

16 March 1954

Only Table of Contents and PART I (SUMMARY of Major Developments) of the Civil Service Commission's report are included here.

Part II (DISCUSSION) and Exhibits are clipped to cover of this NSC binder.

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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY COUNCIL
WASHINGTON

March 15, 1954

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT: Security Requirements for Government Employment

REFERENCES: A. Executive Order 10450, dated April 27, 1953
B. Memo for NSC from Executive Secretary, subject, "Government Employee Security Program" dated October 26, 1953

The enclosed report by the Civil Service Commission prepared pursuant to Section 14 of the reference Executive Order on the subject on the results of its study of the manner in which the Executive Order is being implemented by the departments and agencies of the Government is transmitted herewith for the information of the National Security Council. The report deals primarily with significant developments in the personnel security program for the period October 1 through December 31, 1953. It is scheduled for discussion at the Council meeting on Thursday, March 18, 1954.

Attention is particularly invited to the possible method of strengthening the security program set forth in pages 10-11 of the enclosure.

The photostatic copies to which reference is made in Part II, paragraph 1-b (page 12) and Part II, paragraph 1-c (page 14) of the report are available for reference in this office.

James S. Lay, Jr.
JAMES S. LAY, Jr.
Executive Secretary

cc: The Secretary of the Treasury
The Attorney General
The Director, Bureau of the Budget
The Chairman, Civil Service Commission
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence
The Chairman, Interdepartmental Intelligence Conference
The Chairman, Interdepartmental Committee on Internal Security

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QUARTERLY COMMISSION REPORT COVERING PERIOD

OCTOBER 1 THROUGH DECEMBER 31, 1953,

UNDER EXECUTIVE ORDER 10450,

"SECURITY REQUIREMENTS FOR GOVERNMENT EMPLOYMENT"

March 15, 1954

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EXHIBITS

- Exhibit 1. - Definition of a Commission Full Field Investigation.
2. - Departmental Circular No. 742, "Statistical Report on the Operations of the Employee Security Program."
3. - Terminations and resignations falling under the Order broken down by categories of derogatory information.
4. - Statement of Philip Young, Chairman, U. S. Civil Service Commission, on the Employee Security Program Before the Senate Post Office and Civil Service Committee, 10:00 a.m., March 2, 1954.
5. - Statement of Philip Young, Chairman, U. S. Civil Service Commission, on the Employee Security Program Before the Senate Post Office and Civil Service Committee, 10:00 a.m., March 10, 1954.
6. - Statement of Philip Young, Chairman, U. S. Civil Service Commission, on the Employee Security Program Before the House Post Office and Civil Service Committee, 10:30 a.m., March 4, 1954.

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- Exhibit 7. - Consolidation of Reports by Departments and Agencies of Actions Under E.O. 10450 for Period October 1 to December 31, 1953.
8. - Security Determinations Under Executive Order 10450 Reported by Agencies for Period October 1 Through December 31, 1953.
9. - Actions in Cases Investigated by FBI Under E.O. 9835 and Adjudicated or Readjudicated Under Sections 4 or 11 of E.O. 10450.
10. - Forms 3746B and Standard Form 80.
11. - Standard Form 77.
12. - Instructional Guides for Agency Appraisal Inspections Under Sec. 14 of E.O. 10450.
13. - Departmental Circular No. 743, "Qualifications Standards for Personnel Security Officer positions, GS-080, grades GS-11 through GS-15."
14. - Departmental Security Hearing Board Roster.
15. - Defense Security Hearing Board Roster, Departmental.
16. - Special Agreements Made With Departments and Agencies Under Section 8(b) and (c) of E.O. 10450.
17. - Non-sensitive Positions for which Departments and Agencies Have Been Relieved of the Requirement for Submitting Forms to the Commission for Investigation Under Section 3(a) of E.O. 10450.

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UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON 25, D. C.

March 15, 1954

NATIONAL SECURITY COUNCIL

SUBJECT: Quarterly Commission report covering period October 1 through December 31, 1953, under Executive Order 10450, "Security Requirements for Government Employment."

PART I - INTRODUCTION AND SUMMARY OF MAJOR DEVELOPMENTS

PART
I

1. Introduction

Under Section 14 of Executive Order 10450, the Civil Service Commission is charged with making a continuing study of the manner in which the Executive Order is implemented by departments and agencies, and with reporting periodically on the results of such study to the National Security Council. The Commission's first report was submitted to the National Security Council on October 21, 1953. This report is the Commission's second on the results of its continuing study of the security program.

Although it deals primarily with significant developments in the program for the period October 1 through December 31, 1953, some references to matters occurring prior to this period are necessary. The report is divided into two major parts. Part I summarizes the major developments in the program and Part II gives a discussion in more detail of these major developments.

2. Summary of Major Developments

a. Results of agency actions on cases

The chief matter to be reported in the development of the Federal employee security program is that it is working, and that progress is being made. As of January 1, 1954, the Commission had initiated 167,617 investigations under Executive Order 10450. Of these, 159,856 have been completed. In addition, the Commission completed 5, 717 full field investigations for sensitive positions

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from May 28 through December 31, 1953. This does not include full field investigations conducted by the Commission for the Atomic Energy Commission under statutory authority. As of February 1, 1954, other agencies had initiated 26,032 investigations for sensitive positions under the order.

A full field investigation as conducted by the Commission costs approximately \$230. Since funds for these investigations are not provided in the Commission's appropriations, departments and agencies reimburse the Commission for the cost of the full field investigations it conducts for them. A full field investigation is defined in Exhibit 1 of this report.

The 159,856 investigations completed by the Commission under the Order have been of the type described in Section 3(a) of the Order for non-sensitive positions. These are primarily for new hires. They consist of national agency checks, as defined in Exhibit 1, plus written inquiries sent to employers, supervisors and references. They are called "national agency check and inquiry cases." When no derogatory information is developed by such an investigation, the cost is approximately \$5. Funds for conducting these national agency check and inquiry cases are included in the Commission's appropriations; therefore, we are not reimbursed for this work.

When derogatory information is developed in a national agency check and inquiry case, a limited personal investigation is made. An investigator is sent out, not to investigate the life of the person under investigation, but to investigate only the derogatory matters and to obtain sufficient information on the basis of which a just and proper decision can be made. The cost of these limited personal investigations, including the hearing or letter of charges, averages approximately \$53. This work is not done on a reimbursable basis.

The Commission has referred 1615 cases to the Federal Bureau of Investigations for investigation under Section 8(d) of the Order during the period May 28 through December 31, 1953. This figure does not include cases in which the Commission discontinued investigations and referred them to the Federal Bureau of Investigation when the cases were for the United Nations or other international organizations, for contractor employees of the Atomic Energy Commission, or for other cases in which the Commission's investigation was required by law.

The total result of operations under the Order from its effective date through December 31, 1953, cannot be fully determined at this time owing to the fact that all departments and agencies have not submitted their final certified reports. This has posed a special problem for the larger agencies with many overseas installations, particularly the Department of Defense and its constituent agencies.

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We have reports from all departments and agencies, but they are not final. Many defense installations have not yet reported and these returns, which may substantially increase the totals, will not be completed for from 60 to 90 days. Shown immediately below are the total terminations and resignations involving derogatory information within the purview of Section 8(a) of the Order reported thus far by departments and agencies. These cover the period from May 28th, the effective date of the Order, through December 31, 1953.

- | | |
|---|----------------------|
| (1) Terminations because of Security questions
falling within the purview of Section
8(a) of E.O. 10450 | |
| (a) Without hearing | 1053 |
| (b) After hearing | 33 |
| (2) Resignations before determination was
completed | |
| (a) When file was known to contain
unfavorable information under
Section 8(a) of the Order | 1400 |
| | Total 2486 |

Past experience has shown that many will resign when they learn that derogatory information has come to light. Hence, the figures on hearings furnishes little criteria for judging the overall effectiveness of the program.

On February 17, 1954, the Commission requested all departments and agencies to submit a four-way breakdown of information concerning terminations and separations involving derogatory security information falling under Section 8(a) of the Order for the period May 28 through December 31, 1953. The departments and agencies were instructed to report this information according to broad categories of derogatory information. The Commission's request, contained in Departmental Circular No. 742, is attached to this report as Exhibit 2.

As of the date of this report, all departments and agencies had furnished information requested in the Departmental Circular. However, as noted above in case of the Defense Department and its constituent agencies, complete information is not yet available.

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The information received in response to Departmental Circular No. 742 is summarized below:

- (1) Total number of employees involuntarily separated because of acts, activities, behavior, or associations, falling in any one or more of the categories set forth in Section 8(a) of E.O. 10450, as amended, regardless of whether such separation was effected under Public Law 733, 81st Congress, or under other authority 1086
- (2) Total number of employees whose files contained information of acts, activities, behavior, or associations, falling within any one or more of the categories set forth in Section 8(a) of E.O. 10450, as amended, and whose employment terminated after May 27, 1953, and prior to January 1, 1954, by resignation, regardless whether such resignation took place before or after charges 1400
(or with knowledge of charges?)
- (3) Number of employees in Items (1) & (2) above whose files contained information of acts, activities, behavior, or association falling within any one or more of the categories set forth in paragraphs (2) through (8), inclusive, of Section 8(a) of the E.O. 10450, as amended ~~492~~ ⁴²⁹
- (4) The number of employees included in Items (1) and (2) whose files contained information of sex perversion 207
- (5) The number of employees included in Items (1) and (2) whose files contained information of conviction of felonies or misdemeanors 636
- (6) The number of employees included in Items (1) and (2) whose files contained any other type or types of information described in Section 8(a) of E.O. 10450 1455

Agencies were instructed in the request for information that if a file contains information in more than one of the categories shown in Items (3) to (6) above, it should be reported under each. Hence, the totals of Items (3) to (6) inclusive are greater than the total number of individual cases. The above information is shown by individual agencies in the table attached as Exhibit 3.

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Although the program is working and progress is being made, it cannot be reported that it is working perfectly. This is perhaps to be expected in a program that requires a drastic reorientation from the loyalty concept of E.O. 9835 to the security concept of E.O. 10450.

b. Major problem areas

The major problem areas in the development of the program are as follows:

- (1) There still remains some uncertainty as to what is a "security determination" under the Order. The first paragraph of the Order provides that "...all persons privileged to be employed in the departments and agencies of the Government shall be reliable, trustworthy, of good conduct and character, and of complete and unswerving loyalty to the United States...." However, Section 8(a) (1) of the Order, dealing with factors to be considered in determining security insofar as they relate to matters of suitability, provides that these factors are to be considered in relation to the "government employment to the national security." Thus, the question arises as to whether an employee whose employment has no relation to the national security, such as a kitchen helper in a Veterans' Administration hospital, or an animal attendant at the National Zoo, and who is separated on any of the grounds mentioned in Section 8(a) (1), is actually removed as a security risk under the Order.

It has been emphasized to the security officers of all departments and agencies that all terminations and resignations coming within the purview of Section 8(a) of the Order are to be reported as actions under the Order. This point of view, however, has encountered, and continues to encounter, some misunderstanding because of the wording of the first paragraph of the Order which, in some quarters, has been taken to enlarge upon the provision of Section 8(a) (1) of the Order which relates the employment to the national security.

Until uncertainty on this point is finally and definitely resolved, the statistics obtained from departments and agencies will continue to reflect this uncertainty. The problem of interpretation discussed in this subdivision is being presented to the Attorney General for opinion.

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In considering this problem, it should be realized that if persons removed on suitability grounds, even though the employment has no relation to the national security, are removed as security risks, the government will continue to show year after year a large number of employees removed as security risks. The question will arise as to why such persons are appointed. No feasible, practical, or economical method has yet been devised to determine, prior to appointment to a non-sensitive position, whether the applicant would, after appointment, constitute a security risk. Any checks or investigations to determine that matter take time, and if appointment were held up for them to be completed, essential work of the government in the non-sensitive labor and clerical fields, with high turnover rates, would virtually halt. That is the basis for appointing persons to non-sensitive positions to serve conditionally, subject to the results of an investigation.

- (2) The larger departments and agencies with installations distributed on a world-wide basis have not perfected their systems for obtaining promptly accurate statistics as to actions taken under the Order. This involves methods of internal control to insure accuracy in reporting actions taken at the installation level. It appears that some time may be required to develop within the departments and agencies satisfactory solutions to the problem.
- (3) Resources and facilities are not available to provide full field investigations for all sensitive position cases. The security regulations under the Order of the Department of Defense, including the Departments of the Navy, Army, and Air Force, the Department of Commerce, and the National Advisory Committee for Aeronautics, provide that only the most highly sensitive cases will receive a full field investigation, their remaining sensitive positions to receive an investigation less than the full field type. This is usually of a national agency check or of a national agency check and written inquiry type.

It would seem to be clearly in the interests of the national security for a full field investigation to be made for many of the sensitive positions which are now receiving a lesser type of investigation. In view of the cost of a full field investigation, there appears to be no immediate solution to this problem. However, it should receive attention in the preparation of future budgets for these five departments and agencies which are highly sensitive in relation to the national security.

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- (4) Twelve departments and agencies initially reported to the Commission as of December 30, 1953, that by the end of the current fiscal year they would not have completed and adjudicated all full field investigations for their sensitive positions. Generally, these were among the largest departments and agencies.

Many letters were written and conferences were held between the Commission, the Bureau of the Budget, and representatives of these twelve departments and agencies. As a result, it may be anticipated that most full field investigations authorized for incumbents of sensitive positions will be completed by June 30, 1954, and that these cases will be evaluated by September 30, 1954. Certain complicated cases which involve hearings and additional investigations may not be adjudicated by September 30th. It is anticipated, however, that all these investigated cases, including the complex and involved ones, will be adjudicated by the end of the calendar year.

- (5) Nine departments and agencies expressed doubt to the Commission as to their ability to complete readjudication during this fiscal year of cases previously investigated under E.O. 9835. This is an unfortunate situation in view of the fact that a number of these cases involve persons now in the government service whose employment may be found to be inconsistent with the interests of the national security under the standards of E.O. 10450. All of these cases involve one or more of the factors listed in Section 8(a) (2) through (8) of E.O. 10450. Resources do not appear to be available to complete this work during this fiscal year and at the same time concentrate on completing before June 30, 1954, all investigations or adjudications of sensitive position cases requiring full field investigations. One factor in this problem is that the service of security personnel in the various agencies have had to be utilized on preparing replies to the many calls for statistical information.

Shortly after the issuance of the Order, the Commission supplied the departments and agencies with lists of all cases adjudicated by Regional Loyalty Boards under E.O. 9835. These lists were for the purpose of assisting the agencies in locating these files for review and re-adjudication. Subsequently, the Commission received from the Department of Justice a list of the names of persons

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investigated by the FBI under E.O. 9835. A total of 17,816 names was on the list. The Commission has checked these names against its records of Federal employment to find out which of the persons on the list are still employed and, if so, in what agency. This has been a time consuming operation. The Commission is now preparing cards on each case of present employment to be used by the individual agencies in reporting the results of final review or readjudication under the Order of each case listed for an agency.

- (6) It is possible that some transfers were included in the statistics reported to the Commission by agencies as separations on their initial reports. Whenever a transfer was properly identified, the Commission did not include it in any statistics reported to the National Security Council. Security officers have been advised that transfers are not to be reported in connection with security actions under the Order.
- (7) There has been some duplication in the rating of cases by the Commission and employing agencies, the agency acting on the basis of security considerations under the Order, and the Commission acting under its standards of employee suitability. As a means of reducing this problem, the Commission, after clearance with the Attorney General and the National Archives and Record Services, developed a method of operation under which the file would not be transmitted to the Agency in a national agency check and inquiry case in which no derogatory information was developed. Instead, the agency is advised that national agency check and inquiries under E.O. 10450 have been completed with favorable results. The agency is further advised that if it needs the file, it may request it within 3 months and that the file will not be retained after that time. These procedures save unnecessary transmittal of papers, eliminates unnecessary accumulations of files which have served their purpose, and relieves agencies of the considerable burden of work in reporting to the Commission on a special card form the results of its decision in a clear case. These cases, however, will be accounted for by the departments and agencies in their periodic statistical reports.

Some derogatory cases will continue to receive duplicate ratings by the Commission and the employing agency. It is recognized that this duplication may be warranted in derogatory cases affecting the national security. However, this

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matter is receiving further attention in the Commission looking toward review of derogatory cases in which it has jurisdiction after the employing agency has made its security determination.

c. Protection of employees rights under the Order

Section 14 of the Order provides that the Commission's continuing study of the manner in which the Order is being implemented by the departments and agencies, will include consideration of tendencies "to deny to individual employees fair, impartial and equitable treatment at the hands of the Government, or rights under the Constitution and laws of the United States or this Order."

During the period May 28 to December 31, 1953, the Commission received eight cases for clearance of records for reemployment of employees who were removed under the provisions of the Order. These eight cases are now in process under the provisions of the Act of August 26, 1950 (Public Law 733, 81st Congress) and in accordance with Section 7 of E.O. 10450, which provides in part that, "... no person whose employment has been terminated under such authority thereafter may be employed by any other department or agency except after a determination by the Civil Service Commission that such person is eligible for such employment."

In addition, a number of individuals came to the Commission to discuss action taken in their cases. The provisions of the Order were explained to them and they were invited to submit in writing any complaints with reference to denial to them of fair, impartial and equitable treatment at the hands of Government or rights under the Constitution and laws of the United States and E.O. 10450. For example, one such letter dated March 5, 1954 was received concerning an employee who has been suspended without pay since August 21, 1953. The letter reports that the suspended employee has not as yet been given a hearing. The Commission is making inquiries into this case to determine what action is warranted.

d. Appearances by Commission Chairman before Congressional Committees

On March 2, 1954, the Chairman of the Commission appeared before the Senate Post Office and Civil Service Committee. His statement to that Committee included, among other matters, a review of the history of the security program, a summary of the results of the Federal employees' loyalty program, a review of the provisions of Executive Order 10450, and a report of agency actions broken down for each department and agency by broad categories of derogatory information for

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the period May 28 through December 31, 1953. This hearing of March 2 was recessed and resumed again before the Committee on March 10, 1954. The Chairman's original statement to the Senate Committee on March 2 is attached as Exhibit 4 of this report. His statement given to that Committee on March 10 is attached as Exhibit 5. This statement contained the latest security statistics which have been made public.

On March 4 and 5 the Chairman of the Commission appeared before the House Post Office and Civil Service Committee. His statement to this Committee was, in part, similar to the statement he made to the Senate Committee. It included additional statistical information received subsequent to his appearance before the Senate Committee. His statement to the House Committee is attached as Exhibit 6 to this report.

e. Possible method of strengthening the security program

The group of Federal employees who received only the minimum checks under Executive Order 9835 were persons who were on the Federal payroll as of September 30, 1947. Under Executive Order 9835, the names of these employees were checked only against the fingerprint and subversive files of the FBI whereas persons appointed after that date were given the full national agency check as well as the written inquiries.

In two experimental studies, the Commission checked two separate samples of 10,000 names each of these incumbent employees against the Commission's own investigative records to find out if these records contained derogatory loyalty information justifying referral of the cases to the FBI for loyalty investigations. These two studies were made respectively in May 1948 and March 1949. Of the 20,000 names checked, in 40 cases derogatory information was found to warrant referral of the case to the FBI for loyalty investigations.

The Commission's own records show that approximately 1,787,188 incumbent employees were on the Federal payroll at that time. Deducting the 20,000 which have already been checked, there would remain 1,767,188 names which were not checked against Commission investigative records under E.O. 9835. On the basis of these samples, at the rate of 20 for each 10,000, if all of these names had been checked against the Commission files, 3,534 additional cases would have been developed for referral to FBI.

The question arises as to whether these names should at this time be checked against Commission records. Each of these incumbent employees was required to complete a form giving data on his personal history (Standard Form 84). The Commission has a copy of each of the Standard Form 84's completed by these incumbent employees. These forms are filed by the employing agency. They are not arranged alphabetically.

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It would be a large and relatively expensive operation to check these approximately 1,767,188 names against the Commission's records. They would first have to be checked against the Commission's investigative records to determine whether there was derogatory information in the file. They would then have to be searched against the Commission's records of Federal employment to determine whether or not those employees are still employed. Then those cases involving derogatory information falling under sub-divisions (2) through (8) of sub-section (a) of Section 3 of the Order would be referred to the FBI for investigation. It is not known how many of those incumbent employees who were on the Federal payroll as of September 30, 1947, are still employed. It is possible, however, that as many as 3,000 additional investigations by the FBI might be required.

We estimate the total cost to the Commission in alphabetizing these cases, searching them through the necessary files, reviewing the information in the files, and preparing these cases for referral to the FBI, would be approximately \$1,000,000. This does not include the cost to the FBI of investigating and reporting these cases. Funds for this work have not been included in appropriations for the Commission or for the FBI. This matter is brought to the attention of the National Security Council since it represents a possible, although expensive, method of strengthening the total security program.

Civil Service Commission Report - Oct 1 - Dec 31, 1953, Under Exec Order 10450

1. Results of Agency Actions on Cases

- a. Supplemental interim report for period from date of agencies' initial report to Commission through November 30, 1953, prepared for President's State of the Union Message

A supplemental interim report was prepared showing terminations and resignations, involving derogatory information from the date of the agencies' initial reports through November 30, 1953. This was prepared for the President's State of the Union Message to the 83rd Congress on February 2, 1953.

Terminations reported for this period were checked against available Commission files. Those were eliminated in which the reasons for terminations were apparently not connected with the provisions of the Order. In summary, this supplemental report showed the following:

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Noted by D/DCX
3/18/54

Noted by DCI
17 Mar 54

Noted by DDH
17 Mar 54

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(1) Terminations:

(a) As a result of adjudications under Sections 4, 5, and 11, of E.O. 10450	175
(b) On appointee cases reported by agencies on individual card forms	<u>325</u>
Total terminations	500

(2) Resignations:

(a) Prior to completion of adjudications under Sections 4, 5, and 11, of E.O. 10450	142
(b) Resignations prior to security decisions in which individual card forms from agencies were noted "unfavorable report"	<u>240</u>
Total resignations	<u>382</u>
Total terminations and resignations	<u>882</u>

The above total, when added to the total of 1,456 terminations and resignations involving derogatory information reported by agencies in their initial report to the Commission, gave rise to the "more than 2,200" cases covering the period May 28 through November 30, 1953.

b. Information from agencies for period October 1 through December 31, 1953

For the period October 1 through December 31, 1953, the Commission received certified statistical reports from 73 departments and agencies in the Executive branch showing the action taken on cases under the Executive Order. A photostatic copy of each certification has been furnished apart from this report to the National Security Council. As has been previously pointed out, these reports are not complete in view of the fact that information has not been received from all the installations of the constituent departments of the Department of Defense. This applies not only to this subsection, but also to the information given in sub-section "c" and "d" of this section. These actions are summarized as follows:

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(1) Favorable determinations	27,969
(2) Suspensions during period	121
(3) Suspensions on which final decision has not been made	109
(4) Restoration after suspension (without hearing)	6
(5) Restoration after suspension (after hearing)	4
(6) Terminations because of security ques- tions falling within the purview of Section 8(a) of E.O. 10450	
(a) Without hearing	515
(b) After hearing	18
(7) Resignations before determination was completed	
(a) When file was known to contain to whom? unfavorable information under Section 8(a) of the Order	620
(8) Applicant not appointed for security reasons after investigation	7,483
Total (1) terminations, and (2) resig- nations when file was known to contain unfavorable information, and (3) appli- cant not appointed for security reasons after investigation	8,636

A complete consolidated report of these actions reported by agencies to the Commission for the period October 1, to December 31 is shown in Exhibit 7. Shown in Exhibit 8 are actions taken by individual agencies for the same period. Exhibit 9 gives a further breakdown of information reported in column (b) of Exhibit 7, by showing for each department and agency the action taken on cases under Section 4 and 11 of the Order. Section 4 deals with cases in which a full investigation was conducted under E.O. 9835 and which requires review or readjudication under E.O. 10450. Section 11 deals with cases pending before the Loyalty Review Board or Regional Loyalty Boards which were remanded and referred to agencies for decisions under E.O. 10450.

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c. Revised information from agencies for period May 28 through September 30, 1953

Experience developed since the Commission's first report to the National Security Council indicated that errors had been made in the reports of agencies' actions furnished the Commission for inclusion in that report. The information furnished on individual card forms for each case was not adequate. The Commission, therefore, requested all departments and agencies to furnish a certified statistical report for the period May 28 through September 30, 1953, on (1) all terminations because of a security question falling under the purview of Section 8(a) of E.O. 10450, and (2) all resignations for that period before determination was completed and the file was known to contain unfavorable information under Section 8(a) of the Order. *to whom?*

It was recognized that this request imposed a considerable burden of work on the agencies. The Commission undertook to assist agencies as much as possible in this work. We made an extensive check of cases reported on the card forms as terminations for the period and eliminated those cases in which it appeared the action was taken for reasons not connected with security under the Order. In addition, we checked approximately 3,000 cases which were reported as discontinued during the period to ascertain whether or not there was derogatory information falling under Section 8(a) of the Order in the file at the time the individual left the service.

