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15 November 1966

MEMORANDUM FOR: Deputy Director of Security (IOS)

SUBJECT : The Role of Industrial Security Support Division

REFERENCE : Memorandum for Director/Security from Chief/ISSD dated 13 October 1966
Subject: Finalization of ISSD Responsibilities with CIA Contracting Offices

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1. Long before [REDACTED] said so, it was obvious to many practitioners in the field that an Industrial Security Division based in the Office of Security was badly needed. The conviction still flourishes. It is nurtured not so much by the idea that Agency secrets in industry are inadequately protected - evidence to this effect is nonexistent - but rather by the feeling that the current system is overly decentralized, complicated, and probably excessively costly. The fact is that today Agency classified information within industry is protected by a variety of techniques applied with varying intensities. The result is unevenness in security programming: security "overkills" in many instances; significant secrets getting just barely adequate protection in other cases, etc. This is the gap into which ISSD must move.

2. The issue, therefore, is not whether there should be an ISSD or whether there is a legitimate job for ISSD to take on. Rather, it is: which of many possible targets for attack should be given the highest priorities by ISSD? The reference suggests that the area of clearances should be singled out and made an

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integral dimension of ISSD's initial charter. Furthermore, the reference describes the clearance problem as one that ISSD should absorb and permanently handle. This is crucial. It is one thing to say that clearances are one of the untidy areas of industrial security and deserve an ISSD study and a program of reform; it is quite another thing to say that ISSD move in on clearances and take over the day-to-day production effort.

3. It is the concensus of those who have served as security officers for OSA and OSP or its predecessor organizations that the clearance work over the years of ID/4 has been superb. On this point there is amazing unanimity. The record is replete with testimony and endorsements which underscore a remarkable cooperation between operational security officers and their counterparts in investigative clearance work. It truly has been a unique eleven-year experiment with mutually gratifying results. In addition to other advantages, the ID/4 approach to industrial security clearance work features a low number of options, clarity of definitions, and a high correlation between the clearances requested and the classified information inputs into the subjects. No one who has been a beneficiary of the ID/4 service is likely to enthusiastically support any measure which threatens (functionally or managerially) the current status of the unit.

4. The work of PSD in the industrial clearance field has also been praiseworthy due to the hard work and professionalism of the resident PSD security officers. They also have met the challenge as presented over the years by Office of Logistics' contracts. They have used different clearance options, a different jargon, a less structured relationship between clearances and briefings to mention but a few distinctions in the ID/4 versus PSD approaches.

5. It seems entirely reasonable and logical that there be one industrial security clearance unit in the Office of

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Security. To defend a continued separation of the two clearance units on the basis of one handling "overt" work and one "covert" is highly spurious. The appeal of having one shop which would schedule, monitor, and evaluate all industrial clearance and approval actions is virtually irresistible.

6. It is recommended that the officers within PSD who currently handle industrial security clearances be transferred to ID/4 where under the control of IOS a unified industrial security clearance unit be formed and function. It is recommended that ISSD serve as an active consultant during this transfer and transitional phase and that ISSD stay with the project until there is built a unified industrial clearance program with fewer and simplified options, standardized personnel security criteria, a simplified jargon, etc. When this is accomplished, it is recommended that ISSD move on to attack other problems. To suggest a few:

a. An examination of each company having more than one contractual relationship with the Agency to determine intra-company inconsistencies brought on by varying security requirements.

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c. An examination of the security arrangements attendant on the contracts the Agency currently holds with consultants and personal services contractors.

7. From the foregoing it is possible to deduce this opinion on the part of the writer: the ISSD, at least during this phase of its life history, should be a small highly mobile unit that provides a kind of constant IG service, moving from area to area, from problem to problem. With problems bountifully in evidence while money and personnel are in short supply, this would appear to be the best current role for ISSD. Six, nine, or twelve months from now the situation should be reviewed to determine if

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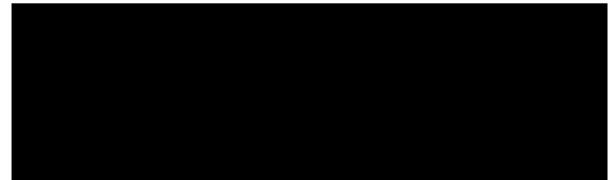
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a penetration of line operations (delivering clearances, doing industrial security inspections, etc.) is feasible and appropriate. In the meantime, a problem-oriented staff unit makes the most sense.

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**Chief, Security Management Staff
DD/S&T**

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O/DDS&T/ [redacted] mlf:4006(15 Nov. 1966)

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