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8-204

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Security Division, I & S Staff

FROM : Chief, Inspection Division, I & S Staff

DATE: 25 May 1950

SUBJECT: Notification To Contractors of Employees Clearances.

1. A standard ditto form prepared in your Division and submitted to the Procurement and Supply Division/SSS through Inspection Division/I&SS, notifies the contractor of the result of the check made by this agency on Personnel Security Questionnaire forms submitted by the contractor for individuals in his employ as follows:

"No objection is interposed to the employment of
the above mentioned individual on Contract No. - "

25X1A9a This notice is signed by Mr. [REDACTED] and is dispatched to the contractor.

2. The Procurement and Supply Division/SSS now raises the point that, since some PSQ clearances are obtained before contracts are executed, and at times when no contract at all subsequently materializes, therefore the notification as above worded is not appropriate in all cases. The PSD/SSS desires to notify vendors that individuals who have been cleared on the basis of their PSQ's are eligible to discuss classified matter with representatives of CIA in preliminary consultations and other negotiations often necessary in estimating the willingness and ability of the contractor to supply classified material.

3. The desire of PSD/SSS to supply some sort of advice to the prospective vendors which have submitted PSQ's appears to have some merit in that the absence of any response to the submittal of PSQ's, requested by CIA, leaves a question in the minds of the vendors' representatives of their status with respect to eligibility to contact and discuss with CIA the products of their companies. It also has led to some embarrassment on the part of PSD/SSS in not being able to answer repeated questions regarding their status. It is suggested, if security permits, PSD/SSS be advised that they may inform such prospective vendors somewhat as follows:

"No objection is interposed to the participation
of the above mentioned individual in discussions
concerning prospective classified contracts".

4. It is requested that a definite policy on the above question be enunciated so that it may be transmitted to PSD/SSS.

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