These cases were then listed for that period by case name for each department and agency. We advised security officials of departments and agencies with the most complex reporting problems, including the military departments under the Department of Defense, that these lists were available for their use in locating their cases previously reported on individual card forms. Many of these individual card forms were received from the installation level. These lists have proved of considerable value, particularly to the larger agencies, in locating their cases so that they could determine whether or not these were properly reported under the Order.

In reply to its request, the Commission has now received from departments and agencies certified statistical reports for the period May 28 through September 30, 1953, on terminations and resignations falling under Section 8(a) of the Order. As previously indicated, reports from some departments, particularly the military departments, are incomplete and contain information on those cases which could be promptly located, including those cases located with the aid of lists furnished by the Commission. A photostatic copy of each such report has been furnished separately to the National Security Council.

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The actions reported by the agencies in response to the Commission's request is summarized in the table immediately below.

Agency Actions Relating to Terminations and Resignations Involving Information Under Section 8(a) of E.O. 10450 for the Period May 28 through September 30, 1953 as Shown by Agencies' Certifications

Terminations because of security questions falling within the purview of Section 8(a) of E.O. 10450	
(a) Without hearing	538
(b) After hearing	15
Resignations before determination was completed	
(a) When file was known to contain unfavorable information under Section 8(a) of the Order	780
Total	<u>1,333</u>

d. Information from agencies combined for period May 28 through December 31, 1953

Combining the new information reported for the previous period with the information reported for the current period results in a total of 2,486 cases involving such terminations and resignations for the period May 28 through December 31, 1953. These actions are summarized in the table immediately following:

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Agency Actions Relating to Terminations and
Resignations Involving Information Under Section 8(a) of
E.O. 10450 for the Period May 28 through December 31, 1953
As Shown by Agencies' Certifications

Terminations because of security questions
falling within the purview of Section 8(a)
of E.O. 10450:

(a) Without hearing 1,053
(b) After hearing 33

Resignations before determination was
completed:

(a) When file was known to contain unfavorable
information under Section 8(a) of the
Order ^{to whom?} 1,400

Total 2,486

e. Agency actions on terminations and resignations by four-way break-down of categories of derogatory information

Agency action on terminations and resignations by four-way breakdown of categories of derogatory information for the period May 28 to December 31, 1953, is shown in Part I, Section 2, page 4, and in Exhibit 3 of this report.

f. Elements of problem of getting accurate information from agencies

The most complex and difficult problem encountered in the early months of experience under the Order has been that of obtaining accurate information as to the actions taken by the agencies on cases originating under the Order. This can readily be understood by considering the following matters which contributed to the problem:

- (1) There are many subsidiary offices distributed throughout the United States and its territories and possessions, from which the departments and agencies must obtain much of the basic data. The large number of employees involved in the reporting procedures enhances the possibility of errors in reporting and increases the difficulty of enforcing uniform reporting practices.

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Initially, the system did not provide for supervision of reporting methods and practices followed by various installations throughout the world. The result was that individual case reports were sent direct to the Commission from the establishment level.

- (2) Many employees engaged in collecting and reporting information on actions by agencies were working with a new reporting system in a field which in itself was new to them.
- (3) There was doubt on the part of agency reporting officials as to what constituted a security decision. For example, if an investigation of a laborer in a non-sensitive position disclosed a serious arrest record and the agency decided to remove him under regular Civil Service procedures as an undesirable employee, should such a decision be regarded as a security decision under the Order? Some Security Officers pointed to the language in Section 8(a) (1) which indicates that for the types of derogatory information referred to under Paragraph (1) of Section 8(a), the action to be taken depends upon the "relation of the Government employment to the national security." Some reporting officials felt that if the government employment had no relation to national security, a removal action should not be a security determination, even though the case originated under the investigative provisions of the Order and even though the first paragraph of the Order provides that "... the interest of national security require that all persons privileged to be employed in the departments and agencies of government shall be reliable, trustworthy, and of good conduct and character..."
- (4) There are different types of actions and cases to be reported. It is difficult to insure that each is reported in its proper category and the same case not reported again in another category, for example, that Section 4 or Section 11 cases under the Order are not reported as Section 5 cases.

g. Progress made toward solving the reporting problem

Much progress has been made towards solving the total problem of getting accurate information on agency actions, although because of the inherent complexities cited above, some revisions in previous reports will probably continue to be necessary from time to time. A meeting was held on December 21, 1953, of the security officers of all departments and agencies at which the Attorney General of the United States and the Chairman of the Civil Service Commission were present. The difficulties described in paragraph (3) above were

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among the matters fully discussed at this meeting and general oral directives were given as to what constitutes a security decision and as to the proper reporting of separations, whether voluntary or involuntary.

Substantial progress has been made in the methods of obtaining information from agencies on actions taken under the Order as will be seen from the following review of the development of these methods. Instructions originally issued by the Commission to all departments and agencies regarding the establishment in the Commission of the Security-Investigations Index, as required by Section 9(b) of the Order, provided that agencies should report these actions on all cases originating under the Order to the Commission. Prior to the effective date of the Order, special card forms were devised for this purpose, (1) CSC Forms 3746B for reporting all cases investigated by the Commission or investigated by the Federal Bureau of Investigation and transmitted to the agency by the Commission, and (2) SF 80 for reporting on cases investigated by the agencies. These two forms are shown in Exhibit 10.

Information from these card forms was supplemented by information received in reply to a questionnaire dated October 5, 1953, issued to all departments and agencies. This questionnaire was designed in part to obtain information relating to agency action on (1) cases in which a full field investigation had been conducted under E.O. 9835 and which required review or readjudication under Section 4 of E.O. 10450; (2) cases which had been investigated by agencies themselves; and (3) on cases pending before the Loyalty Review Board or Regional Loyalty Boards which were remanded and referred to agencies for decision under Section 11 of the Order.

Errors made by agencies in reporting their actions on card forms for individual cases and the extensive work done by the Commission in attempting to eliminate from statistics the cases incorrectly reported, has been previously discussed in this report (see page 14 above). The method of reporting by a card form on each case was far from satisfactory in that it placed the burden on the Commission of deciding whether a case reported by an agency under the Order was in reality a security case.

Thereafter, in order to obtain agency decisions in their own security cases, to place the responsibility for accurate reporting on the agency through certification of the information reported, and to provide for statistical control within each department and agency, the Commission developed a standard form for obtaining certified quarterly reports of agency actions under the Order. This form, Standard Form 77, contains detailed instructions as to how it should be completed. A sample copy is attached to this report as Exhibit 11. In developing this form, representatives of the Commission conferred with Sub-Committee 4 of the Interdepartmental Committee on Internal Security.

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It will be noticed that SF 77, as now used, lumps all derogatory information falling under the provisions of Section 8(a) of E.O. 10450 as security questions. The original draft of this form provided for the breakdown between:

- (1) "Terminations effected because retention in employment was not found to be clearly consistent with the interests of national security, depending on the relation of the government employment to the national security and the requirement for complete and unswerving loyalty to the United States, regardless of whether the termination was effected under Public Law 733 or by other procedures."
- (2) "Terminations as a result of adverse information developed by investigation but not effected for security reasons."

This proposed division was designed to clarify interpretations under which some agencies reported terminations because of derogatory information under Section 8(a) of the Order as "security decisions," without considering the relation of the employment to the national security while other agencies did not report as "security decisions" terminations for reasons stated in Section 8(a) (1) of the Order when the government employment had no relation to the national security. The form as finally completed did not contain this revision.

Despite any remaining uncertainty as to what constitutes a security decision, it can be reported that the present method of reporting has worked more satisfactorily than methods previously used.

The Commission worked closely with security officials of agencies concerning the proper use of this form and will, of course, continue to do so. If the form works out satisfactorily, with such amendments as experience shows to be necessary, it is believed that the long-continuing problem of getting adequate and accurate information as to agency actions under the Order will be largely solved. This is, of course, dependent upon action by the departments and agencies in setting up dependable reporting systems and insisting on strict and uniform reporting procedures in accordance with instructions on Sf 77. The adequacy of an agency reporting system is an item covered carefully in the Commission inspection of agencies under Section 14 of the Order. The Commission will continue to give this matter close attention in subsequent inspections.

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h. Action taken in case of a transfer in which there is a file containing derogatory information under Section 8(a) of the Order

From reports appearing in the press, the impression arises that in many cases persons are reported as separated because of derogatory information falling within Section 8(a) of the Order when they may have merely transferred from one agency to another, or to a new agency created in whole or in part from an existing agency. In actual fact, in compiling the statistics given thus far in this report, the Commission removed every case which was identified by the agency as a transfer. It is possible that some transfers are included in these statistics because they are shown by agencies as separations and not otherwise shown as transfers. This applies to transfers from the Department of State. It appears that in the Department's original report, it reported some transfers and separations. In subsequent reports it identified some of its cases as transfers and these were not included in the statistics.

It should be borne in mind that if a person transfers from one agency to another, he does not thereby escape a security determination. There are several safeguards to insure that in a case involving derogatory information, the gaining agency is advised as to the derogatory information. In the first place, Commission instructions to agencies in the Federal Personnel Manual provide that in the case of an indefinite or job appointment of a present Federal employee, the appointing officer of the gaining agency will check with the losing agency to ascertain whether or not there is any derogatory information about the nominee in his personnel or security file prior to effecting the personnel action. He will make his decision on the contemplated action according to the nature of information in these files. Furthermore, the Commission's Service Record Division is notified of all transfers. These notifications are checked against information in the Commission's Security Investigations Index established and maintained under E.O. 10450. If there is a record of derogatory information in that file concerning employees who transfer, the Commission conducts any additional investigation which may be required. It furnishes a copy of the investigative report to the gaining agency unless the Commission finds the person disqualified under its employment suitability standards and instructs the agency to remove him. If a previous investigation has been conducted by the FBI under E.O. 9835 or E.O. 10450, the agency is provided with a copy of the report for security determination. These procedures are designed to prevent an employee escaping a security determination by transferring from one agency to another.

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2. Action by the Civil Service Commission on Cases Originating Under the Order in which it has Jurisdiction

The statistics given in Part II, Section 1, of this report do not reflect all adverse actions taken on cases arising under the investigative requirements of the Order. In the cases of applicants for, or new appointees to positions in the competitive service, the Commission determines whether or not they are qualified on the basis of the Commission employment suitability standards and rates ineligible or directs dismissal where standards are not met. These standards approximate those continued in Section 8(a) of the Order.

These standards are applied to competitive cases investigated by the Commission and by the Federal Bureau of Investigation under Section 8(d) of the Order, including those in process on the effective date of the Order. They are not at this time applied to competitive cases in an agency which conducts its own investigations. That matter is now receiving attention in the Commission to determine whether or not these cases should be referred to the Commission for post audit.

The Commission records of investigated cases closed during the period May 28 through December 31, 1953, show the following:

Applicants rated ineligible	124
Appointees whom the Commission instructed the agency to separate	764

By respective reporting periods, this total breaks down as follows:

Period May 28 through September 30, 1953

Applicants rated ineligible	5
Appointees whom the Commission instructed the agency to separate	618

Period October 1 through December 31, 1953

Applicants rated ineligible	119
Appointees whom the Commission instructed the agency to separate	146

It is emphasized that the Commission's decisions in these cases are not security decisions under the Order. They are findings by the Commission that the competitive applicants or appointees were disqualified under the standards of employment suitability which for the most part the Commission has followed for many years. Agencies are instructed not to report to the Commission on Standard Form 77 terminations specifically directed by the Commission for the obvious reason that such dismissals,

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excluding subversive cases covered in items 2 through 8 of Section 8(a) of the Order, are not based on security considerations but rather relate to the general field of suitability which term has been used and has been well understood since 1883.

When derogatory information develops in a competitive case originating under the Order and being investigated by the Commission as a national agency check and inquiry case, the Commission immediately advises the employing agency of the substance of the information. This is done to afford maximum security protection to the agency.

In transmitting the information, the Commission advises the agency that it is proceeding with its rating of the case and asks the agency to report any adverse action it takes prior to receiving notice of the Commission's final action. This is done to avoid duplication of action.

In many cases, the agency removes the employee on the basis of the advance information furnished by the Commission. When this is done, it is unnecessary for the Commission to continue with the case. In other cases the advance information is not sufficiently conclusive in the agency's opinion to warrant the employee's removal. In these cases the Commission continues with its action on the case and, when warranted, instructs the agency to separate the employee.

In competitive cases under the Commission's jurisdiction in which a full field investigation is made by the Commission or by the Federal Bureau of Investigation under Section 8(d) of the Order, the agency is immediately furnished with a complete copy of the investigative file in order that it may take any necessary action required by security considerations. The Commission at the same time proceeds with its own handling of the case to determine whether the employee is qualified on the basis of the Commission's suitability standards. As pointed out previously, these standards approximate those given in Section 8(a) of the amended Order, including those under paragraph (1), as well as those in paragraphs (2) through (8) of that section.

On page 8 of this report will be found a discussion of duplication in the rating of cases by the Commission and the security findings of the employing agency. That page also shows the new procedures of the Commission under which clear national agency checks and written inquiries are not furnished the agency, thus eliminating duplication in the handling of those clear cases.

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3. Investigation of Employees in Sensitive Positions

There were a number of significant developments during the quarter covered by this report with respect to processing cases of employees in sensitive positions to which the provisions of Section 3(b) of the Order apply. The necessity of completing the processing of these cases as rapidly as possible was brought strongly to the attention of Personnel Security Officers of all departments and agencies.

At the request of the Attorney General, a meeting was held of all Personnel Security Officers on December 21, 1953. At this meeting the Attorney General pointed out the urgent need for promptly completing the investigations of employees in these positions. He indicated that very substantial progress under the Order could be shown if all cases of this type could be processed by the end of the fiscal year. It was emphasized that the work should be done with existing facilities and additional appropriations were to be considered only as a last resort.

As agreed upon in the meeting, the Commission requested all departments and agencies to furnish information by December 30, 1953, concerning the completion of investigations and determinations for these sensitive positions. Shown immediately below are the questions asked each department and agency and the totaled replies received with reference to the situation as of December 30, 1954:

- (1) How many positions in your department or agency have been classified as sensitive? 551,726
- (2) How many full field investigations of occupants of sensitive positions remain to be completed under the requirements of Section 3(b) of E.O. 10450? . . . 30,975
- (3) Can all full field investigations be completed and such cases processed, at least up to the head of the department or agency for decision, by the end of fiscal year 1954? All but 12 answered "yes". (See discussion below.)
- (4) If all such cases cannot be processed, at least up to the head of the department or agency for decision, by the end of the fiscal year:
 - (a) Will it require additional personnel to complete the job? If so, how many? 693 needed
 - (b) Will it require additional appropriation to complete the job? If so, how much? \$4,418,550

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It is emphasized that the estimated needs reported in reply to items (3) and (4) above were the original estimates of departments and agencies as of December 30, 1953, and do not reflect current estimates and needs as shown on the three pages immediately following.

It is important to note that all the positions shown above as sensitive do not require full field investigations. For example, the Department of the Air Force reported 130,000 sensitive positions of which only 17,000 are considered to require full field investigations. The Department of the Army reported 250,000 sensitive positions of which only 25,000 require full field investigation. The Department of the Navy reported 100,175 sensitive positions for which only 1,500 require full field investigations. The Department of Commerce reported 13,149 sensitive positions of which only 660 require full field investigations.

These four departments, together with the Department of Defense and the National Advisory Committee for Aeronautics, have provisions in their security regulations under which only the most highly sensitive positions require full field investigations and the remaining sensitive positions require investigation that is less than the full field. These six agencies have received from the Attorney General approval of these regulations. This explains in part the wide difference in the total of 551,726 sensitive positions reported under item (1) above and the 30,975 sensitive positions reported in reply to item (2) above. The 551,726 figure includes a great many sensitive positions in the six departments and agencies mentioned which do not require full field investigations.

The twelve agencies which answered in reply to question (3) above that they could not complete their full field investigations for sensitive positions and process such cases, at least up to the head of the department or agency for decision by the end of the fiscal year, were the following:

- Department of the Air Force
- Department of the Army
- Department of Commerce
- Federal Mediation and Conciliation Service
- Federal Trade Commission
- U. S. Information Agency
- Department of Justice
- Department of the Navy
- National Advisory Committee for Aeronautics
- Rubber Producing Facilities Disposal Committee
- Department of State
- Department of the Treasury

Letters were written to nine of these departments and agencies stressing the importance of completing these cases expeditiously and asking what additional steps, including conferences with Bureau of the Budget

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officials, could be taken to make possible the completion of these investigations before June 30, 1954. Conferences were held with the remaining three agencies. As a result of this correspondence and numerous conferences between the agencies concerned, the Commission, and the Bureau of the Budget, the following information has been developed:

The Department of the Air Force, the Federal Mediation and Conciliation Service, the U. S. Information Agency, and the Department of Commerce, expect to have their full field investigations completed without additional funds.

The Department of the Army anticipates that it will complete the majority of full field investigations required for incumbent employees in sensitive positions during this fiscal year. If the full field investigations are not completed by that deadline, incumbents will not be permitted to occupy sensitive positions without the minimum of a national agency check. No additional funds have been requested by the Department for this work.

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The Federal Trade Commission is considering organizational changes which will effect the number of its sensitive positions. It reported that it does not know how many sensitive positions will be effected, but stated that every effort will be made to complete all necessary full field investigations before the close of fiscal year. As of the date of this report, no additional funds have been requested of the Bureau of the Budget.

The Department of the Navy reported on February 24, 1954, that the objective would be most difficult, if not impossible, to achieve because of difficulties in connection with assembling and collating data from the field, and training qualified personnel. It advised that it was gathering precise data from the field and would furnish additional information when a more concrete appraisal was possible. It has no current request for additional funds for this work.

The National Advisory Committee for Aeronautics reported that it had received approval of changes in its security regulations which had the effect of requiring a full field investigation for only its most highly sensitive positions, the remaining sensitive positions to receive less than a full field investigation. Under this change in its regulations, it reported it will have completed investigation of its sensitive positions prior to June 30, 1954, without additional funds.

The Department of State arranged, after conferences between officials of the Bureau of the Budget and Civil Service Commission, to have 100 Commission investigators detailed to the Department for the remainder of the fiscal year. These investigators reported to the Department on or about February 23, 1954. With their help, the Department expects to complete the investigations of incumbents of sensitive positions by the end of the fiscal year. It is understood, however, that the Department will require additional funds in connection with the detail of these investigators.

On the basis of information presently available, it appears that the Departments of Justice and Treasury will need additional funds in order to complete their sensitive position cases by the end of the fiscal year.

It is the Commission's understanding that the Bureau of the Budget has under consideration a proposal which would provide funds for substantial completion of full field investigation of the incumbents of sensitive position cases by the end of the fiscal year. As indicated above,

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these funds would be needed principally for the Departments of Justice, Treasury, and State. It is also our understanding that the additional funds needed are in the neighborhood of \$1,200,000 and that the proposal under consideration by the Bureau of the Budget does not contemplate requesting supplemental appropriations.

Present objectives are to push with all possible vigor towards completion of investigations of employees now on the payroll in sensitive positions by June 30, 1954, and to complete evaluation of these cases by September 30, 1954, except for certain complicated cases which involve hearings and additional investigations. Under these objectives, it is contemplated that all such cases, including the complicated and involved ones, will be completed by the end of the calendar year.

It is recognized that the many calls which have been made on departments and agencies for statistical information have required the time of security personnel and to that extent have made them unavailable for evaluation work on sensitive cases and readjudication of cases previously investigated under E.O. 9835.

4. Readjudication of Cases Previously Investigated

On November 30, 1953, the Commission requested all departments and agencies to report on all cases in which a full field investigation had been conducted under E.O. 9835 which require review and readjudication under Section 4 of E.O. 10450. Specifically, replies were requested to the following questions:

- a. How many cases falling under the provisions of Section 4 of E.O. 10450 remain to be reviewed and adjudicated under the standards of the Order in your department or agency?
- b. Will you complete this phase of the work in the current fiscal year?
- c. If you estimate that you will be unable to complete this review and readjudication in the current fiscal year, furnish a statement explaining the reasons for being unable to do so.

Information reported by agencies as of December 20, 1953, in response to the request showed a total of 9,022 of subject cases remaining for review and readjudication. On the table shown as Exhibit 9 in this report, this number has been reduced to 4,978 cases remaining. The difference amounts to 4,044 cases. This does not mean that these 4,044 cases were revised and adjudicated between the time of the report made in response to the Commission's request of November 30th and the submission of Standard Form 77 for the period October 1 to December 31, 1953. In a number of these cases, agencies found on further checking that the employee was no longer on the payroll.

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In response to the Commission's request of November 30, 1953, nine agencies expressed doubt as to whether they would be able to complete the work on these cases in the current fiscal year. Their reasons are summarized below.

The Federal Mediation and Conciliation Service and the Federal Trade Commission with three cases each for handling under Section 4 of the Order, stated that their cases included that of an employee in each agency who is on extended leave in a foreign country. They would complete their cases except for the two which involve employees on such extended leave.

The Foreign Operations Administration, the Department of Health, Education and Welfare, the U. S. Information Agency, the Post Office Department, and the Veterans Administration, advised that while it was their intention to try to complete all cases during the present fiscal year, contested cases, and some cases involving suspensions and hearing procedures might be carried over into the next fiscal year. The Post Office Department and the Veterans Administration indicated that the size of their respective workloads raised a question as to whether they would be able to complete the cases during this fiscal year.

The Department of the Navy indicated that it expected to have all these cases under active consideration at least by June 30, 1954, but did not believe that, with their present resources, review and adjudication could be completed on all cases by that date.

The Department of State reported that it would probably be able to complete approximately one-half of its case workload during this fiscal year. The principal reason given was lack of qualified personnel for evaluation. As was previously pointed out in this report, 100 investigators from the Civil Service Commission have been detailed for the remainder of the fiscal year to the State Department to help on the investigation of the Department's sensitive cases. It is possible that this will release employees for work on evaluating cases. Thus the Department of State may make more progress on these cases than was originally indicated.

The information furnished by agencies in response to the Commission's request on November 30, 1953, was made available to the Attorney General.

The unfortunate aspect of this situation from the standpoint of the national security is discussed on page 7 of this report.

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The action taken by the Commission in furnishing agencies with the names of their present employees who were previously investigated under E.O. 9835 is discussed on pages 7 and 8 of this report. These pages include information as to the Commission's action on the list of names investigated by the FBI under that Order, which list was furnished to us by the Department of Justice.

5. Agency Security Regulations Under Executive Order 10450

The Commission has received from 66 departments and agencies copies of personnel security regulations issued pursuant to Executive Order 10450. The Commission has worked closely with the Department of Justice to insure that that Department has regulations from each department and agency. In some cases it has been necessary for the Commission to follow up with departments and agencies in order to supply agencies' regulations to the Department of Justice.

The Department of Justice has advised that it has completed review of the great majority of the agency regulations it has received. In some cases the regulations were defective and were returned to the agencies for correction. The Department of Justice is proceeding with its review of all regulations received and has advised that it expects to complete its review of these regulations prior to March 31, 1954.

Security regulations have not been received from agencies listed below because of special situations:

- (1) The Government Contract Committee, which replaced the Committee on Government Contract Compliance, has its personnel security matters handled by the Department of Labor.
- (2) The Commission on Organization of the Executive Branch of the Government advises that it is operating under E.O. 10450 by administrative action and a report will be submitted at a later date with regard to its internal policy.
- (3) Personnel security matters for the Committee on Retirement Policy for Federal Personnel are handled by the Civil Service Commission.
- (4) The National Security Council has an operating relationship with Central Intelligence Agency; therefore, security regulations under E. O. 10450 have not been issued.

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- (5) The Selective Service System is handling security matters for the National Security Training Commission.
- (6) The Federal Bureau of Investigation conducts investigations of all personnel employed by the White House.
- (7) The Farm Credit Administration has advised that its regulations are in final draft form and will be submitted both to the Department of Justice and the Civil Service Commission as soon as possible.
- (8) The Commission had not as yet received regulations on a personnel security program for Soldiers' Home.

6. Inspection of Agencies' Security Programs

a. Inspections completed

Inspections of security operations in the following departments and agencies were completed during the period May 28 through December 31, 1953:

Civil Service Commission
 Government Printing Office
 Department of the Air Force
 Veterans Administration
 Interior
 National Labor Relations Board
 National Advisory Committee for Aeronautics
 Department of the Navy
 Department of the Army

Inspections of the security operations in the following agencies were completed after December 31, 1953:

U. S. Post Office Department
 Federal Trade Commission

Inspections of the security operations are in progress in the Housing and Home Finance Agency, the Federal Mediation and Conciliation Service, and the Department of State.

b. Primary Objectives of Inspections

The initial inspections in the departments and agencies have as their primary objectives the following:

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- (1) The examination of organizational structure, procedures and regulations pertaining to personnel security.
- (2) The examination of the records systems maintained.
- (3) The number and method of designating sensitive positions.
- (4) Progress made in reviewing and evaluating or adjudicating pending loyalty and security cases.
- (5) Assisting agencies with their personnel security problems.

