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Lowry
Ch. II - II

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I. Early Developments

1. Following the establishment of the Central Intelligence Group, National Intelligence Authority Directive No. 2 of 8 February 1946 set forth the initial organization of CIG. It comprised the DCI, the DDCI, the Central Planning Staff (CPS), and the Central Reports Staff (CRS).¹

2. It was not until 22 July 1946 that the present Office of Security appeared in a tentative CIG organizational chart as the Security Division, ^{nsst} Executive for ~~Inspection and~~ Security.² At the time three other units in CIG were actively involved in security; namely, the Security Branch, OCD; the Central Planning Staff (CPS); and the Special Investigative Section, OSO. Of these units, the Security Branch, OCD, exercised considerable influence over CIG and early CIA Security policies and practices, and it was envisaged by certain authorities that it would be the nucleus for an Office of Security. This also appeared to be the thinking of the DCI in December 1946 when he transmitted CIG organizational charts to [REDACTED] 25X1A9a

25X1A9a [REDACTED] for these charts contained an Office of Security along with the note, "Now Security Branch, OCD."³

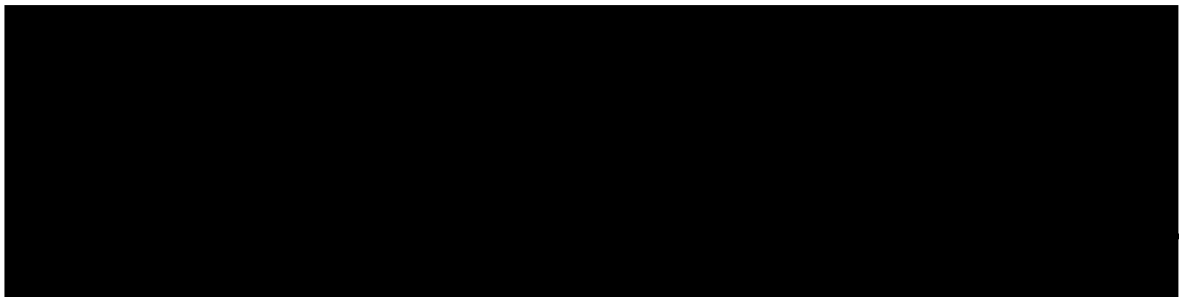
II. OSO - Special Security Section

1. After the activation of the Office of Special Operations on 11 July 1946,⁴ a series of OSO Directives were published concerning

OSO functions and responsibilities. The first such Directive, dated 22 July 1946, identified the Special Investigative Section as being one of the functions of the Chief, Operational Support Division. In December 1946, its name was changed to the Special Security Section and it retained this title until July 1947 when it was abbreviated to Special Security.⁴

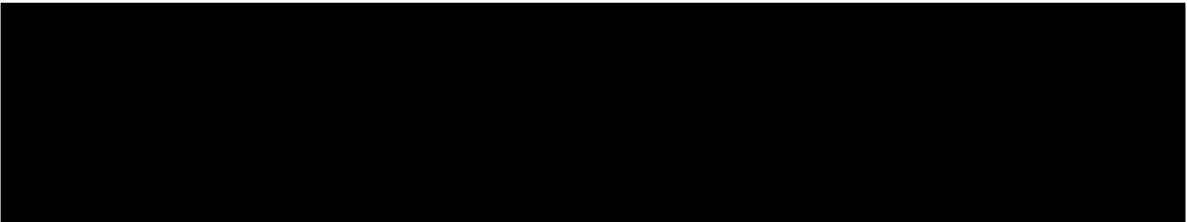
2. On 4 October 1946 the Intelligence Advisory Board (IAB) approved the DCI's proposal that CIG undertake the responsibility for all security investigations required to clear its people, in accordance with the security standards established in CIG Directive No. 8.¹ Following this, the FBI agreed in November 1946 to conduct investigations of overt and semi-covert CIG employees.² Along the same line, OSO informed the FBI on 24 December 1946 that it had established a group of investigators who utilized [REDACTED] to conduct 25X1C4d

25X1A9a



3. In conducting background investigations, the Special

25X1C4a



organizations. Also, in November 1946, it established its first

[REDACTED] and named Mr.

