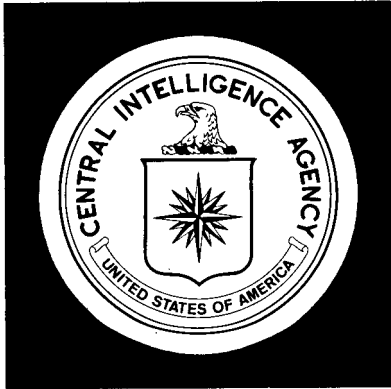


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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY
1941-68

VOLUME II PERSONNEL SECURITY
PART ONE CHAPTERS I, II

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OS-2

May 1973

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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY

1941-68

VOLUME II PERSONNEL SECURITY

OS-2

by

[REDACTED]

25X1A

Approved by: 25X1A

[REDACTED]

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Director of Security
Directorate for Management
and Services

25 MAY 1973

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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Foreword

Personnel security -- the subject of this, the second in a series of volumes describing the CIA security program as it evolved through 1968 -- does not lend itself well to the straightforward, chronological form of description of some other histories. There were several related aspects of the program which come into clearer perspective when they are dealt with as separate entities. Two important aspects of the Agency's personnel security program are the subjects of separate volumes in this series -- OS-5, [REDACTED] 25X1A
Offices, and OS-9, Polygraph Program -- because the subjects are very extensive, and because not all of the activities described related to the personnel security processes. In addition, all of the other volumes in this series deal at least to some extent with the subject of personnel security, because personnel security is the most important aspect of security work.

Following the introduction, Chapter I of this volume describes the Agency's personnel security program under Sheffield Edwards, with the Chapter's principal emphasis on

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the personnel security screening processes. Sheffield Edwards, CIA's first Director of Security, retired in July 1963 following a long and distinguished career with the Agency. Chapters II and III treat the subjects of security records and the ongoing personnel security program separately. The term "ongoing personnel security program" was coined by the author to describe the pattern of activity that is designed to insure the continued security reliability of the employee after he has passed the initial security screening test. Chapter IV describes other influences affecting the program during the period covering the years 1963-68 inclusive.

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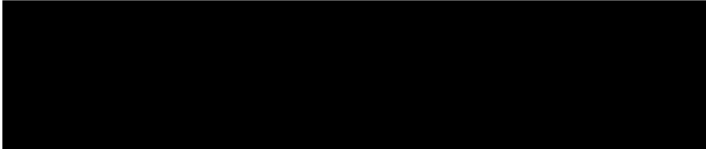
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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY

1941-68

II. Personnel Security

Introduction

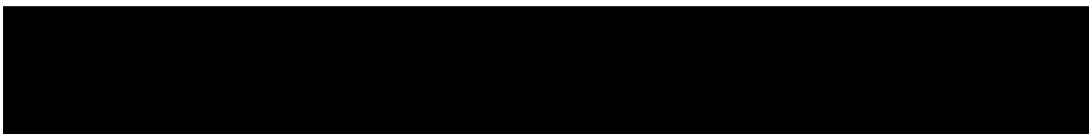
Personnel security is the pattern of activity necessary to insure that the individual does not act contrary to the security trust that has been placed in him. It is an important aspect of security, because the subversion of personnel represents one means through which foreign intelligence services can gain access to information -- otherwise denied them -- that would be helpful in meeting their intelligence requirements. A viable personnel security program should consist of both an initial screening process and some continuing means to insure that the individual continues to perform to a standard of trust, because the individual's subversion can occur either before or after employment. The success of any personnel security program hangs on the fragile thread of the human will -- there are no three-way combination-locked vault doors, only the individual's

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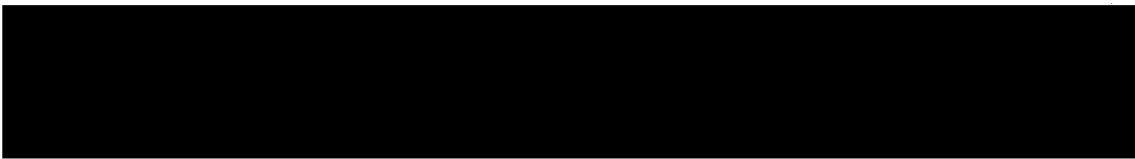
strength of character. Personnel security, therefore, involves the science of human behavior.

The personnel security screening process is itself divided into two parts: the first involves the collection of sufficient data concerning the individual to perform a security assessment and to render a security judgment; the second involves the security assessment and judgment, which must be rendered against some viable standard for judging the individual's security reliability. Within CIA the collection of data is performed by the



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with the aid of the polygraph. Both of these sources service other OS organizational components -- Personnel Security Division (PSD) and the Investigations Division (ID) -- which perform the actual security assessments and render an appropriate judgment. Available CIA records as well as those of other Federal investigative and security services are also checked. The



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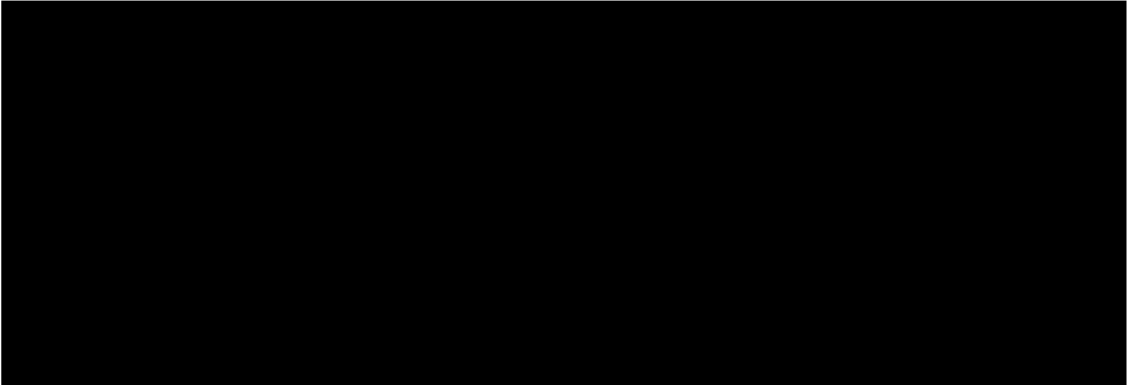
judgments are made under the Director of Security's delegated authority, and security disapprovals, or even approvals in cases

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where questionable information exists, receive a much higher level of review than "all-clear" cases.

The years following World War II saw the promulgation of several Executive Orders which set standards for the screening of Federal personnel, in addition to standards to be applied to such personnel provided access to classified defense information. As an Agency of the Federal government, CIA has been required to meet these minimum standards; although, due to the extreme sensitivity of its mission, the intensity of its program exceeded those of other Federal departments and agencies. Another distinction between CIA's program and other Federal programs is the great variety in categories of personnel which it either employs or uses in some capacity in the conduct of its intelligence mission, who range from staff employees sharing most of the emoluments of other Federal employees to contacts and agents whose participation in Agency activities is performed under greatly controlled



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affects the manner in which information concerning the individual can be developed and consequently the scope of the inquiry. As a result, although the philosophy is adhered to that the use of any individual for Agency purposes should be carefully assessed against the maximum possible information that can be acquired concerning the individual, there are in CIA varying security standards for the different categories of personnel. The resultant calculated risk is balanced by operational security procedures which carefully control the individual's access to sensitive information. Overall it is a reasonable, workable approach, and the only approach possible in light of the unusual nature of the intelligence mission.

It is often said that government should not legislate on the subject of morals or otherwise attempt through its processes to establish a moral standard of behavior. Conversely, legislation existing in almost all jurisdictions making murder and robbery criminal offenses -- yes, even the Sunday "blue laws" -- can be traced to the law of Moses. One might argue that these are laws which are in the best interest of the overall society -- which only leads to the inevitable conclusion that society itself prescribes a standard of acceptable conduct -- a fact with which government,

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as an instrumentality of society, must continually reckon, even as it relates to the preservation of official secrecy. This latter fact is clearly demonstrated by the following quotation from Agency regulations which prescribe the personnel security standards for individuals holding staff positions in CIA.

Who (those employed) are of excellent character, and of unquestioned loyalty, integrity, discretion, and trustworthiness. 1/*

In defense of the above requirement, it might be said that individuals of poor character are more easily led to committing acts constituting subversion, because the subversion itself represents just one more step toward the complete character degradation of the individual. Thus only persons of outstanding character should be entrusted with information which is the subject of official secrecy. A problem arises, however, when it is discovered that few -- indeed, if any -- individuals consistently evidence outstanding behavioral characteristics. Furthermore, the only available evidence concerning the individual's character is his past conduct, and theologians and psychologists alike have arrived at the conclusion that deep within the psychological makeup

* For serially numbered source references, see Appendix A.

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of even the finest individuals is the potential for the basest of acts. The process by which saints become sinners -- and vice versa -- has been explored only on theoretical bases.

Indeed, even the standards seem to vary -- according to the existing conditions, and according to the viewpoint of the particular society in which they are judged. What is bad is only bad from particular points of view; and, since security is principally concerned with the protection of classified information, personnel security must use standards which are geared to those individual characteristics which have been demonstrated to have produced the subversion of individuals, and should not necessarily attempt to employ conventional standards of morality. That portion of the Agency's regulations which is quoted above fails to make this distinction; and, in failing to do so, it fails the test of a viable standard. This is not to single out this particular regulation for criticism, for in fact most other governmental personnel security directives and regulations are similarly worded. It does, however, serve to demonstrate the frustration associated with attempts to establish an appropriate yardstick against which to measure the security reliability of individuals.

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The Government's personnel security program began on the issue of loyalty, and it is still largely so concerned today. It had long been the practice of the Federal government to perform at least perfunctory investigation of applicants for Federal employment. The applicant's loyalty was undoubtedly always a matter of inquiry during the conduct of such investigations, but it was not until the late 1930's that legislation was first passed making the individual's loyalty a matter requiring consideration for employment in the Federal civil service. In August 1939, Congress, concerned with the threat that the International Communist movement and other totalitarian influences posed to the security of the nation, passed the original Hatch Act, which included a provision preventing employment in the Federal service of any individual holding membership in any political party or organization advocating the overthrow of the US constitutional form of government. Congress further evidenced its concern in July 1941 when there was added to all appropriation acts a mandate providing that no part of any appropriation could be used to pay salaries or wages of persons who were members of any organization advocating overthrow of the Government by force or violence. Even the term "disloyalty" required a

definition; for it might well be asked: Disloyalty to whom and to what? This definition was stated as advocating the overthrow of the US constitutional form of government by force or violence.

But, although this excluded many individuals possessing dangerous political ideologies, it did not take into account the matter of the clandestine penetration of the Federal personnel body, allowing that such penetrations would probably be effected through individuals who either would be more circumspect in expressing their political viewpoints, or whose motivations might be other than political ideology. Such penetrations were most likely to occur where the "loot" was the greatest -- departments and agencies dealing with classified information. Consequently, in June 1940 -- with the Nation watching, but still not participating in the war in Europe -- Congress authorized the Secretaries of War and Navy to remove summarily any employee in the interests of national security without regard to any other provision of law, rule, or regulation governing the removal of employees. This greatly broadened the discretionary powers of these two Secretaries.

The military departments had long followed the practice of identifying and classifying the most sensitive of their information.

Until 1944 the highest security classification was SECRET. SECRET information was the subject of more stringent physical safeguards; and, additionally, personnel provided access to SECRET information were investigated and specifically approved for this level of access -- a personnel security clearance. The denial of a personnel security clearance did not necessarily affect the individual's employment rights, since not all employees required access to classified information. Generally the same screening processes were followed in the case of personnel serving in the military services who required access to classified information to perform their duties.

The investigations that were conducted pursuant to these personnel security clearance processes continued to inquire into the individual's political ideology and loyalty, but they also inquired into the individual's background and behavioral patterns. Much attention was paid during World War II to individuals with foreign backgrounds -- particularly those from the Axis Nations -- because it was feared that such individuals might have divided loyalties. Inquiry into the behavioral patterns of prospective employees was not strange to the ways of the Federal service, for government had historically strived to insure that those

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entrusted with civil service were of outstanding character and behavior -- now, however, the resulting information was being used to judge the individual's security reliability. The author is of the opinion that the personnel security standards employed during World War II were largely society's consensus of what constituted conventional morality, judged from the viewpoint of the individual making the security determination, and refined by a few professional considerations such as foreign nationality backgrounds. Aside from the published exploits of Mata Hari, there were too few existing examples of the manner by which character deficiencies interacted with the matter of subversion.

In the twenty-seven years following World War II, however, a considerable experience factor was developed in the form of actual cases wherein US citizens had been induced to act in a manner contrary to their national allegiance. Additionally, the CIA, in the course of pursuing its national counterintelligence responsibilities, was able to develop much information related to the modus operandi of foreign intelligence services, and this information also provided further insight into those individual characteristics which the opposition had concluded could be successfully exploited for their intelligence purposes. 25X1A

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at least lacked adjustment, self-discipline, and the ability to integrate themselves into complex situations or environments.*

But even with an experience factor and a knowledge of the opposition's techniques, the precise yardstick for the measuring security reliability of an individual continued to be elusive. The particular character traits which were prevalent in individuals who conducted themselves in a treasonable manner can be found in many other individuals who have not breached their security trust, and who in all probability will not do so in the future. This is because the offense in question constitutes an individual act, which the individual must be personally disposed to commit. An examination of case histories provides considerable insight into how the degradation proceeded in the particular cases examined -- the pattern cannot, with any firm degree of consistency, be applied to other individuals and other circumstances. Each individual security assessment must be made on its own merits, and allowance must be made for occasional failures in the screening processes. This is

* The Story of Disloyalty and Betrayal in American History, by Nathaniel Weyl, 1950.

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as it might pertain to the particular subject under study.

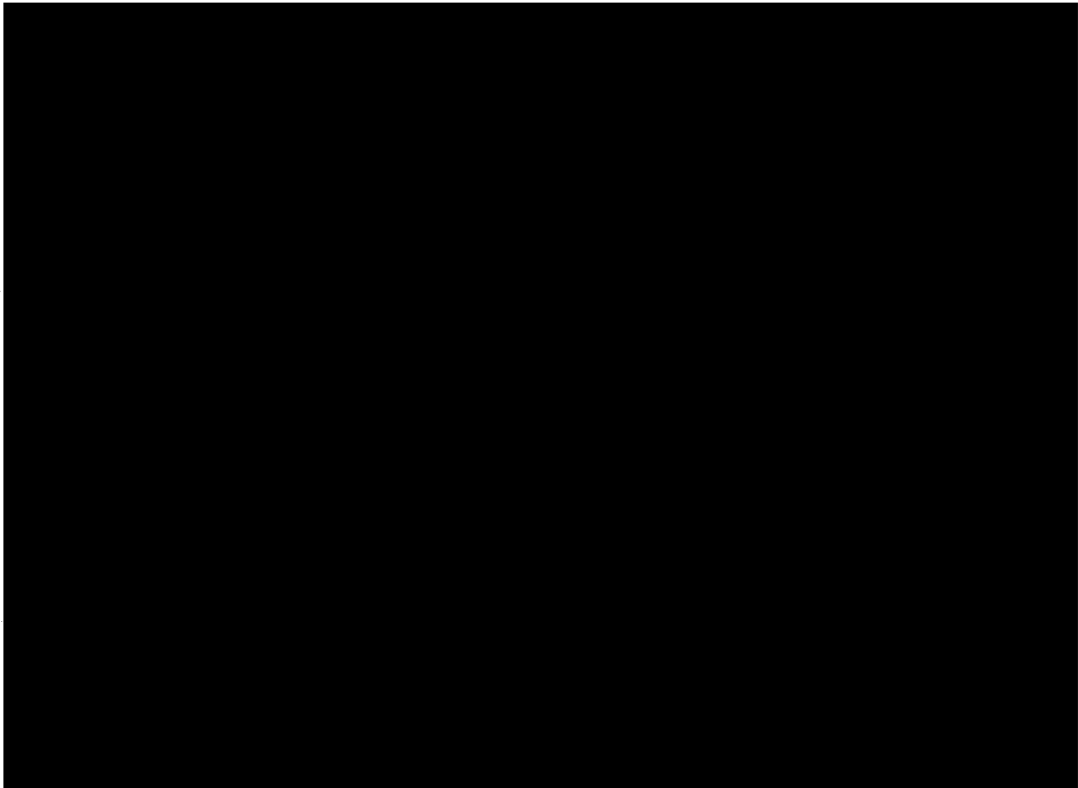
Guest lecturers are frequently provided from OS; and the course's content always emphasizes the important relationship of security to the intelligence mission.