Attached as Exhibit 12 is a copy of "Instructional Guides for Agency Appraisal Inspections Under Section 14 of Executive Order 10450." This was prepared by the Commission's Security Appraisal Office for the use of the Commission's Security Appraisal Officers.

c. Comments and observations on the basis of inspections completed

- (1) In the inspection of the Department of the Army, it was found that multiplicity of adjudicative and review actions have been established to the extent that there might be serious delays in the agencies' operations under the Order. Review of certain cases containing derogatory information, as defined in Section 8(a) of the Order, indicates that such cases may be considered at eight adjudicative levels, including three boards. While these procedures give added safeguards to the individuals involved, they may have been extended to the point of impeding the agency's adjudicative work. An effort has been made to improve this situation by calling attention to the matter by letters addressed to the Secretary of the Department of the Army and to the Attorney General. Replies to these letters have not yet been received in the Commission.
- (2) From an inspection of the transcript of a hearing held by a security board and further inquiries made by the Commission, it was evident that the legal officer and the chairman of that board had both engaged in objectionable questioning of certain witnesses at the hearing. Such questions were apparently intended to impeach the credibility of the witnesses. However, the questions were in violation of security requirements since they indicated plainly to the subject and his attorney that the witnesses had been confidential informants of two Federal investigative agencies in other cases involving persons in the same community.

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Accordingly, the matter was referred to the heads of the two agencies, one of which employed the legal officer and the other the chairman of the board. The results of such referral have not been received by the Commission.

In this same case, it appears that there may have been an unreasonable delay in reaching a final decision. This Commission is making further inquiry into this feature of the case.

- (3) Most of the agencies inspected have been slow in beginning actual operations under the security program. The reasons apparently were lack of funds and personnel to institute promptly and carry on full scale operations under the Executive Order. In some instances, there was some misunderstanding of the purpose of the change-over from the narrower coverage of the loyalty program to the broader security plan.
- (4) Review of specific cases of various types, as a part of the inspections, indicates for the most part that the departments and agencies are making an honest effort to apply the standards of the new security Order.
- (5) So far as could be learned by inspection, the regulations for procedures in the several departments and agencies are in substantial conformity with the Executive Order and model regulations proposed by the Attorney General thereunder. In the inspection of the military departments, divergencies were noted with respect to the investigative requirements for the clearance of persons employed in sensitive positions. This matter has been previously discussed in this report. (See pages 6, 24, and 25.)
- (6) Inspections disclosed that there has been considerable variation in the agencies' understanding or interpretation of what constitutes a sensitive position. The lack of funds or resources to obtain the full field investigations required for sensitive positions apparently has influenced the designation of such positions.
- (7) In some of the inspections of the larger agencies, it was apparent that the security officers lack sufficient total personnel, as well as properly trained evaluators, to review and readjudicate before the end of the present fiscal year those cases which arose under E.O. 9835 as required by Sections 4 and 11 of E.O. 10450. This problem is discussed in pages 7, 27 and 28 of this report.

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- (8) Inspections revealed that operations under the program have, in some cases, been delayed pending completion of, and decision on, full field investigations of personnel engaged in security work. The results of investigations in some instances required changes in such personnel and additional investigations to clear other persons to fill those sensitive positions.
- (9) Inspections have indicated that most of the agencies covered by inspections were slow in setting up adequate records and case controls systems to enable them to operate most efficiently under the Executive Order and to furnish required statistics showing the status of specific cases. The introduction of Standard Form 77 has served to improve the agency records and cases control systems.
- (10) The fact that the heads of some departments and agencies have not delegated the authority to suspend employees has in some instances caused undue delay in effecting those actions. It is obvious that the many exacting duties and responsibilities of an agency head makes it practically impossible for him to review, without interruptions and delay, voluminous case files for the purpose of determining promptly whether or not individuals should be suspended.
- (11) One of the most beneficial aspects of the inspection program is the assistance and guidance the security appraisal officer is able to give the personnel security officer during the course of an inspection. Questions asked by the security appraisal officer often give the security officer indications as to the matters of greatest importance in the security program. On the basis of information obtained during previous inspections, the security appraisal officer is able to give the security officer valuable information regarding the procedures followed in other departments and agencies, which procedures the security officer often adopts. This tends to promote the efficiency of the operations of the various security offices and brings about greater procedural uniformity.

7. Personnel Security Officers

In the letter dated September 2, 1953, to all departments and agencies, the Commission pointed out the necessity for having highly qualified persons to serve as personnel security officers and to review and evaluate reports made under the Order. The letter requested all of these agencies to furnish the following information too for each personnel security officers:

1. Name and Title.
2. Chart showing organization location of position.
3. Date appointed or designated.

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4. An up-to-date official position description.
5. An up-to-date Form 57 or other statement of the incumbent's experience and qualifications.
6. A statement concerning the standards which were applied in determining qualifications.
7. The classification grade and series of the position.

Information received in response to this request showed that all departments and agencies now have available the services of Personnel Security Officers or of officials serving in that capacity. In some of the smaller agencies the position is not a full-time one and its functions are combined with those of some other official. The departments and agencies reported a total of 74 employees serving as personnel security officers.

The Commission conducted a study of the personnel and qualifications information submitted in response to the letter of September 2, 1953. As an outcome of this study, and after consultations with a subcommittee of the Interdepartmental Committee on Internal Security and with a group of agency personnel officials, the Commission prepared qualifications standards for the position of personnel security officer.

These qualifications standards have been issued to all departments and agencies by Departmental Circular No. 743. A copy of this circular with the qualifications standards attached are included in Exhibit 13 of this report. These new standards are for immediate application to personnel security officer positions in the competitive service. They apply to incumbents as well as to prospective employees and to persons appointed for part-time as well as full-time assignments. Special provision is made for persons now occupying the position who fail to meet these standards. For such employees the agency can make arrangements with the Civil Service Commission for a training agreement. The Departmental Circular which established these standards, points out that the subcommittee of the Interdepartmental Committee on Internal Security suggested that they would prove useful as guidelines for appointments to personnel security officer positions in the excepted service.

The Commission is fully aware of the importance of personnel security officers to the success of security programs and, therefore, insists on high qualifications for persons serving in these positions insofar as its jurisdiction extends over the competitive service. Our qualification standards were prepared with that realization in mind. Equally high standards should be followed by those departments and agencies in which the position is excepted from the competitive service.

The Commission's qualification standards include a requirement for a full field investigation for the position of Personnel Security Officer.

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Information available to the Commission at this time indicates that this requirement has not been met for the Personnel Security Officers of the Indian Claims Commission, Smithsonian Institute and the Tax Court of the U. S. The Commission has called attention of these agencies to the requirement for a full field investigation for this position.

8. Security Hearing Board Rosters

Eight departments and agencies, exclusive of the Department of Defense, requested and received the departmental security hearing board roster during the period from October 1, 1953, to December 31, 1953. Five such requests have been received since January 1, 1954. The Commission's regional offices received requests from 80 agencies for field service security hearing board rosters prior to January 1, 1954, and received 64 such requests during the period from January 1 to March 9, 1954.

The number of requests for the departmental and field service rosters is not an indication as to the number of hearings held under the Order inasmuch as an agency may set up hearing boards for any number of cases as a result of a single request for a security hearing board roster.

A copy of the departmental security hearing board roster used by all departments and agencies except the constituent departments of the Department of Defense is attached hereto as Exhibit 14. The roster for the Department of Defense is attached as Exhibit 15.

Designations of members for service on security hearing board rosters, both departmental and field, have been delayed in many instances because of the requirement that each such designee shall have been the subject of a full field investigation with favorable results before his name may be entered on the roster. It was necessary to withhold from rosters the names of several individuals who were erroneously designated by employing agencies and departments prior to the completion of full field investigations. However, this problem is disappearing as investigations are completed.

Complaints have been received from some departments and agencies which have experienced difficulties in setting up field hearing boards in areas away from cities in which Civil Service Regional Offices are located. Efforts are being made to obtain broader geographical distribution and greater agency representation on the field service rosters.

Several agencies have advised that it was becoming increasingly difficult to set up departmental security hearing boards because the roster members frequently advise that they are not available for service as they have urgent official business to conduct in their own agencies. In response to the complaints received, Departmental

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Circular No. 708, Supplement No. 3, was issued on February 2, 1954. This supplement advised the agency heads of the problems involved and requested that roster members be released of their responsibilities under the Order only when justified by compelling reasons which have been approved by the appropriate official of the agency. It was further requested in the supplement that the name of any designee who frequently would be unavailable for service on a security hearing board be withdrawn and another employee designated for such service.

9. Special Agreements Made With Departments and Agencies Under Section 8 (b) and (c) of E.O. 10450

Pursuant to the provisions of Section 8, subsections (b) and (c) of Executive Order 10450, special agreements have been made between the Civil Service Commission and 17 departments and agencies in regard to the investigation of applicants or employees of those departments and agencies. In addition, such an agreement has been proposed with the Farm Credit Administration, but has not yet been approved.

The general pattern of these agreements is that a department or agency with investigative facilities will conduct its own full field investigations. For example, the Departments of Agriculture, Air Force, Army, Justice, Navy, Post Office, State, and Treasury, conduct their own full field investigations. Usually, however, the Commission conducts the national agency checks required in these full field investigations and furnishes the results to the agency for incorporation in its reports. This arrangement saves time since the Commission conducts these national agency checks on a mass basis and can complete them rapidly. It also affords maximum utilization of the limited space available to investigators to check some of the required files, for example, the files of the House Committee on Un-American Activities.

A summary of the agreements made and of the proposed agreement is attached hereto as Exhibit 16.

10. Non-sensitive Positions for which Departments and Agencies Have Been Relieved of the Requirement for Submitting Forms to the Commission for Investigation Under Section 3(a) of E.O. 10450.

Section 3(a) of the Order provides, in part, that the Commission may, upon the request of the head of the department or agency concerned,

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authorize an investigation less than the national agency check and written inquiries with respect to per diem, intermittent, temporary, or seasonal employees, or aliens employed outside the United States. The Commission has received a number of requests under this provision of the Order and has relieved these departments and agencies from submitting forms to the Commission for initiation of investigation under the Order. The Commission's action upon these request is summarized in the attached Exhibit 17.



Philip Young
Chairman

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DEFINITION OF A COMMISSION FULL FIELD INVESTIGATION

A full field investigation, as conducted by the Commission, consists of inquiries made in person by an investigator into the experience, habits, conduct and affiliation of an applicant or appointee to determine his character, reputation, loyalty to the United States, and general fitness for employment in a position the occupant of which could bring about material adverse effect on the national security. It covers the life of individuals with special emphasis on the period from January 1937 or his 18th birthday, whichever is the later date.

It includes in every case a National Agency Check. This is a check of the fingerprint files and the investigative files of the Federal Bureau of Investigation, the investigative files of the Civil Service Commission, the files maintained by the House Committee on Un-American Activities, and the files of the appropriate intelligence agency in a military Department for persons with military or civil service in that Department.

The full field investigation includes, in addition, corroboration or verifications of date and place of birth, and inquiries by personal contact at places of education, employment and residence. At such places supervisors, fellow employees, references and school officials are interviewed, and employment records, files of local law enforcement agencies and credit agencies are checked.

In conducting these investigations information is obtained from all these sources on matters which would have a bearing upon the security reliability of the person investigated, including his character, associations and loyalty. If any information is developed in the Commission's full field investigation which falls under Section 8(d) of the Order, the Commission discontinues its investigation and refers the case for investigation to the FBI as required under the Order.

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON 25, D. C.

February 17, 1954

DEPARTMENTAL CIRCULAR NO. 742

TO: HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Statistical Report on the Operations of the Employee Security Program

In order that there may be made available to the National Security Council as much information as can feasibly be assembled about the operation of the employees' security program, you are urgently requested to transmit as soon as possible to the Chairman of the Civil Service Commission the following data concerning the employees' security program in your Department or Agency:

(1) The total number of employees in the Department or Agency involuntarily separated after May 27, 1953 and before January 1, 1954, because of acts, activities, behavior, or associations falling within any one or more of the categories set forth in section 8(a) of Executive Order 10450, as amended, regardless of whether such separation was effected under Public Law 733, 81st Congress, or under other authority. (This will be the totals of Items 6(a) and (b) on Standard Form 77 for the periods May 28 through September 30, 1953 and October 1 through December 31, 1953.)

(2) The total number of employees in the Department or Agency whose files contained information of acts, activities, behavior, or associations falling within any one or more of the categories set forth in section 8(a) of Executive Order 10450, as amended, and whose employment with the Department or Agency terminated after May 27, 1953, and prior to January 1, 1954, by resignation, regardless of whether such resignation took place before or after charges. (The number called for in this paragraph will be the total of Item 7(a) on Standard Form 77 for the periods May 28 through September 30, 1953; and October 1 through December 31, 1953.)

(3) The number of employees included in Items (1) and (2) whose files contained information of acts, activities, behavior, or associations falling within any one or more of the categories set forth in paragraphs (2) to (3), inclusive, of section 8(a) of Executive Order 10450, as amended by Executive Order 10491.

(4) The number of employees included in Items (1) and (2) whose files contained information of sex perversion.

(5) The number of employees included in Items (1) and (2) whose files contained information of conviction of felonies or misdemeanors.

(6) The number of employees included in Items (1) and (2) whose files contained any other type or types of information described in section 8(a) of Executive Order 10450.

If a file contains information in more than one of the categories described in Items (3) to (6), above, it should be reported under each. Hence the totals of Items (3) to (6), inclusive, will be greater than the total number of individual cases.

This request should be treated as a matter of the highest priority and urgency.



Philip Young
Chairman

Distribution: 3 copies to Headquarters of agencies only
1 copy to Personnel Security officers of agencies only
3 copies to Commission's regional offices; 1 copy to each
central office bureau director, division chiefs and staff
officials

Exhibit 3

<u>Departments and Agencies</u>	(1) Termination for informa- tion under 8(a).	(2) Resignations with security information under 8(a).	(3) Number un- der 8(a) 2 to 8.	(4) Number of sex per- version.	(5) Number of felonies and misde- meanors.	(6) Number of all others under 8(a).
Totals	1,086	1,400	429	207	636	1,455
Agriculture	33	41	1	4	16	69
Air Force	75	114	25	2	5	157
Army	91	135	35	4	101	86
American Battle Monuments Comm.	No separations reported.					
Bd. of Governors, Fed'l Reserve System	"	"	"			
Bureau of the Budget	"	"	"			
Atomic Energy Commission	0	1	0	0	0	1
Canal Zone Government	No separations reported.					
STAT						
Civil Aeronautics Board	No separations reported.					
Civil Service Commission	0	2	0	1	0	1
Commerce	29	29	8	9	21	38
Comm. on Foreign Economic Policy	No separations reported.					
Comm. on Orgn. of the Exec. Br. of Govt.	"	"	"			
Com. on Retirement Policy for Fed'l Pers.	"	"	"			

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Council of Economic Advisers	No separations reported.					
Defense Transport Adm.	"	"	"			
Export-Import Bank	"	"	"			
Farm Credit Adm.	"	"	"			
Federal Coal Mine Safety Bd. of Review	"	"	"			
Federal Civil Defense Adm.	3	2	1	2	0	5
Federal Communications Comm.	1	0	1	0	0	1
Federal Deposit Insurance Corp.	No separations reported.					
Federal Housing Adm. & Home Finance Included in Housing	-	-	-	-	-	-
Federal Mediation & Conciliation Service	0	3	3	0	0	0
Federal Power Commission	No separations reported.					
Federal Trade Commission	"	"	"			
Foreign Operations Adm.	164	19	16	15	4	161
General Accounting Office	5	1	1	1	2	4
General Services Administration	100	50	9	2	67	72
Gov't. Contract Committee (See Labor)	-	-	-	-	-	-
Gov't Printing Office	6	4	3	1	6	2
Health, Education & Welfare	11	67	27	12	34	32

(continued)	(1)	(2)	(3)	(4)	(5)	(6)
Home Loan Bank Board (Included in Housing and Home Finance)	-	-	-	-	-	-
Housing and Home Finance Agency	4	19	7	5	4	8
Indian Claims Commission	No separations reported.					
U. S. Information Agency	0	38	24	7	0	17
Interior	29	88	72	4	28	46
Interstate Commerce Commission	No separations reported.					
Justice	53	103	41	3	29	119
Labor	2	15	11	3	1	3
Library of Congress	0	2	1	0	0	1
Nat'l Advisory Committee on Aeronautics	5	12	6	1	7	13
Nat'l Capital Housing Authority	1	2	1	1	0	1
Nat'l Capital Planning Commission	No separations reported.					
Nat'l Gallery of Art	"	"	"			
Nat'l Labor Relations Board	6	4	9	0	0	2
Nat'l Mediation Board	No separations reported.					
Nat'l Science Foundation	0	1	0	0	0	1
Nat'l Security Council	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Nat'l Security Training Commission (See Selective Service)	-	-	-	-	-	-
Navy	135	100	12	1	0	222
Off. of Defense Mobilization	0	2	0	0	0	2
Off. of Sec'y of Defense	1	3	2	1	1	0
Public Housing Administration (Included in Housing & Home Finance)	-	-	-	-	-	-
Post Office	180	104	4	13	111	192
Railroad Retirement Board	1	2	1	0	1	1
Reconstruction Finance Corp.	No separations reported.					
Renegotiation Board	0	5	3	1	0	2
Rubber Production Facilities Disposal Com.	No separations reported.					
Securities & Exchange Comm.	0	2	2	0	0	0
Selective Service System	1	3	4	0	0	0
Small Business Adm.	0	2	0	1	2	0
Smithsonian Institution	No separations reported.					
Soldiers Home						
State Department	5	112	43	49	0	31
Subversive Activities Control Bd.	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Tariff Commission	No separations reported.					
Tax Court of the U. S.	"	"	"			
Tennessee Valley Authority	0	5	1	1	1	3
Treasury	39	13	10	2	9	38
Veterans Administration	104	248	45	30	185	107
War Claims Commission	No separations reported.					
White House Office	1	0	0	0	0	1
Totals	STAT					

STATEMENT OF PHILIP YOUNG, CHAIRMAN, U. S. CIVIL
SERVICE COMMISSION, ON THE EMPLOYEE SECURITY
PROGRAM BEFORE THE SENATE POST OFFICE AND CIVIL
SERVICE COMMITTEE, 10:00 A.M., MARCH 2, 1954

Mr. Chairman, I know that the members of this committee have an intense concern for the maintenance of a public service which can command the unqualified respect of the people it serves. We in the Civil Service Commission share that concern. We cannot hope to attain our objective of attracting highly qualified people to the Federal service -- and holding them in the service -- unless we can offer them a due measure of prestige in the form of public appreciation of their work and talents. Those of us here know that Federal employees, by and large, are loyal, capable people with a degree of devotion and dedication to their work which, in my opinion, is not exceeded by any group of employees in private industry or elsewhere.

Nevertheless, there has been in recent years a mounting public distrust of Government employees based on disclosures that unfit persons at various times had held Government positions of a highly sensitive nature. The old loyalty program which had been in effect for almost 6 years by January 1953 had done little to allay this distrust. Clearly, increased public respect for the Government service depended on greater assurance that no person would be hired or retained in a Government job unless his employment was entirely consistent with national security. To attack this problem in a straightforward fashion was a first duty both to the citizens of our country and to that great bulk of loyal civil servants who were living and working under the shadow cast by those few who had proved unfit.

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The problem of the protection of the Government from employees who are subversive or dangerous to the national security, or potentially so, has what may now be regarded as a fairly lengthy history of consideration by both the executive branch and the Congress. The first legislation dealing with this question was contained in section 9 A of the Hatch Act, enacted in 1939. That legislation makes it unlawful for any person whose compensation is paid from funds authorized or appropriated by any act of Congress "to have membership in any political party or organization which advocates the overthrow of our constitutional form of government in the United States." Section 18.2 (c) (7) of the Civil Service War Regulations, adopted in 1942, makes the existence of a reasonable doubt as to an individual's loyalty to this Government cause for the denial of employment or removal.

During the war and thereafter certain sensitive agencies had authority conferred upon them by the Congress to deal with such cases and to act swiftly in their own discretion. By virtue of Public Law 808 of December 17, 1942, employees of the War and Navy Departments and of the Coast Guard could be summarily removed by the Secretary concerned if he considered such removal to be "warranted by the demands of national security." And appropriation bills conferred upon the heads of other departments authority to terminate the employment of any officer or employee of their departments whenever they considered "such termination necessary or advisable in the interests of the United States." However, Public Law 808 was temporary

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war legislation, and the appropriation act provisions conferred authority only on a year to year basis.

Under the previous Administration, an attempt was made to grapple with this problem through the operations of the Federal Employees Loyalty Program, which was established by Executive Order 9835 in 1947. However, the system of adjudication under this program was intricate, time-consuming and sometimes, in the final analysis, inconclusive. Furthermore, the loyalty program made no allowance for the fact that a person might be a weak link in our national security even though his loyalty was unassailable. There are obviously many other factors, dealing with integrity and moral character, which may have a bearing on an employee's fitness, for a job and its relationship to the national security. And finally, there was a prevalent feeling that, because the old loyalty program had the effect of branding as disloyal an employee who was removed, there was considerable hesitancy to take any action under the program unless an act of clearly demonstrated disloyalty could be established.

As time went on, it had become apparent that the original standard under the loyalty program was not adequate for dealing with cases of suspected disloyalty. The original standard used for refusal of employment or removal from employment on grounds relating to loyalty was "reasonable grounds for belief that the person involved is disloyal." On April 28, 1951, by Executive Order 10241, President Truman changed the standard to "a reasonable doubt as to the loyalty of the person involved."

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The need developed for permanent legislation which would (1) confer on heads of departments authority which they could act on more rapidly than the cumbersome procedure provided for in President Truman's loyalty order, (2) cover the wide variety of cases which would not rationally come under the conception of "loyalty" and (3) at the same time supply minimum procedural protection to the employees involved. This need impelled the Department of Defense to suggest legislation in 1950, which was introduced as H. R. 7439 in the second session of the 81st Congress. Extensive hearings were held before the House Committee on Post Office and Civil Service and the Senate Armed Services Committee.

These hearings on the bill are replete with illustrations of the unsatisfactory and limited nature of the "loyalty" test. For example, a summary submitted by Louis Johnson, the Secretary of Defense, stated that:

"The provisions of the proposed bill would not be in conflict with the provisions of Executive Order No. 9835 of March 21, 1947 (12 Fed. Reg. 1935). That Executive order established a Loyalty Review Board within the Civil Service Commission, which Board is the final arbiter on the dismissal of Federal employees charged with disloyalty. Executive Order No. 9835 pertains only to removal of employees who have been proved disloyal. There is no provision contained therein whereby a person may be removed who on the one hand is absolutely loyal but on the other hand is dangerously indiscreet. The indiscretion of a loyal employee can result in just as complete and damaging a compromise to national security as the actions of a disloyal employee."

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Mr. Nathaniel H. Goodrich, Assistant General Counsel of the Office of Secretary of Defense, testified before this Committee, in part, as follows:

Mr. Miller. "Do you recognize the difference between security risk and disloyalty cases, as expressed by Mr. Klein?"

Mr. Goodrich. "Yes, sir; we do, very clearly."

Mr. Miller. "A man can be a security risk without being disloyal, evidently."

Mr. Goodrich. "Yes, sir."

Dan A. Kimball, Under Secretary of the Navy, told the Committee that:

"The Department of Defense intends to continue full and vigorous enforcement of the President's loyalty program established under Executive Order 9835. But because a Defense Department employee, even though loyal to the United States, may be a serious security risk due to his associations, affiliations, habits, or indiscreetness, the Department considers it to be necessary for adequate protection of the national security that the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force shall have the additional power to remove an employee in their respective departments from his employment when he is found to be a serious risk to national security. A single act of a disloyal person and a single act of an indiscreet employee can do equal damage to our security in one of these sensitive departments. The disloyal person is likely to act with a high degree of care. An indiscreet employee usually acts thoughtlessly or with little regard for the consequences of his indiscretion, intemperance, carelessness, or his imprudence. * * * It is the intention of the Department of Defense, in order to protect the best interests of national security, to suspend summarily employees, loyal or disloyal, who are security risks. After suspension the case of a disloyal person would be processed in accordance with the provisions of Executive Order 9835 to final adjudication and retention or removal of the employee. Security risk cases would be processed in accordance with the provisions of this bill."

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Mr. Kimball, *** "We feel there is a very definite need for this. For instance, a man is charged with disloyalty. He goes to the Loyalty Review Board and says that he is not disloyal, but there is a shadow zone in that case; that is, he may not be disloyal, but he may be a very bad security risk. We have to have some means of protecting ourselves against those people, so that we can suspend them.

"We make the proper charges. The case goes through a process of full review. And I assure you, when one of those cases comes into the Navy Department, we look it over very carefully, because we have to be careful that we do not give anybody an unfair deal. But when we do have somebody who we are satisfied is a poor security risk, we have to get him out."

Mr. Corbett, "Yes; but you have certain cases that start out with the proposition that they are disloyal, they have been accused with disloyalty. But they are found not guilty. Then they are put in the category of a poor security risk. Some of those can be transferred. What does that leave you in the way of a number of cases which might cause you concern? I recognize that if there are even only two or three bad security risk cases, that might be enough. But how can we make it clear to somebody else the reasons for passing such legislation, if we are in favor of this proposed legislation?"