25X1A6a

25X1A9a

[REDACTED] as the first Special Agent in Charge.² The function of this office was to "thoroughly investigate" all applicants for positions with Special Operations, both under cover, semicovert or open. Its services were available to conduct reinvestigations, special investigations or surveillances of certain CIG personnel already employed within CIG concerning whom some complaint had been received. Around the same time it was contemplated that it would be

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[REDACTED]

Section managed to obtain a percentage of the agents it requested to

25X1A6a

[REDACTED]

25X1A

4. In July 1947, the Special Security Section was transferred to the Office of the Assistant Director, Special Operations, [REDACTED] 25X1A9a

25X1A9a [REDACTED] its title changed to Special Security [REDACTED]

25X1A9a [REDACTED] continued as the Chief.⁴ Later, on 6 August 1948, the DCI directed that effective 9 August 1948, the activities of the Special Security Division were to be consolidated into the Executive for

Inspection and Security.² OSO Directive No. 18/10 of 22 December 1949 abolished Special Security and named the Executive for Inspection and Security as being responsible for the personal security of all staff employees. The same Directive also mentioned that OSO retained responsibility for the physical security of its Agents, and Staff D (STD) was to be responsible for issuing operational clearances as well as the "exclusive channel between I&S and OSO on 10-14 matters."⁴

III. CPS (ICAPS) -- Security Branch, OCD

1. Another Staff that had a security role in the early days of CIG was CPS which later became the Interdepartmental Coordination and Planning Staff (ICAPS).¹ According to the functional chart of CIG, dated 7 July 1946, ICAPS, like CPS, reported directly to the DCI. As one of its responsibilities, ICAPS was to assure that the facilities of each activity, i. e., the intelligence components of State, War, Navy and other governmental departments and individuals concerned, were adequate.¹ In addition, in January 1947, the DCI directed ICAPS to make surveys of all CIG offices, except OSO which, he indicated, was the responsibility of the Executive Director, and to report its findings and recommendations to him.³

2. It is evident from available records that both CPS and ICAPS exercised this authority within CIG prior to January 1947; for example,

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on 30 April 1946, [REDACTED] Acting Chief, Security Branch, CPS, in a memorandum to the Acting Chief, CPS, reported the results of a conference, which discussed CIG internal security measures. The conferees who attended the meeting were identified

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as [REDACTED] Administrative Officer; [REDACTED] 25X1A9a

25X1A9a

[REDACTED] Assistant Administrative Officer; [REDACTED] 25X1A9a
Acting Executive, Security Branch, CPS.¹

25X1A9a

3. In his memo, [REDACTED] mentioned that concern existed in regard to the security measures of CIG and, in particular, the new War Department Building to be occupied by CIG on 15 May 1946. As a corrective measure, the group proposed that some time after occupancy a survey be made of that building by "trained Counter-Intelligence Corps (CIC) personnel" and that periodic surveys be made of "all CIG internal security control measures by CIC." The conferees criticized the existing CIG building pass system, and

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[REDACTED] mentioned that a suggested identity card for CIG

25X1C4a

[REDACTED]

4. On 19 August 1946, [REDACTED] entered on duty 25X1A9a with CIG.¹ He was initially assigned to ICAPS and later to the Office of Assistant Executive Director. From these positions [REDACTED] 25X1A9a

and other senior officials foresaw that the survival and effectiveness of the CIG as envisaged, to a large degree, would depend on the development and early implementation of a well-organized and efficient overall security program, and that the first step would have to be the establishment of one central authority or office to be responsible for the security of CIG and later CIA. In this connection, as early as July 1946, the Acting Chief, Security Branch, CPS, in a memorandum for the Acting Chief, CPS, pointed to the lack of one authority for counterintelligence and security and recommended that an Assistant for CI be provided.³

5. An incident occurred in late 1946 that further highlighted the need for a centralized Security Office or authority. Briefly, on 15 October 1946, a top secret document belonging to OCD, along with other classified material, was delivered to [REDACTED] Security Division, for destruction. Fifteen days later, during the completion of formalities prior to actual destruction, the document was discovered missing, but it was not until 2 January 1947 that an investigation was initiated by the Security Branch, OCD. The investigation indicated that the document probably was destroyed, and it criticized the Security Division for failing to report immediately the loss.⁶ 25X1A9a

6. The conduct and results of this investigation aroused feelings between the Security Division and the Security Branch, OCD, and this

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conclusion is supported by later correspondence, e. g. on 14 February 1947, [REDACTED] reported the loss of a classified document by memorandum to the Executive for Personnel and Administration with a copy to the Assistant D/OCD. In his memo, [REDACTED] re- 25X1A9a requested that OCD "furnish a competent person to make a full investigation . . . in conjunction with the Security Division." ⁶