Of perhaps even greater significance, the Agency's Office of Security has fostered an "open door" environment to permit agency employees to discuss those of their personal problems having possible potential security ramifications, with full assurance that the information they disclose will be treated confidentially, and with promise that OS will engage its and any other Agency resources necessary to assist the individual where in the Office's considered judgment such action is appropriate. The procedure results in many conversations with the security officer which are not really germane to the subject of security, but it also results in establishing and maintaining a healthy state of communication. Supervisors too are encouraged to "know their employees" and to consult with OS in the event of any unusual occurrence or attitude. OS's Night Security Office -- operating on a 24-hours-a-day, seven days-a-week basis -- provides a point of contact for any

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Agency employee experiencing personal difficulties. Special security personnel operating out of OS's Personnel Security Division are continually available on call should the problems of some Agency employee require immediate assistance.



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Naturally, it cannot be said with certainty that the Agency's personnel security program has been completely effective. The CIA -- unlike several other Federal departments and agencies -- has had no known defections from its employee body; a number of Agency employees have reported attempts

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Personnel security at best is a very imprecise science; that upon which it principally depends -- the individual human will -- is extremely unpredictable. Nothing else will suffice other than that the subject be given close and continuing attention. The collective tools of the Agency's personnel security program may seem pitifully little when it is realized that they are intended to prevent each and every attempted penetration -- not so, however, when they are being manipulated by competent, professionally trained security officers.

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I. The CIA Personnel Security Program Under Sheffield Edwards*

A. The Inheritance

When the CIA was established in 1947, its personnel security program received a respectable inheritance. This included a set of security files and indices related to OSS personnel, which had been accumulated during World War II by the OSS Security Office.** These records are still a part of the total OS record holdings today (1972). Additional record assets resulted from the wartime OSS X-2 (Counterintelligence) Branch, which had been accumulated from a great variety [REDACTED]

[REDACTED] and OSS's own agent sources, and which

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* Sheffield Edwards: Executive for Inspection and Security (July 1947-January 1949), Chief, Inspection and Security Staff (January 1949-December 1950), Security Officer, CIA (November and December 1950), Assistant Deputy Director for Administration for Inspection and Security (December 1950-March 1953), Director, Security Office (March 1953-February 1955), Director of Security (February 1955-June 1963).

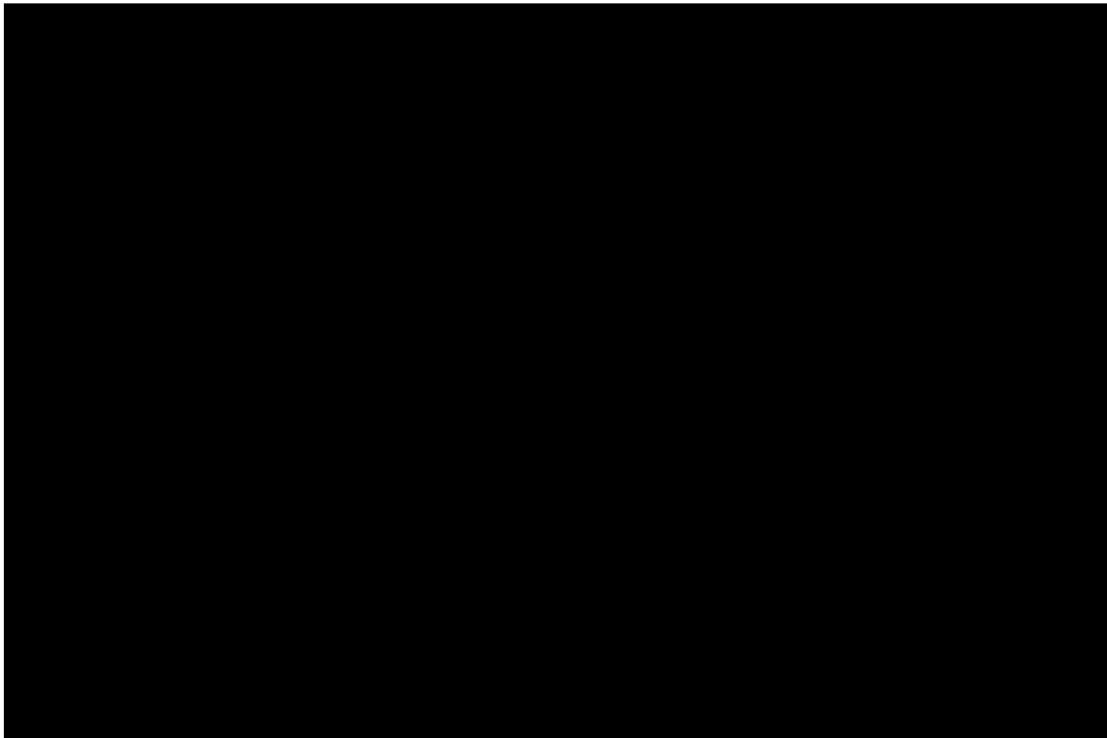
** For the organization of OSS Security Office, see OS-1 of this series, I, B, 2.

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represented a significant compilation of the identities of known or suspected subversive individuals and organizations worldwide, in addition to research related to their methods of operation.*



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Of perhaps greater significance, however, the Agency inherited four years of Federal and OSS wartime experience and methodology related to the subject of personnel security -- it knew how to go about the security investigative process;

* See OS-1, I, B, 5 regarding X-2 Branch.

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it knew the value of good security record keeping and of liaison with other established sources of personnel security information; it possessed a fairly accurate picture of the types of individuals who constituted personnel security risks; and, it recognized that good security was essential to the intelligence mission and that every employee should receive comprehensive instruction in security in order that everyone could share in the overall responsibility.

Some problems were also inherited. One of these resulted from CIA's combined mission, which included both the production of national intelligence -- a predominantly overt process -- and the conduct of espionage abroad -- almost totally a clandestine undertaking. The first CIA clandestine office -- Office of Special Operations (OSO) -- was founded upon organization remnants of the OSS, which, following the war, had undergone a brief transitional period as the Strategic Services Unit (SSU) of the War Department.* The balance of CIA, on the other hand, began as the Central

* See OS-1, I, C for description of SSU supporting security organization.

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Intelligence Group (CIG) in January 1946. It was an entirely new organization, and its early personnel body was comprised entirely of individuals detailed from other Federal departments and agencies, combined for the purpose of producing national intelligence reports from all available sources. Following July 1946, when OSO was established as an organizational element of CIG to take over the work of the transitional SSU, it was concluded that OSO's activities were of an inherently sensitive nature, and that therefore its work should be strictly compartmented from the balance of CIG, to the extent of creating a near-autonomous organization-within-an-organization, to include provision for compartmented support services. As a result, there existed under CIG, and during the early years of CIA, two separate security offices with responsibility in the field of personnel security -- one for OSO, and one for the balance of CIG and CIA. Evidences of this early organizational philosophy can still be found today (1972) in the Agency's security processes.

Another reported problem arose as a result of the character of some OSS personnel. Although evidence indicates that by 1943 the OSS Security Office was rejecting personnel possessing questionable

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leftist political ideologies, these persons were not considered as dangerous as those individuals possessing pro-Axis leanings. Furthermore, it was not until about 1943 that OSS's personnel security screening program started to become effective. Many of OSS's operations involved liaison with foreign partisan forces which were oriented toward leftist political philosophies. As a result, a significant number of individuals were employed by OSS whose continued use in the postwar era of intelligence would have been questionable, now that the principal adversary had become International Communism. The author is of the opinion, however, that this was not really a significant problem to CIA, for a variety of reasons which are described below.

Because an organizational continuity can be traced from CIA back to CIG, to SSU, and to the wartime predecessor organizations OSS and COI, one is prone to envision that there was also almost a complete continuity of personnel employed under the several organizations -- this was by no means the case. Undoubtedly, a large portion of the OSS personnel body had been motivated by the "for the duration" spirit which saw almost every segment of the nation's citizenry become involved in some aspect of the war

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effort; with the close-out of hostilities, most of these individuals returned to work in commercial enterprises. That part of the CIG organization involved in early postwar planning, that was also envisioned as collating, preparing, and coordinating national intelligence, consisted by and large of personnel detailed from other departments -- principally the military -- and very few of these had been associated with OSS.

The most significant continuity of personnel was that involved in the OSO, which organization, as previously explained, transitioned from OSS through SSU. This transition, however, was not smooth -- it involved almost a complete stop-and-go process. When OSS was abolished in September 1945, a large number of its employees (1,332), working in OSS's Research and Analysis, and Presentation Branches, were transferred to the Department of State. The remaining OSS personnel (9,058) were reorganized under the War Department, SSU, which was established by an order of the Secretary of War on 1 October 1945. By 19 October 1945 SSU had reduced its personnel to 7,640 and was progressing toward a reduction to 1,915 to be

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accomplished by 1 December 1945. 5/ In short, most of OSS's personnel who had not been transferred to State were given "pink slips."

Furthermore, a significant number of the 1946 SSU and OSO personnel had not begun under OSS. Many of the SSU and OSO personnel, too, were detailed from other departments, and the influence of the military departments was again significant -- particularly in the managerial positions. In addition, an examination of the personnel files of many early CIG/OSO employees reveals that a significant number were hired by SSU during the summer and fall of 1946, only to be terminated one month later and immediately given an excepted appointment with CIG. It is postulated that the DCI was using his authorities related to the close-out of SSU -- which still possessed authority to hire its own personnel -- to bring employees on board CIG, which until January 1946 did not possess authority to hire employees.*

* NIA Directive No. 4 of 2 April 1946 authorized CIG to utilize funds, personnel, and facilities of SSU in the performance of authorized functions of the CIG.

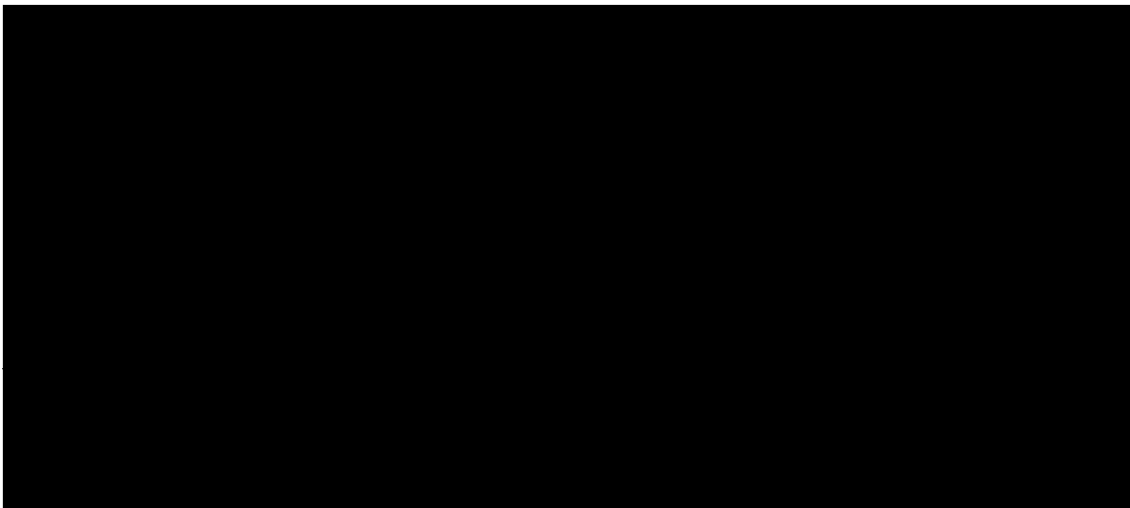
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It is apparent that some of the weeding out of remaining OSS security undesirables occurred under SSU. A former State Department security officer* claims that SSU used the September 1945 Executive Order abolishing OSS to maneuver many OSS potential security risks into organizational elements scheduled for transfer to State.** The author could find no confirmation of this; however, perhaps only by coincidence, a number of the more notorious OSS security risks were transferred to State, from which they were subsequently dismissed following considerable procedural difficulties.***

It is a matter of record that no SSU personnel were transferred from SSU to CIG; all were terminated from SSU and then immediately given excepted appointments with CIG

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following a determination that they possessed utility to the new organization. CIA security personnel dating back to CIG advise that this provided opportunity to screen out undesirable security risks -- particularly important since, until enactment of the CIA enabling legislation, the DCI did not possess authority to summarily dismiss employees for any reason in the interests of national security. Again, however, the author was unable to locate any statistics related to the number of SSU employees rejected for CIG employment as unacceptable security risks.

Undoubtedly, some must have slipped through; by the close of 1954, fifteen Agency employees had been terminated under the DCI's summary dismissal authority. In a number of these cases, the individual's employment continuity could be traced back to OSS. In none of these cases, however, was it established that the individual was engaged in espionage, maintained active membership in the Communist Party, or had disclosed classified information to unauthorized persons. In each case, information was developed of such nature that the continued employment of the individual represented a greater

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security risk than the Agency should assume on a continuing basis. 6/ In deference to the personal reputations of the individuals involved, they are not identified here.

B. Under CIG

1. Establishment of Overt Criteria. NIA Directive No. 1 of 8 February 1946 -- related to organization and functions of the newly created CIG -- authorized the detail of employees from State, the military service departments, and other approved Federal departments, and agencies, to work in CIG. These individuals constituted the original CIG personnel body, since CIG at that time possessed no authority to hire its own employees. On 26 February 1946 the first DCI -- Admiral Sidney W. Souers -- requested that the intelligence organizations participating in the IAB* assign personnel to the Central Planning Staff (CPS -- an early CIG organizational element concerned with policy and planning) who should "be cleared to handle intelligence material." 7/

* IAB: Intelligence Advisory Board -- predecessor of USIB.

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Although it is not clear what Souers meant in his use of the above-quoted phrase, it can be reasonably postulated that he is referring to some -- perhaps as yet undefined -- personnel security selection criteria for intelligence, that were distinct from those applied to the security selection of individuals proposed for access to other forms of classified defense information. In the fifteen months following, prompted by a Congressional investigation, the Federal Executive Branch considered the latter subject in depth, and on 22 March 1947 the first of the Federal "Loyalty Orders" was signed by President Truman,* thus

* EO-9835: this order prescribed minimum security investigative coverage and judgment criteria for employment in the Federal civil service, and it also directed each Federal department or agency to establish a Loyalty Board to adjudicate cases wherein question has arisen concerning any employee's loyalty. The order was directed at the subject of disloyalty, and acts constituting disloyalty under its terms included: the attempted or actual commission of, or preparation leading to sabotage or espionage; knowingly associating with spies or saboteurs; the advocacy of treason, sedition, or overthrow of the US Government through forceful or unconstitutional means; performing duties in a manner favoring foreign interests over those of the US, or intentionally disclosing US information in such manner as to constitute disloyalty; and membership affiliation or sympathetic association with organizations listed by the US Attorney General as totalitarian, fascist, Communist, or subversive.

laying the original postwar policy basis for the overall Federal personnel security program. But even during World War II, procedures had existed calling for the identification and classification of militarily sensitive information, which included procedures for establishing the reliability of individuals provided access to such information.