Mr. Kimball, "The question of their loyalty is a difficult one. Perhaps a person has been a Communist for 10 years, but in the last 4 years he has not been a Communist. He has renounced the Communist Party. But he still associates with people we suspect. We feel we have to get those people away from any place where they may have access to classified information. We might be able to move such a person to some kind of a manufacturing plant, let us say, where we manufacture paint, or do some other work, where he would have no access to that kind of information. In such cases, we do move them. But if we cannot move them, or they are not willing to be moved, we must have some means of ridding ourselves of those people after a proper review by all the people in the Department concerned with that procedure."

* * *

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Mr. Kimball. "Let me give you an illustration. We had a fellow working who was accused of disloyalty and cleared of it. But he was married to a woman whose family around him were all Communists. He associated with those people all the time. We could find nothing disloyal about him. We were not even sure that he was a bad security risk except that he was associating with Communists. So we offered him a position in another part of the country, where he would not have access to the kind of material he might have access to here. He took it and we were satisfied. We just moved him away from here. But if he had not been willing to move, we must have the power to remove him from our rolls, because we could not keep a fellow there that was associating with Communists."

Mr. Felix Larkin further testified in July 1950, before the Senate Committee on Armed Services, as follows:

"Now, there are these various other agencies of a sensitive character. Perhaps the distinction may be helpful in connection with the loyalty and security type of case and the real purpose of this. As we see it, the loyalty case which is handled by the President's program under that Executive order, which culminates in the Richardson board, is designed to take care of the disloyal person, the person who is actively disloyal against whom there is sufficient proof.

"Now, it is policy that such a person should not work in the Federal Government in any position or in any department. He is a potentially treasonable person and should not be on the pay rolls of the Federal Government. It does not make any difference where he works or what kind of work he does.

"As distinct from that broad type of problem, a number of the sensitive agencies -- Defense, Atomic Energy, State, and so forth -- who handle or who have classified material, which is handled by some of their employees, face the problem of some of those employees -- it has been a very minor number actually -- but some of those employees, while loyal or while there is no proof that they are disloyal, are of such characteristics or of such personal traits that it is dangerous for them to work in the sensitive job.

"So that what we try to do is if we find a person, we have no proof that he is disloyal----

Senator Bridges. "People like a drunkard or a sexual pervert?"

The Chairman. "Or a person who talks and talks and talks."

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Mr. Larkin. "Or a person who associates with persons who belong to the Communist Party or any of the agencies on the Attorney General's list, but against whom there is no proof he is a Communist as such himself but who by virtue of his continual association becomes a tremendous risk for us to keep in a sensitive job where he is continually every day getting highly classified material."

* * * * *

Senator Hunt. "I had intended to raise the question of -- Why do we have the provision on page 4 in the bill at all? It seems to me that just simply throws the gate open to anyone who is discharged from Government service, for any reason, to wiggle his way into some other department if he can possibly do it. We have had cases of that happen, as you know. I do not see that that provision has any place in the bill. When we discharge a person for loyalty purposes or perhaps personal reason or any other reason from one part of Government, I do not think we should invite him to attempt to get himself placed in another department."

Mr. Larkin. "If the question is discharge for loyalty reasons, of course, he is disqualified from being reemployed any place else. If he were to be terminated by a sensitive agency like Defense, as herein provided for security purposes, not for loyalty but for security, he is being terminated by us because we cannot find a nonsensitive job for him in our agency. If we find a person who we feel is a security risk because he happens to be handling classified material, we will attempt to find him a nonsensitive job where he is not a security risk.

"Now, this is not the disloyal person. This is the loyal person who is a security risk. We will try to find him a nonsensitive job. There are certain employees -- take a chemical engineer, for instance, where it is difficult to find another job. If we feel he is a security risk, we cannot give him a job as a filing clerk. The only job he can do is that of a chemical engineer in a classified area. We terminate his employment. But we feel that if he could get a job elsewhere in the Government in a nonsensitive area where he is not a risk, he should be free to do so, but that the Civil Service Commission ought to rule on his reemployment elsewhere."

The report of the House Committee on H.R. 7439 (H.R. Rep. No. 2330, 81st Cong., 2d Sess. (1950)) in addition to testimony and a letter from Mr. Kimball, Under Secretary of the Navy, sets forth a letter from Mr. Jack K. McFall, Assistant Secretary of State, in which he said:

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"Under existing civil-service rules and regulations, there is no authority to summarily suspend the employment of a permanent employee of the Department without first notifying that employee of the reasons for suspension and affording him an opportunity to reply. The Department feels that such flexibility of action is necessary to the successful operation of an effective personnel-security program, and to counteract the objectives of subversive forces, groups, and individuals whose activities are considered incompatible with the interests of the United States."

Mr. Murray, Chairman of the House Committee on Post Office and Civil Service, in urging the passage of H.R. 7439 said:

"In testimony before our committee, the American Legion stated its official position as follows:

"We in the American Legion feel that the Federal Government has a first obligation to protect itself against all security risks in sensitive sectors. To do this it must have the essential legal instruments. H.R. 7439 would provide one of them. We urge you to favorably recommend H.R. 7439 and restore to agency heads a needed measure of protecting our security. In so doing, you will also aid in restoring a sagging public confidence in our Federal agencies."

"I urge the Members to support this legislation because it is an essential measure for the protection of our Government at a time when the American people can ill afford to have persons on the Federal payroll in sensitive departments and agencies who are security risks."

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Thus, it was pointed out again and again that alcoholics, people with unsatisfactory associations, persons subject to blackmail, and those who are simply overly loquacious could constitute a serious danger to the security of the United States but could not necessarily be proved disloyal. On the other hand, it was pointed out that those who are disloyal are, of course, security risks.

The bill was favorably reported by both committees (H. Rept. No. 2330; S. Rept. No. 2158; 81st Cong. 2d Sess.). It passed the House by a vote of 327 to 114 and was adopted by voice vote of the Senate, as Public Law 733. This is the law on which E. O. 10450, establishing the present security program is based.

The bill, both as introduced and passed, applied only to certain named departments but conferred upon the President authority to extend it to others. The reasons for its limited immediate impact was apparently the then Administration's feeling that it could do the job under the loyalty program. But it was made clear that if that program should for any reason be abandoned, a program under this legislation could take its place.

One further point should be made about the history of Public Law 733. As indicated above, there was at the time of its adoption much dissatisfaction with the cumbersome nature of the procedure involved in the removal of employees under the loyalty program, and Public Law 733 as introduced vested final discretion and authority in each department head. Thus suspension or termination of an employee under this act is not subject to review by any Board similar to the old Loyalty Review Board. Efforts were made before both committees which considered the bill and on the floor of the House to amend it to provide some such review. But all such amendments were rejected because the Congress felt that in such

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cases no outside agency should be in a position to impose its judgment over that of the head of a department as to whether he should retain in his department an employee whom he regards as a security risk. It was pointed out in connection with the proposed amendments that the bill provided, and now does provide, that an employee dismissed as a security risk by one department could be hired by others if the Civil Service Commission, in addition to the hiring department, concluded that the employee would not be a risk in the new position.

President Eisenhower, in his State of the Union message of February 2, 1953, to the 83d Congress said:

"The safety of America and the trust of the people alike demand that the personnel of the Federal Government be loyal in their motives and reliable in the discharge of their duties. Only a combination of both loyalty and reliability promises genuine security."

He further stated: "The heads of all executive departments and agencies have been instructed to initiate at once effective programs of security with respect to their personnel," and added that the Attorney General would advise and guide departments and agencies in the shaping of these programs.

In applying these principles set forth by President Eisenhower, it was decided to broaden the application of the statutory authority which the 81st Congress had given the President in Public Law 733 of 1950. Therefore, the President, by Executive Order 10450 of April 27, 1953, established a Government-wide employee security program, based on the authority and the approach set forth by the Congress in Public Law 733, and abolished the old loyalty program.

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The basic objective of the Employee Security Program is to make sure that there is no employee on the Federal payroll nor any applicant appointed who can, because of his position, endanger the national security. The American people must be assured that Federal employees are persons of integrity, high moral character and unswerving loyalty to the United States.

Today the head of each department and agency is responsible for the security of his organization. Under this program the responsibility for the security of a department or agency is placed where it belongs, squarely on the shoulders of a particular government organization. To safeguard the rights and privileges of the employees provision has been made for hearings, at the option of the employee, before security hearing boards composed of government employees from other agencies.

I would like to give you now the final results of the Federal Employees Loyalty Program, cumulative from the start of the program in 1947 to its conclusion in 1953. Before I give you the figures, however, I should like to say -- as we have been saying all along -- that the figures are in no way comparable to figures on operation of the Employee Security Program, because of the differences in the two programs which I have already described.

Whenever a question of loyalty was revealed through preliminary checks, an investigation was scheduled. In all, reports of investigations on 26,236 persons were referred to appropriate loyalty boards for consideration.

The results of actions by agencies, by regional boards of the Commission, and by the Loyalty Review Board over nearly a six-year period were as follows: 18,279 persons of the 26,236 were cleared by favorable decisions on loyalty or were yet to be evaluated at the time the program was terminated; proceedings were discontinued on 6,828 cases because these

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persons resigned or withdrew their applications for employment; 560 persons were removed or denied Federal employment on grounds relating to loyalty. The remaining 569 persons of the 26,236 were processed by the Department of the Army under security laws.

Now, before we discuss the statistics available on operations under the Employee Security Program, it is essential that we understand fully the nature and scope of the program. I am, therefore, going to run over the provisions of Executive Order 10450 and the regulations which have been adopted, with some minor variations, by the various agencies.

Section 1 of Executive Order 10450 merely extends Public Law 733 to all those agencies of Government which are not mentioned in the law itself.

Section 2 places upon the head of each individual department and agency the responsibility for establishing and maintaining within his agency an effective security program. This, of course, is in line with the provisions of Public Law 733.

Section 3 sets forth the requirement that all appointments to Government positions shall be subject to investigation. The scope of the investigation will vary according to the degree of adverse effect upon the national security which could be brought about by the incumbent of a particular position. In no case will this be less than what is called a National Agency check and inquiry. This involves a check of name fingerprint files of the FBI and the files of the Civil Service Commission, the House Committee on Un-American Activities, and the military intelligence agencies. It also involves written inquiries to appropriate local law-enforcement agencies, former employers and

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supervisors, persons given as references, and schools attended. Should there develop at any stage of investigation any information indicating that the employment of an individual may not be clearly consistent with the interests of national security, a full field investigation is required, or such less investigation as may be determined by the head of the department or agency.

Subsection (b) of Section 3 requires heads of agencies to define as sensitive positions those jobs within their agencies the incumbents of which could, by virtue of their position, bring about a material adverse effect on the national security.

Section 4 provides for review of all cases where full field investigation was made under the old loyalty program, and a readjudication of such cases where the individuals were not measured against the broader concept of security.

Section 5 provides for consideration by the agency head of new information which may be obtained regarding the case of an employee under his jurisdiction, together with investigation and readjudication of the employee's case where necessary.

Section 6 requires that an agency head immediately suspend where he deems it necessary an employee if at any stage of investigation there is information developed indicating that the employee's retention may not be clearly consistent with the national security. It is further provided that the head of the agency will, upon appropriate investigation and review, terminate the employment of the suspended employee where such action is necessary or advisable.

Section 7 sets up appropriate safeguards against the re-employment of a suspended or terminated employee in the same agency or in another agency, making specific provisions for a determination by the Civil Service Commission before any employee in this category may be employed by any other agency.

Section 8 (a) provides that the investigations conducted pursuant to this order shall be designed to develop information as to whether the employment or retention in employment in the Federal service of the person being investigated is clearly consistent with the interests of the national security. Such information shall relate, but shall not be limited, to the following:

(1) Depending on the relation of the Government employment to the national security:

- (i) Any behavior, activities, or associations which tend to show that the individual is not reliable or trustworthy.
- (ii) Any deliberate misrepresentations, falsifications, or omission of material facts.
- (iii) Any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion.
- (iv) An adjudication of insanity, or treatment for serious mental or neurological disorder without satisfactory evidence of cure.
- (v) Any facts which furnish reason to believe that the individual may be subjected to coercion, influence, or pressure which may cause him to act contrary to the best interests of the national security.

- (2) Commission of any act of sabotage, espionage, treason, or sedition, or attempts thereat or preparation therefor, or conspiring with, or aiding or abetting, another to commit or attempt to commit any act of sabotage, espionage, treason, or sedition.
- (3) Establishing or continuing a sympathetic association with a saboteur, spy, traitor, seditionist, anarchist, or revolutionist, or with an espionage or other secret agent or representative of a foreign nation, or any representative of a foreign nation whose interests may be inimical to the interests of the United States, or with any person who advocates the use of force or violence to overthrow the government of the United States or the alteration of the form of government of the United States by unconstitutional means.
- (4) Advocacy of use of force or violence to overthrow the government of the United States, or of the alteration of the form of government of the United States by unconstitutional means.
- (5) Membership in, or affiliation or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons which is totalitarian, Fascist, Communist, or subversive, or which has adopted, or shows, a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of government of the United States by unconstitutional means.
- (6) Intentional, unauthorized, disclosure to any person of security information, or of other information disclosure of which is prohibited by law, or willful violation or disregard of security regulations.

- (7) Performing or attempting to perform his duties, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.
- (8) Refusal by the individual, upon the ground of constitutional privilege against self-incrimination, to testify before a congressional committee regarding charges of his alleged disloyalty or other misconduct.

Section 8 (b), (c) and (d) assign investigative responsibilities under the order to the Civil Service Commission, the employing agencies, and the FBI, with provision that where information is developed pertaining to matters covered by Section 2 through 7 of 8 (a), the FBI shall make a full field investigation.

Section 9 (a) and (b) require the Civil Service Commission to establish and maintain a security-investigation index covering all persons who have been the subject of an investigation under Executive Order 10450. Department and agency heads must furnish the Commission with pertinent information to establish and maintain this register. The register is to contain the name of each person investigated together with adequate identifying information, a reference to each department and agency which has conducted an investigation concerning the person, or which has suspended or terminated the individual's employment under the authority granted them or in accordance with Public Law 733.

Section 9 (c) provides for the confidentiality of the reports and other investigative material and information developed pursuant to any statute, order, or program described in Section 7 of Executive Order 10450. Such information will be the property of the investigative agencies conducting the investigations but may be retained by the department or agency concerned if it is desirable and consistent with the national security.

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Section 10 provides that Executive Order 10450 shall not eliminate or modify any requirements for any investigation or any determination as to security which may be required by law.

Section 11 provides for the disposition of cases under the old loyalty program. It requires, generally, that appeals and agency determinations pending before the Loyalty Review Board or the Civil Service Commission's regional loyalty boards, be processed to completion or, in some instances, such as where hearings were not yet initiated, that they be referred to the appropriate department or agency for processing in accordance with the standards and procedures of Executive Order 10450.

Section 12 revokes Executive Order 9835 but provides that the Loyalty Review Board and the Commission's regional loyalty boards would continue to function for 120 days after the effective date of Executive Order 10450.

Section 13 requests the Attorney General to give to departments and agency heads such advice as is necessary to enable them to set up and maintain appropriate employee-security programs.

Section 14 makes the Civil Service Commission responsible for a continuing study of the Employee Security Program to assure that adequate employee security programs are established and operating in each department and agency and that employees are receiving fair, impartial and equitable treatment. It further requires the Commission to report the results of its study to the National Security Council at least semi-annually.

Section 15 provides that this order shall become effective thirty days after the date of the order, which is April 27, 1953.

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At the same time the President issued Executive Order 10450 he also, in a letter to all department and agency heads, made the Civil Service Commission responsible for providing competent and disinterested Government employees to sit as members of security hearing boards and noted that the Attorney General would issue sample regulations designed to establish minimum standards for the operation of the security program.

In compliance, the Commission has established rosters of employees who will serve on these boards. The names were furnished the Commission by the heads of the various departments and agencies. Generally, the employees sit only on boards which hear cases involving other than their own employing department or agency.

Some of the highlights of the sample regulations issued by the Attorney General will also be of interest to you. These include the definition of a sensitive position as any position which by its very nature would permit the occupant of it to bring about a material adverse effect on the national security. These positions include those where the employee has access to security information or to other classified material, as well as those jobs where the employee may have an opportunity to commit acts directly or indirectly which affect the national security adversely.

The regulations also more clearly define the procedures by which employees are assured of fair, impartial and equitable treatment under the program. In cases of suspension, for example, the employee is notified in writing with the reasons being as specific as security considerations will permit, and is given at least thirty days to answer the charges, including submission of affidavits or statements.

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If the employee is a citizen of the United States, has a probational or indefinite appointment and has completed his probationary or trial period, the employee may also be given a hearing before a board composed of at least three impartial and disinterested persons furnished from the roster the Commission maintains. At these hearings the employee may participate in the hearings, be represented by counsel of his choice, present witnesses and offer other evidence in his own behalf and may cross-examine witnesses offered in support of the charges against the employee. A copy of the written decision of the board is furnished the employee.

In addition, the entire case is reviewed by the head of the department or agency before a decision to terminate the employment of a suspended employee is made. The employee is also furnished a written statement of the decision of the department or agency head.

In summary, responsibilities under the employee security program are divided as follows:

The head of each agency is responsible for establishing and maintaining within his agency a program to insure that the employment and retention in employment of every one of his civilian employees is clearly consistent with the interests of national security.

In carrying out these responsibilities, the agency head must designate which of the positions in his agency are sensitive, cause the proper investigations to be made, reopen any cases that were decided under a lower security standard after a full field investigation, readjudicate any cases on which new information is received, and suspend and terminate any employee whose employment is not clearly consistent with the interests of the national security.

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The agency head is also responsible for keeping investigative reports confidential, for furnishing the Civil Service Commission with information for use in maintaining the Security Investigations Index, for cooperating with the Civil Service Commission in its work of studying the administration of the program, and for designating persons of integrity, ability, and good judgment for service as members of security hearing boards of other agencies.

The Attorney General's part of the program consists of making full field investigations through the Federal Bureau of Investigation, maintaining a list of totalitarian, fascist, communist, or subversive organizations, and giving agencies advice in establishing and maintaining their security programs. The Attorney General also supplies to agencies sample regulations for establishing minimum standards for implementing the security program.

The Civil Service Commission conducts the investigations required under the program, except for those conducted by the FBI and by agencies with investigative facilities. The Commission maintains a Security Investigations Index and maintains rosters of persons nominated to serve as members of security hearing boards.

The Commission also makes a continuing study of the administration of the program by the agencies for the purpose of determining whether there are any deficiencies that might weaken the national security or any tendencies to deny to individual employees fair treatment or rights under law or the Constitution. The results of the study are reported to the National Security Council.

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The Commission is also responsible for determining eligibility for further Federal employment in another agency of persons who have been terminated on grounds of security.

You will note that there is nothing in Executive Order 10450 or the accompanying regulations and instructions which requires the Civil Service Commission to compile or maintain detailed information on individual cases, or to make a statistical analysis of operations under the program. We originally compiled some overall figures at the specific, written request of the National Security Council, and these were the figures contained in our preliminary progress report which was submitted to the Council on October 22, 1953.

Before giving the Committee a detailed breakdown on actions taken to date under the program that has been described, I would like to give you a basis for regarding these figures in their proper perspective against the overall total of Federal employment and the extent of turnover in the Federal Government.

As of the end of January 1954, the Government employed nearly 2,350,000 persons, the vast majority of whom undoubtedly are loyal, capable people of integrity and high moral standards. In the seven months from June through December 1953, a very large number of employees left their jobs by one route or another. A total of 171,726 persons resigned their jobs with the Government. A total of 9,064 or nearly 1,300 per month, were discharged for cause. A total of 60,095 were separated from their positions during the seven-month period by reductions in force. During the same seven months, a total of 208,609 new employees were hired by Federal agencies within the continental United States.

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Now some figures regarding investigations required under the order. As of the 1st of January, 1954, the Commission had initiated 167,617 investigations under Executive Order 10450. Of these, 159,856 have been completed. In addition, the Commission has completed 5,717 full field investigations for sensitive positions. As of February 1, 1954, other agencies had initiated 26,032 full field investigations for sensitive positions. The agencies' target is completion of all full field investigations for sensitive positions for employees now on the payroll by June 30, 1954, and evaluation of these cases by September 30, 1954.

Certain complicated cases which involve hearings and additional investigations may not be adjudicated by September 30. It is anticipated however that all these cases will be completed and adjudicated by the end of the calendar year.

Now for what has happened to date under the program. I have prepared for the Committee a table showing actions taken from May 28 through December 31, 1953. Yesterday afternoon we made available to the House Post Office and Civil Service Committee figures which did not include some late returns received after that data was prepared. These additional figures have been included in the current report in order that this Committee may have the most up-to-the-minute data available. The figures I am about to give you do not, however, reflect the total terminations and resignations under this program by the Department of Defense and its constituent agencies. The returns from these agencies cover only information contained in their central files plus a scattering of information from the field. Many defense installations have not yet reported, and these returns, which may substantially increase the totals, will not be available for from 60 to 90 days. In this connection, I would like to

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state that there was a security program prior to May 27, 1953, and that many additional separations were accomplished through this earlier program.

With the exception noted in the case of the Defense Department and its constituent agencies, the table shows the number of terminations and resignations because of security questions falling within the purview of Section 8(a) of Executive Order 10450. Resignations which took place before determination was completed are shown in cases where the file was known to contain unfavorable information under Section 8(a) of the order. This table includes a breakdown according to broad categories of information in individuals' files. It should be noted that these figures likewise are incomplete for the Department of Defense and its constituent agencies.

The categories are the following:

- (1) Number whose files contained information indicating, in varying degrees, subversive activities, subversive associations, or membership in subversive organizations.
- (2) Number whose files contained information indicating sex perversion.
- (3) Number whose files contained information indicating conviction of felonies or misdemeanors.
- (4) Number whose files contained any other type or types of information falling within the purview of Executive Order 10450, as amended.

I should now like to go over with you the figures on the attached table.

<u>Departments and Agencies</u>	(1) Termination for informa- tion under 8(a).	(2) Resignations with security information under 8(a).	(3) Number un- der 8(a) 2 to 8.	(4) Number of sex per- version.	(5) Number of felonies and mis- demeanors.	(6) Number of all others under 8(a).
Totals	1,074	1,353	383	194	605	1,045
Agriculture	33	41	1	4	16	69
Air Force	75	114	Categories not given.			
Army	91	128	28	4	101	86
American Battle Monuments Comm.	No separations reported.					
Bd. of Governors, Fed'l Reserve System	"	"	"			
Bureau of the Budget	"	"	"			
Atomic Energy Commission	0	1	0	0	0	1
Canal Zone Government	No separations reported.					
STAT						
Civil Aeronautics Board	No separations reported.					
Civil Service Commission	0	2	0	1	0	1
Commerce	29	29	8	9	21	38
Comm. on Foreign Economic Policy	No separations reported.					
Comm. on Orgn. of the Exec. Br. of Govt.	"	"	"			
Com. on Retirement Policy for Fed'l Pers.	"	"	"			

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(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Council of Economic Advisers	No separations reported.					
Defense Transport Adm.	"	"	"			
Export-Import Bank	"	"	"			
Farm Credit Adm.	"	"	"			
Federal Coal Mine Safety Bd. of Review	"	"	"			
Federal Civil Defense Adm.	3	2	1	2	0	5
Federal Communications Comm.	1	0	1	0	0	1
Federal Deposit Insurance Corp.	No separations reported.					
Included in Housing Federal Housing Adm. & Home Finance	-	-	-	-	-	-
Federal Mediation & Conciliation Service	0	3	3	0	0	0
Federal Power Commission	No separations reported.					
Federal Trade Commission	"	"	"			
Foreign Operations Adm.	164	19	16	15	4	161
General Accounting Office	5	1	1	1	2	4
General Services Administration	100	50	9	2	67	72
Gov't. Contract Committee (See Labor)	-	-	-	-	-	-
Gov't Printing Office	6	4	3	1	6	2
Health, Education & Welfare	11	67	27	12	34	32

(continued)	(1)	(2)	(3)	(4)	(5)	(6)
Home Loan Bank Board (Included in Housing and Home Finance)	-	-	-	-	-	-
Housing and Home Finance Agency	4	19	7	5	4	8
Indian Claims Commission	No separations reported.					
U. S. Information Agency	0	38	24	7	0	17
Interior	29	88	72	4	28	46
Interstate Commerce Commission	No separations reported.					
Justice	53	103	41	3	29	119
Labor	2	15	11	3	1	3
Library of Congress	0	2	1	0	0	1
Nat'l Advisory Committee on Aeronautics	5	12	6	1	7	13
Nat'l Capital Housing Authority	1	2	1	1	0	1
Nat'l Capital Planning Commission	No separations reported.					
Nat'l Gallery of Art	"	"	"			
Nat'l Labor Relations Board	6	4	9	0	0	2
Nat'l Mediation Board	No separations reported.					
Nat'l Science Foundation	0	1	0	0	0	1
Nat'l Security Council	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Nat'l Security Training Commission (See Selective Service)	-	-	-	-	-	-
Navy	135	100	Categories not given.			
Off. of Defense Mobilization	0	2	0	0	0	2
Off. of Sec'y of Defense	1	1	Categories not given.			
Public Housing Administration (Included in Housing & Home Finance)	-	-	-	-	-	-
Post Office	180	104	4	13	111	192
Railroad Retirement Board	1	2	1	0	1	1
Reconstruction Finance Corp.	No separations reported.					
Renegotiation Board	0	5	3	1	0	2
Rubber Production Facilities Disposal Com.	No separations reported.					
Securities & Exchange Comm.	0	2	2	0	0	0
Selective Service System	1	3	4	0	0	0
Small Business Adm.	0	2	0	1	2	0
Smithsonian Institution	No separations reported.					
Soldiers Home						
State Department	5	112	43	49	0	31
Subversive Activities Control Bd.	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Tariff Commission	No separations reported.					
Tax Court of the U. S.	"	"	"			
Tennessee Valley Authority	0	5	1	1	1	3
Treasury	39	13	10	2	9	38
Veterans Administration	92	210	45	21	160	76
War Claims Commission	No separations reported.					
White House Office	1	0	0	0	0	1
Totals						

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STATEMENT OF PHILIP YOUNG, CHAIRMAN, U. S. CIVIL
SERVICE COMMISSION, ON THE EMPLOYEE SECURITY
PROGRAM BEFORE THE SENATE POST OFFICE AND CIVIL
SERVICE COMMITTEE, 10:00 A.M., MARCH 10, 1954

Mr. Chairman, at the outset today I would like to make a brief, further statement relating to some of the questions raised by committee members the last time I came before this committee on the subject of the Employee Security program.

