

Administrative - Internal Use Only

file 1.4.9

**DIRECTOR OF CENTRAL INTELLIGENCE
Security Committee**

SECOM-D-267

3 August 1982

MEMORANDUM FOR: Mr. Walter Elder
Executive Secretary, NFIB

FROM:

[Redacted Name]

Chairman

STAT

SUBJECT: Use of Contract Employees

REFERENCE: Your Memo IC/82/5542, Dated 29 July 1982

1. This responds to reference, regarding service by contract employees on DCI committees. Comments are limited to employees of Sandia, Los Alamos and Lawrence Livermore Labs. Since these employees work for organizations owned by the US Government and only on US Government matters, there appears to be no potential conflict of interest between their employers' economic well-being and their security obligations to protect classified information. This was recognized in DCID 1/7, which notes Community agreement not to treat government-owned, contractor-operated facilities, such as these labs, as contractors for purposes of prohibiting/limiting/controlling dissemination of SCI material to industry. These laboratories appear to have a respectable record of maintaining the security of classified information handled by them.

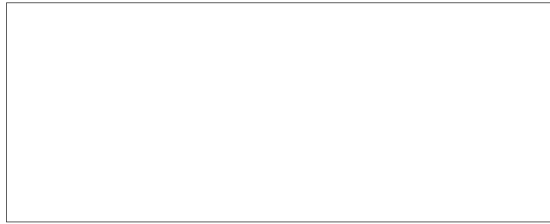
2. From the standpoint of committee administration, it does not seem that employees of these laboratories would be measurably less (or more) objective than government personnel in weighing issues, providing advice, and recommending solutions to problems. They would probably approach issues with no more bureaucratic bias than representatives of government agencies. They are subject to the same personnel security standards as government employees, particularly with reference to SCI. There would seem to be no more reason for concern about these employees than for individuals who move from industry to government and back again.

3. The foregoing would not apply to commercial firms whose prosperity depends on selling products or services. Nor would they apply to "think tanks" which may have vested interests in pushing their own policy options.

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4. I do not see this issue as likely to affect the Security Committee. Employees of these labs are involved in technical disciplines which do not fall within SECOM's charter.



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TRANSMITTAL SLIP		DATE	7/29/82
TO: <i>Chairman, Security Committee</i>			
ROOM NO.	BUILDING		
5E25	CIA		
REMARKS:			
30 JUL 1982			
FROM: ICS/NFIB SEC. STAFF			
ROOM NO.		EXTENSION	

FORM NO. 241
1 FEB 68

REPLACES FORM 36-8
WHICH MAY BE USED

(47)

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NATIONAL FOREIGN INTELLIGENCE BOARD

WASHINGTON, D.C. 20505

IC/82/5542
29 July 1982

MEMORANDUM FOR: Committee Chairmen

FROM: Walter Elder
Executive Secretary

SUBJECT: Use of Contract Employees

REFERENCE: Memorandum from EA/DDCI to D/ICS, 23 July 1982

1. Please provide your comments to me by close of business, 3 August 1982 so that the D/ICS may make his recommendation to the DDCI by 6 August 1982.

2. If the criteria do not apply to your committee, please say so in writing.

[Redacted Signature]

WALTER ELDER

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Attachment

[Redacted Box]

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Executive Registry
82-3594/1

23 July 1982

2/DCI
2/FIR/S
note 3
LOGGED
26 JUL 1982

NOTE FOR: Director, Intelligence Community Staff

FROM : EA/DDCI

SUBJECT : Use of Certain Contract Employees on DCI Committees

1. The DDCI is uneasy about the attached request for having contract employees of Sandia, Los Alamos and Lawrence Livermore Labs serve on DCI Committees. He wonders if such service would not hamper their objectivity when we seek their "independent" judgments as contractors. Other concerns include influencing the competition between the private sector and these labs for government contracts and maintaining sufficient control over these contract employees' use of sensitive information.

2. Would you please recommend a policy on this issue, noting pros and cons, for the DDCI, by the end of next week.



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Attachment:
ER 82-3594



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