It is possible that Souers was referring to personnel security standards applied throughout World War II to individuals having access to communications intelligence (COMINT) information.* COMINT had represented an important Allied intelligence source during World War II, and, because such sources could be easily lost if the opposition became aware that their communications were being read, special security rules were devised to protect these sources. These included more selective choice of individuals provided access to COMINT. Indeed, Souers' parent service -- the US Navy -- had made a practice during the war of refusing to provide the results of its intercept

* Souers may have been attempting to arrange COMINT clearances and access to COMINT, but the first DCI to effect such access for Agency personnel was General Vandenberg. See ██████████ SIGINT in the Central Intelligence Agency, DCI-4, Dec. 70.

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activities to the OSS. 8/ Events occurring within the first six months following Souers' statement, however, indicated that all security policies affecting COMINT were to be treated separately from those affecting other intelligence source information. Aside from the fact that COMINT procedures called for a rigidly enforced form of compartmentation -- with each individual's COMINT need-to-know the subject of a formal review and determination -- in terms of the stated personnel security standards for COMINT versus those applicable to CIG -- and later CIA -- employment, there appears to have been little substantive difference. This situation was not necessarily true outside the Agency, where COMINT personnel security standards and those affecting other specially compartmented intelligence sources were in accordance with nationally defined specifications; other intelligence source information was handled as just one category of classified defense information, and personnel security screening processes were not nearly so selective.* Undoubtedly, good rationale existed

* OS-8, of this series, I, A, provides further description and insight related to COMINT personnel security policy and procedure.

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favoring more selectivity in the choice of CIG employees, because it could be envisioned that nowhere else in the Federal bureaucratic structure would such a compendium of sensitive intelligence source information and activities exist, and it could be presumed that opposition intelligence services would single it out for special efforts to effect penetration through subversion of its personnel.

On 21 March 1946 the CIG Administrative Officer submitted a memorandum for Souers's signature addressed to security liaison representatives to CIG from the Army, Air Force, Navy, and State. 9/ This memorandum stated that personnel assigned to CIG should at a minimum be subjected to "four-way checks" (MID, ONI, FBI, and local police) and that the detailing department should effect a certification that investigation had been conducted and that the individual was security cleared for handling SECRET and TOP SECRET documents. The memorandum also stated that it was desirable that the individual be a second-generation American, but that this requirement could be waived provided the character and loyalty of the person had been proven in prior government work.

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This memorandum -- unsigned -- was referred to the CIG Central Planning Staff by the DCI on 26 March, and the CPS Security Branch was assigned the task of preparing proposed CIG policy related to the security clearance of personnel.* 10/ Following informal consultation with representatives of the IAB departments and the receipt of formal guidance from the FBI's J. Edgar Hoover, 11/ the CPS Security Branch proposed policy was submitted for the approval of the IAB over the DCI's signature.**

On 9 May 1946, with the unanimous concurrence of the IAB, [REDACTED] subject: Policy for Clearance of Personnel/for Duties with the Central Intelligence Group, was issued. This directive is quoted in part below:

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* The CPS Security Branch was the first CIG organizational component involved in the promulgation of CIG security policy. Following abolishment of CPS Security Branch in July 1946, the security policy function was temporarily performed by the OCD Security Branch -- see OS-1, I, D, 5.

** Officials providing guidance in the preparation of this policy include the [REDACTED]

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3. The accomplishment of the security objective requires that personnel assigned to the Central Intelligence Group be individuals:

a. of excellent character who are native-born citizens of the United States and who have no member of the immediate family or next of kin thereof subject to a foreign power;

b. whose loyalty, integrity, discretion and trustworthiness are unquestioned;

c. whose financial status and habits are such to render unlikely their succumbing to any temptation arising from these sources.

8. Investigation will be conducted to the extent necessary to enable a proper determination of an individual's eligibility in accordance with the provisions of paragraph 3. However, except for those individuals covered by the provisions of paragraph 9, the minimum investigation of personnel as required under the provisions of paragraph 6 will consist of:

a. Records check of the appropriate office of each of the following:

- (1) Department of State
- (2) Federal Bureau of Investigation
(to include fingerprint files)
- (3) Military Intelligence Division,
War Department
- (4) Office of Naval Intelligence,
Navy Department

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- (5) Police Department in each city of employment and residence
- (6) Credit agencies

c. Character investigation by interview with personal references of the individual and with a minimum of three other persons who have knowledge of his activities over a period of time sufficient to enable a determination as to his character and integrity. 13/

Additional provisions of the directive required the detailing department to investigate the individual, provide clearance to handle TOP SECRET information, and certify to CIG that the individual had been investigated pursuant to the directive's provisions and was eligible for assignment thereto. Reports of investigations were to be reviewed by the CIG Security Officer, * and final decision as to acceptability of any individual for CIG assignment rested with the DCI. If a previous satisfactory background investigation existed, or if other available evidence indicated a minimum of ten years honorable Government service and no subsequent information

* The first CIG Security Officer, so designated was Lt. Col. Claude D. Barton (May 1946-July 1947). From 6 September 1946 to 1 July 1947, Barton also functioned as the Chief, Security Division, under the Executive for Personnel and Administration (P&A).

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of a questionable nature existed, these could substitute as the basis for clearance of the individual for duties with CIG, although it was additionally required in such cases that a minimum check of the files of State, FBI, MID, and ONI be made prior to issuance of the clearance. Under express conditions, and with the approval of the DCI for due cause, personnel could be assigned to CIG prior to, but contingent upon subsequent completion of the required security processing. Any exceptions to the provisions of the directive required the unanimous concurrence of the DCI and all member departments of the CIG.

On 6 September 1946 the War Department General Staff Director of Intelligence advised the DCI that the volume of work otherwise being performed by the War Department's investigative services did not permit them to undertake the additional burden of investigation of CIG assignees to the expanded specifications

25X1A prescribed under [REDACTED] 14/ Consequently, on 4 October
25X1A 1946 the IAB rescinded [REDACTED] and concurred in a DCI proposal that the CIG undertake the responsibility for all future security investigations required to clear its personnel, subject

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to the same standards as established by [REDACTED] except
for exemptions authorized by the DCI. 15/

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Following this decision, CIG requested the FBI to perform
the security investigations incidental to clearance of its em-
ployees, and in late September of that year the FBI agreed to
do so. 16/ Additionally, on 25 October 1946 the policy on
clearance of personnel for duties with CIG was restated in CIG

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[REDACTED] 17/ In addition to no longer re-
quiring the detailing department to conduct the security screening
of CIG assignees, the order dropped the requirement that CIG
personnel be native-born US citizens, and now required only
that they be US citizens possessing no member of the immediate
family or next of kin subject to a foreign power.*

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CIG [REDACTED] related only to the
screening of personnel for assignment or employment with

* This change was made at the request of the Assistant
Director, Special Operations. 18/ Policy on clearance of
personnel for duties with CIG was again restated in CIG
[REDACTED] 1947; there were, however,
no substantive changes at that time. 19/ Administrative
[REDACTED] 1950 required that individual be
a citizen of the US at least five years.

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CIG; it contained no provision for the termination of security risks already onboard. In all probability, if it had developed that such an individual had slipped through the screening process during the early months under CIG, DCI negotiation with the individual's parent service or department would have brought about a rapid reassignment of the individual. There are no known cases where this occurred, however, and, until the effective date of the CIA enabling legislation in September 1947, the DCI did not possess authority to summarily dismiss employees for any reason in the interests of national security -- an authority which had existed in the persons of the Secretaries of War and Navy since June 1940, and in the Secretary of State since July 1946. Until September 1947, the DCI was limited to the somewhat restrictive guidelines prescribed by existing legislation, and later Executive Orders applicable to the over-all Federal structure (in addition the several other maneuvers previously described) to rid himself of security risks already onboard. A CIG Personnel Loyalty Board was established pursuant to the provisions of E. O. 9835 on 16 April 1947;

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board.* 20/ The CIG Personnel Loyalty Board was automatically abolished upon creation of the CIA. Only one case was referred to this board and the case was rejected due to insufficient evidence of disloyalty, without notification to the employee.

2. Divided Responsibility Under CIG. As previously stated, the personnel security screening responsibility under CIG and early CIA was divided between two offices. Early personnel security considerations related to non-OSO employees was at first the business of the CIG Administrative Office, and, following 6 September 1946, the Security Division under the Executive for Personnel and Administration. This division, which by the close of 1946 consisted of ten employees under the direction of Lieutenant Colonel Barton, also concerned itself with physical security matters. Following the

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FBI's September 1946 agreement to perform security investigative services for CIG, these FBI investigations served as the basis thereafter for the security assessments of prospective CIG assignees and employees which were performed by the Security Division. There is also evidence that during the summer and early fall of 1946, the Security Division used the investiga-

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employees proposed for continued employment under CIG.

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brought on board prior to completion of full security processing -- although subject to subsequent completion thereof -- because of the low level of sensitivity attached to their total access. It is apparent that the DCI's lack of summary dismissal authority

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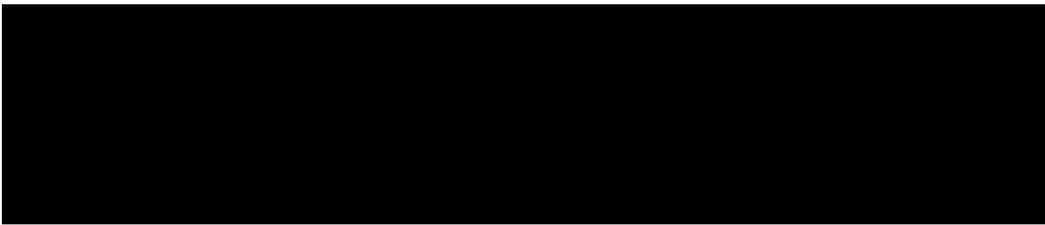
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The purpose of these checks was to provide some assessment of the individuals prior to contact, thereby hopefully establishing their reliability and providing some basis upon which to judge the integrity of such intelligence sources. Even in the early years under CIG, this case load was fairly significant, with 223 such requests for information made of other departments and agencies during January 1947. 22/

To provide a complete range of support services to OSO on a compartmented basis, the Project Support Division was created under the CIG Executive for Personnel and Administration effective 4 December 1946. 23/ The division included a Special Security Section headed by  The PSD 25X1A Special Security Section became in effect the heir apparent of OSS Security Office. It rendered its services exclusively in support of OSO, which was itself the heir apparent of SSU -- the SSU Security Office by this time had been abolished and its assets and functions integrated into CIG. In November 1946 a

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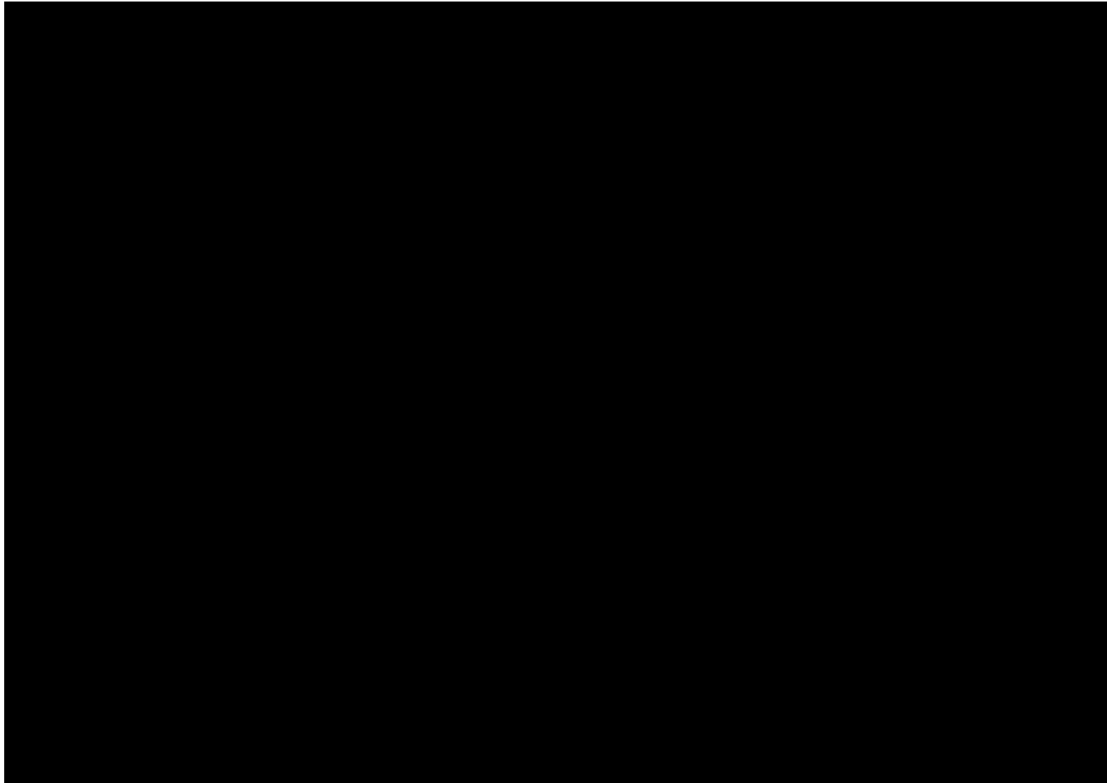
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Throughout the SSU and CIG transitional period the vetting and security approval of operational personnel continued to be exercised by X2-type organizational components, with the SSU Security Office and the PSD Special Security Unit supporting the effort through the acquisition of personnel security information available from domestic sources.

These procedures remained in effect even following the 1 July 1947 creation of the Inspection and Security Office (I&SO) which brought about a merger of functions previously

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exercised by the OCD Security Branch (concerned with security policy) and the Security Division of P and A (concerned with the security of CIG overt personnel and facilities). * The Special Security Unit of the PSD was transferred under the immediate supervision and direction of the ADSO, where it became the Special Security Division (SSD) of OSO, and it maintained the almost exclusive responsibility for security support to OSO personnel and facilities. An August 1947 delineation of responsibilities between OSO and I&SO included provision that OSO would be responsible for the personal security of all covert and semi-covert personnel, and for all

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and, when requested, for other offices of CIG. 26/ consolidated all of I&SO's security functions -- as contrasted to his inspection function which equated to that of an IG --

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within the I&SO Security Division; which, like the Security Division of P&A, initially possessed no security responsibilities related to OSO personnel.

C. Early CIA Program (1947-54)*

1. The Initial Chaos (1947-50). With the establishment of the CIA in September 1947, CIG's I&SO became the Inspection and Security Office of CIA, with its precise functions and modus operandi still undergoing a process of definition.

Almost immediately, the Agency's personnel security screening processes were thrown into a state of chaos when, on 30 September 1947, J. Edgar Hoover formally advised the DCI that,

in view of Executive Directives and action taken by the Congress of the United States, additional responsibilities have been placed on the Federal Bureau of Investigation which make it impossible for this Bureau to continue the present arrangement which

* In the interest of clarity, the balance of this chapter and the following chapter, are devoted exclusively to the subject of personnel security screening. The subjects of "Security Records" and "The Ongoing Personal Security Program" are discussed separately in Chapters II and III. Chapter IV discusses events affecting the overall program between 1963 and the close of 1968.