First, the question relating to loyalty on Government application forms. Prior to issuance of Standard Form 57 in 1942, there was in use an application Form 8. Form 8 contained no reference to membership in organizations until the edition date of February 1940, when the following question was inserted: "Are you a member of any political party or organization which advocates the overthrow of our constitutional form of government in the United States?" A "yes or no" answer was required, with the requirement that the organization be named if a positive answer was given.

In July 1941, this question on Form 8 was changed to make specific mention of "any Communist or German Bund organization," and it was also broadened to include membership or affiliation with any group which "lends support to any organization or movement advocating the overthrow of our constitutional form of government in the United States."

When Form 57 was substituted for Form 8 in April 1942, the wording of this question was again changed, to read as follows:

"Do you advocate or have you ever advocated, or are you now or have you ever been a member of any organization that advocates the overthrow of the Government of the United States by force or violence?" A "yes or no" answer was required, with the further requirement "If so, give complete details under Item 45."

The question continued in approximately the same form through further revisions of Form 57 in 1942, in 1945 and in 1946. In November of 1947, the question was broken up into three, separate questions as follows:

"Are you now, or have you ever been, a member of the Communist Party, U. S. A., or any Communist organization? (Yes or No). Are you now, or have you ever been, a member of a Fascist organization? (Yes or No). Are you now, or have you ever been, a member of any organization, association, movement, group, or combination of persons which advocates the overthrow of our constitutional form of government, or of an organization, association, movement, group or combination of persons which has adopted a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the constitution of the United States or of seeking to alter the form of government of the United States by unconstitutional means? (Yes or No)." The form contains this further language: "If your answer to question 27, 28, or 29 above is 'yes', state in Item 39 the names of all such organizations, associations, movements, groups, or combination of persons and dates of membership. Give complete details of your activities therein and make any explanation you desire regarding your membership or activities therein."

The latter is the form in which the question stands on the edition of Form 57 which is now in use. I understand that there have been many prosecutions involving false statements on Government application forms; however, any details as to these prosecutions could only be provided by the Justice Department.

The Civil Service Commission has agreed upon a revised form of this question, which I referred to in my earlier testimony before this Committee. As worded in the revision, which is now pending before the other agencies concerned, the question reads as follows:

"Are you now, or have you ever been, a member of the Communist Party, U. S. A., or any communist organization?"

"Are you now, or have you ever been, a member of a fascist organization?"

"Are you now or have you ever been a member of any foreign or domestic organization, association, movement, group, or combination of persons which is totalitarian, Fascist, Communist, or subversive, or which has adopted, or shows, a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of government of the United States by unconstitutional means?"

The second point I should like to clarify is that the figures which we are able to submit to this committee are necessarily incomplete. Even the latest figures, which I will give you, do not reflect the total terminations and resignations under this program by the Department of Defense and its constituent agencies. Also, the total of the four categories representing types of information in individuals' files numerically exceeds the total number of persons terminated and resigned. This is so because there are many instances where an individual's file shows derogatory information under more than one of the categories included in the breakdown. Therefore, it is meaningless to add the totals under the category breakdown for purposes of comparison with the total terminated and resigned. What the category breakdown will show, when it is complete, is simply the number of cases in which information of a specified type was present in the files of individuals who were terminated or who resigned under this program.

The third point I would like to make deals with the protection granted to employees under this program. For those persons whom an agency head proposes to terminate under the provisions of Executive Order 10450, the

procedure calls for a statement of charges and an opportunity to answer. A hearing may be granted, if the employee so desires, before a security hearing board composed of three employees of other Government agencies. The sample regulations, furnished to all agencies by the Justice Department and adopted by agencies with some minor modifications, provide that when a hearing is held the employee will have the right to present witnesses on his behalf and may cross-examine any witnesses offered in support of the charges. The hearing board reports its decision to the head of the agency who makes the final decision. If the employee is terminated, there is also provision for a determination by the Civil Service Commission, upon the employee's request, as to whether the former employee may be employed in another agency.

Those are the procedures under Executive Order 10450. However, the bulk of the terminations under the Employee Security program has been effected through normal civil-service removal procedures. Under such circumstances, the employee has full benefit of the same protection against arbitrary removal which is provided employees whose discharge is proposed for any cause, whether or not related to Executive Order 10450. Generally speaking, veterans have the right to a 30-day notice period, a statement of charges and an opportunity to answer, plus an appeal to the Civil Service Commission both as to procedure and as to the merits of the case. The non-veteran has a right to a statement of charges and an opportunity to answer those charges, but there is no appeal beyond the agency head.

For the further protection of employees, as well as of the Government, the President provided in Executive Order 10450 for a continuing study by the Civil Service Commission of operations under this program. The purpose of this study is to identify any deficiencies which may develop in the program, and any tendencies to deny individual employees fair, impartial

and equitable treatment at the hands of the Government. The Commission is to report at least semi-annually to the National Security Council and to recommend means to correct any such deficiencies or tendencies.

Now just a word about the figures on the attached tables. As I have already indicated, they are still incomplete. However, some additional returns have come in from agencies since my last appearance before this committee and these have been incorporated in the tables. In fact, some additions to the totals have taken place since my testimony before the House Civil Service Committee, so that you will find the totals are slightly higher than any previously published figures.

<u>Departments and Agencies</u>	(1) Termination for informa- tion under 8(a).	(2) Resignations with security information under 8(a).	(3) Number un- der 8(a) 2 to 8.	(4) Number of sex per- version.	(5) Number of felonies and misde- meanors.	(6) Number of all others under 8(a).
Totals	1,086	1,400	429	207	636	1,455
Agriculture	33	41	1	4	16	69
Air Force	75	114	25	2	5	157
Army	91	135	35	4	101	86
American Battle Monuments Comm.	No separations reported.					
Bd. of Governors, Fed'l Reserve System	"	"	"			
Bureau of the Budget	"	"	"			
Atomic Energy Commission	0	1	0	0	0	1
Canal Zone Government	No separations reported.					
STAT						
Civil Aeronautics Board	No separations reported.					
Civil Service Commission	0	2	0	1	0	1
Commerce	29	29	8	9	21	38
Comm. on Foreign Economic Policy	No separations reported.					
Comm. on Orgn. of the Exec. Br. of Govt.	"	"	"			
Com. on Retirement Policy for Fed'l Pers.	"	"	"			

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Council of Economic Advisers	No separations reported.					
Defense Transport Adm.	"	"	"			
Export-Import Bank	"	"	"			
Farm Credit Adm.	"	"	"			
Federal Coal Mine Safety Bd. of Review	"	"	"			
Federal Civil Defense Adm.	3	2	1	2	0	5
Federal Communications Comm.	1	0	1	0	0	1
Federal Deposit Insurance Corp.	No separations reported.					
Federal Housing Adm. & Home Finance Included in Housing	-	-	-	-	-	-
Federal Mediation & Conciliation Service	0	3	3	0	0	0
Federal Power Commission	No separations reported.					
Federal Trade Commission	"	"	"			
Foreign Operations Adm.	164	19	16	15	4	161
General Accounting Office	5	1	1	1	2	4
General Services Administration	100	50	9	2	67	72
Gov't. Contract Committee (See Labor)	-	-	-	-	-	-
Gov't Printing Office	6	4	3	1	6	2
Health, Education & Welfare	11	67	27	12	34	32

(continued)	(1)	(2)	(3)	(4)	(5)	(6)
Home Loan Bank Board (Included in Housing and Home Finance)	-	-	-	-	-	-
Housing and Home Finance Agency	4	19	7	5	4	8
Indian Claims Commission	No separations reported.					
U. S. Information Agency	0	38	24	7	0	17
Interior	29	88	72	4	28	46
Interstate Commerce Commission	No separations reported.					
Justice	53	103	41	3	29	119
Labor	2	15	11	3	1	3
Library of Congress	0	2	1	0	0	1
Nat'l Advisory Committee on Aeronautics	5	12	6	1	7	13
Nat'l Capital Housing Authority	1	2	1	1	0	1
Nat'l Capital Planning Commission	No separations reported.					
Nat'l Gallery of Art	"	"	"			
Nat'l Labor Relations Board	6	4	9	0	0	2
Nat'l Mediation Board	No separations reported.					
Nat'l Science Foundation	0	1	0	0	0	1
Nat'l Security Council	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Nat'l Security Training Commission (See Selective Service)	-	-	-	-	-	-
Navy	135	100	12	1	0	222
Off. of Defense Mobilization	0	2	0	0	0	2
Off. of Sec'y of Defense	1	3	2	1	1	0
Public Housing Administration (Included in Housing & Home Finance)	-	-	-	-	-	-
Post Office	180	104	4	13	111	192
Railroad Retirement Board	1	2	1	0	1	1
Reconstruction Finance Corp.	No separations reported.					
Renegotiation Board	0	5	3	1	0	2
Rubber Production Facilities Disposal Com.	No separations reported.					
Securities & Exchange Comm.	0	2	2	0	0	0
Selective Service System	1	3	4	0	0	0
Small Business Adm.	0	2	0	1	2	0
Smithsonian Institution	No separations reported.					
Soldiers Home						
State Department	5	112	43	49	0	31
Subversive Activities Control Bd.	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Tariff Commission	No separations reported.					
Tax Court of the U. S.	"	"	"			
Tennessee Valley Authority	0	5	1	1	1	3
Treasury	39	13	10	2	9	38
Veterans Administration	104	248	45	30	185	107
War Claims Commission	No separations reported.					
White House Office	1	0	0	0	0	1

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STATEMENT OF PHILIP YOUNG, CHAIRMAN, U. S. CIVIL
SERVICE COMMISSION, ON THE EMPLOYEE SECURITY
PROGRAM BEFORE THE HOUSE POST OFFICE AND CIVIL
SERVICE COMMITTEE, 10:30 A. M., MARCH 4, 1954

Mr. Chairman, those of us here know that Federal employees, by and large, are loyal, capable people with a degree of devotion and dedication to their work which, in my opinion, is not exceeded by any group of employees in private industry or elsewhere.

Nevertheless -- as I pointed out before the Senate Committee last Tuesday -- there has been in recent years a mounting public distrust of Government employees based on disclosures that unfit persons at various times had held Government positions of a highly sensitive nature. The old loyalty program which had been in effect for almost 6 years by January 1953 had done little to allay this distrust. Clearly, increased public respect for the Government service depended on greater assurance that no person would be hired or retained in a Government job unless his employment was entirely consistent with national security. To attack this problem in a straightforward fashion was a first duty both to the citizens of our country and to that great bulk of loyal civil servants who were living and working under the shadow cast by those few who had proved unfit.

Under the previous Administration, an attempt was made to grapple with this problem through the operations of the Federal Employees Loyalty Program, which was established by Executive Order 9835 in 1947. However, the loyalty program made no allowance for the fact that a person might be a weak link in our national security even though his loyalty was unassailable. There was a prevalent feeling that, because the loyalty program had the effect of branding as disloyal an employee who was removed, there was considerable hesitancy to take any action under the program unless an act of clearly demonstrated disloyalty could be established.

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As time went on, it had become apparent that the original standard under the loyalty program was not adequate for dealing with cases of suspected disloyalty. The original standard used for refusal of employment or removal from employment on grounds relating to loyalty was "reasonable grounds for belief that the person involved is disloyal." On April 28, 1951, by Executive Order 10241, President Truman changed the standard to "a reasonable doubt as to the loyalty of the person involved."

The need developed for permanent legislation which would (1) confer on heads of departments authority which they could act on more rapidly than the cumbersome procedure provided for in President Truman's loyalty order, (2) cover the wide variety of cases which would not rationally come under the conception of "loyalty" and (3) at the same time supply minimum procedural protection to the employees involved. This need impelled the Department of Defense to suggest legislation in 1950, which was introduced as H. R. 7439 in the second session of the 81st Congress. Extensive hearings were held before the House Committee on Post Office and Civil Service and the Senate Armed Services Committee.

These hearings on the bill are replete with illustrations of the unsatisfactory and limited nature of the "loyalty" test. For example, Dan A. Kimball, Under Secretary of the Navy, told the Committee that:

"The Department of Defense intends to continue full and vigorous enforcement of the President's loyalty program established under Executive Order 9835. But because a Defense Department employee, even though loyal to the United States, may be a serious security risk due to his associations, affiliations, habits, or indiscreetness, the Department considers it to be necessary for adequate protection of the national security that the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force shall have the additional power to remove an employee in their respective departments from his employment when he is found to be a serious risk to national security. A single act of a disloyal person and a single act of an indiscreet employee can do equal damage to our security in one of these sensitive departments."

It was pointed out again and again in these hearings that alcoholics, people with unsatisfactory associations, persons subject to blackmail, and those who are simply overly loquacious could constitute a serious danger to the security of the United States but could not necessarily be proved disloyal. On the other hand, it was pointed out that those who are disloyal are, of course, security risks.

The bill was favorably reported by both committees (H. Rept. No. 2330; S. Rept. No. 2158; 81st Cong. 2d Sess.). It passed the House by a vote of 327 to 114 and was adopted by voice vote of the Senate, as Public Law 733. This is the law on which E. O. 10450, establishing the present security program, is based.

The bill, both as introduced and passed, applied only to certain named departments but conferred upon the President authority to extend it to others.

Efforts were made before both committees which considered the bill and on the floor of the House to amend it to provide review by a board similar to the old Loyalty Review Board. But all such amendments were rejected because the Congress felt that in such cases no outside agency should be in a position to impose its judgment over that of the head of a department as to whether he should retain in his department an employee whom he regards as a security risk. It was pointed out in connection with the proposed amendments that the bill provided, and now does provide, that an employee dismissed as a security risk by one department could be hired by others if the Civil Service Commission, in addition to the hiring department, concluded that the employee would not be a risk in the new position.

President Eisenhower, in his State of the Union message of February 2, 1953, to the 83d Congress said:

"The safety of America and the trust of the people alike demand that the personnel of the Federal Government be loyal in their motives and reliable in the discharge of their duties. Only a combination of both loyalty and reliability promises genuine security."

He further stated: "The heads of all executive departments and agencies have been instructed to initiate at once effective programs of security with respect to their personnel," and added that the Attorney General would advise and guide departments and agencies in the shaping of these programs.

"To carry out these programs," the President concluded, "I believe that the powers of the executive branch under existing law are sufficient."

In applying these principles set forth by President Eisenhower, it was decided to broaden the application of the statutory authority which the 81st Congress had given the President in Public Law 733 of 1950. Therefore, the President, by Executive Order 10450 of April 27, 1953, established a Government-wide employee security program, based on the authority and the approach set forth by the Congress in Public Law 733, and abolished the old loyalty program. Loyalty has thus become one of a number of criteria upon which security determinations may be based, and the complexities and difficulties of administration inherent in two separate systems of adjudicating such cases have been eliminated.

The basic objective of the Employee Security Program is to make sure that there is no employee on the Federal payroll nor any applicant appointed who can, because of his position, endanger the national security. The American people must be assured that Federal employees are persons of integrity, high moral character and unswerving loyalty to the United States.

Today the head of each department and agency is responsible for the security of his organization. Under this program the responsibility for the security of a department or agency is placed where it belongs, squarely on the shoulders of a particular Government organization. To safeguard the rights and privileges of the employees, provision has been made for hearings, at the option of the employee, before security hearing boards composed of Government employees from other agencies.

Now, before we discuss the statistics available on operations under the Employee Security Program, it is essential that we understand fully the nature and scope of the program. I am, therefore, going to run over the provisions of Executive Order 10450 and the regulations which have been adopted, with some minor variations, by the various agencies.

Section 1 of Executive Order 10450 merely extends Public Law 733 to all those agencies of Government which are not mentioned in the law itself.

Section 2 places upon the head of each individual department and agency the responsibility for establishing and maintaining within his agency an effective security program. This, of course, is in line with the provisions of Public Law 733.

Section 3 sets forth the requirement that all appointments to Government positions shall be subject to investigation. The scope of the investigation will vary according to the degree of adverse effect upon the national security which could be brought about by the incumbent of a particular position. In no case will this be less than what is called a National Agency check and inquiry. This involves a check of name fingerprint files of the FBI and the files of the Civil Service Commission, the House Committee on Un-American Activities, and the military intelligence agencies. It also involves written inquiries to appropriate

local law-enforcement agencies, former employers and supervisors, persons given as references, and schools attended. Should there develop at any stage of investigation any information indicating that the employment of an individual may not be clearly consistent with the interests of national security, a full field investigation is required, or such less investigation as may be determined by the head of the department or agency.

Subsection (b) of Section 3 requires heads of agencies to define as sensitive positions those jobs within their agencies the incumbents of which could, by virtue of their position, bring about a material adverse effect on the national security.

Sections 4 through 6 provide for review and readjudication of all cases under the old loyalty program, for consideration of new information and for suspensions and terminations.

Section 7 sets up appropriate safeguards against the re-employment of a suspended or terminated employee in the same agency or in another agency, making specific provisions for a determination by the Civil Service Commission before any employee in this category may be employed by any other agency.

Section 8 (a) provides that the investigations conducted pursuant to this order shall be designed to develop information as to whether the employment or retention in employment in the Federal service of the person being investigated is clearly consistent with the interests of the national security. Such information shall relate, but shall not be limited, to the following:

(1) Depending on the relation of the Government employment to the national security:

(i) Any behavior, activities, or associations which tend to show that the individual is not reliable or trustworthy.

- (ii) Any deliberate misrepresentations, falsifications, or omission of material facts.
 - (iii) Any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion.
 - (iv) An adjudication of insanity, or treatment for serious mental or neurological disorder without satisfactory evidence of cure.
 - (v) Any facts which furnish reason to believe that the individual may be subjected to coercion, influence, or pressure which may cause him to act contrary to the best interests of the national security.
- (2) Commission of any act of sabotage, espionage, treason, or sedition, or attempts thereat or preparation therefor, or conspiring with, or aiding or abetting, another to commit or attempt to commit any act of sabotage, espionage, treason, or sedition.
- (3) Establishing or continuing a sympathetic association with a saboteur, spy, traitor, seditionist, anarchist, or revolutionist, or with an espionage or other secret agent or representative of a foreign nation, or any representative of a foreign nation whose interests may be inimical to the interests of the United States, or with any person who advocates the use of force or violence to overthrow the Government of the United States or the alteration of the form of Government of the United States by unconstitutional means.

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- (4) Advocacy of use of force or violence to overthrow the Government of the United States, or of the alteration of the form of Government of the United States by unconstitutional means.
- (5) Membership in, or affiliation or sympathetic association with, any foreign or domestic organization, association, movement, group, or combination of persons which is totalitarian, Fascist, Communist, or **subversive**, or which has adopted, or shows, a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of Government of the United States by unconstitutional means.
- (6) Intentional, unauthorized, disclosure to any person of security information, or of other information disclosure of which is prohibited by law, or willful violation or disregard of security regulations.
- (7) Performing or attempting to perform his duties, or otherwise acting, so as to serve the interests of another government in preference to the interests of the United States.
- (8) Refusal by the individual, upon the ground of constitutional privilege against self-incrimination, to testify before a Congressional committee regarding charges of his alleged disloyalty or other misconduct.

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Section 9 (a) and (b) require the Civil Service Commission to establish and maintain a security-investigation index covering all persons who have been the subject of an investigation under Executive Order 10450. Department and agency heads must furnish the Commission with pertinent information to establish and maintain this register. The register is to contain the name of each person investigated together with adequate identifying information, a reference to each department and agency which has conducted an investigation concerning the person, or which has suspended or terminated the individual's employment under the authority granted them or in accordance with Public Law 733.

Section 9 (c) provides for the confidentiality of the reports and other investigative material and information developed pursuant to any statute, order, or program described in Section 7 of Executive Order 10450. Such information will be the property of the investigative agencies conducting the investigations but may be retained by the department or agency concerned if it is desirable and consistent with the national security.

Section 10 provides that Executive Order 10450 shall not eliminate or modify any requirements for any investigation or any determination as to security which may be required by law.

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Section 11 provides for the disposition of cases under the old loyalty program. It requires, generally, that appeals and agency determinations pending before the Loyalty Review Board or the Civil Service Commission's regional loyalty boards, be processed to completion or, in some instances, such as where hearings were not yet initiated, that they be referred to the appropriate department or agency for processing in accordance with the standards and procedures of Executive Order 10450.

Section 12 revokes Executive Order 9835 but provides that the Loyalty Review Board and the Commission's regional loyalty boards would continue to function for 120 days after the effective date of Executive Order 10450.

Section 13 requests the Attorney General to give to departments and agency heads such advice as is necessary to enable them to set up and maintain appropriate employee-security programs.

Section 14 makes the Civil Service Commission responsible for a continuing study of the Employee Security Program to assure that adequate employee security programs are established and operating in each department and agency and that employees are receiving fair, impartial and equitable treatment. It further requires the Commission to report the results of its study to the National Security Council at least semi-annually.

Section 15 provides that this order shall become effective thirty days after the date of the order, which is April 27, 1953.

At the same time the President issued Executive Order 10450 he also, in a letter to all department and agency heads, made the Civil Service Commission responsible for providing competent and disinterested Government employees to sit as members of security hearing boards and noted that the Attorney General would issue sample regulations designed to establish minimum standards for the operation of the security program.

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The sample regulations issued by the Attorney General clearly define the procedures by which employees are assured of fair, impartial and equitable treatment under the program. In cases of suspension, for example, the employee is notified in writing with the reasons being as specific as security considerations will permit, and is given at least thirty days to answer the charges, including submission of affidavits or statements.

If the employee is a citizen of the United States, has a probational or indefinite appointment, and has completed his probationary or trial period, he may be given a hearing before a board composed of at least three impartial and disinterested persons furnished from the roster the Commission maintains. At these hearings the employee may participate in the hearings, be represented by counsel of his choice, present witnesses and offer other evidence in his own behalf and may cross-examine witnesses offered in support of the charges against the employee. A copy of the written decision of the board is furnished the employee.

In addition, the entire case is reviewed by the head of the department or agency before a decision to terminate the employment of a suspended employee is made. The employee is also furnished a written statement of the decision of the department or agency head.

In summary, responsibilities under the employee security program are divided as follows:

The head of each agency is responsible for establishing and maintaining within his agency a program to insure that the employment and retention in employment of every one of his civilian employees is clearly consistent with the interests of national security.

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In carrying out these responsibilities, the agency head must designate which of the positions in his agency are sensitive, cause the proper investigations to be made, reopen any cases that were decided under a lower security standard after a full field investigation, readjudicate any cases on which new information is received, and suspend and terminate any employee whose employment is not clearly consistent with the interests of the national security.

The agency head is also responsible for keeping investigative reports confidential, for furnishing the Civil Service Commission with information for use in maintaining the Security Investigations Index, for cooperating with the Civil Service Commission in its work of studying the administration of the program, and for designating persons of integrity, ability, and good judgment for service as members of security hearing boards of other agencies.

The Attorney General's part of the program consists of making full field investigations through the Federal Bureau of Investigation, maintaining a list of totalitarian, fascist, communist, or subversive organizations, and giving agencies advice in establishing and maintaining their security programs. The Attorney General also supplies to agencies sample regulations for establishing minimum standards for implementing the security program.

The Civil Service Commission conducts the investigations required under the program, except for those conducted by the FBI and by agencies with investigative facilities. The Commission maintains a Security Investigations Index and maintains rosters of persons nominated to serve as members of security hearing boards.

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The Commission also makes a continuing study of the administration of the program by the agencies for the purpose of determining whether there are any deficiencies that might weaken the national security or any tendencies to deny to individual employees fair treatment or rights under law or the Constitution. The results of the study are reported to the National Security Council.

