President's son and other escapades, proved quite wise. Although the relations between the Czech and Slovak services during Mr Mečiar's premiership were not exactly warm, knowing exactly what the

other side had on its historical files prevented us from staging stupid antics against each other.

II. Czech Republic – 1992 – 2002

When the new republic officially came into existence on January 1, 1993 the spectrum of the Czech intelligence community did not change from the times of the Federation. We still had four services, two civilian and two military: BIS (Information Security Service), which was constituted by the law, passed in undue haste in the last months of the Federation, ÚSZI (Office for Foreign Relations and Information – civilian intelligence),

VOZ (Military Defence Intelligence) – military counter-intelligence and ZSGŠ (Intelligence Service of the General Staff – military intelligence).

What changed was the perception of the intelligence community by the executive branch. To be a head of the service in the first years of Václav Klaus' government was not to recline on a bed of roses but to fight for survival. While the first two years after 1989 were devoted to dismantling the old communist secret police structures and building the new ones, the following years should have been devoted to gradual strengthening of the coordination and tasking, analytical and operational skills on one hand and further necessary legislative steps including oversight on the other hand. But Vaclav Klaus is an economics-focused pragmatic politician with an instinctive aversion to military and intelligence issues. Transformation of the economy of the country, which was slowed down by the division of Czechoslovakia, was foremost on his mind and military and intelligence were "cinderellas" of the Czech establishment. Shortly after he became the prime minister he found out – most likely to his great dismay - that among other functions he did not expect to come with the premiership was the post of the Chairman of the Council for Coordination of the Intelligence Services. The British model of the Joint Intelligence Committee inspired the creation of the Council, initiated in 1991, by a few representatives of the intelligence community craving more interaction between the intelligence community and the executive branch. The Council consisting of the heads of four services, the President's advisor on security matters, the prime – minister, minister of defence, minister of finance, minister of interior and minister of foreign affairs was, of course, a far cry from the JIC but at its best provided much needed room for dialogue between

the intelligence community and the executive branch and as one veteran of those early days put it: "... at least they saw that there were no horns sticking out of our heads."

Spurred by the journalists, Mr Klaus finally called for the first meeting of the Council for Coordination of the Intelligence Services in late March 1993. The atmosphere in the room was very nervous and Mr Klaus was late. When he finally came he sat down looked over the room and said the famous words much quoted by the Czech press, particularly after 09,11,01: "If I could I would dissolve you all but I probably would not get away with it. So, what's on the agenda?" This can hardly be described as a promising start to the new relationship. But with the benefit of the hindsight I think one can understand his reasoning. On the opposite side of the table were four people trying to scare him with uncontrollable migration waves, instability in Russia, growing threats of international terrorism, nuclear smuggling, mafia-linked crimes, etc. But the numbers just were not right. The results somehow did not justify the required expenditure, and the broader circumstances of the origin of the new Czech intelligence community completely eluded him.

Nevertheless, under pressure the government promised to present the parliament with the new law that would reflect the fact that there are four intelligence agencies in the Czech Republic (until such a law was passed the civilian foreign intelligence service and its military counterpart were – from a purist legal view – illegal organizations), define their mandates, means of control, oversight, tasking and the degree of political responsibility of the respective ministers of the government. The work on the law was slowed down by the proposal made by the then Director of the BIS, Mr Devátý, who advocated the merger of civilian intelligence and counter-intelligence and, likewise, the merger of the remaining two military services into one. The idea was supported by Mr Klaus, who thought that when it came to intelligence community, "the less was beautiful and economical" and opposed by the Minister of Interior, Mr Ruml, and the Minister of the Foreign Affairs, Mr Zeleniec, who pointed out that both services, internal and external, operated in different legal frameworks. A lengthy debate – called by the Czech press "the war of the secret services" - about the numbers diverted attention from the more important issues of political responsibility and functional ties to the respective ministries. Thus, when the new "umbrella law" (153/94 S.) was finally approved by the parliament in July 1994, it

codified the already existing structure with foreign intelligence being administered by the Ministry of Interior and the BIS being suspended in the executive vacuum, making functional ties with the Ministry of Interior (police) very complicated. On the other hand the acknowledgment of the existence and legitimacy of the two foreign intelligence services had a positive influence on the services' standing in the state apparatus and their relations with their counterparts abroad. The law also more clearly defined the accountability of the government and its respective ministers for the activities of the services.