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exists between the Central Intelligence Agency and the FBI for the conduct of applicant investigations.

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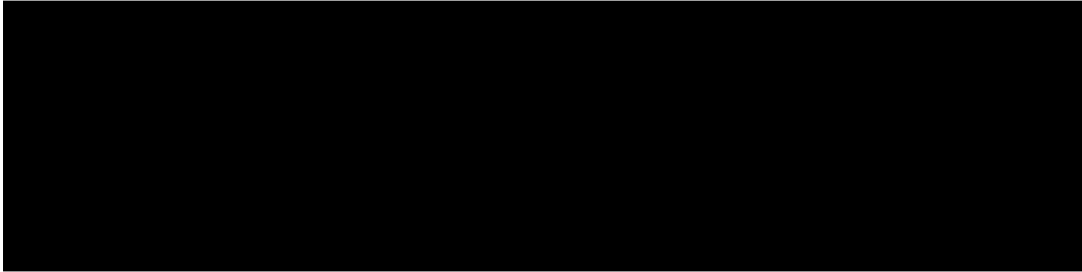
Events which followed, including the August 1948 consolidation of the OSO Special Security Division under I&SO, the establishment of CIA applicant investigative service -- the Employee Investigation Branch (EIB) -- under the Executive for I&S, the December 1948 FBI agreement to again undertake applicant security investigative service for the Agency, and the subsequent abolition of EIB, have all been fully described in a prior volume in this series.* For the purposes of this volume it is important to stress that these events seriously prejudiced the Agency's personnel security program during a period when the CIA was undergoing considerable expansion of its personnel body; and, additionally, the merger of the two CIA security offices -- occasioned by these events -- remained in effect, even following FBI resumption of applicant investigative services. Following the second termination of FBI investigative services in December 1950 -- also described

* OS-1, An Overview, II, D.

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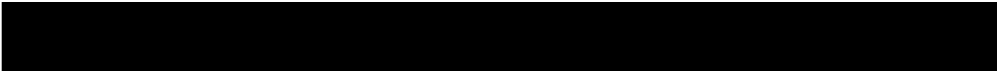
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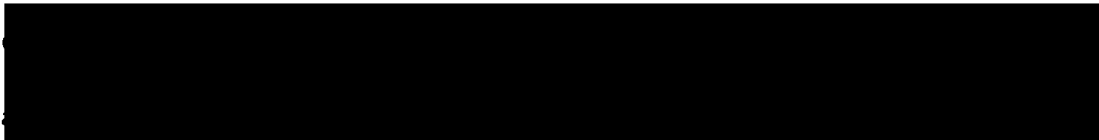
Throughout this chaotic period, however, a number of refinements were made to the program. For example: activities of the Agency's Office of Operations, related to the ex-

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interest for the acquisition of intelligence, resulted in consultation during the winter of 1947-48 to arrive at procedures to effect an appropriate security screening of the individuals to be used as "contact" sources. In January 1948 it was agreed that

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under consideration, which would be furnished to I&SO. 28/ I&SO, following National Agency and other appropriate checks, would then perform a security assessment and would grant either an approval, a limited approval, or a disapproval for

* OS-1, An Overview, II, E.

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contact based upon its assessment. In the case of a limited approval, I&SO would advise OO/Contact Branch of the qualifying information, and specify the limitations that should apply to any use of the contact. No approach would be made to disapproved contacts; although, where special intelligence collection considerations existed, OO could request I&SO to reconsider the case and grant a limited approval.

On 5 November 1948, the ADSO and Executive for I&S agreed that the latter would determine security approval or disapproval of all OSO staff employees -- vouchered and unvouchered -- subject to the right of the ADSO to request consultation, appeal, or waiver of the restrictions concerning foreign family connections. 29/ At last, at least as it pertained to the security screening and selection of Agency staff employees, CIA's security officer was to assume the full measure of his rightful responsibility.

It is apparent, however, that still another personnel security matter concerned Edwards, and this was to find some means whereby there would be a more consistent approach to the personnel security screening of agents and the other

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security clearance processing of contractors' personnel was handled exclusively by the Security Division. By the close of 1954, however, the CIA had become involved in the large-scale secret development of the U-2 aircraft. Contractors' personnel associated with the U-2 Project were security processed and cleared by SSD, and the security nomenclature, Covert Security Approval (CSA), was applied to these cases. This situation prevailed throughout later CIA compartmented research and development programs, with the result that the Security Division was responsible for clearing contractors' personnel involved in contract activities under the supervision of the Director of Logistics, and SSD for those involved in contract activities delegated by the DCI direct to other CIA contracting authorities.

Following the second termination of the FBI security investigative support to the CIA in December 1950, rather than reactivate the EIB, Edwards chose to expand the SSD field office structure to accommodate the needs of both overt and covert security case processing. Additionally, in October 1950 the

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 had been established

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under the Security Division to conduct the CIA polygraph program. By 1952, the CIA polygraph program under I&SO was [REDACTED] providing support to the security screening processes related to both overt and covert cases. Thus it evolved that, although the clearance determinations of SD were exclusively related to overt cases and those of SSD to covert cases, SD and SSD provided support to both overt and covert security case processing. By the close of 1952 the Agency's overall modus operandi related to personnel security screening had begun to arrive at a relative degree of stability.

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2. Later Adjustments (1951-54). In June 1953 the overall responsibility for deciding upon individuals to be employed in CIA -- subject to security and medical clearances, and with psychological testing provided by OTR -- was vested in the Office of Personnel (OP). 35/ To assist in determining the overall suitability of individuals for Agency staff employment, an MPS (Medical, Personnel, and Security) Panel was established in

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July 1953.* 36/ This panel, comprised of representatives from the Medical, Personnel, and Security Offices, assessed cases where questionable information existed, but not of such nature as to warrant denial of either a security or medical clearance. Individual cases were referred to the panel at the discretion of any one of the three participating offices. This also made possible the discreet exchange of views and information obtained from medical and security sources, thereby resulting in a better overall assessment of an individual in terms of his suitability for engaging in activities such as those in which the CIA was involved.

The matter of procedures related to the personnel security screening of clandestine personnel continued to be the subject of controversy. During the spring and early summer of 1952, J. Patrick Coyne, Assistant to the NSC for Internal Security Affairs, conducted a survey of I&SO at the request

* Today's (1972) successor to this panel is called the Applicant Review Panel (ARP).

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of the DCI. In his report dated 25 July 1952, Coyne advised that there was considerable room for improvement in the processing of covert personnel cases. His survey had indicated the following areas of deficiency:



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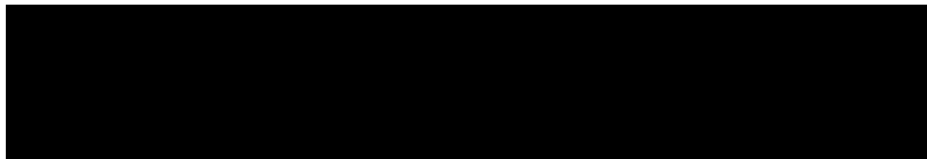
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necessity of furnishing required information to I&S in order to facilitate the conduct of adequate investigations and name checks on all covert personnel cases.

. . . that I&S be notified by all segments of the Agency whenever a decision is made with respect to the use or nonuse of any individual considered for covert duties on behalf of CIA. 37/

Coyne's survey and recommendations were based entirely on his observations of I&SO -- he interviewed no DDP personnel. Consequently, it is possible that opposing arguments were not duly considered.

During the summer of 1954, however, also at the request of the DCI, a special study group headed by Lt. General James H. Doolittle conducted a survey of the Agency's DDP complex. Concerning security, the Doolittle group made several recommendations, including that there be:



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* It is notable that J. Patrick Coyne was a member of the Doolittle special study group.

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delegated representative for security matters; security is indivisible; the Agency can not alibi insecure operations by pointing to secure staff functions; there is no solid line of demarcation between covert and staff employees -- together they form the sum total of the Agency's staff and field work; the Director of Security should play an influential role in the security approval of all categories of Agency personnel -- the prospective employer of the individual, very apt to be influenced by operational pressures, should not be the authority who security-evaluates him; to perform its security function OS requires all pertinent information including proposed usage, background, and investigative information et al. -- two half-investigations do not make a whole; and, the Director of Security's role so stated would not constitute a "meddling" into the affairs of the DDP, but rather a viable method of discharging the DCI's responsibility for the protection of intelligence sources and methods.

The DDP had a different point of view: the conduct of clandestine intelligence activities requires the taking of calculated risks -- these can be compensated for through the

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use of operational controls; the operational components are in the best position to evaluate the risk against the proposed usage, and implement appropriate controls where needed; excepting certain types of personnel who should be security processed in a manner similar to staff employees, OS should play only a supporting role in the security processing of covert personnel; and, to this end, and recognizing the sensitivity of the Agency's clandestine activities, there was much that OS did not need to know in order to perform its support function.


Edwards formally presented his arguments to the DDCI; 40/ Frank Wisner, the DDP, presented his to the DCI. 41/ Both Edwards and Wisner were adamant with respect to their viewpoints; but finally, on 23 December 1954 Edwards and Wisner advised the DCI that they had reached a workable agreement. Their brief, jointly signed memorandum to the Director, however, did not disclose details of this agreement. 42/ These details were revealed in the January 1955

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rector of Security's responsibilities related to the granting of operational and covert security approvals to the Chief, CI Staff, and the Chief, SSD, respectively, and stated the basic intent that sensitive operational data remain within the custody and knowledge of DDP, and sensitive security investigative data remain in the custody and knowledge of the Security Office, while still allowing for the necessary discreet exchange of information as necessary to the work of either component. All background, investigative, and security information -- either available or readily obtainable -- would be provided the Security Office via CI Staff; all record checks and/or inquiries in the United States, except for the checks of certain CIA records, were reserved to the Security Office.

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Chief, CI Staff would be responsible for the granting of Operational Approvals.* OS would perform all domestic inquiries related to such cases and forward the results to CI Staff -- except in those instances where sensitive personnel security information was of such nature as to warrant its retention in OS -- and would also include a recommendation concerning the case. CI Staff would provide a brief practical statement of the scope and nature of the proposed usage to serve as a basis for OS's assessment of the individual. In those cases where OS recommended against use of the individual, and the DDP nevertheless decided in favor of taking a calculated risk, OS would be so advised. In case of either approval or disapproval, OS would be advised of the DDP decision, and where an OS recommendation was being overruled, CI Staff would wait five days before granting the OA to permit consultation, and, if necessary, rejoinder by OS.

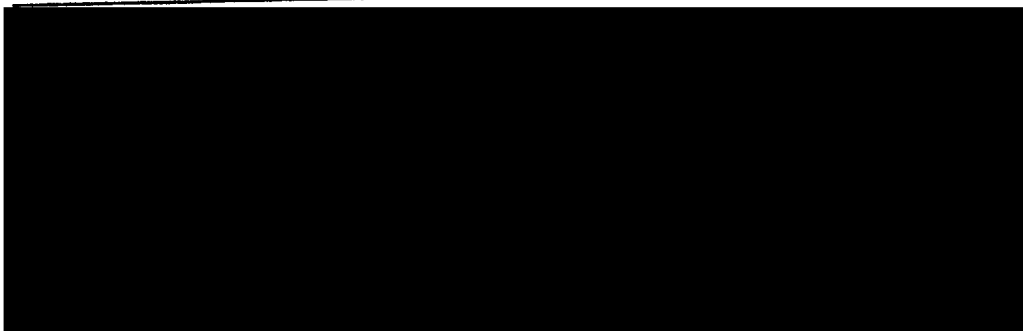
OS was responsible for the issuance of Covert Security Approvals (CSA). In the event of disapproval, however,

* Terminology change from Operational Clearance to Operational Approval (OA).

provision was made for consultation between OS and CI Staff so that an attempt could be made to reach agreement in the event the DDP still desired to use the individual on a calculated risk basis. In CSA cases, OS would retain all investigative information except where necessary to explain the basis of its disapprovals and give the CI Staff an opportunity to request reconsideration. No further clarification was provided concerning the types of individuals appropriate for OA versus CSA, therefore it was presumed that prior definitions which were based upon CIA confidential funds regulations continued in effect. Provisional or preliminary OA's and CSA's prior to completion of full security processing were allowed, subject to temporary restrictions on the full use of the individual.*

It is quite apparent that Edwards did not get all that he sought in the area of covert personnel security screening.

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It is equally apparent, however, that his "heel biting," aided by the recommendations of external survey groups, succeeded in putting the matter on a much more professional and effective basis.

Authorities and procedures related to the termination of CIA employees as security risks also became more clearly defined by 1954. The Agency's enabling legislation had contained the following provision related to the dismissal of employees whose continued employment might constitute an unacceptable security risk:

Notwithstanding the provisions of Section 652 [now 7501] of Title 5, or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.*

* Subparagraph (C), Section 102, National Security Act of 1947.

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Consequently, effective upon the date of the Agency's establishment, the DCI designated an Employee Review Board, chaired by the Executive Director, to advise him on a just and equitable exercise of this new authority in individual cases brought to his attention. 45/

Because CIA now possessed a more expedient, legal alternative procedure for the dismissal of employees on security ground, an Agency loyalty board -- as required by provisions of EO-9835 -- was not immediately established under CIA. Following considerable prompting on the part of the Civil Service Commission, a CIA Loyalty Board was finally established on 23 August 1948 -- almost one full year following the establishment of the Agency. 46/

What resulted, however, was a duplicative process, whereby some cases were submitted first to the CIA Loyalty Board for adjudication under EO-9835's provisions, following which -- if the decision of the board favored retention, and in the opinion of Chief I&S the case required additional consideration -- the case would be submitted to ERB. A number of individuals approved by the Loyalty Board

for retention were subsequently recommended for dismissal by ERB, because the latter board possessed broader discretionary powers.* Nevertheless, because CIA as a Federal agency was also bound by the provisions of EO-9835, the procedure was continued.

After EO-9835 was superseded by the issuance of EO-10450 on 27 April 1953, the loyalty boards were abolished, and each department and agency head was made responsible for insuring that all employees met the strict loyalty requirements prescribed in the order. In the event that the decision was contested by the dismissed employee, EO-10450 provided that a hearing of the case would be conducted by a Security Hearing Board composed of impartial officials selected by CSC from departments and agencies other than the one

* See Table 1, Security Dismissal Processing 1946-54, p. 78. Since many individuals voluntarily resigned from CIA upon being confronted with the results of polygraph examinations, Table 2 is also included to demonstrate this statistical factor. Most of

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Table 1

Security Dismissal Processing (a)
1946-54

	<u>Cases Processed</u>	<u>Dismissals</u>
EO 9835 (CIG)	1	0
EO 9835 (CIA)	62 (b)	0
EO 10450	1 (c)	0
ERB	<u>39 (plus 2 pending)</u>	<u>16</u>
 Total	 103 (d)	 16

a. For source of statistics, see source reference 47/.

b. Provisions of EO 9835 required that an investigation be conducted by the FBI in all cases involving a question of loyalty, including membership in any organization cited by the Attorney General as subversive. Consequently, many cases were processed under EO 9835 due to technical considerations despite the fact that available information had already absolved the individual of disloyal intent.

c. Only one case was heard by a CSC-constituted Security Hearing Board under the provisions of EO 10450.

d. Actually only 100 individuals were involved, since some cases were processed under more than one procedure.