The Commission is also responsible for determining eligibility for further Federal employment in another agency of persons who have been terminated on grounds of security.

You will note that there is nothing in Executive Order 10450 or the accompanying regulations and instructions which requires the Civil Service Commission to compile or maintain detailed information on individual cases, or to make a statistical analysis of operations under the program. We originally compiled some overall figures at the specific, written request of the National Security Council, and these were the figures contained in our preliminary progress report which was submitted to the Council on October 22, 1953.

Before giving the Committee a detailed breakdown on actions that have been taken since the program was initiated, I would like to give you a basis for regarding these figures in their proper perspective against the overall total of Federal employment and the extent of turnover in the Federal Government.

As of the end of January 1954, the Government employed nearly 2,350,000 persons, the vast majority of whom undoubtedly are loyal, capable people of integrity and high moral standards. In the seven months from June through December 1953, a very large number of employees left their jobs by one route or another. A total of 171,726 persons resigned

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their jobs with the Government. A total of 9,064 or nearly 1,300 per month, were discharged for cause. A total of 60,095 were separated from their positions during the seven-month period by reductions in force. During the same seven months, a total of 208,609 new employees were hired by Federal agencies within the continental United States.

Now some figures regarding investigations required under the order. As of the 1st of January, 1954, the Commission had initiated 167,617 investigations under Executive Order 10450. Of these, 159,856 have been completed. In addition, the Commission has completed 5,717 full field investigations for sensitive positions. As of February 1, 1954, other agencies had initiated 26,032 full field investigations for sensitive positions. The agencies' target is completion of all full field investigations for sensitive positions for employees now on the payroll by June 30, 1954, and evaluation of these cases by September 30, 1954.

Certain complicated cases which involve hearings and additional investigations may not be adjudicated by September 30. It is anticipated however that all these cases will be completed and adjudicated by the end of the calendar year.

Now for what has happened to date under the program. I have prepared for the Committee a table showing actions taken from May 28 through December 31, 1953. Monday afternoon, March 1, we made available to this Committee figures which have since been augmented through receipt of late returns from elements of the Department of Defense. Additional figures were included in my statement on March 2 to the Senate Post Office and Civil Service Committee. Since that hearing, further supplementary reports have been submitted by the Department of Defense which further increase certain of the totals presented to the Senate Committee. Even these latest figures, which I am about to give you, do not, however,

reflect the total terminations and resignations under this program by the Department of Defense and its constituent agencies. Many defense installations have not yet reported, and these returns, which may substantially increase the totals, will not be complete for from 60 to 90 days. In this connection, I would like to state that there was a security program prior to May 27, 1953, and that many additional separations were accomplished through this earlier program.

With the exception noted in the case of the Defense Department and its constituent agencies, the table shows the number of terminations and resignations because of security questions falling within the purview of Section 8(a) of Executive Order 10450. Resignations which took place before determination was completed are shown in cases where the file was known to contain unfavorable information under Section 8(a) of the order. This table includes a breakdown according to broad categories of information in individuals' files. It should be noted that these figures likewise are incomplete for the Department of Defense and its constituent agencies.

The categories are the following:

- (1) Number whose files contained information indicating, in varying degrees, subversive activities, subversive associations, or membership in subversive organizations.
- (2) Number whose files contained information indicating sex perversion.
- (3) Number whose files contained information indicating conviction of felonies or misdemeanors.
- (4) Number whose files contained any other type or types of information falling within the purview of Executive Order 10450, as amended.

I should now like to go over with you the figures on the attached table.

<u>Departments and Agencies</u>	(1) Termination for informa- tion under 8(a).	(2) Resignations with security information under 8(a).	(3) Number un- der 8(a) 2 to 8.	(4) Number of sex per- version.	(5) Number of felonies and misde- meanors.	(6) Number of all others under 8(a).
Totals	1,074	1,355	422	198	611	1,424
Agriculture	33	41	1	4	16	69
Air Force	75	114	25	2	5	157
Army	91	128	28	4	101	86
American Battle Monuments Comm.	No separations reported.					
Bd. of Governors, Fed'l Reserve System	"	"	"			
Bureau of the Budget	"	"	"			
Atomic Energy Commission	0	1	0	0	0	1
Canal Zone Government	No separations reported.					
STAT						
Civil Aeronautics Board	No separations reported.					
Civil Service Commission	0	2	0	1	0	1
Commerce	29	29	8	9	21	38
Comm. on Foreign Economic Policy	No separations reported.					
Comm. on Orgn. of the Exec. Br. of Govt.	"	"	"			
Comm. on Retirement Policy for Fed'l Pers.	"	"	"			

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Council of Economic Advisers	No separations reported.					
Defense Transport Adm.	"	"	"			
Export-Import Bank	"	"	"			
Farm Credit Adm.	"	"	"			
Federal Coal Mine Safety Bd. of Review	"	"	"			
Federal Civil Defense Adm.	3	2	1	2	0	5
Federal Communications Comm.	1	0	1	0	0	1
Federal Deposit Insurance Corp.	No separations reported.					
Federal Housing Adm. & Home Finance	Included in Housing					
	-	-	-	-	-	-
Federal Mediation & Conciliation Service	0	3	3	0	0	0
Federal Power Commission	No separations reported.					
Federal Trade Commission	"	"	"			
Foreign Operations Adm.	164	19	16	15	4	161
General Accounting Office	5	1	1	1	2	4
General Services Administration	100	50	9	2	67	72
Gov't. Contract Committee (See Labor)	-	-	-	-	-	-
Gov't Printing Office	6	4	3	1	6	2
Health, Education & Welfare	11	67	27	12	34	32

(continued)	(1)	(2)	(3)	(4)	(5)	(6)
Home Loan Bank Board (Included in Housing and Home Finance)	-	-	-	-	-	-
Housing and Home Finance Agency	4	19	7	5	4	8
Indian Claims Commission	No separations reported.					
U. S. Information Agency	0	38	24	7	0	17
Interior	29	88	72	4	28	46
Interstate Commerce Commission	No separations reported.					
Justice	53	103	41	3	29	119
Labor	2	15	11	3	1	3
Library of Congress	0	2	1	0	0	1
Nat'l Advisory Committee on Aeronautics	5	12	6	1	7	13
Nat'l Capital Housing Authority	1	2	1	1	0	1
Nat'l Capital Planning Commission	No separations reported.					
Nat'l Gallery of Art	"	"	"			
Nat'l Labor Relations Board	6	4	9	0	0	2
Nat'l Mediation Board	No separations reported.					
Nat'l Science Foundation	0	1	0	0	0	1
Nat'l Security Council	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Nat'l Security Training Commission (See Selective Service)	-	-	-	-	-	-
Navy	135	100	12	1	0	222
Off. of Defense Mobilization	0	2	0	0	0	2
Off. of Sec'y of Defense	1	3	2	1	1	0
Public Housing Administration (Included in Housing & Home Finance)	-	-	-	-	-	-
Post Office	180	104	4	13	111	192
Railroad Retirement Board	1	2	1	0	1	1
Reconstruction Finance Corp.	No separations reported.					
Renegotiation Board	0	5	3	1	0	2
Rubber Production Facilities Disposal Com.	No separations reported.					
Securities & Exchange Comm.	0	2	2	0	0	0
Selective Service System	1	3	4	0	0	0
Small Business Adm.	0	2	0	1	2	0
Smithsonian Institution	No separations reported.					
Soldiers Home						
State Department	5	112	43	49	0	31
Subversive Activities Control Bd.	No separations reported.					

(Continued)	(1)	(2)	(3)	(4)	(5)	(6)
Tariff Commission	No separations reported.					
Tax Court of the U. S.	"	"	"			
Tennessee Valley Authority	0	5	1	1	1	3
Treasury	39	13	10	2	9	38
Veterans Administration	92	210	45	21	160	76
War Claims Commission	No separations reported.					
White House Office	1	0	0	0	0	1

Totals

STAT

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CONSOLIDATION OF REPORTS BY DEPARTMENTS AND AGENCIES OF ACTIONS
 UNDER E. O. 10450 FOR PERIOD OCTOBER 1 TO DECEMBER 31, 1953

A. EMPLOYEE CASES	TOTAL (a)	SEC 4 & SEC 11 Cases (b)	SEC 5 Cases (c)	All Other Cases	
				Sensi- tive	Non-Sen- sitive
				(d)	
1. Total cases for deter. (On hand Oct 1 plus rec'd. during report period).....	65,241	5,899	2,076	6,042	51,224
2. Fav. deter. (excluding 5 below).....	27,969	542	219	3,928	23,280
3. Susp. during reporting period.....	121	52	12	5	52
4. Suspensions on which final deci- sion has not been made.....	109	49	12	5	43
5a. Restor. after susp. (w.o. hearing).....	6	2	1	0	3
b. Restor. after susp. (after hearing).....	4	4	0	0	0
6. Term. for security questions within the purview of Sec 8(a) of E.O. 10450...	(533)	(12)	(82)	(134)	(226)
a. Without hearing.....	515	12	81	134	213
b. After hearing.....	18	0	1	0	13
7. Resig. before deter. was completed.....	(2,218)	(101)	(127)	(63)	(1,797)
a. When file was known to contain unfav. info. under Sec 8(a) of the Order.....	620	90	126	17	257
b. When file was not known to contain unfavorable information.....	1,598	11	1	46	1,540
8. Other separ. before deter. was compl....	(957)	(260)	(88)	(19)	(590)
a. When file was known to contain un- fav. info under Sec 8(a) of Order.....	494	251	84	8	151
b. When file was not known to contain unfavorable information.....	463	9	4	11	439
9. Cases pend. deter. at end of period.....	33,763	4,978	1,559	1,898	25,328
B. APPLICANT CASES:	1. Applicant Investi.		2. Appointed after in- vestigation	3. Not Appt. Security Reason	4. Not appt - other reasons including pending cases
	On hand	Received			
	460	8,933 *	837		
C. REEMPLOYMENTS:	1. Persons reemployed after term. for security or loyalty reasons:			2. Persons considered for reempl.but not appt. for security reasons:	
		31			10

* Includes 7248 cases reported by Post Office Department.

** Includes 7244 cases reported by Post Office Department.

NOTE: Above table for employee cases does not balance in total column as it includes incomplete reports from Departments of the Army, Navy and Air Force. Reports from these Departments covered only totals for 6a, 6b and 7a.

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SECURITY DETERMINATIONS UNDER EXECUTIVE ORDER 10450 REPORTED BY AGENCIES FOR PERIOD
OCTOBER 1 THROUGH DECEMBER 31, 1953

Department or Agency	Employee Cases					Applicant Cases
	1. Favorable deter- mination (incl. restoration after suspension)	2. Sus- pensions during period	3. Terminations for security ques. falling under Section 8(a)	4. Resignations be- fore determina- tion (unfavorable information under Section 8(a)	5. Cases Pending determina- tion at end of period	6. Not appointed for security reasons after investi- gation
TOTALS.....	27,979	121	533	620	33,763	7,483
Agriculture.....	1,881	2	12	20	255	3
Air Force.....	Figures not given		17	53	Figures not given	
Army.....	" "	" "	21	47	" "	" "
American Battle Monu. Comm..	0	0	0	0	0	0
Atomic Energy Commission....	2	1	0	0	3	0
Bd. of Gov., Fed'l Res.Sys..	25	0	0	0	10	0
Bureau of the Budget.....	14	0	0	0	0	0
Canal Zone Government.....	261	0	0	0	147	0
Civil Aeronautics Board.....	6	0	0	0	3	0
Civil Service Commission....	567	2	0	2	147	5
Commerce.....	733	2	13	8	261	0
Comm. on For. Economic Pol..	0	0	0	0	0	0
Comm. on Orgn. of the Exec. Branch of Govt.....	7	0	0	0	3	0
Com. on Retirement Policy for Federal Personnel....	0	0	0	0	0	0

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Department or Agency	1.	2.	3.	4.	5.	6.
(continued)						
Council of Economic Advisors.....	13	0	0	0	0	0
Defense Transport Administration	8	0	0	0	0	0
Export-Import Bank.....	36	0	0	0	32	0
Farm Credit Administration.....	25	0	0	0	12	0
Federal Civil Defense Administration...	56	0	0	2	18	0
Federal Coal Mine Safety Bd. of Review.	1	0	0	0	0	0
Federal Communications Comm.....	104	0	0	0	10	4
Federal Deposit Ins. Corp.....	15	0	0	0	2	0
Federal Housing Adm.....	(Included in Housing and Home Finance)					
Federal Mediation & Conc. Service.....	7	3	0	2	5	0
Federal Power Commission.....	25	0	0	0	17	0
Federal Trade Commission.....	14	0	0	0	10	0
Foreign Operations Administration.....	178	0	140	3	144	0
General Accounting Office.....	478	0	3	1	195	0
General Services Administration.....	547	0	46	11	207	2
Govt. Contract Committee.....	(Included in Labor)					
Government Printing Office.....	230	13	5	4	82	0
Health, Education & Welfare.....	1,041	2	6	48	1,257	6
Home Loan Bank Board.....	(Included in Housing and Home Finance)					
Housing and Home Finance Agency.....	321	8	2	14	254	0
Indian Claims Commission.....	0	0	0	0	0	0
Interior.....	326	6	19	26	305	1
Internat'l Boundary & Water Comm.....	9	0	0	0	3	0
Interstate Commerce Commission.....	8	0	0	0	35	0
Justice.....	461	8	30	45	810	63

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Department or Agency	1.	2.	3.	4.	5.	6.
(continued)						
Labor.....	244	0	0	7	225	0
Library of Congress.....	216	0	0	1	60	0
Nat'l Advisory Com. on Aeronautics...	1,062	0	2	3	213	0
Nat'l Capital Housing Authority.....	1	0	0	1	6	0
Nat'l Capital Planning Commission....	0	0	0	0	1	0
National Gallery of Art.....	20	0	0	0	0	0
Nat'l Labor Relations Board.....	10	6	2	1	100	2
National Mediation Board.....	0	0	0	0	0	0
National Science Foundation.....	45	0	0	1	4	0
National Security Council.....	2	0	0	0	0	0
Nat'l Security Training Commission...	(Included in Selective Service System)					
Navy.....	Figures not furnished		41	30	Figures not furnished.	
Office of Defense Mobilization.....	38	3	0	2	6	0
Office of Secretary of Defense.....	158	0	1	2	334	3
Public Housing Administration.....	(Included in Housing and Home Finance)					
Post Office.....	2,623	10	87	68	18,300	7,244
Railroad Retirement Board.....	44	0	0	2	10	0
Reconstruction Finance Corp.....	50	0	0	0	9	0
Renegotiation Board.....	61	0	0	2	26	2
Rubber Prod. Facilities Disposal Com.	0	0	0	0	0	0
Securities and Exchange Comm.....	8	0	0	0	17	0
Selective Service System.....	128	0	0	3	113	0
Small Business Administration.....	25	0	0	0	6	0
Smithsonian Institution.....	0	0	0	0	9	0
State Department.....	174	5	0	14	911	22

-3- Exhibit 8

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Department or Agency	1.	2.	3.	4.	5.	6.
(continued)						
Subversive Activities Control Bd.....	6	0	0	0	0	0
Tariff Commission.....	6	0	0	0	2	0
Tax Court of the U. S.....	1	0	0	0	1	0
Tennessee Valley Authority.....	3,587	0	0	4	442	0
Treasury.....	1,290	5	15	6	907	12
U.S. Information Agency.....	12	0	0	14	242	29
Veterans Administration.....	10,753	45	71	149	7,586	2
War Claims Commission.....	0	0	0	0	2	0
White House Office.....	11	0	0	0	0	0
TOTALS.....						

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Exhibit 8

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ACTIONS IN CASES INVESTIGATED BY FBI UNDER E.O. 9835 AND ADJUDICATED OR READJUDICATED UNDER SECTIONS 4 OR 11 OF E.O. 10450

(These figures are included in the overall totals in Exhibit 8)

Departments or Agencies	6.									
	1.		2.		3.		4.		5.	
	Fav. deter- mination (including restoration after suspension)	Sus- pen- sions during the period	Termina- tions for security questions falling under Sec.8(a)	Resignations before de- termination was com- pleted when file was:	a. Known to contain unfav. info. under Sec.8(a)	b. Not known to contain unfav. info. under Sec. 8(a)	Other separations as retirements, deaths, rif, before deter. was completed when file was:	a. Known to con- tain unfav. info. under Sec.8(a)	b. Not known to contain unfav.info. under Sec.8(a)	Cases pending determi- nation at end of period
TOTALS.....	548	52	12	90	11	251	9	4,978		
Agriculture.....	18	0	0	0	0	0	0	186		
Bd. of Gov., Fed'l Reserve System.....	0	0	0	0	0	0	0	8		
Bureau of the Budget....	3	0	0	0	0	0	0	0		
Canal Zone Government....	119	0	0	0	0	1	0	6		
Civil Serv. Comm.....	11	1	0	0	0	0	0	19		
Commerce.....	13	2	0	3	0	1	0	44		
Defense Transp. Adm.....	2	0	0	0	0	0	0	0		
Export-Import Bank.....	1	0	0	0	0	0	0	0		
Farm Credit Adm.....	0	0	0	0	0	0	0	2		
Federal Civ. Def. Adm....	9	0	0	0	0	0	0	6		
Fedl. Communi. Comm.....	12	0	0	0	0	0	0	0		
Fedl. Dep. Ins. Corp.....	0	0	0	0	0	0	0	2		

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Exhibit 9

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	1.	2.	3.	4.		5.		6.
				a.	b.	a.	b.	
Fedl. Med. & Cancil. Serv....	1	2	0	2	0	0	0	2
Fedl. Power Comm.....	0	0	0	0	0	0	0	3
Fedl. Trade Comm.....	1	0	0	0	0	3	0	3
Foreign Operations Adm....	28	0	6	1	0	0	0	6
General Acctg. Office.....	14	0	0	0	0	1	0	9
Genl. Services Adm.....	17	0	0	0	0	3	0	57
Govt. Printing Office.....	20	10	0	2	0	1	0	10
Health, Edu. & Welfare.....	49	1	0	2	0	1	0	421
Housing & Home Finance Ag..	13	3	0	0	5	0	9	105
Interior.....	42	6	4	14	6	2	0	209
Justice.....	6	8	0	8	0	0	0	146
Labor.....	8	0	0	4	0	3	0	132
Library of Congress.....	10	0	0	0	0	0	0	51
Natl. Adv. Comm. on Aero....	1	0	0	0	0	0	0	48
Natl. Cap. Housing Auth....	0	0	0	1	0	0	0	4
Natl. Labor Relations Bd...	0	4	1	1	0	0	0	86
Natl. Science Foundation..	4	0	0	0	0	0	0	1
Ofc. of Def. Mobilization..	5	2	0	0	0	0	0	6
Ofc. Secy. of Defense.....	3	0	1	1	0	0	0	18
Post Office.....	5	8	0	1	0	2	0	1,454
R.R. Retirement Bd.....	1	0	0	1	0	0	0	9
Recon. Finance Corp.....	3	0	0	0	0	0	0	1
Renegotiation Board.....	10	0	0	0	0	0	0	5
Sec. & Exchange Comm.....	0	0	0	0	0	0	0	13
Selec. Serv. System.....	4	0	0	0	0	0	0	22

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	1.	2.	3.	4.		5.		6.
				a.	b.	a.	b.	
Smithsonian Institute.....	0	0	0	0	0	0	0	7
State Department.....	0	2	0	6	0	207	0	322
Tariff Comm.....	5	0	0	0	0	0	0	1
Tax Court of U.S.....	0	0	0	0	0	0	0	1
Tenn. Valley Authority.....	20	0	0	0	0	0	0	1
Treasury.....	24	0	0	3	0	0	0	486
U.S. Info. Agency.....	4	0	0	4	0	10	0	176
Veterans Adm.....	30	3	0	36	0	16	0	888
TOTALS.....								

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NOTE: The Departments of the Army, Navy and Air Force did not report any figures under Section 4 and 11 cases.

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Exhibit 2

SECRET AU

FOR AGENCY USE IN NOTIFYING CSC OF ACTION TAKEN ON SECURITY INVESTIGATION
 Submit in duplicate to U. S. Civil Service Commission, Investigations Division, Washington 25, D. C.

DATE OF ACTION	DEPARTMENT OR AGENCY	SIGNATURE OF OFFICIAL
----------------	----------------------	-----------------------

A P P L I C A N T

APPOINTED

NOT APPOINTED—UNFAVORABLE REPORT

NOT APPOINTED—OTHER REASONS (*explain briefly*)

E M P L O Y E E

CLOSED—FAVORABLE ACTION

TERMINATED SUSPENDED

RESTORED FROM SUSPENSION

RESIGNED PRIOR TO SECURITY DECISION

FAVORABLE REPORT

UNFAVORABLE REPORT

CSC FORM 3746 B
MAY 1953

GPO 16-68805-1

NAME (*Last*) (*First*) (*Middle or middle initial*) (*Maiden or other names*)

PRINT OR TYPE

DATE AND PLACE OF BIRTH

DATE OF ACTION

APPLICANT

APPOINTED

NOT APPOINTED—UNFAVORABLE REPORT

NOT APPOINTED—OTHER REASONS (*Explain briefly*)

EMPLOYEE

CLOSED—FAVORABLE ACTION

TERMINATED

SUSPENDED

RESTORED FROM SUSPENSION

RESIGNED PRIOR TO SECURITY DECISION

FAVORABLE REPORT

UNFAVORABLE REPORT

NAME OF DEPARTMENT OR AGENCY

INSTRUCTIONS.—Submit this form in *duplicate* to the United States Civil Service Commission, Investigations Division, Washington 25, D. C., within three days after you take action under Executive Order 10450 in a case *in which your agency conducts the investigation.*

STANDARD FORM 80
JUNE 1953
U. S. CIVIL SERVICE COMMISSION
(CHAPTER 12, F. P. M.)

**REPORT OF ACTION ON INVESTIGATION
BY EMPLOYING AGENCY**

16-68970-1 GPO

STANDARD FORM 77 DECEMBER 1953 U.S. CIVIL SERVICE COMMISSION (Chapter R-1, FPM)	DEPARTMENT OR AGENCY	CODE (FOR CSC USE)
QUARTERLY REPORT OF AGENCY ACTIONS UNDER EXECUTIVE ORDER 10450	QUARTERLY PERIOD ENDING	CODE (FOR CSC USE)
((SEE INSTRUCTIONS ON REVERSE))		

PART A EMPLOYEE CASES	TOTAL (a)	SEC. 4 & SEC. 11 CASES (b)	SEC. 5 CASES (c)	ALL OTHER CASES (d)			
				SENSITIVE		NON-SENSITIVE	
				FBI INVES- TIGATION	ALL OTHER	FBI INVES- TIGATION	ALL OTHER
1. Total cases for determination							
a. On hand from last report							
b. Received since last report							
2. Favorable determinations							
3. Suspensions during reporting period							
4. Suspensions on which final decision has not been made							
5. a. Restoration after suspension (without hearing)							
b. Restoration after suspension (after hearing)							
6. Terminations because of security questions falling within the purview of Section 8(a) of E.O. 10450.	X X X X	X X X	X X X	X X X	X X X	X X X	X X X
a. Without hearing							
b. After hearing							
7. Resignations before determination was completed:	X X X X	X X X	X X X	X X X	X X X	X X X	X X X
a. When file was known to contain unfavorable information under Section 8(a) of the Order							
b. When file was not known to contain unfavorable information							
8. Other separations before determination was completed	X X X X	X X X	X X X	X X X	X X X	X X X	X X X
a. When file was known to contain unfavorable information under Section 8(a) of the Order							
b. When file was not known to contain unfavorable information							
9. Cases pending determination:							
a. Pending further investigation	X X X X			X X X	X X X	X X X	X X X
b. All others	X X X X			X X X	X X X	X X X	X X X

PART B APPLICANT CASES	1. APPLICANT INVESTIGATIONS		2. APPOINTED AFTER INVESTIGATION	3. NOT APPOINTED FOR SECURITY REASONS	4. NOT APPOINTED FOR OTHER REASONS INCLUDING PENDING CASES
	A. ON HAND	B. RECEIVED			
PART C REEMPLOYMENTS	1. PERSONS REEMPLOYED AFTER TERMINATION			2. PERSONS CONSIDERED FOR REEMPLOYMENT BUT NOT APPOINTED FOR SECURITY REASONS	

CERTIFICATION

I certify that this report is true and accurate to the best of my knowledge and belief.

_____ (Signature)
_____ (Official Title)
_____ (Date)

INSTRUCTIONS

The quarterly report on agency actions under Executive Order 10450 will be submitted to the Civil Service Commission, attention Statistical Services Section, on the fifteenth day of:

January for quarter October 1 through December 31
 April for quarter January 1 through March 31
 July for quarter April 1 through June 30
 October for quarter July 1 through September 30

The report is to be submitted by each agency in the Executive Branch and by any other agencies which, by special agreement, are participating in the security program prescribed by Executive Order 10450, as amended.

A summary report shall be submitted to cover the entire department or agency. Reports from subsidiary units within a department or agency should be consolidated prior to submission to the Commission.

