

Central Intelligence Agency



Washington, D.C. 20505

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OEXA 82-2160/A

17 SEP 1982

Honorable John Tower, Chairman
 Committee on Armed Services
 United States Senate
 Washington, D.C. 20510

Dear John:

Thank you for your letter of 17 August 1982 concerning the selection of an architectural firm for our proposed new CIA building in Langley.

You have expressed an interest in CRS, Inc., one of the firms considered for the project. We were impressed with CRS, Inc., and its capabilities to undertake the project.

As I am sure you are aware, 20% of the stock of CRS, Inc., is owned by a single foreign interest. That interest represents the largest single ownership of CRS, Inc., stock. Current Agency regulations prohibit contracting with a firm which includes substantial foreign ownership, control or influence. Specifically, Agency policy provides that "[c]orporations under foreign ownership, control or influence will not be considered for [Agency] contracting." Five percent is the threshold figure and any company whose stock is owned by a foreign interest in excess of that amount is deemed to be "under foreign ownership" for purposes of the provision in question.

CRS, Inc., did very well in the competition. It could not, however, meet the foreign ownership standard. While I have the power under appropriate circumstances to waive this requirement, it did not appear appropriate in this case because of the high level of the foreign ownership interest (20%) which compelled us to carefully focus on the security issues raised by the foreign ownership as a result of the very sensitive nature of the project being undertaken and the closeness of the competition with the other recommended architectural firms which did not present a foreign ownership problem. The building in question is to be a major addition to the Headquarters Complex and will contain the most sensitive kinds of information that the Agency handles.

At this stage the overall top-rated architectural firm has been selected to submit a definitive proposal for performing the architectural and engineering services for the



project. Indeed, the letter to commence this process was sent on 6 August 1982. Under the circumstances I am not in a position to reopen the selection process and to enter into negotiations with CRS, Inc. To do so would interfere with the integrity of the selection process which we have been so careful to preserve.

John, you can be assured that the selection process was carried out in a meticulous fashion to comply with the appropriate regulations and to ensure complete fairness and objectivity.

Sincerely,

~~For~~ William J. Casey
William J. Casey
Director of Central Intelligence

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LLD:RJK:Typed by OGC (9 September 1982)