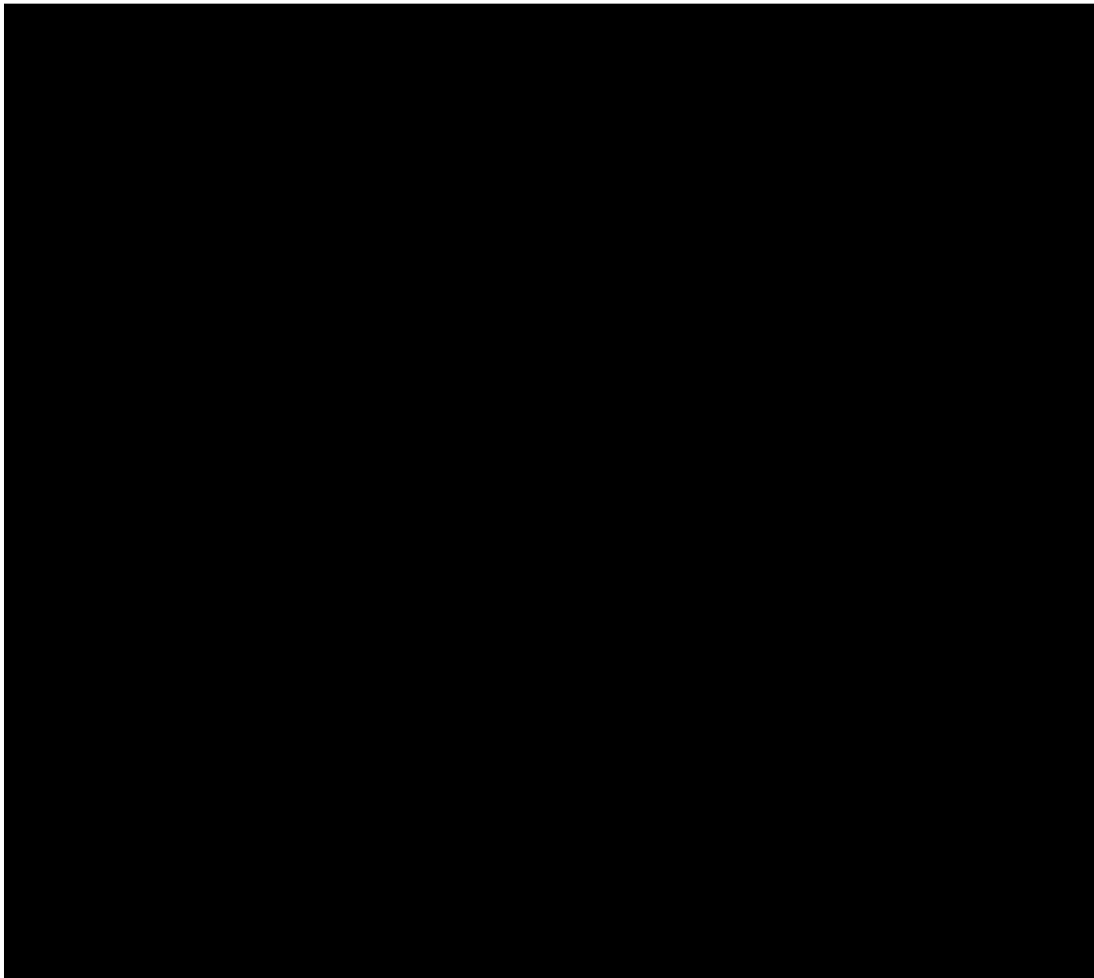
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Table 2

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- a. For source of statistics, see source reference. 48/
 - b. EOD -- employees entering on duty.
OB -- employees already on board.

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by which the individual was employed. On 6 May 1954 the DCI sent a letter to the US Attorney General, in which he referred to earlier guidance provided by the latter related to EO-10450. 49/ The DCI stated that the provisions of EO-10450 did not fully meet the needs of CIA, and that the authority granted him under the National Security Act of 1947 met both the needs of the Agency and the national security intents of EO-10450 without limiting the DCI's authority for termination by referencing the case to any board selected by the CSC. Consequently, from that time forward, the Agency followed a singular procedure related to the dismissal of employees for reasons of security, and this procedure was based upon the DCI's summary dismissal powers.

3. Later Organization and Overall Statistics. Throughout the 1950-54 period, the Security Office organizational elements concerned with personnel security screening continued under the divided supervision of the Security and Special Security Divisions. Under the Security Division, the Personnel

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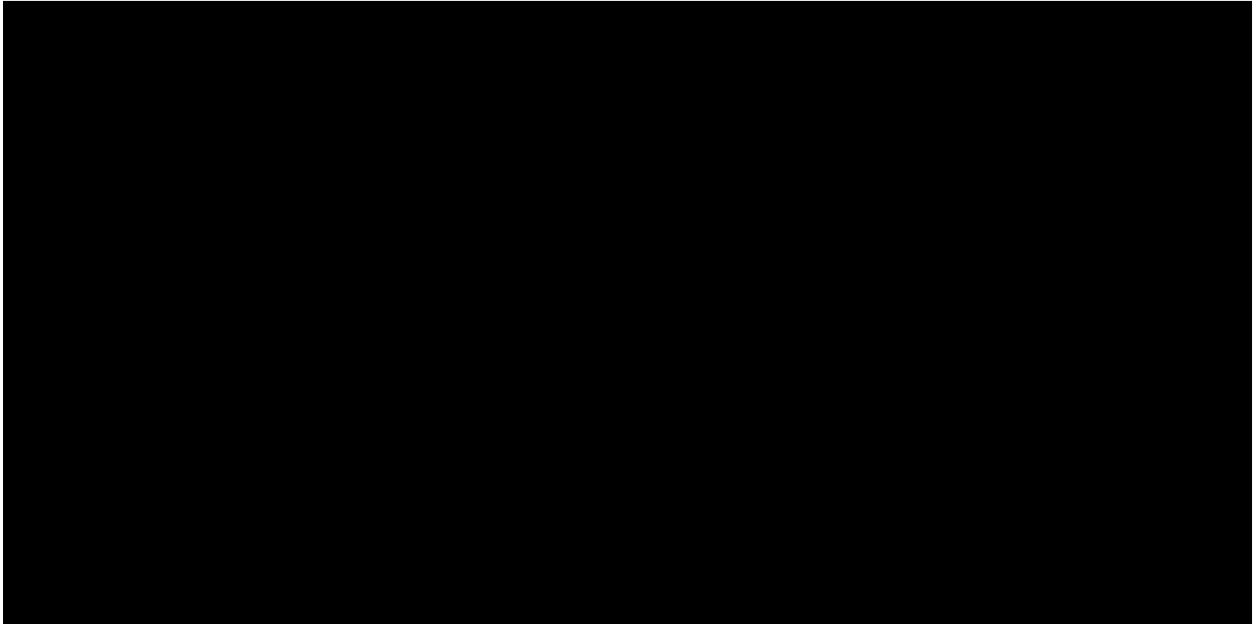
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Table 3

Number of Security Office Screening Actions (a)



- a. All totals represent only those cases carried through to fruition; cases canceled while in process are not included. For source of these statistics, see Source Reference 50.
- b. Covering only the six months of I&SO's existence during 1947.
- c. Prior to 1948, OO/Contacts Branch performed little preliminary screening of potential contacts prior to initiating the security checks. Following consultation between the Agency's Deputy Security Officer and officials of the Contacts Branch, the volume of these cases was reduced sharply.
- d. This 1954 figure was arrived at by making appropriate deductions from an overall case processing figure. Its accuracy, however, must be considered tenuous; the author was unable to locate any more reliable source.

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D. The Later Period Under Edwards (1955-63)

1. Organization, Trends, and Statistics. The principal effect of the OS reorganization of 5 December 1954 was a general upgrading of the overall office organizational structure.* What had previously been three Divisions and four staffs, became two office Directorates and five staffs.** The Security and the Special Security Divisions became the Physical and Personnel Support and the Investigations and Operational Support Directorates, respectively -- both headed by functional Deputy Directors of Security (DD/PPS and DD/IOS). Responsibilities for, and overall methods of, operations affecting the personnel security functions were essentially unchanged.

Supporting the personnel security screening processes -- 25X1A overt and covert cases -- was the [REDACTED] Branch of the Personnel Security Division under the DD/PPS

* See OS-1, III, A, for further details concerning this reorganization.

** A small Inspection Division was redesignated the Inspection Staff.

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(conducting polygraph interviews), and the OS [REDACTED]

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Case processing controls, and assessments and judgments were performed by the PSD Clearance Branch (under DD/PPS) for overt and semi-covert personnel, and the Security Support Division's Investigations Branch assisted by the Correspondent and Records Branch (both under DD/IOS) for all covert personnel.*

The year 1955 saw CIA embark upon a program involving temporary employment of children of Agency employees to alleviate critical clerical shortages occasioned by summer vacation scheduling. Dependent children of high school and college ages were employed during the summer months to work in areas and activities where their access could be limited to the SECRET security classification level. Having available complete security records related to the employed parent, and by requiring the employed parent to sign a statement acknowledging responsibility for the dependent, it

* See Figure 1, Office of Security Organizational Chart, 6 December 1954.

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was possible to establish the proposed summer employee's reliability with a lesser scope of investigation than that required for full staff employment. 51/ These dependents were investigated by OS during the spring to enable selections to be made prior to the end of the school year. This program is still in effect today (1972) and the Agency's summer employee program continues to be limited in participation to only children of employed CIA parents.

The prevailing trend during the 1954-63 period was one which saw personnel security screening procedures stabilized, but a considerable expansion of personnel security screening support provided by OS to large-scale Agency clandestine and/or covert activities. It was in 1955 that the Agency's clandestine development of the U-2 Project got seriously underway. This necessitated the security investigation and clearance of large numbers of US industrial contractors' employees. Although the major developmental aspects of this project were over by 1958, other similar special projects were undertaken by the Agency's Development Projects Staff (DPS, later the Development Projects Division of DDP--DPD/DDP)

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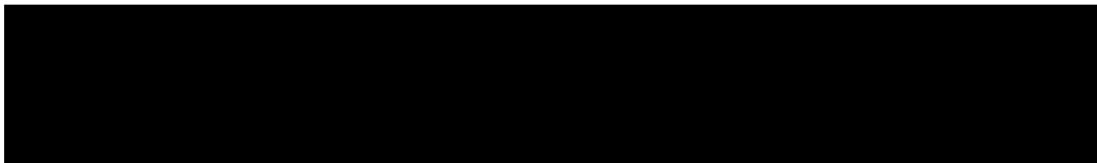
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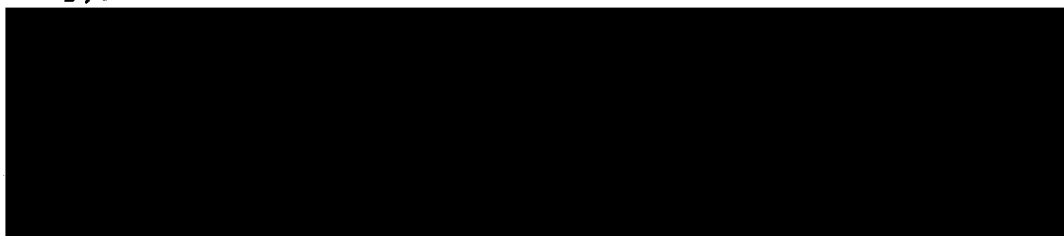
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Overall covert case processing conducted by the DD/IOS ebbed in 1958 and rose sharply during the 1961-62 period. Table 6 provides a statistical compilation of covert clearance case processing for the years 1956 through 1963 inclusive.*

There were several minor organizational adjustments during the 1954-63 era which were principally designed to provide more effective support to Agency operations, based upon shifting areas of emphasis in overall CIA activities. A reorganization of the Special Security Division in October 1956 resulted in the establishment of six desks under the



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* Also see Table 7, p. 94, which provides yearly totals of cases processed (overt, semi-covert, and covert) requiring full background investigation as opposed to only selected national agency checks.

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 62/ The justification for the September 1962 change was to accommodate increased Agency activity related to proprietary organizations and special intelligence projects involving large-scale industrial research and development programs.

Although more fully discussed in another volume in this series,* another change in OS personnel security organization was the 1 May 1957 raising of the  Branch of the Personnel Security Division to full Division status under the DD/PPS. The 13 October 1958 consolidation of the theretofore separate DD/PPS and DD/IOS record-keeping functions under a newly created Security Records Division (SRD) is described in the following chapter of this volume.**

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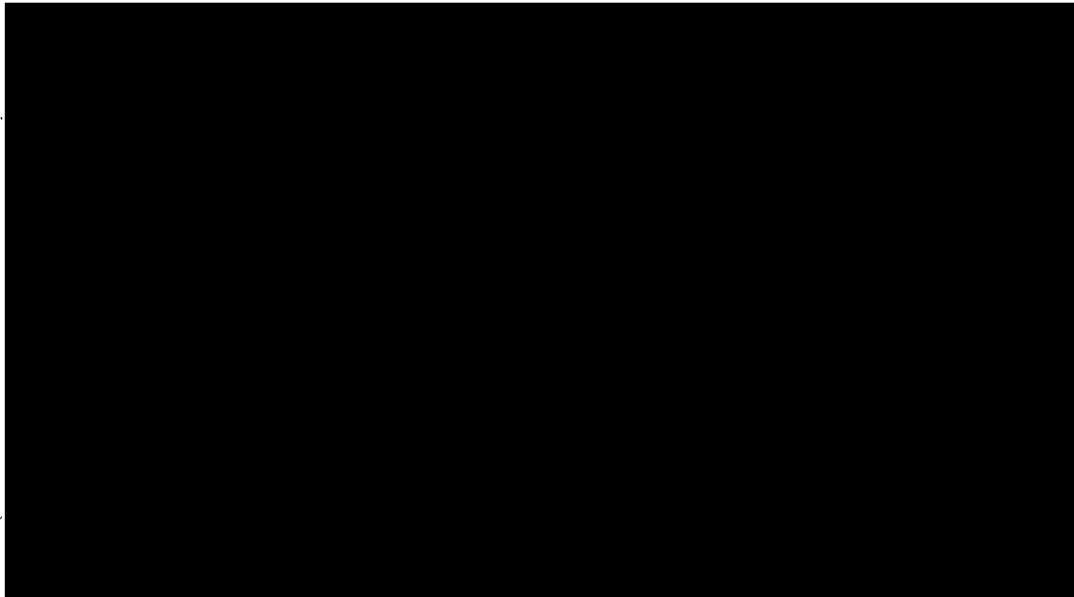
Following the 1957 separation of the  Branch, the Personnel Security Division under the DD/PPS consisted of two branches: the Clearance Branch (CB) and

* See OS-9, Polygraph Program, III, A.

** See II, B, below.

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Although the work of PSD's Employee Activity Branch related principally to the "ongoing" personnel security program, which is discussed in a subsequent chapter***; one aspect of EAB's work related to personnel security screening. This was in the area of liaison clearances -- a security approval action required before Agency classified information can be discussed with representatives of other US Federal departments and agencies. Currently applicable (1972) [REDACTED], which in substance is similar to earlier Agency

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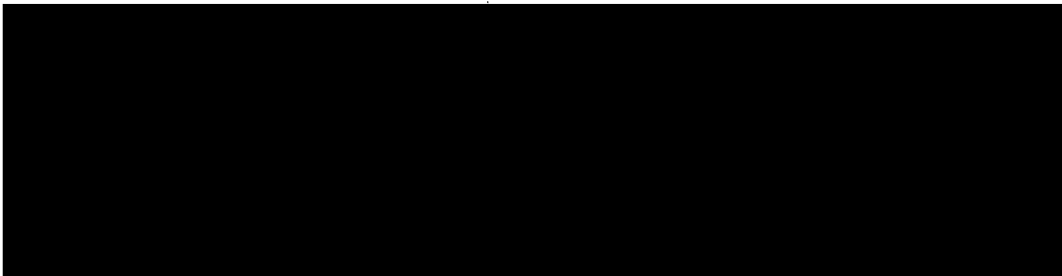
* EAB is discussed fully in III, C, below.
** MPS (Medical-Personnel-Security) Panel; see I, C, 2, pp 62-63, above.
*** See III, below.