PART A - Employee Cases

Part A, of the report covers all cases of persons who are on the rolls of the agency when the investigation report is received for security determination even though the investigation was initiated before appointment. It also includes employees proposed for reassignment from a non-sensitive job to a sensitive job.

(a) Total - This is the sum of columns b, c, and d.

(b) Section 4 and Section 11 cases are the cases of persons now on the agency's rolls who were the subject of a full field investigation under Executive Order 9835. Report in this column the cases of persons whose files must be reviewed under Section 4 and the cases of persons whose cases were remanded to the agency under Section 11. All cases of persons who were investigated under 9835, even new appointment cases, will be reported in this column even though new or additional investigation must be secured.

(c) Section 5 cases are the cases of persons whose files are brought up for review under Section 5 of the Order because new unfavorable information, complaint, etc., have come to the attention of the agency. Do not report a case in this column if the unfavorable information or complaint is received while a determination under Section 3 or 4 is still pending.

(d) Column d includes all other cases of employees including new appointees on whom National Agency Checks and Written Inquiries or a full field investigation is required by Executive Order 10450, or by specific legislation. It includes cases of employees who must be given a full field investigation, or a new security determination, because they occupy a sensitive position or are proposed for reassignment from a non-sensitive position to one designated as sensitive. It also includes National Agency Checks and advance copies of arrest records only when final determination is based on these checks.

Item 1: Cases for determination: Report here the total of each type of cases received for determination plus the cases shown in item 9 of the preceding report. Deduct from this figure any reports received on which the Civil Service Commission instructs removal of the person before a final security determination is reached. In column d cases, the total will be the number of cases on which reports (including results of National Agency checks and Inquiries) are received in any part of the reporting agency, from any investigative agency, including the reporting agency's own investigative branch, if any.

The Section 4 and 11 cases will include all persons on the rolls who have been the subject of a full field investigation under Executive Order 9835 (or other loyalty or security pro-

grams) whose cases required review under Executive Order 10450. This figure normally will not be increased over the total who were on the rolls on May 27, 1953. After the first report it will normally be limited to the carry-over from Item 9. However, an adjustment should be made, by increase or decrease in the total in item 1, to cover any instances of persons who transfer in or out of the agency, before the review of their case is completed.

Item 2: Report here all favorable determinations, except restorations after suspension which are reported on item 5. Report here also any cases in which the only action taken was a disciplinary action such as a warning or reprimand etc. or any cases when the only action was a reassignment.

Item 3: Report here the total number of suspensions effected for security reasons under Public Law 733 and Executive Order 10450, during the reporting period.

Item 4: Report here the number of persons under suspension, for security reasons, as of the reporting date.

Item 5: Report here the number of restorations after suspension, broken to show those cases in which a hearing was held and the cases in which no hearing was held.

Item 6: Report here all terminations effected because of information coming to the agency's attention which falls within the purview of Section 8(a) of Executive Order 10450, regardless of whether the termination was effected under Public Law 733 or by other procedures. Report separately the terminations in which a hearing was held and terminations in which no hearing was held. Do not report terminations specifically directed by the Civil Service Commission.

Item 7: Report here all resignations which occurred before a security determination was made.

Item 8: Report here all other separations (except resignations) which occurred while a case was pending security determination, for example, retirements, deaths, reductions in force, expiration of appointment, etc.

Item 9: Report here all cases on which a final decision has not yet been made. For Section 4 and 11 cases (Column b) and Section 5 cases (Column c) show the breakdown of those cases which are awaiting further investigation and all others.

In balancing this part, it should be remembered that the cases shown in *item 4* (suspensions) will also be included in the cases shown in *item 9* (cases pending). *Item 9* should be the cases remaining after deducting *item 2, 5, 6, 7, and 8* from *item 1*.

PART B - Applicant Cases

This part covers all cases of persons who are being considered for appointment but have not entered on the agency's rolls where the report is received for determination. However, do not include reemployments of individuals who had previously been separated as a result of determination under Executive Order 10450 or any other security or loyalty program, which are to be counted in Part C.

PART C - Reemployments

This part covers determinations made under Section 7 of Executive Order 10450 on applications for reinstatement, reemployment or restoration of persons who have been previously terminated by any agency for security or loyalty reasons. Report in *item 1* the number of such persons appointed and in *item 2* the number of such persons whose applications for reemployment were referred to the Security Officer for determination, but who were not appointed as a result of the security determination.

INSTRUCTIONAL GUIDES FOR AGENCY APPRAISAL
INSPECTIONS UNDER SEC. 14 OF E.O. 10450

Section 14 of Executive Order 10450 places upon the Commission (with the advice and collaboration of ICIS) the responsibility for making a continuing study of the manner in which this Order is being implemented by the departments and agencies of the Federal Government.

The purpose of this study is to determine and to report:

(1) Deficiencies in department and agency security programs established under the Order which are inconsistent with the interests of, or which directly or indirectly weaken, the national security.

(2) Tendencies in department and agency programs to deny to individual employees fair, impartial, and equitable treatment at the hands of the government, or their rights under the Constitution and laws of the United States or under this Order.

Pursuant to the Commission's responsibility, there is established in the Security Appraisals Staff a program of agency appraisal-inspections to be conducted in accordance with the guides and instructions which follow.

SECURITY APPRAISAL-INSPECTION (POST-AUDIT) GUIDESAGENDA (REMINDER LIST)INTERPRETIVE INSTRUCTIONS

Number 1 against each item below is definitive of the Agenda item.

Number 2 against each item below is the method or guide to be used in inspecting the Agenda item.

A. COVERAGE OF MATTERS FROM LAST PREVIOUS INSPECTION WHICH REQUIRE FOLLOW-UP

1. Any matters mentioned in the last report requiring follow-up.

2. Check carefully each item referred to and determine if conditions have been corrected.

B. DEPARTMENT OR AGENCY ORGANIZATIONAL STRUCTURE AND RECORD SYSTEM, INCLUDING FIELD. (ORGANIZATIONAL STRUCTURE TO BE REPORTED IN FIRST INSPECTION. THEREAFTER, SHOW ONLY CHANGES.)
(Section 2 and Sections 9(a) and (b) of Executive Order 10450.)

1. Employee-Security Office set-up.

2. --General. Determine if the head of the department or agency has adequate employee-security organization and necessary records to properly implement the security program.

--Specific. Determine:

- a. Delegation of authority to suspend and terminate.
- b. Delegation of authority to review and evaluate reports.
- c. Extent and nature of delegation of authority and responsibility to field installations.
- d. System of statistical and record controls.

C. APPOINTMENTS
(Section 3(a), E.O. 10450.)

1. Department and agency appointment procedures.
2. Determine what procedures and controls the department or agency has to insure that:
 - a. The appointment of each civilian officer or employee was made subject to investigation.
 - b. The scope of the investigation was determined on the basis of the relative importance of the position to the national security.
 - c. That in no case less than a national agency check and the required written inquiry investigation was made (except in the case of the appointment of per diem, intermittent, temporary, or seasonal employees, or aliens appointed outside the United States) and that the Civil Service Commission, upon request of the head of the department or agency, authorized such less investigation as meets the requirements of the national security.
 - d. With respect to all cases covered above there developed at any stage of the investigation, regardless of type, information indicating the need of such further investigation as would be necessary to enable the head of the department or agency to

determine whether retention of the person was clearly consistent with the interests of the national security, and that such further investigation was made.

D. SENSITIVE POSITIONS
(Section 3(b), E.O. 10450.)

1. Department or agency method of designating sensitive positions.
2. Determine:
 - a. Categories and number of positions designated as sensitive.
 - b. Whether the head of the department or agency designates or delegates that responsibility, and to whom delegated.
 - c. Whether the nature of the positions designated as sensitive was considered in their relation to the national security.
 - d. Whether such sensitive positions were filled or occupied only by persons with respect to whom there has been or is being conducted a full-field investigation.
 - e. Whether, in an emergency, the department or agency has filled sensitive positions for a limited period before a full-field pre-appointment investigation. If so, whether it was found to be in keeping with the interests of the national security and whether such finding is made a part of the department or agency records.

E. REVIEW OF CASES INVESTIGATED UNDER E.O. 9835 OF MARCH 21, 1947, AS AMENDED BY E.O. 10241 OF APRIL 28, 1951
(Section 4, E.O. 10450.)

1. Method of review and delegation thereunder.
2. Determine:
 - a. Whether all department and agency cases involving civilian officers and employees regarding whom a full-field investigation was made under E.O. 9835, as amended, were reviewed.

- b. Whether the review was delegated and, if so, to whom.
- c. Following review, whether further investigation was made. If made, by what agency.
- d. Whether the case was readjudicated in accordance with the Act of August 26, 1950 (P.L. 733), and if readjudication was delegated, to whom.
- e. The number of cases which were not readjudicated because of previous adjudication under a security standard commensurate with the standards established under E.O. 10450. (Examine and determine standard used for comparison.)

F. DEROGATORY INFORMATION DEVELOPED OR RECEIVED BY THE DEPARTMENT OR AGENCY INDICATING RETENTION OR EMPLOYMENT OF CIVILIAN OFFICERS OR EMPLOYEES NOT WARRANTED.

(Section 5, E.O. 10450.)

- 1. System of handling such information in the department or agency and whether delegations to handle were made by the department or agency head.
- 2. Determine in cases reviewed:
 - a. How the information developed or was received indicating that retention or employment was not clearly consistent with the interests of the national security.
 - b. To whom such information was reported.
 - c. Whether the information was forwarded to the head of the department or agency or to his representative. (Give representative's name.)
 - d. Whether the head of the department or agency or his representative requested appropriate investigation based on such information.
 - e. If such investigation was made, by what department or agency.

- f. Whether the head of the department or agency or his representative reviewed the case before or after investigation, or both, and whether the case was readjudicated in accordance with the Act of August 26, 1950 (P.L. 733). If readjudicated, determine the results. If not, determine why, providing readjudication appeared necessary.

G. SUSPENSIONS AND TERMINATIONS
(Section 6, E. O. 10450)

1. The department or agency procedure for handling of suspensions and terminations.
2. Determine in cases reviewed:
 - a. Developments during investigations which caused the department or agency head or his designated representative (by name) to suspend in the interests of national security.
 - b. Whether suspension was effected immediately on the basis of the investigative developments.
 - c. Whether, following full investigation, the case was reviewed, and by whom.
 - d. After review, whether the suspended civilian officer or employee was terminated in the interests of the national security.
 - e. If terminated, whether the termination was in accordance with the Act of August 26, 1950 (P.L. 733).
 - f. If the suspension or termination were effected in accordance with the approved regulations of the department or agency with due regard to the required notice, amended notice, answer, and hearing.
 - g. Whether the department or agency promptly submits to the Civil Service Commission personnel actions on security cases, SF-50.

H. REINSTATEMENTS AND RESTORATIONS
(Section 7, E.O. 10450.)

1. Department or agency method of processing reinstatements and restorations of suspended or terminated employees.
2. Determine:
 - a. Whether there have been any reinstatements or restorations of persons who were suspended or terminated by the department or agency visited or any other department or agency under the Act of August 26, 1950, E. O. 9835, or any other security or loyalty program.
 - b. In cases reviewed, whether the department or agency head found that any reinstatements or restorations made were clearly consistent with the interests of the national security.
 - c. Whether such finding was made a part of the record of the department or agency.
 - d. In cases reviewed, whether a person who has been terminated under the provisions of the above Acts and Executive Orders by any other department or agency has been employed without a determination by the Civil Service Commission that such person is eligible for the employment.

I. SECURITY STANDARDS (INVESTIGATIVE)
(Section 8, E.O. 10450.)

1. Coverage of investigations to conform with standards contained in E. O. 10450.
2. Depending on the relation of the employment to the national security, check in cases reviewed:
 - a. Whether the investigation includes information of a probative value relative to the standards set forth in E. O. 10450.
 - b. Whether investigations of persons employed in the competitive service (the primary responsibility of the

Civil Service Commission) which were made by any department or agency other than the Commission were made pursuant to law or by agreement with the Commission, and whether the investigations were made in conformance with 2.a. above.

- c. Investigations made by the employing department or agency of persons entering the employment of, or who are employed by, the Government, other than the competitive service for the same results as shown in 2.a. above.
- d. In cases where the department or agency does not have investigative facilities and where they use the facilities of a government department or agency other than the Civil Service Commission, whether the use of such facilities was by agreement with the Commission.
- e. Whether investigations conducted by agencies other than the FBI, which developed information indicating that an individual may have been subjected to coercion, influence, or pressure to act contrary to the interests of the national security, or the information relating to the matters described in subdivisions (2) through (7) of Subsection (a) of Section 8, E. O. 10450, which should have been referred promptly to the FBI for full-field investigation, were so referred.

J. ACCESS TO CONFIDENTIAL REPORTS AND OTHER INVESTIGATIVE MATERIAL
(Section 9(c), E.O. 10450.)

- 1. Department and agency method of maintaining and handling confidential reports and other investigative material.
- 2. Determine:
 - a. Department or agency facilities for safeguarding confidential reports and related documents within the office.

- b. If access to such reports and documents was granted, whether it was with the consent of the proper department or agency official. Also, whether access was granted to other than accredited persons who are conducting security programs under the Act of August 16, 1950 (P.L. 733).
- c. That the department or agency control records as they apply to confidential reports and related documents are properly assembled.
- d. That the inter-office and the intra-office movements of such confidential reports and documents are properly safeguarded.

K. HEARINGS UNDER E. O. 10450

1. Hearing procedure as determined from transcript and other available records.
2. Determine in cases reviewed:
 - a. Whether testimony at the hearing was given under oath or affirmation.
 - b. As near as possible from review of department or agency records relating to hearings, determine whether the employee was accorded his right to participate appropriately in the hearing; i.e., if allowed counsel of his own choice, if allowed to present witnesses and offer other evidence in his behalf, and if allowed to cross-examine witnesses.
 - c. Whether the hearing was opened by a reading of the letter of charges against the individual. If not, the type of opening statement.
 - d. Whether any unreasonable restrictions were imposed on the individual during the hearing.
 - e. In the determination following the hearing, whether the board considered the employee's handicap by the non-disclosure to him of confidential informants or by lack of opportunity to cross-examine such informants.

- f. Whether the board gave consideration to the failure of a confidential informant who was called as a witness, but who did not appear, in the evaluation of the charges brought against the employee by such informant.
- g. Whether the employee or his counsel were given the right to control the sequence of witnesses called by him.
- h. Whether the board gave due consideration to documentary evidence introduced.
- i. Whether the board conducted the hearing in such manner as to protect from disclosure information affecting the national security or tending to disclose or compromise investigative sources or methods.
- j. Whether there is evidence that the transcript of hearing is not verbatim.
- k. Whether the transcript of the hearing was made a part of the permanent record of the case.
- l. Whether, upon request, a copy of the transcript was furnished the employee or his counsel.
- m. Whether the board, in making its determination, considered the inability of the employee to meet charges of which he was not advised.
- n. Whether the decision of the board was in writing and signed by all members.
- o. Whether, if requested, a copy of the decision was given to the employee.

L. SECURITY-EMPLOYEE WORKLOAD,
INCLUDING FIELD

- 1. The amount of employee-security work on hand in the department or agency.
- 2. Determine:

- a. Number of employee-security cases in all categories on hand for action.
- b. Number of cases being processed and the progress made thereon.
- c. Number of cases ready for processing on which no work has been done.

ANALYSIS OF CASES REVIEWED DURING INSPECTION

The Security Appraisal Officer will be responsible for deciding in all cases reviewed whether the issues involved require an analysis of the facts. If he decides that an analysis is required and that the work entailed will not be time-consuming, he should prepare the necessary notes for the analysis during the course of the inspection. If the preparation of the notes will require a disproportionate amount of his time during the inspection, the Security Appraisal Officer should make appropriate arrangements to bring the case in, or to have it sent in to the Security Appraisal Staff office where he will prepare the analysis. The analysis should be referred to in the inspection report as an attachment thereto.

At the conclusion of the analysis, the Security Appraisal Officer should show any deficiencies and/or tendencies which he believes are inconsistent with a proper implementation of E. O. 10450 and should include in the analysis appropriate comments concerning each inconsistency.

REPORTING CASES NOT REQUIRING ANALYSIS

All cases reviewed in which the Security Appraisal Officer decides that no analysis is required should be listed in the inspection report by name in alphabetical sequence. The category of the case should also be shown, together with information identifying the agency which conducted the investigation in each such case.

AVOIDANCE OF FALSE IMPRESSION DURING INSPECTION

During an inspection, the Security Appraisal Officer should avoid any activity which would give rise to the impression that he is serving in an advisory capacity with respect to the adequacy of, or to any phase of, a department or agency security program. In necessary instances, he should merely point out that any information or advice sought in reference to a security program should be obtained from the proper department or agency official, or the Attorney General.

REPORTING RESPONSIBILITY DURING INSPECTION

The Security Appraisal Officer's reporting responsibility to department or agency officials will be limited to a verbal verification of the factual information obtained during the course of or subsequent to the inspection, explanation

of inspectional procedures, and of the Commission's over-all responsibility and relationships with the departments and agencies in connection with the nation's security program. This will ordinarily be done during the initial or close-out interviews with appropriate officials on the total inspection. The Security Appraisal Officer will not make any direct written report on inspectional findings to department or agency officials.

PREPARATION FOR INSPECTIONAL ASSIGNMENT

The Security Appraisal Officer will familiarize himself thoroughly with the provisions of E. O. 10450, the sample regulations issued by the Department of Justice in relation to the Order, and all other pertinent Commission issuances before undertaking an inspection of a department or agency employee-security program.

REPORTS

Section 14(b) of E. O. 10450 directs that all departments and agencies of the Government cooperate with the Civil Service Commission in accomplishing its responsibilities under the Order. In addition to submitting a carefully prepared factual report on the above Agenda items and all other pertinent matters, the Security Appraisal Officer will furnish a separate memorandum regarding any information which he receives indicating a lack of cooperation with the Commission on the part of any department or agency in the carrying out of the mandates of the President as set forth in his Executive Order referred to herein.

The Chief, Security Appraisals Staff, will review, or cause to be reviewed, the factual reports, case analyses, and the memoranda prepared by the Security Appraisal Officer, and upon approval, will immediately acquaint the Executive Director of the Commission and the ICIS with the information contained therein by brief memorandum.

The reports of Security Appraisal-Inspections (Post-Audits) will form the basis for appropriate notice to the heads of the departments or agencies of any information affecting the department or agency employee-security program. The facts contained in these reports will also be utilized in the Commission's semi-annual report to the National Security Council on the results of the Commission's continuing study of the manner of the performance of Government departments and agencies pursuant to E. O. 10450.

USE OF THESE INSTRUCTIONAL GUIDES

It is realized that these instructional guides may not be comprehensive enough to guarantee the sufficiency of every appraisal-inspection in this area. Therefore, the exercise of sound judgment and discretion in adapting them to inspectional contingencies will be encouraged. The necessary additions to, and amendements of the guides will be issued as future developments require.

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON 25, D. C.

February 24, 1954

DEPARTMENTAL CIRCULAR NO. 743

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Qualifications Standards for Personnel Security Officer positions,
GS-080, grades GS-11 through GS-15

Attached is a copy of the new qualifications standards for Personnel Security Officer (GS-080), grades 11 to 15. These will be included in Civil Service Handbook X-118 at an early date.

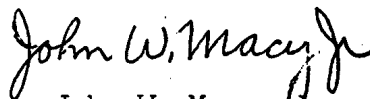
The new standards were developed after consultation with a subcommittee of the Interdepartmental Committee on Internal Security and with a group of agency personnel officials.

The new standards are issued for immediate application to appropriate positions in the competitive service. They apply to incumbents as well as to prospective appointees, and to persons appointed for part-time as well as full-time assignments.

It should be noted that when an appointee does not fully meet the requirements regarding knowledge of subversive activities, the agency should make arrangements with the central office of the Civil Service Commission for a training agreement.

In addition to the required application of the new standards in the competitive service, the subcommittee of the Interdepartmental Committee on Internal Security suggested that they would prove useful as guidelines for appointments to Personnel Security Officer positions in the excepted service.

The definition of the Security Administration Series has been changed to extend coverage to these positions. The revised definition may be found in the second quarterly revision for 1954 to the Handbook of Occupational Groups and Series of Classes, Transmittal Sheet No. 13.



John W. Macy, Jr.
Executive Director

Attachment: Qualification Standards

Distribution: 3 copies to headquarters of agencies only.
3 copies to Commission's regional and branch offices, and
1 copy to Commission's central office bureaus, division chiefs,
and staff officials.

QUALIFICATION STANDARDS
FOR
PERSONNEL SECURITY OFFICER, GS-080-11-15

DESCRIPTION OF WORK

Personnel Security Officers are engaged in the administration, supervision, and performance of work involved in the direction, planning, development, coordination, and control of programs designed primarily to effect the national security where persons employed or to be employed by the Government are concerned. In the execution of their duties they are typically responsible for formulating or assisting in formulating policies, standards, procedures, and methods, and for their application; for determining the sensitivity of positions; for reviewing and evaluating reports of investigations on employees and on applicants for employment; on the basis of their analysis, for making security decisions within the limits of delegated authority, or recommending appropriate action to higher authority; and for preparation of statements of charges, suspension, and termination. They inspect field security offices for efficiency and effectiveness of operations; plan, organize and conduct operations for training and instructing personnel and for preparing and distributing security educational material; have custody and maintenance of personnel security records, files, reports and forms; and on occasion personally conduct or supervise the conducting of investigations of special and complicated cases.

The duties and scope of authority vary with the grade of the position and with the organization and methods of the different agencies.

These standards cover that part of any position which includes Personnel Security Officer functions and responsibilities. Incumbents in and applicants for positions which are mixed in nature and which include the Personnel Security Officer duties and responsibilities must meet these requirements in addition to other appropriate standards for other parts of the position.

GENERAL REQUIREMENTS

Applicants for all grades must possess, in outstanding degree, certain personal qualities considered essential to the effective performance of the duties of the Personnel Security Officer. These include:

An established reputation for integrity, reliability, trustworthiness, impartiality, and good judgment.

Discretion.

Good morals, personal habits, and associations.

Unquestionable loyalty to the United States and to its democratic institutions.

Ability to consider evidence and take decisive action based on adequate comprehension and loyal support of the aims of the internal security program.

Ability to work successfully with employees, officials, and others within and without the organization.

EXPERIENCE AND TRAINING REQUIREMENTS

All applicants must have had six years of progressive and responsible experience which has demonstrated conclusively the ability to:

Analyze and evaluate reports of investigations, or reports on other complicated matters, containing extensive and frequently conflicting testimony, information, and other evidence, and

Prepare decisions, conclusions, or recommendations for action that are logically organized, clearly and concisely written, and unbiased.

The applicant's experience must have been sufficiently significant to show clearly:

A thorough knowledge and understanding of the current national internal security problem, and

A general knowledge of subversive organizations and their methods of operation; or familiarity with the various sources of information regarding such organizations and their activities.

NOTE: The requirement for a knowledge and understanding of the current national internal security problem and of subversive organizations is of paramount importance in permanent selection. However, after exhausting all recruiting resources and determining that applicants with these knowledges cannot be recruited, appointment to Personnel Security positions may be made from persons who meet fully all other requirements, provided responsible assurance is given that intensive training and instruction on security matters will be given at once. Such appointments should be made on a trial basis only. The appropriateness and sufficiency of the training must have the approval of the central office of the Civil Service Commission.

In addition, for positions which include responsibility for the administration of security programs, applicants must have had, dependent upon the degree and nature of the responsibility, experience which has demonstrated the ability to:

Plan, direct, and coordinate difficult and complex programs or projects, or

Formulate and develop, or assist in a major role in the development and implementation of, policies, procedures, methods, and regulations for the control of important programs or projects.

EXAMPLES OF QUALIFYING EXPERIENCE

The knowledges and abilities required above may have been gained in positions or activities such as:

Review, analysis, and evaluation of reports of investigation involving suitability and loyalty for security purposes of applicants for or employees in sensitive positions in governmental or industrial organizations.

Planning and directing security, law enforcement, or related information-collecting activities, and establishing specific information requirements.

Development of policies, procedures, methods, and regulations for fact-finding organizations such as security, law enforcement, or related organizations, which included standards and criteria for evaluation of information and of fact-finding programs.

Analysis and evaluation of reports of investigation of difficult and important civil cases, or cases involving criminal violations or alleged criminal violations of law.

Judge of a Court of Law or of Equity.

Hearing examiner or service in a similar capacity as a representative of a State or Federal agency in conducting administrative hearings and making decisions, or findings and recommendations based upon the evidence of record.

Legislative attorney whose work pertains to the development of legislation relating to national security.

Trial attorney, or Master or Referee of a Federal or State Court.

Investigator with any of the various intelligence and investigative branches of the military service, or civil service, whose duties included the analysis and evaluation of reports.

Personnel management positions the duties of which included responsibility for review, analysis, and evaluation of facts relating to the suitability of employees and applicants in terms of their loyalty, personal attributes and characteristics, and abilities.

Administrative management of any important program or project when supplemented by appropriate and responsible experience in the field of security determinations.