The law acknowledged the parliamentary powers of oversight, but did not bother to go into greater detail. Instead, the government pledged another law which would be devoted solely to this matter and would clarify in great detail the parliament's overseeing powers that would not cover only civilian and military counter-intelligence but also both civilian and military intelligence services. The Klaus government did not fulfil this promise and at least one good parliamentarian initiative in this regard (sponsored by MPs Kužílek and Šuman) was thwarted for reasons that had no bearing on the crux of the matter but were related to the squabbles within the ruling coalition. The opposition, consisting mainly of the Social Democrats, vowed to force the government to submit the much-needed law on oversight but did not succeed, even though one of the leading Social Democrats (Mr. Bašta) became, in 1996, the head of the parliament's commission overseeing the BIS activities. In 1998, the Social Democrats came into power and Mr. Bašta became the Minister whose portfolio included, among other duties, coordination and legislation of the intelligence community. Several drafts of the law were made, but none of them found its way into parliament. Despite these legislative setbacks, the BIS and VOZ (civilian counter-intelligence and military counter-intelligence) oversight commissions, due to pushing through certain changes in procedural matters like parliament's power to lift the oath of silence from the officers the commission might like to question, played in the second half of the 90s a far more important role than it had in previous years.

The umbrella law 153/94 Sb. was the last legislative measure pertaining to the Czech intelligence community adopted by the Czech parliament. When the Social Democrats formed their first government they vowed to learn from the mistakes committed by their right of the centre predecessors and announced an ambitious plan that was to consist of two parts. Part 1 was supposed to be the audit and

assessment of the activities of the Czech secret agencies. Logical follow up to part 1 was supposed to be the reform of the community based on the results of the audit. The audit, took place, but the results are not known. The second phase of this bold plan, the reform that would repair the flawed structural architecture of the Czech intelligence community, has never materialised. Another social-democratic promise to deliver to the parliament draft of the law on parliamentary oversight has also not been fulfilled. The tragic events of September 11th and their aftermath had two impacts on the Czech intelligence community. The first is positive: both the Czech public and, hopefully some of the politicians realized that spies and counter-spies do, at least from time to time, play a relatively important role in providing security in today's fragile world. Unfortunately, the events of September 11 also created an atmosphere in which any reformist plan will stay on the shelves for a long time to come.

In early 1990, Czechs and Slovaks decided to make a clean break with the past. We removed most of the "old intelligence structures" and replaced them with young recruits. This decision gave us a huge psychological advantage in dealing with our new western allies. It also served as an insurance against old communist skeletons coming out of the closets at the time when we least needed it. On the other hand, it takes a few years to train a good intelligence officer. We also learnt that former dissidents usually do not make good spies and counter-spies. As the Czech intelligence community was coming of age, it had suffered some spectacular failures, registered a few considerable successes and had had its fair share of scandals, particularly in mid-90s. Our laws covering the intelligence community were passed in haste and are in grave need of amendment. Oversight by the parliament only covers the activities of civilian and military counter – intelligence. It will take at least two years to include civilian and military intelligence under the parliamentary oversight umbrella. Despite its NATO membership and EU aspiration, the Czech republic is still a country in transition and the state of the Czech intelligence community reflects the state of the whole society. It is neither better nor worse. I sometimes wonder: would we be better off now if in early 90s we had tried to reform the already existing communist structures? I strongly doubt it.

Special thanks to Karel Pacner, Kieran Williams and Chris Donnelly.



Established in 2000 on the initiative of the Swiss government, the Geneva Centre for the Democratic Control of Armed Forces (DCAF), encourages and supports States and non-State governed institutions in their efforts to strengthen democratic and civilian control of armed and security forces, and promotes international cooperation within this field, initially targeting the Euro-Atlantic regions.

The Centre collects information, undertakes research and engages in networking activities in order to identify problems, to establish lessons learned and to propose the best practices in the field of democratic control of armed forces and civil-military relations. The Centre provides its expertise and support to all interested parties, in particular governments, parliaments, military authorities, international organisations, non-governmental organisations, academic circles.

Geneva Centre for the Democratic Control of Armed Forces (DCAF):
rue de Chantepoulet 11, P.O.Box 1360, CH-1211 Geneva 1, Switzerland
Tel: ++41 22 741 77 00; Fax: ++41 22 741 77 05
E-mail: info@dcaf.ch
Website: <http://www.dcaf.ch>