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regulatory issuances covering this subject, holds the Director of Security responsible for granting security approvals for liaison contacts. As a matter of jurisdictional expediency, the procedure principally depends upon OS accepting the integrity of actions of other departments and agencies in security clearing their personnel to the SECRET and TOP SECRET levels in accordance with the prevailing Federal orders and regulations. The individual's existing level of security clearance is verified, usually through the simple expedient of a telephone call. OS, however, also checks its own files and indices, and, when unfavorable information is developed, OS may disapprove the liaison contact, prescribe limitations to the extent and nature of the contact, or attempt to reconcile the matter with the individual's parent department -- whichever is more appropriate to the particular circumstances.



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were of substantially the same nature, however, it was

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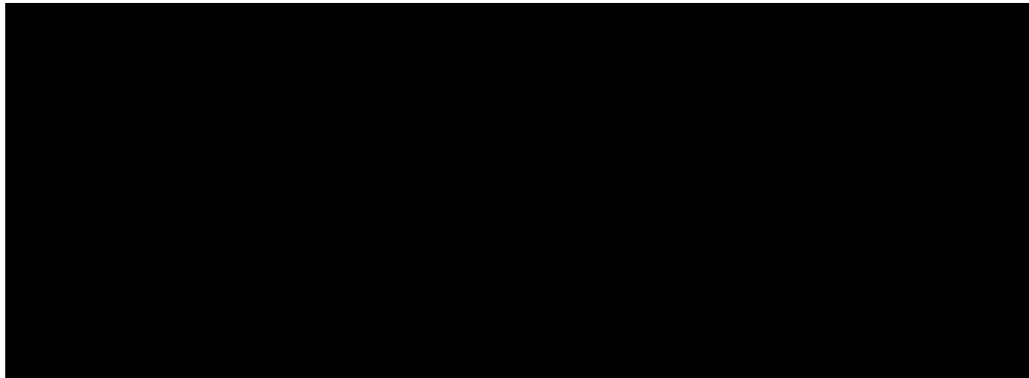


2. Refinements and Additions to the Program. The years 1954 through 1963 saw refinements and additions to the personnel security screening processes, and consideration given to still others.

a. Spouse Investigations

Recognizing the close personal relationship involved in the marital association, OS has always considered information concerning the non-Agency-employed spouse in assessing the security reliability of Agency applicants, and procedures were early implemented calling for certain limited checks and investigation of the spouse, in addition to those conducted on the applicant. On 29 December 1955 the DDCI, due to his

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following local investigation by available US investigative facilities (these were stipulated in the case of each bureau) subject to such other domestic US investigation as might be appropriate to the individual case, and full clearance by OS. 66/

c. Terminations

Although all CIA employees suggested for termination as potential security risks following 1954 were processed pursuant to the DCI's legislatively enacted summary dismissal authority, the DCI could, nevertheless, exercise the procedures available to him under EO 10450 -- it was only necessary to decide upon which procedural route to follow and, once having made this decision, he was apparently bound thereafter to it.

67/ The last case processed to a CSC-constituted Security Hearing Board under the provisions of EO-10450 was in 1954, and, oddly the case did not result from an appeal; resort to EO-10450 by the Director on this occasion was influenced by public and congressional relations considerations. This case involved an Agency official whose association with a questionable organization had been the subject of some

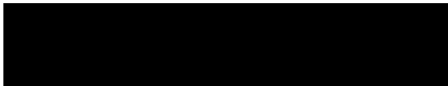
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notoriety during a period when the Senate Committee on Internal Security was conducting inquiry into possible Communist penetration of the Federal government. Although CIA and the DCI were convinced of the individual's loyalty, the DCI felt that it was in the best interests of the Agency for the matter to receive a full hearing by a CSC impartially-constituted Security Hearing Board. Upon ascertaining from CSC that such procedure would be appropriate in the case of an employee not dismissed, and therefore not appealing a dismissal action, the DCI so processed the case under EO 10450 -- with the individual's personal acquiescence -- and the SHB ruled favorably as to the individual's loyalty. 68/

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 brought to a close a five-year period wherein the status of the Agency's Employment Review Board had apparently vacillated between that of a standing board and that of one to be constituted on specific occasions at the discretion of the DCI. 69/ On the matter of involuntary separations, it cited the DCI's legislatively enacted summary dismissal authority, and it charged the Director of Personnel, acting on information provided by the Deputy Directors, operating

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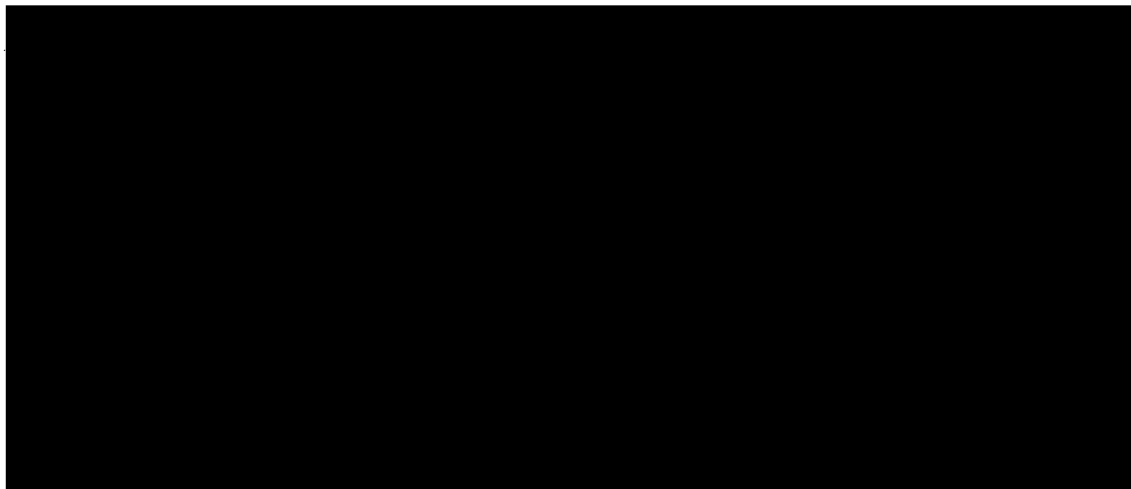
officials, heads of career services, the Director of Security, and Chief, Medical Staff, to recommend appropriate action to the DCI in cases suggesting exercise of the Director's summary dismissal authority. The regulation added that the DCI "may appoint an Employment Review Board to advise him on any particular case."

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Since the [REDACTED] the DCI has not chosen to convene an ERB. Since 1964, Agency regulations covering the subject have made no mention of the Employment Review Board mechanism.*


Two subsequent court cases wherein the DCI summary dismissal powers also upheld actions taken by CIA to terminate

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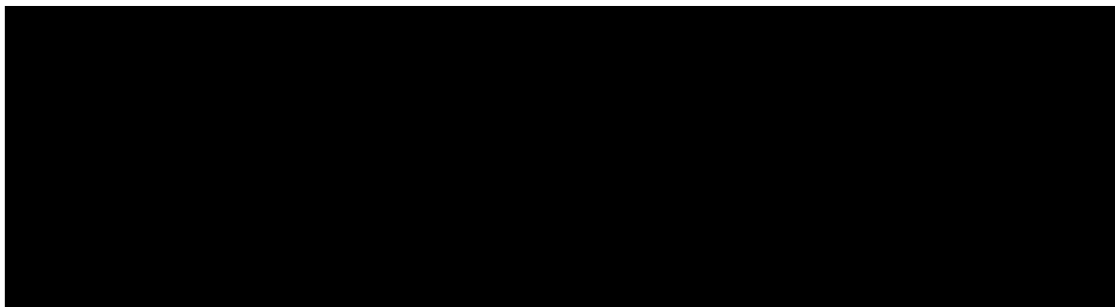
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the plaintiffs.* In one of these cases  the court noted "that the statute vests in the Director of the Central Intelligence Agency a broad discretion to terminate employees in the interest of the United States, but it is to be distinguished from a so-called 'security' discharge as was involved in Service v. Dulles [a State Department case] and related cases." 75/ Consequently, current Agency regulations related to the matter of involuntary separations do not distinguish between those based upon security versus other considerations, although the basis for all such actions is the Director's legislated authority.

d. Military Assignees

Since the inception of CIA the Agency has used its own facilities to conduct security investigations of military service personnel detailed to CIA -- a proposition which on its face

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suggests the possibility of jurisdictional problems. In November 1960 the Navy took issue with the Agency's practice of investigating US Navy detailees. 76/ The Agency refused to back off; however, it was agreed that OS would provide summaries of its investigations of Navy service personnel to the Director of Naval Intelligence. 77/

e. GSA and Others

OS procedures also provided for its investigation and approval of GSA employees assigned to work in Agency facilities. It had commenced investigation of charforce personnel in January 1954, 78/ and the investigation of GSA guards had been a practice dating back prior to 1950. With the Agency's move to its new headquarters building in Langley, Virginia in 1961 -- because of the compendium of sensitive information and activity now under one roof -- procedures were implemented requiring the polygraphing of all GSA personnel working at the Langley facility. 79/ Use of the polygraph was also extended to cases involving C&P Telephone Company servicemen and certain concessionaires. 80/ Contractors' employees engaged in construction of the new building too were subjected

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to limited security investigation, but the polygraph was not used in these cases.

f. Evaluation Standards -- An IG Recommendation

In its 1960 report of inspection of OS, the IG recommended that the DDS designate the Director of Security, Chief, Medical Staff, and the Director of Personnel, jointly and in collaboration with other appropriate elements of the Agency, to develop a research program to provide a better basis for estimating preemployment security risks. 81/ The IG noted that the guidelines used by OS appraisers might be open to question in that their recommendation in "gray area" cases was based upon long experience in personnel security assessment work, and no extensive research program had ever been conducted to establish criteria to assist in the identification of potential security risks. Although the precise format for such a research program was not stated by the IG, it noted that the Medical Staff was already engaged in research pertaining to selection of personnel which bore in part on the security problem.

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On 20 September 1961, after consulting with other offices, Edwards advised the DCI that there was and had been no such research program elsewhere in the Government, and consequently the Agency would have to base such a program entirely on its own resources. It was estimated that a two- to four-year effort would be required to analyze all available data, and there was no assurance that such a research program, if undertaken, would produce any tangible benefits. Edwards recommended, therefore, that he (Edwards) undertake to:

a. Insure that the Medical Staff research program would be supported by other offices and that the Security Office would contribute to, draw upon, and learn from that program.

b. Improve further the coordination among the Offices of Security, Personnel, and Training and the Medical Staff, and to utilize even more the existing mechanisms for feed-backs on problem cases and the lessons that can be learned from them.

c. Instruct the Director of Security to intensify the less formal research programs and projects and studies underway in the Office of Security. 82/

The DDCI, General Cabell, acting for the Director, approved Edwards's recommendations. While it would be desirable to have more definitive, proven criteria upon which to judge the

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personnel security risk, the practicalities of the situation -- including the unpredictable nature of the human will -- suggest that such criteria will in all probability never be forthcoming.

g. New Problems in Covert Case Processing

The problem of covert case processing during the 1955-63 era changed from one involving a DDP-OS division of responsibility to one involving definitions. Throughout the winter of 1956-57, an Agency committee, constituted at the direction of the DDCI, studied the matter of CIA contractual relationships with individuals for the purpose of developing suitable regulations governing the subject. As a result of the committee's study, [REDACTED] which rescinded applicable provisions of Confidential Funds Regulations (CFR) governing personal service contracts, replacing an existing ten contract categories with two legal categories -- Contract Employee and Contract Agent -- and one functional category -- Career Agent. The regulation also changed the concept of the Career Agent as an individual having durable, built-in cover, to an individual representing a long-term Agency asset with the nature and depth of cover only of secondary importance.

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At the insistence of OS, the Contract Employee category was further divided into Contract A and Contract B, with the former required to meet staff employment security standards, and the latter not so required, but whose access was to be correspondingly limited. On 12 December 1961 Edwards advised the Director of Personnel that recent actions by OP and the Clandestine Service repeatedly transferring personnel back and forth from contract agent to career agent, and from staff agent to staff employee status, to meet the requirements of some particular Agency personnel programming or slotting action had resulted in a deterioration of the accepted definitions for agents (implying a clandestine association) and employees. Consequently access to Agency facilities was being provided to many personnel, where the extent of such access had not been considered (or had been misunderstood) at the time of the security assessment of the individual -- in one case an Agency badge had been requested for a "career agent." 83/

Edwards recommended that immediate steps be taken to expand and clarify the various categories of personnel. OP, however, was not amenable to such action, and Edwards took

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certain internal action in an attempt to alleviate the problem. This action consisted essentially of transferring responsibility for Contract B and Staff Agent case processing from DD/IOS/ID to DD/PPS/PSD. The problem was not fully solved by this action, however, and subsequent developments concerning this matter are described in the Chapter IV of this volume.

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II. Security Records

A. The Era of Divided Records

One area of continuity -- beginning with COI and OSS, and continuing through SSU and CIG to CIA -- was the accumulation of a body of security records related to individuals and organizations which served the purposes of the personnel security processes. Part of these record holdings resulted from OSS's WWII national foreign counterintelligence responsibility -- an activity centered in the X-2 Branch -- and they consisted of files and indices related to persons and organizations whose activities abroad were suspected of being inimical to US national interests. With CIA given a similar responsibility following WWII, the process was continued, and today (1972) this activity is principally centered in the Agency's CI Staff which organizationally is a part of the DDP. Naturally, the resulting records represent a valuable source of information which can also be used in the security screening of CIA's own employees, agents, and

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other categories of personnel, and OS had made frequent and continual use of them. It is not these record holdings, however, that are the subject of this chapter.

The record holdings discussed in this chapter are those which are maintained by OS. These too consist of files and indices. The files provide a continuing record of the security actions related to each individual employed or otherwise used by the Agency. The files and indices combined also serve the purposes of personnel security analysis and research, as significant security information is carefully referenced and cross-referenced in order that the records might serve as a continuing source of intelligence related to the security reliability of individuals. OS's security record holdings today (1972) consist of over 700,000 individual files, and over 1,955,246 index references* -- the latter available for search with the aid of a computer.

* OS index cards would be many times this number, if the office was not constantly engaged in a refinement process. Close to 1,000 index cards are screened from the indices each month.

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OS's records also began with OSS -- with the Service Records Division of OSS's Security Office. Like those of OS's Security Records and Communications Division (SR&CD), they developed from the various security processing procedures related to personnel used by OSS.* The Service Records Division also performed functions related to the control of security investigative case processing, and additionally, it was the OSS Security Office mailroom. 84/ Thus the combined services of OSS's Security Records Division bear a marked similarity to those of OS's present-day SR&CD.

Following the abolition of OSS in September 1945, and pursuant to an order of the Secretary of War, the security records of the Service Records Division were transferred to the SSU, and SSU's Security Branch became the repository. The SSU continued to add to the records through its own personnel security operations.

* By January 1944 over 6,000 personnel security investigations had been conducted of OSS personnel.

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On 4 December 1946, with SSU records in the process of being integrated into those of CIG, the Assistant Director, Special Operations (ADSO) published an order stating that the Special Security Unit -- newly created under the Special Projects Division of Personnel and Administration to provide security support to OSO compartmented from those provided the balance of CIG -- was responsible for maintaining the security files of all OSO personnel (active and inactive) in addition to those related to personnel of predecessor organizations* 85/ In the meantime, the CIG Security Division, also answering to CIG's Executive for Personnel and Administration -- although through a separate chain of command -- had been in the process of compiling a separate set of security records related to all other CIG employees, excluding those employed or otherwise used by OSO.