QUALITY OF EXPERIENCE

The applicant's record of experience and training must show that he has the personal qualities and the ability to handle complex administrative and technical assignments commensurate with the duties and responsibilities of the particular grade of position for which he is being considered. Length of experience is of less importance than demonstrated success in positions of a responsible nature, and the breadth and scope of the pertinent knowledge and abilities required in the performance of the duties of such positions. Possession of the required length of experience and training will not of itself, therefore, be accepted necessarily as meeting the experience and training requirements for that grade.

For grade GS-11, at least six months of the required experience must have been at a level of difficulty comparable to that of the next lower grade, or 1 year at a level comparable to that of the second lower grade, in the Federal service. For grades GS-12 and above, at least 1 year of the required experience must have been at a level of difficulty comparable to that of the next lower grade in the Federal service.

SUBSTITUTION OF EDUCATION (For a maximum of 3 years of experience)

Except as provided in the note below:

1. Study successfully completed in a residence school above high school level may be substituted for the required experience at the rate of 1 year of such study for 9 months of experience, provided the study included an average of at least 6 semester hours (or equivalent) per year in such subjects as American or World History, Business Administration, or Public Administration.
2. Study of law successfully completed in a residence law school above high school level may be substituted for the required experience at the rate of 1 year of such study for 1 year of experience. A minimum of 22-24 semester hours credits in law subjects will be regarded as one year of study.

NOTE: No substitution may be made for any required experience at the next or second lower grade level in the Federal service, nor for the required experience which shows clearly a knowledge and understanding of the national internal security problem and of subversive organizations.

INVESTIGATION

A full field investigation will be conducted to secure evidence of the applicant's loyalty to the Government of the United States, honesty, integrity, judgment, discretion, initiative, resourcefulness, general character, associations, and of other qualities indicated under the "General Requirements" statement. Substantial or serious derogatory information on these or other pertinent factors developed in the investigation may be considered sufficient cause for ineligibility.

PSS:WHS:ccm

SECURITY HEARING BOARD ROSTER

3/15/54

DEPARTMENTAL SERVICE

Name	Agency	Telephone Extension
Adams, E. James	National Gallery of Art	233
Arrington, Paul J.	Federal Power Commission	5933
Bagwell, John C.	Agriculture	5733
Batschelet, Clarence E.	Commerce	476
Beall, Austin L.	U. S. Information Agency	2234
Bell, Garland V.	Treasury	443
Brown, Wayne G.	Defense Transport Administration	2216
Buchalter, David	Health, Education and Welfare	6342
Buckley, James L.	Agriculture	3595
Byer, Herman B.	Labor	262
Cameron, Warde M.	State	2045
Carpenter, Oscar B., Jr.	General Accounting Office	5139
Carroll, Edgar B.	Interior	4601
Cavanaugh, Kenneth C.	Public Housing Administration	3351
Chaffin, Douglas E.	Housing and Home Finance Agency	2463
Chapman, William W.	State	4333
Cleary, Ansel	Labor	1489
Cochran, H. Dean	Agriculture	2709
		STAT
Crafts, Edward C.	Agriculture	3768
Crocker, Arthur W.	Commerce	3845
		STAT
Dees, Bowen C.	National Science Foundation	3570
DeVaughan, William A.	Agriculture	4113
Dolan, Peter E.	Treasury	2276
Donovan, Henry A.	Agriculture	4431
Donovan, Michael J.	Treasury	443
Dudley, Donald G.	General Accounting Office	5888
Duncan, Francis M.	The Renegotiation Board	6223
Eberly, John Henry	Commerce	327
Enochs, Elizabeth Randolph	Health, Education and Welfare	3433
Flavin, Thomas J.	Agriculture	4764
Forbes, Griswold	Commerce	8101
Forest, Herbert L.	Agriculture	5751
Forsythe, John S.	Federal Coal Mine Safety Board of Review	1007
Fretts, Carl A.	Agriculture	4070
Gallagher, George R.	Subversive Activities Control Board	860
Gaston, Thomas L., Jr.	Agriculture	2946
Green, John C.	Commerce	2143

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Name	Agency	Telephone Extension
Gregory, Dr. Raymond Wm.	Health, Education and Welfare	2621
Grenoble, William L.	U. S. Information Agency	4024
Halluin, Felix M.	Government Printing Office	784
Hand, Alfred	Commerce	3655
Haninger, Victor E.	Interstate Commerce Commission	702
Hanna, Keith L.	Small Business Administration	475
Hardy, Neal J.	Housing and Home Finance Agency	2463
Hedlund, Floyd F.	Agriculture	6393
Heffron, Edward J.	Federal Civil Defense Administration	277
		STAT
Hoge, Dr. Vane M. (Brig. Gen'l)	Health, Education and Welfare	4574
Hookersmith, Forrest D.	Commerce	4434
Houghton, Dorothy D.	Foreign Operations Administration	641
Humphreys, Harry J.	Government Printing Office	784
Hurley, Henry F.	Office of Defense Mobilization	433
Irons, David P.	Justice	252
		STAT
Jones, J. Weldon	Bureau of the Budget	638
Keeter, Oliver A.	Tax Court of the United States	2056
Kissick, Harold	State	5392
Lantz, Russell J.	Small Business Administration	62852
Larrimer, Walter H.	Agriculture	3766
Larson, G. Edward	Foreign Operations Administration	3833
Lennartson, Roy W.	Agriculture	4276
Littell, Robert E.	National Advisory Committee for Aero	64366
Locke, Howard	Justice	252
McCauley, Leroy C.	Justice	252
McCutcheon, Charles R.	Securities and Exchange Commission	2118
McDermott, John T.	General Services Administration	4262
Miller, William W.	Small Business Administration	3440
Monroe, Charlie	General Accounting Office	3611
		STAT
Morman, Mary	Subversive Activities Control Board	024
Murphy, Edward J.	Agriculture	5643
Mynatt, Edward F.	Agriculture	2713
Nelson, Dr. Elmer Marting	Health, Education and Welfare	2415
O'Brien, Ruth	Agriculture	5419

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Monroe, Charlie	General Accounting Office	3611
Moreau, Jean W.	Central Intelligence Agency	691
Morman, Mary	Subversive Activities Control Board	824
Murphy, Edward J.	Agriculture	5643
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Nelson, Dr. Elmer Marting	Health, Education and Welfare	2415
O'Brien, Ruth	Agriculture	5419

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Name	Agency	Telephone Extension
Palmer, Clive W.	Justice	252
Parsell, John E.	Agriculture	4639
Pearson, Mrs. Louise M.	Smithsonian Institution	303
Pehrson, Elmer W.	Interior	3881
Persons, Edward B.	Labor	156
Peyton, Thomas L.	General Services Administration	4077
Powell, Orbun V.	Foreign Operations Administration	3833
Provan, John R.	Federal Civil Defense Administration	306
Redway, Albert J.	Export-Import Bank of Washington	112
Reel, David R.	Federal Trade Commission	168
Rooney, Howard	Agriculture	3165
Ryan, Gerald	Commerce	4501
Schruben, Luke M.	Agriculture	3511
Semple, Paul T.	The Renegotiation Board	8448
Serr, Harold A.	Treasury	2161
Seymour, P. Berthier	Federal Power Commission	5672
Shelton, Edgar G., Jr.	National Security Training Commission	----
Smith, Henry C.	Farmers Home Administration	----
Stakem, Thomas E., Jr.	Commerce	4533
Starns, Henry C.	Agriculture	2734
Stephens, Edmund	Agriculture	373
Stephens, Malcolm R.	Health, Education and Welfare	5829
Stone, B. Douglas	Housing and Home Finance Agency	2463
		STAT
Stowe, Clifford W.	Treasury	2161
Strom, A. B.	Post Office	395
Sweeney, Paul A.	Justice	252
Syran, Arthur G.	Foreign Operations Administration	2683
Tew, James W.	Government Printing Office	784
Towson, Norman E.	Commerce	3627
Turner, Francis C.	Commerce	4500
Waale, Theodore G.	Small Business Administration	2017
Walker, Lloyd C.	Post Office	372
Wayland, Russell G.	Interior	2282
Weatherbee, Artemus Edwin	Post Office	8193
Williams, Lewis E.	Housing and Home Finance Agency	2463
Wise, Charles C., Jr.	Subversive Activities Control Board	825
Wright, William D.	State	4333
Wyckoff, Harold O.	Commerce	7441
Young, John D.	Office of Defense Mobilization	413
Young, Russell G.	General Accounting Office	3664

SECURITY HEARING BOARD ROSTER

3-12-54

DEPARTMENT OF DEFENSE
DEPARTMENTAL

Name	Agency	Telephone Extension
<u>Office of Secretary of Defense</u>		
Baldwin, Truman H. Lt. Col.	USAF, Rm. 3C 965, Pentagon	72655
Easton, John W.	Rm. 2E 964, Pentagon	72655
Guald, Ross L.	Walter Reed Medical Center Rm. 108A, Walter Reed	55817
Harff, Leroy M.	Office, Chief of Finance Rm. G-711, Temp. T-7	55817
Jackson, Stephen	Rm. 3D 978, Pentagon	72655
Reed, Ogden C.	Rm. 1-1037, Temp. T-7	55817
Rolle, Carl	Rm. 3E 788, Pentagon	72655
Roper, David Nelson, Lt. Col.	Asst. Chief of Staff, Operations Rm. 3E 480, Pentagon	55505
Smith, Walter S. Lt. Col.	General Staff (MC) Asst. Chief of Staff, Intelligence Rm. 2E 529, Pentagon	55817
Stratton, Otney W.	Office, Comptroller of the Army Rm. 2A 672, Pentagon	55817
<u>Dept. of the Air Force</u>		
Bacon, Edward H.	Rm. 5E 867, Pentagon	76030
Boyle, Kenneth J.	Rm. 1008, Bldg. 410 Bolling AF Base	76030
Cieri, Anthony J. Maj.	Bldg. T-3-159 Andrews AF Base	76030
Kenney, Raymond M.	Wing D, Rm. 314, MATS Bldg. Andrews AF Base	76030
Pegler, Dewey S.	8th Floor, Moses Bldg.	76030
Whipple, Abraham L. Col.	Rm. 126, Bldg. 412 Bolling AF Base	76030

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Name	Agency	Telephone Extension
<u>Dept. of the Army</u>		
Burdette, Don L.	Eng. Research & Development Lab. Ft. Belvoir, Va.	55817
Clow, Raymond Francis	Pentagon, 2D 740	55817
Gebbie, Earl James Lt. Col.	Rm. 1611, Building T-7	55817
Gress, Kenneth L. Lt. Col.	Rm. 2403, Building T-7 Office, Chief of Engineers	76820
Haas, Gaylord Paul	Rm. 1523, Building T-7	55817
Henry, Dale Eastburn	Rm. 1020 A, Bldg. T-7	55817
Hoover, Lester M.	Rm. 2903, Bldg. T-7 Office, Chief of Transportation	75425
Kerndt, Neuman Cleveland	Rm. 3E 436, Pentagon	55817
McDaniel, Edgar R.	Office, Chief Chemical Officer Temp. T-7, Room 2068	75478
Murphy, Clarence J. Lt. Col.	Office, Chief of Ordnance Pentagon 1-E-415A	76639
Powell, Franklin E.	Office, Asst. Chief of Staff G-4, Logistics, Pentagon 3-A-514	54737
Schoolcraft, George B.	Rm. C-229, Bldg. 316 Ft. Belvoir, Va.	34119
Titard, Lear P. Lt. Col.	Office, Asst. Chief of Staff G-4, Logistics, Pentagon 2-D-566	73737
Woodruff, Louis F., Dr.	Rm. 2C 538, Pentagon	55817
Yost, Harvey James	Rm. 2816, Bldg. T-7 Off. of Chief of Transportation	55817
<u>Dept. of the Navy</u>		
Aldridge, H. F.	Navy Hydrographic Office	53205
Barnes, E. D., Cdr.	Naval Research Laboratory	53205
Cain, Elbert Vernon, Jr. Cdr.	Bureau of Aeronautics Rm. 2N72 N Bg.	62320
Carley, Thomas F.	Rm. 1003, Arlington Annex	53205

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Name	Agency	Telephone Extension
Cassidy, Bernard J.	Rm. 4D 483, Pentagon	53205
Crown, James Edmond	Naval Gun Factory	53205
Curran, Paul M., Capt.	Rm. 1233, Main Navy Bldg.	53205
Fern, Lawrence P.	Rm. 54, Bldg. 4, Potomac Annex	53205
Harrison, Lewis T.	Rm. 1401, Main Navy Bldg.	53205
Hendler, Pennard, LCDR	Bureau of Ships Rm. 4612, Main Navy	61762
Hightower, Ralph E.	Naval Ordnance Laboratory White Oak, Silver Spring, Md.	53205 53205
Hollenbeck, S. Earl	Rm. 2947, Main Navy Bldg.	53205
Jerome, Edward A., Dr.	National Naval Medical Center Bethesda 14, Md.	53205
Kent, Frank V.	Rm. 0014, Main Navy Bldg.	53205
Klein, Doyen, Cdr.	Naval Ordnance Laboratory White Oak, Silver Spring, Md.	8277
Langley, Howard B.	Rm. 3203, Main Navy Bldg.	73205
McLean, Charles B.	Arlington Navy Annex Rm. 2068	42855
Steward, Walter L., LCDR	Bureau of Ordnance Rm. 2-B-27, Yds. & Docks	78889
Torpey, William G., Dr.	Naval Research Laboratory	53205
Woods, L. E.	David W. Taylor Model Basin	53250

SPECIAL AGREEMENTS MADE WITH DEPARTMENTS & AGENCIES

UNDER SUBSECTIONS (b) AND (c), SECTION 8, EXECUTIVE ORDER 10450

Agriculture, Department of

The Department will conduct full field investigations for persons applying for and appointed to sensitive positions - both competitive and excepted. The Commission will make national agency checks for these cases. The Commission will make national agency checks and written inquiries for all appointees to non-sensitive positions in the Department.

Canal Zone Government

The Department of the Army will make full field investigations for the Canal Zone Government. The Civil Service Commission will conduct national agency check and written inquiries for United States Citizens who are new appointees (both competitive and excepted) and in whose cases national agency checks and inquiries are to be made in accordance with provisions of the Department of Defense Civilian Applicant and Employee Security Program.

Commission on Organization
of the Executive Branch of
The Government

The Commission will conduct investigations on a reimbursable basis of contractor employees assigned to sensitive positions. The Commission also will conduct national agency checks for contractor employees assigned to non-sensitive duties.

Defense, Department of
Office of the Secretary
of Defense

The Office of the Secretary of Defense will make its own national agency checks in cases requiring full field investigation. The investigative agencies of the armed forces will be requested to make full field investigations. The Office of the Secretary of Defense also will make its own national agency check and written inquiries for non-sensitive positions.

Departments of the Army,
Navy and Air Force

For security purposes positions in the Departments of the Army, Navy and Air Force have been placed in three categories. (1) Critical sensitive positions. (2) Non-critical sensitive positions. (3) Non-sensitive positions. For purposes of determining investigative jurisdiction these three categories have been broken down into incumbents and applicants or appointees. An incumbent is an employee who was on the rolls of the Departments of the Army, Navy or Air Force as of May 27, 1953. An appointee is any person appointed on or after May 28, 1953.

Incumbents in critical sensitive positions:

The Departments of the Army, Navy and Air Force will conduct full field investigations.

Applicants for critical sensitive positions:

The Civil Service Commission will conduct pre-appointment national agency checks. The Departments of the Army, Navy and Air Force will conduct full field investigations.

Incumbents in non-critical sensitive positions:

The Departments of the Army, Navy and Air Force will conduct any further investigation required beyond that already conducted under E.O. 9835.

Applicants for non-critical sensitive positions:

The Civil Service Commission will conduct pre-appointment national agency checks and, after appointment, will complete investigation with written inquiries.

Incumbents in non-sensitive positions:

In general, no investigation will be required beyond that already conducted under E.O. 9835.

Appointees to non-sensitive positions:

The Civil Service Commission will conduct national agency checks and written inquiries.

Farm Credit Administration

The Administration will request Department of Agriculture to make full field investigations of applicants for, and employees in, (both competitive and excepted) sensitive positions in F.C.A. and the Central Bank for Cooperatives. Civil Service Commission will make national agency checks only for these cases. CSC also will make national agency check and written inquiries for appointees to non-sensitive positions, both competitive and excepted.

**Federal Reserve System,
Board of Governors**

The Division of Personnel Administration, Federal Reserve System will conduct its own national agency check and investigations of persons applying for and appointed to non-sensitive positions. The Commission will conduct full field investigations for all persons applying for and appointed to sensitive positions in the Board.

General Accounting Office

Civil Service Commission will make full field investigations of employees in, and applicants for sensitive positions; and will make national agency check and inquiries for non-sensitive positions.

Government Printing Office

Civil Service Commission will make full field investigations of applicants for, and employees in, sensitive positions; and will make national agency check and inquiries for non-sensitive positions. Security investigations for employees of the Government Printing Office State Department Branch will be made by either the State Department or the Central Intelligence Group.

Justice, Department of

The Department will use the investigative facilities of the FBI for conducting investigations required by the order for applicants for and employees in the Department of Justice.

Library of Congress

Civil Service Commission will make full field investigations of employees in, and applicants for, sensitive positions; and will make national agency check and inquiries for non-sensitive positions.

Post Office Department

The Department will conduct full field investigations for persons applying for and appointed to sensitive positions. The Commission will conduct national agency checks only for these cases. The Commission also will conduct national agency check and written inquiries for all non-sensitive positions in the Department. This agreement does not change present procedures for investigating postmasters and rural carriers.

Small Business Administration

The Administration will make full field investigations for persons appointed to or applying for sensitive positions which are in the excepted service. The Commission will make national agency checks for these cases. The Commission will make full field investigations in cases involving sensitive positions in the competitive service. The Commission also will conduct national agency check and written inquiries for non-sensitive positions in the competitive and excepted service.

State, Department of

The Department will make full field investigations of its employees and applicants in the competitive service (except those requiring investigations by the Commission under existing

legislation). The Commission will conduct pre-appointment national agency checks for these cases.

Tennessee Valley Authority

The Commission will conduct national agency checks only. TVA will make its own written inquiries. The Commission will conduct full field investigations where the positions involved are sensitive.

Treasury Department

Treasury Department will conduct full field investigations required under the order. The Commission will conduct national agency checks only in these cases.

**NON-SENSITIVE POSITIONS FOR WHICH DEPARTMENTS AND AGENCIES
HAVE BEEN RELIEVED OF REQUIREMENT FOR SUBMITTING FORMS TO
THE CIVIL SERVICE COMMISSION FOR INVESTIGATION UNDER
SECTION 3 (a) OF E. O. 10450 RELATING TO PER DIEM,
INTERMITTENT, TEMPORARY, OR SEASONAL
EMPLOYEES, OR ALIENS EMPLOYED
OUTSIDE THE UNITED STATES**

Agriculture, Department
of

1. Persons who hold appointments in the Department as agents or collaborators without compensation.
2. Cooperative agents who may be controlled by the cooperators alone or cooperatively controlled by the Department and the cooperators regardless of the source of their compensation.
3. Persons employed on the foot and mouth disease eradication work in Mexico who receive their compensation from the Mexico-United States Commission.
4. Temporary, seasonal, intermittent, or occasional employees including those employed under letter of authorization, appointed for periods limited to six months or less, provided they are not appointed to sensitive positions and do not have access to classified defense information.
5. State and county committeemen of the Farmers Home Administration who are intermittent employees.
6. Nationals of foreign countries who are employed by the Department in their native countries.

American Battle Monuments
Commission

Cases involving non-sensitive positions when the appointments are of aliens employed outside the United States.

Army, Department of

Cases involving non-sensitive positions when the appointments are (a) of aliens recruited locally outside the United States, or (b) are specifically limited to six months or less.

Bureau of the Budget

Cases involving non-sensitive positions when the appointments are specifically limited to three months or less.

Canal Zone Government

Cases of alien employees.

Commerce, Department of

1. Cases involving non-sensitive positions when the appointments are of aliens employed outside the United States, or cases of per diem, temporary, or seasonal employees, when the appointments are specifically limited to three months or less.

2. Cases of the following types of personnel when the positions involved are not sensitive. River, rainfall, snowfall, winter sports and evaporation reporters; hydrologic observers; storm warning displaymen; weather and crop reporting observers; and aviation observers.

Defense Mobilization, Office of

Cases of per diem, temporary, or seasonal employees when the appointments involved are not sensitive and are specifically limited to three months or less.

Federal Civil Defense Administration

Cases involving non-sensitive positions where the appointments are specifically limited to three months or less in cases of per diem, temporary, or seasonal employees.

Federal Mediation and Conciliation Service

Cases involving non-sensitive positions of consultants employed temporarily as Arbitrators, Conciliators or Mediators, on service-appointed Fact-Finding-Boards provided that their employment is limited to three months or less.

Government Printing Office

Cases involving non-sensitive positions when the appointments are specifically limited to 90 days or less, and of intermittent employees appointed to non-sensitive positions for periods when actually employed. (These latter employees are employed only on Sunday nights for mail duties in the Printing Office and are appointed from a list of names on a rotating basis).

Health, Education & Welfare,
Department of

Cases involving non-sensitive positions when the appointments are (a) of aliens employed outside the United States, or (b) are specifically limited to three months or less for per diem, temporary, or seasonal employees.

Housing and Home Finance
Agency

1. Cases of appointments to non-sensitive positions limited to three months or less.
2. Cases of per diem, temporary, or seasonal employees of the Public Housing Administration when the positions involved are not sensitive and the appointments are specifically limited to three months or less.

Interior, Department of

Cases of persons employed in the following types of positions when those positions are not sensitive and appointments are limited to six months or less: Unskilled laborers; cooks; mechanics; skilled laborers and craftsmen on construction or repair work; caretakers at temporarily closed camps or buildings; Field assistants in forestry, soils, engineering, fishery and wildlife management, and with surveying parties; emergency forest and range fire and blister rust control employees; and positions for which compensation is fixed under cooperative agreement.

Justice, Department of

FBI will make only fingerprint and name checks in cases of Department of Justice employees receiving temporary appointments not to exceed three months. Full field investigations will be made in these cases if appointments are extended beyond three months or if information is developed which indicates that employment would not be clearly consistent with national security.

Labor, Department of

Cases involving non-sensitive positions for:

1. Statistical investigators (Grades GS-3 and GS-4) employed under Schedule A, Section 6.101(g), in the Bureau of Labor Statistics for part-time service (intermittent and on a when-actually-employed basis) in the collection on statistical data pertaining to food prices, rentals, employment and similar subjects.

2. Mexican nationals employed in Mexico by the Bureau of Employment Security in custodial and clerical capacities incidental to the administration of the Farm Placement Program.

National Science Foundation

Cases of per diem, temporary or seasonal employees when the positions involved are not sensitive and the appointments are specifically limited to three months or less.

Navy, Department of

Cases involving non-sensitive positions when the appointments are of aliens employed outside the United States, or cases of per diem, temporary or seasonal employees, when the appointments are specifically limited to three months or less.

Post Office Department

1. Cases involving non-sensitive positions when the appointees are (a) aliens employed outside the United States, or (b) are specifically limited to three months or less in cases of per diem, temporary or seasonal employees.
2. Cases of temporary substitute clerks employed in non-sensitive positions at the Yellowstone Park Post Office for periods not to exceed 180 days.

Railroad Retirement Board

Cases involving the following non-sensitive positions: Special Claims Agents, Members of Actuarial Advisory Committees, Special Agent-National Reporting Officer, and temporary employees whose appointments are specifically limited to three months or less.

Small Business Administration

Cases involving non-sensitive positions of consultants and other intermittent employees when the appointments are specifically limited to three months or less.

State, Department of

Cases of the following types of employees when the positions involved are not sensitive:

1. Seasonal employees of the United States Section, International Boundary Commission, who are appointed under Civil Service Rule A-2-8 for periods not exceeding 5 months to perform in season such duties as cutting down trees, doing small concrete jobs, driving trucks, and running motorboats.

2. Alien employees of the Department of State Foreign Service posts abroad.

**Subversive Activities
Control Board**

Cases involving non-sensitive positions in which the appointments are specifically limited to three months or less.

Tennessee Valley Authority

1. Cases of per diem, temporary, or seasonal employees when the positions involved are not sensitive and the appointments are specifically limited to three months or less.
2. TVA will dispense with written inquiries in investigations of intermittent employees (including consultants) in non-sensitive positions who work for TVA on not more than 60 days in one year.

Treasury, Department of

Cases involving non-sensitive positions when the appointees are (a) aliens employed outside the United States, or (b) are specifically limited to three months or less in cases of per diem, temporary, or seasonal employees.

Veterans Administration

Cases involving the following categories of employees when positions are not sensitive:

1. Volunteer workers under the Veterans Administration Volunteer Service Program.
2. Member employees.
3. Per diem, temporary, seasonal and intermittent employees (including purchase and hire employees) whose periods of employment are specifically limited to three months or less.
4. Aliens employed outside the United States who are not known to have resided or visited in the United States.

War Claims Commission

Cases involving non-sensitive positions when appointments are specifically limited to three months or less.