Following the establishment of the Inspection and Security Office (I&SO) in July 1947, the Security Division was transferred to I&SO, and the Special Security Unit -- renamed the Special

* OSO (Office of Special Operations) had been established as a CIG organizational element in July 1946 to assume responsibility for the nations's clandestine espionage activities abroad, previously performed by SSU.

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Security Division (SSD) -- was transferred directly under the ADSO; the prior position of the Executive for Personnel and Administration was abolished. 86/ The security records of OSO personnel, and those of the balance of CIG's personnel, therefore, continued to be maintained under separate custodians.

I&SO's activities required frequent access to SSD's files, and the Executive for I&S -- concerned that the double record keeping system might result in serious errors -- conferred with ADSO to develop some more satisfactory arrangement. The best accommodation that he was able to obtain at that time, however, was reflected in a 19 July 1947 OSO directive, which continued to maintain responsibility for custody of OSO security files in SSD, but which provided that access could be provided I&SO, limited specifically to the person of the Executive for I&S. 87/ A further accommodation resulted from an OSO directive published on 16 July 1947. This change allowed for the retention by I&SO of the security files of OSO staff employees -- as contrasted to agents and other categories of clandestine personnel -- but ADSO still insisted that these files be made available for review by I&SO personnel on a very restrictive basis. 88/

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This situation of dual responsibility for security record keeping continued until the August 1948 amalgamation of SSD under the Agency's Executive for I&S. 89/ This amalgamation -- brought about because of the January 1948 termination of FBI personnel security investigative services to CIA -- resulted in an organizational consolidation of the two CIA security offices; however, due to the insistence of ADSO, the security records continued to be maintained separately -- although the custodian for both sets of records was now I&SO.

From 1949 through 1954, I&SO evolved into two principal organizational elements: The Security Division (SD) and the Special Security Division (SSD). Each maintained its own separate security files and indexes; with SD responsible for the security processing of Agency employees, guard and housekeeping personnel, overt consultants and contractors personnel, and domestic intelligence contacts, and SSD responsible for security processing of agents and other categories of personnel supporting CIA's clandestine intelligence operations. The premise that the association of the latter group with CIA was more sensitive than those

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processed by SD continued to provide the justification for the maintainance of two separate sets of security records within the Agency's Security Office.

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During the winter of 1953/54, [REDACTED] OS Executive Officer, held a series of meetings with representatives of interested OS divisions concerning the office's security records system. It is not clear whether [REDACTED] acted on his own initiative or at the request of the Director of Security; nevertheless, it is apparent that he despaired of the lack of progress made, and on 5 February 1954 submitted his personal survey, with recommendations, to the Director of Security. 90/ [REDACTED] report presents an excellent overview of OS security records processes as they existed at that time; therefore, it is quoted at length below. In reviewing the material which follows, it is important for the reader to understand that, in addition to maintaining the files and indexes, the SD and SSD Records Sections performed certain other services for the PSD Clearance Branch in the case of overt cases, and the SSD area division clearance desks in the case of covert cases. These services included limited initial security

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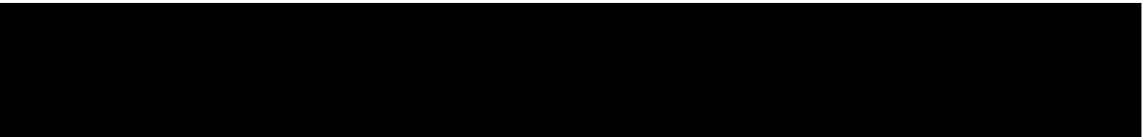
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analyses of existing record information, preparation of biographical data forms with which to conduct checks of the files of other US departmental security organizations, controlling case processing, and as mail room for the receipt of requests and return of clearances from OP -- in the case of overt cases -- and from the clandestine operating components -- in the case of covert cases. Additionally,

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serviced the investigative requirements of both SD and SSD.

DESCRIPTION OF INDICES:

1. The present file records of the Security Office are set up and maintained under separate divisions, namely the Security Division for overt files, and the Special Security Division for covert files. This arrangement was decided upon at the time the Security Office came into possession of certain covert files, and it was done as assurance to the operational offices of CIA that covert files would be maintained in the most secure manner. All files are recorded and filed by case numbers; this necessitates the maintenance and use of alphabetical indices to identify a name with a file. Separate indices have been established for the overt and covert files, respectively.

2. Under this separate system of files and indices, two completely separate organizational and procedural setups have materialized.

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██████████ concluded his report by recommending that the case control, research, and mail teletype functions remain as then constituted under SD and SSD, but that a Records Branch -- composed of an overall master index and separate covert and overt file sections -- be established under OS's Administration and Training Staff (A&TS) to service the requirements of both

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Divisions. Apparently, however, no one paid much attention to ██████████ recommendations, because no part of his recommendations were implemented at that time. The reason is probably best demonstrated by a problem which ██████████ himself stated in his report:

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At this point the issue is raised on the question of where in the organizational structure should be placed those functions of common concern to the Security Office. Each interested division (SD and SSD), most naturally, is reluctant to lose control of those functions which, though considered by the writer to be of common concern, are closely associated with the everyday work of the above mentioned divisions. It is held that to take the function of control and search of the indices away from the divisions principally interested, leaves them dependent on some other component of the Security Office to perform functions closely connected to investigation on one hand and appraisal and clearance on the other. It is held that thus, control will be lost of cases in process which, in the search of indices, should receive the highest priority, and the authority for timing and expediting cases will be divided and lost.

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Adoption of [REDACTED] recommendations would have disturbed some seemingly sacred jurisdictional prerogatives. Although the Agency's security forces had been consolidated as far back as September 1949, the factions had not as yet discovered the wherewithal to work fully together as a single integrated organizational entity. What did occur was the formation of an OS Committee on Records -- comprised of representatives of the interested staffs and divisions -- which continued to meet throughout most of 1955. 91/ This committee, however, addressed itself principally to the matter of ironing out anomalies resulting from the situation of dual records, and did not consider the subject of possible amalgamation.

The 5 December 1954 reorganization of the Office of Security -- which abolished the theretofore existing SD and SSD and created in their place two functional Deputy Directors of Security, namely Personnel and Physical Support, and Investigations and Operational Support* -- did nothing in the way of correcting OS's split security

* See OS-1, An Overview, III, A, for further information concerning this reorganization.

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records system, although some organizational titles were changed and the overall structure was upgraded.

B. OS Security Records Division

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25X1A During the winter of 1957-58, at the direction of the Director of Security, the Chief of OS's Inspection Staff, [REDACTED] conducted a comprehensive survey of OS records operations. 92/ [REDACTED] report, submitted on 19 February 1958, concluded that the dual system of security records was causing unjustifiable work which was impairing the effectiveness of OS operations. He, therefore, recommended the consolidation of the overt and covert file sections under a new Security Records Division (SRD), which would answer directly to the Director of Security but would service the requirements of both of the Security Directorates. [REDACTED] also made several secondary recommendations, including the initiation of a security file retirement system - [REDACTED] [REDACTED] -- in order to alleviate the critical space problem.

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The Director of Security approved [REDACTED] recommendations; and following coordination with the Agency's Management Staff,

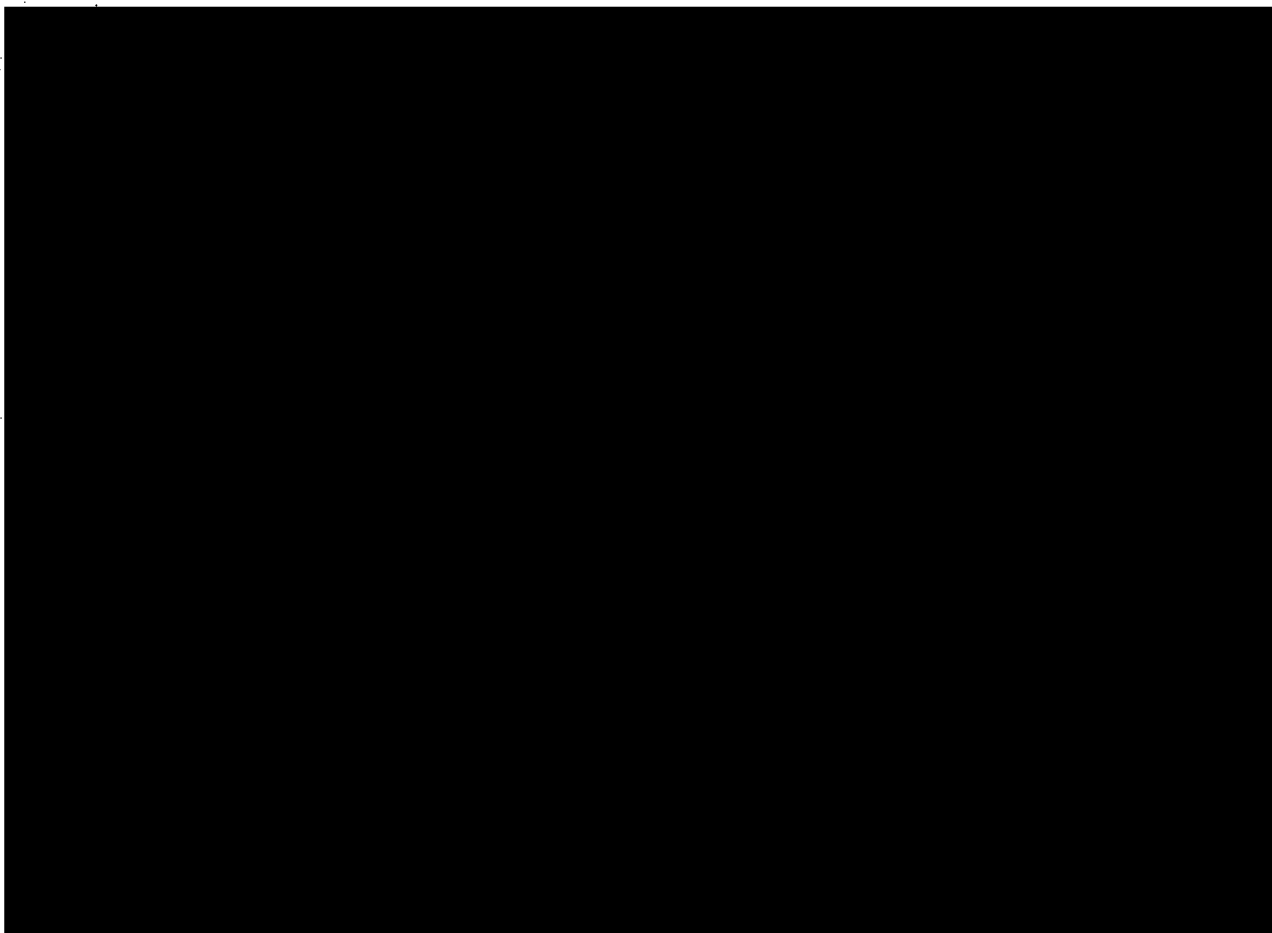
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the Security Records Division was established on 13 October 1958 to assume the consolidated OS record-keeping functions previously divided between the two Security Directorates. 93/ On 11 December 1958, the Director of Security delegated responsibility for the management and supervision of SRD to the Deputy Director of Security for Investigations and Operational Support (DD/IOS), where it remained until July 1965. 94/

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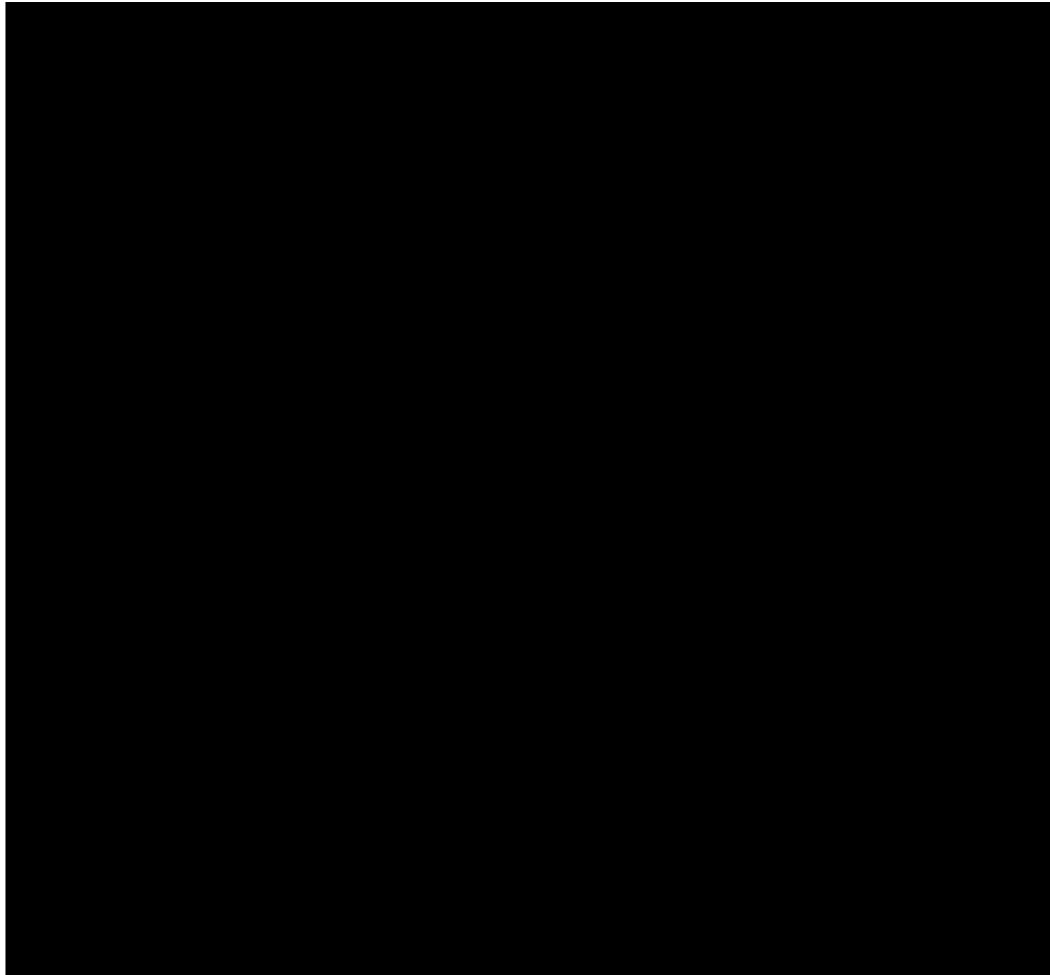
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The IG concluded that continued maintenance of separate procedures, files and indices for covert and overt cases was not in the best interest of overall efficiency, that these should be consolidated, and added that there was need for a fully integrated and mechanized index. The IG made the following recommendations:

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Recommendation No. 39:

a. The Director of Security establish the policy of complete integration of the internal records of the Office of Security.

b. The DD/S direct the Management Staff to conduct a survey of the records requirements of the Office of Security and submit its proposals for complete modernization and mechanization of the central records function.

c. An educational program for personnel of the Security Records Division be undertaken and they be encouraged to participate in the informal liaison which exists between other records components of the Agency.

Recommendation No. 40:

The Director of Security place the Security Records Division under the immediate supervision of the Executive Officer of the Office of Security.

The Director of Security took exception to Recommendation No. 40, pointing out that OS's records operations were an important integral part of its overall security investigative and clearance processes, and that they were not an appropriate responsibility of the Executive Officer. 96/ The DDS agreed with his exception, and the Director of Security set to work implementing Recommendation No. 39.

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C. Automation and Other Innovations

As early as 1951-52, OS considered the matter of automation of its records. It was at that time that the Overt Files Section commenced putting its indexes on IBM cards. 98/ According to an OS official who was associated with the activity,* the objectives were: (1) to aid the personnel security investigative and clearance control processes, and to provide the basis for valid statistical reporting, (2) to provide a basis for exchange of information with OP, the Office of the Comptroller, and DDP/RID (in anticipation of the latter's eventual conversion to ADP), and (3) to provide the basis for future programs involving indexes search with the aid of machine, at such time as this procedure might prove economically worthwhile. In October 1955 this official investigated the latter proposition -- specifically, an IBM Corporation machine called RAMAC. 99/ He found, however, that a machine to effect the indices search would cost OS approximately \$144,000 per year -- a cost equivalent to 36 GS-4 employees --

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* [REDACTED] at that time, Chief of PSD's Clearance Branch.

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and the work was then being adequately handled by [REDACTED] 25X1A
people. Nevertheless, the IBM cards continued to be punched,
although for purposes of indices search the operation continued
in a manual mode. By 1960-61, however, apparently records
operations were such that the 1955 estimate was no longer valid.

In November 1961, prompted primarily by the recommendations
of the 1960 IG survey, the Director of Security and Chief, CIA
Automatic Data Processing (ADP) Staff agreed to terms of
reference for a preliminary study of electronic data processing
for OS. 100/ The objectives of the study were to:

1. place the data processing problem in its per-
spective in OS;
2. determine the role of SRD in the overall data
processing function;
3. evaluate OS relationships to other Agency systems;
4. establish a charter and framework for a detailed
system analysis and design; and
5. recommend further action.

The ADP Staff submitted its preliminary study on 1 February
1962. 101/ The report outlined a three-phase program intended

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to develop automatic data processing applications which would serve worthwhile purposes in terms of OS records operations and work processes. The preliminary report itself represented Phase I; it compared OS records keeping with those of the Agency's RID, traced the major data flows, and identified a number of areas where implementation of automatic data processing might be worthwhile, but stopped short of specific recommendations as of that time. Phase II was to involve the "systems analysis and design." This would be conducted by a study team comprising one systems analyst from the ADP Staff, two representatives from OS, and the services of one outside ADP specialist-consultant; the objective of Phase II would be to accomplish a more comprehensive study leading to the recommendation of specific applications of ADP and an overall program for OS. Phase III would involve "programming and conversion"; in short, this phase would accomplish implementation of the Phase II plan within the frame of reference allowable by available assets and normal pressure of OS business, and would also involve a testing of the system prior to full-scale conversion.

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On 13 February 1962 the DDS agreed that the ADP Staff should proceed with Phase II of the OS study, concurrent with the initiation of a DDS-wide systems study and development program for computer operations. 102/ The final determination as to what kind of system would be implemented in OS, including the type of equipment required, would not be made until the DDS-wide study was either completed or had reached a point where it could be assured that any system implemented would be in consonance with the overall system. The Chief, ADP Staff was specifically enjoined from any action during Phase II of the OS study incompatible with the objectives and aims of the DDS overall program. The effect of the DDS's action was to constrain the OS program to insure a commonality with other Agency ADP programs not yet developed.

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The Phase II study team, comprised of [REDACTED] of the ADP Staff, [REDACTED] of OS, and one -- later two -- representatives of the IBM Corporation, submitted a report on the SRD Index System on 26 November 1962. 103/ This report was a partial study of SRD as it related principally to the index system

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and did not consider in any great detail other existing and possible aspects of SRD work, such as case control, information retrieval, file locator, statistical reporting, and the SSC special clearance registry. The primary purpose was to recommend any appropriate action in the existing time frame for converting the SRD indices into machine language.

The study team examined the several approaches to indices conversion -- e. g., EAM (card punch), magnetic tape or discs (both elements of a computer-based system), and microfilm.

The study team's report concluded:

Comparing the general advantages and disadvantages of potential methods of conversion between punched cards, punched paper tape, and microfilm approaches, the conversion using the punched cards offers the most advantages in terms of total costs, active use during conversion, usefulness as backup, ease of retrievability, updating, handling and relationship to future computer-based systems.

Although the study team did not envision the EAM approach as meeting all of OS's requirements, it did see it as the appropriate first step to a viable OS ADP program. Initial benefits would accrue in such areas as: more accuracy in records keeping,

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25X1A improved case control procedures, elimination of duplication and redundancy, better statistical reporting bases, assistance to management through identification and elimination of work bottlenecks, and serving as the initial basis of a Vital Records Program -- through creation of a duplicate set of cards to be maintained [REDACTED] Eventually -- using transceiver equipment -- the system could be linked up with other compatible systems of other Federal security and investigative services thereby providing the basis for an automated national agency check program. The cards would still need to be searched manually -- an estimated 26 hours would be required to search one name by IBM machine; however, initiation of an EAM system could look forward to an easy conversion to a computer-based magnetic tape system. Under the latter system, it was estimated that 1-2 hours of computer time could handle an entire OS day's searching work, although priority inquiries would still require manual search. Subsequent transition to a disc file or similar system would provide the additional benefit of quick random access to the indices. The study team recommended a

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two-phase program, with phase one working the conversion of a small sample of SRD indices concurrent with testing the efficiency of the system, and phase two proceeding with a full conversion of SRD index holdings.

The study team's report was submitted to the Director of Security by the Chief, ADP Staff on 25 January 1963. 104/ In his covering memorandum, Chief, ADP Staff added one additional step to the proposal: through the use of currently available Agency computer systems, continue system development efforts by preparing and testing pilot programs, recognizing that, although the system would probably undergo subsequent refinement, some initial benefits would nevertheless accrue from early conversion of some of the information from IBM card to computer type format.

The plan was concurred in by the Director of Security; on 12 April 1963 the DDS approved the plan. 105/ Because in the meantime the responsibility for all Agency computer planning had been raised to the Executive level, the plan was submitted to the Agency's Executive Director-Comptroller who approved it for the DDCI on 20 November 1963 with the proviso that the required personnel not

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be charged against ceiling contingent upon the availability of funds.

106/ In the meantime, an OS/SRD Conversion Manual had been prepared, and steps taken, pursuant to DDS direction, for establishment of a "common personality numbering system" for OS and DDP/RID records. 107/ The latter was accomplished through the simple expedient of reserving blocks of numbers for the exclusive use of each of the two components.

In July 1963, during meetings of OS representatives with Chief, DDP Systems Group, the latter stated that OS could not successfully or properly search an index on magnetic tape -- the name trace DDP system, still in its infancy, was planning to use paper tape. Indeed, as of that time no examples had been located of computer name trace systems using magnetic tape. 108/ DDP was concerned that the OS name trace system should be compatible with the RID system and Chief, DDP Systems Group informally recommended that the ADP Staff (by this time called OCS -- Office of Computer Services) efforts on the OS project be terminated and that OS rely on DDP to furnish technical guidance.

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OCS continued with the project, however, and the OS and DDP systems were developed on a compatible basis. A great deal of credit must go to OCS for the assistance it rendered to OS records conversion. The principal initial effort, funding, and assets were by and large theirs. The total OS commitment during the year 1963 can be said to have been the services of one individual -- [REDACTED] Within a relatively short period of time, however, OS became fully committed to the records automation objective, and today (1972) its program compares favorably with any throughout the Agency, and in all probability excels that of any other security office in the Federal service.

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In January 1964, the first contract employees were hired for editing, key-punching, and verifying; and by May 1966, conversion of all [REDACTED] 3x5 records to machine language had been completed. While this conversion project was underway,

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* Additionally an OS Policy Committee -- comprised of a representative of the OS Executive Staff and the Chiefs of PSD, ID, and SRD -- provided guidance to the effort.

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1965, the Compartmented Information Branch (CIB of SR&CD* -- which maintains an overall US Government and industrial listing of individuals approved for access to special compartmented sources of intelligence and projects as a service of common concern for the benefit of the entire US intelligence community. SCC/CIB records were the first of CIA records systems to become automated. One year following a March 1962 decision to automate these records, the conversion and programming had been completed -- a process undoubtedly greatly simplified by earlier NPIC and DDP/Development Projects Division efforts to adapt the listings to ADP punch card format, which served as the initial basis for the conversion.

The purpose of SPECLE is to produce periodic, overall and organizational listings of persons cleared for access to the many special projects and intelligence sources which are the subjects of formal, compartmented systems of security control. These lists

* Security Records and Communications Division, successors to SRD; see II, D, below.

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CAPER (Case Processing Evaluation Report) is basically a system devised for management and security clearance processing case control purposes. 112/ CAPER serves as a memory of all the actions attendant on OS's security clearance case processing, and, as such, provides an extremely valuable management tool. CAPER was essentially an outgrowth of the IBM card case control system for overt cases initiated by the Clearance Branch of the old Security Division in July 1952. In March of 1963, with certain modifications in terms of the system's output, this program was converted to the computer. Additional modifications were subsequently made by SIPS designed to make the program more compatible with Office of Personnel ADP programming requirements as well as other offices in the Support Directorate.*

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 was first operated on a test basis during 1968, and achieved full-time

* SIPS: Support Information Processing Systems Task Force, explained further below.

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operational status in May 1969. Briefly stated, by the use of compatible computer programming, this system enabled the computer-searched exchange of National Agency Check information between OS's SANCA index and the Department of Defense Central Index (DODCI), a listing of all individuals of the Defense Establishment security investigated and/or cleared in addition to the location of the individual's security file. 113/

In the meantime, the Support Directorate's and the Agency's overall transition to records automation had been progressing rapidly. In March 1965 a Support Information Requirements Group, headed by a DDS representative and otherwise composed of representatives from each of the DDS offices, was established to develop, to the extent practical, an integrated management information processing system to serve the needs of the Support Directorate as well as the Agency at large. 114/ This resulted in the establishment of a SIPS (Support Information Processing System) Task Force to which representatives from the several Support Directorate offices were assigned to develop the individual requirements of the offices into an integrated system best suited to serving the interests of all.

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Within OS, following the June 1967 appointment of [REDACTED] (earlier involved in OS records automation planning) to the position of Chief, Executive and Planning Division (E&PD) of the Executive Staff, the Executive Staff was made responsible for coordinating all aspects of OS ADP requirements and planning. 115/ On 23 October 1967 [REDACTED] was named as the OS Special Assistant for ADP, and he was assigned to E&PD. 116/ [REDACTED] was made responsible for all OS ADP planning, but additionally he served as the OS point of contact related to security safeguards applicable to the overall Agency ADP program. His staff was subsequently increased by the addition of two more professional and one clerical employees, and it was called the Information Processing Branch of E&PD.* Since by this time E&PD also included the OS Records Management Officer, a good basis existed for a viable OS Records program using automated techniques.

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* As OS's automated records program gradually became fully operational, [REDACTED] activities became more and more concerned with security safeguards applicable to overall Agency ADP operations; consequently, in July 1970 [REDACTED] staff was transferred to OS's Physical Security Division. 117/

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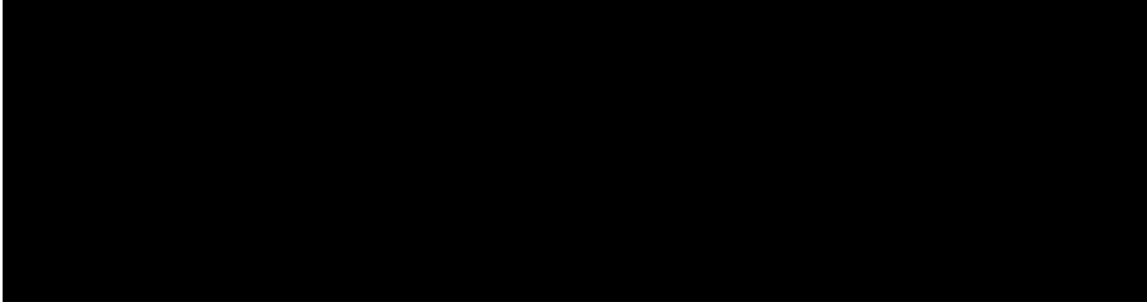
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D. Security Records and Communications Division (SR & CD)

As one result of the August 1965 OS reorganization, * SRD was renamed SR & CD, and placed under the supervision of the newly created Deputy Director of Security for Personnel Security (DD/PS). It was also at that time that the Special Clearance Center of the Special Security Center (SSC) -- which maintained a master listing of all individuals approved for special compartmented intelligence source information as a service of common concern for the entire U. S. intelligence community -- was transferred out from under SSC and renamed the Compartmented Information Branch (CIB) of SR & CD. The T/O of SR & CD now consisted

25X9 [redacted] positions divided between the Office of the Chief (3), Re-

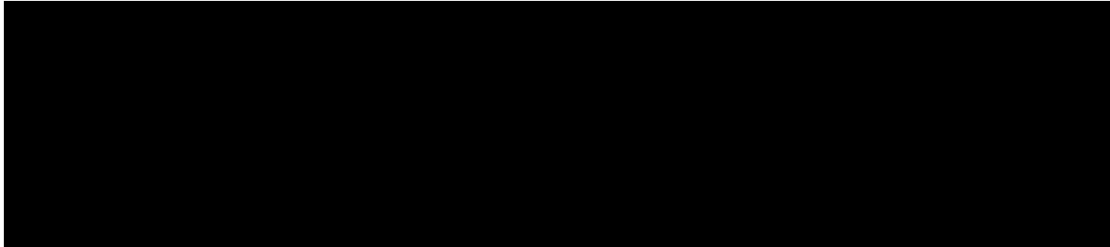
25X9 [redacted] cords Branch [redacted] The Records Branch was divided

* See OS-1, An Overview, IV, B, for further details concerning this reorganization.

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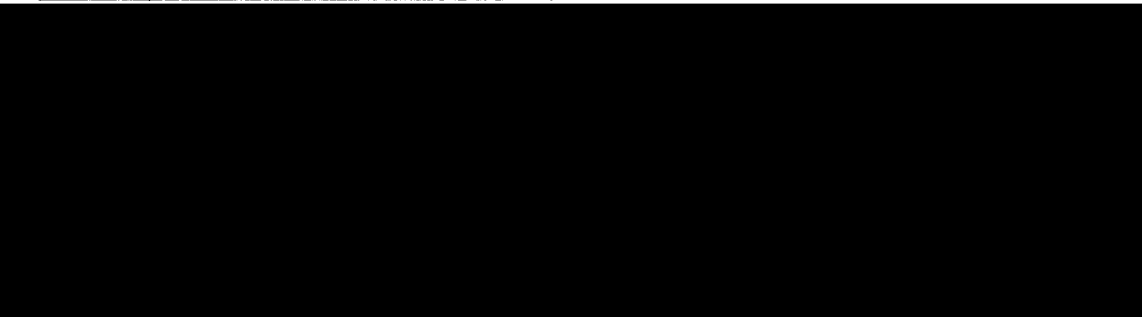


Following is a description of SR&CD mission and organization prepared in 1966.*

I. Purpose and Mission:

The Security Records & Communications Division provides current and long-range support to the Office of Security through the effective development, management, utilization and protection of security records including records research as well as records management, maintains ADP programs for Office of Security components; maintains complete and current records and indices of security information on personnel and organizations of interest to the Agency; maintains liaison with other government agencies for the release of personnel security information; and initiates records processing on all overt and covert clearance and operational support requests. Maintains a master index of persons throughout both the intelligence community and private industry who have been approved for access

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