7. The Chief, Security Branch, OCD, replied by submitting another memorandum to the Executive for P&A through the Assistant D/OCD in which he stated that "despite any prior instruction to the Chief, Security Division, P&A, it is not desirable for the Security Branch, OCD, to be charged with the joint responsibility for the actual conduct of lost document investigations within CIG." He continued that "in practically all cases involving the loss of classified documents, the Security Branch, OCD, should be informed of the loss and the investigation promptly initiated . . . by the Security Division, P&A." He concluded that the findings in any such investigation and recommendations for a revision in internal CIG security policy should be referred to the Security Branch, OCD, for review and appropriate action. Attached to this memorandum was a set of "Standing Instructions" for the Chief, Security Division, P&A, outlining in detail what should be done in regard to lost document investigations. ⁶

8. In spite of the above, in April 1947, [REDACTED] re- 25X1A9a
ported the loss of another classified document and again requested
that the Security Branch, OCD, investigate the matter. ⁶ Thus it
would appear that OCD's earlier memorandum to the Executive for
P&A and its proposed "Standing Instructions" for the Security Division
for reasons unknown had not been acted upon.

9. Within OCD the thinking was that it would establish security
measures and policies for CIG. In fact, in October 1946, OCD sub-
mitted a proposal to establish an Office of Security that would:

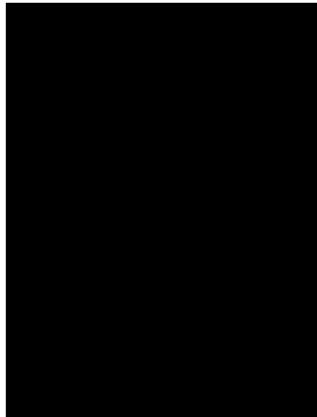
(1) Formulate and promulgate integrated security
policies and procedures pertaining to the safeguarding
of classified information and matters of Federal govern-
ment in the interest of national security, to include
planning for future censorship operations.

(2) Prescribe overall security policies and pro-
cedures for the entire CIG. ³

10. Further OCD contemplated that its proposed Office of
Security would be a well-staffed organization that included Policy,
Censorship, Planning, Security, and Technical Branches. ³ And by
early 1947, OCD was engaged in an active personnel recruiting program
to staff its proposed Office; however, with the curtailment of its
security responsibility in mid-1947, some of its personnel later

transferred to the Security Division including:

25X1A9a



EOD 6/23/46 from Commo Division¹


EOD 11/13/46 from Requirements Branch¹

EOD 12/27/46 from Requirements Branch¹

EOD 2/19/47 from Requirements Branch¹

IV. Security Division

25X1A9a

1. On 9 May 1946, the first Chief of the Security Division, Lt.  was announced in CIG Personnel Order No. 4,² but there is no record available that would indicate that he was formally designated "Assistant Executive for Inspection and Security," the approved position title for the head of the Security Division.

2. According to the July 1946 CIG (tentative) functional chart, the Security Division was to be responsible for the security of CIG installations and personnel on a worldwide basis in accordance with overall security measures prescribed by the Security Branch, OCD. In reality, OSO exercised control over OSO personnel and activities, both domestic and foreign, while the Security Division functioned as another point within CIG to refer physical and (overt) personnel security matters.

3. The first apparent move to consolidate or centralize security functions occurred in November 1946 when the Special Security Section was placed under the Security Division. However, following this move the Section continued to operate independently of the Division primarily because of its OSO responsibilities, and the net result of this so-called consolidation was the informal establishment of two basic sub-divisions in the Division, one being concerned with the security activities of OSO and the other responsible for the security of the remainder of CIG. Out of this emerged the concept of CIG and OSO security files which for some time were retained in separate storage areas, and were maintained and processed by separate personnel. As further evidence of the "state of security," on 24 November 1946, the Executive for P&A advised all AD's, including ICAPS and the Advisory Council, that it had come to his attention that certain CIG personnel had conducted preliminary investigations by examining files of the State, War, and Navy Departments. He concluded that "all security investigations, regardless of how preliminary they may be, will be conducted only by the Security Division, P&A Branch."⁹

4. Thus, throughout the remainder of 1946 and early 1947, the Security Division found itself in the unenviable position of having a formidable title with very little authority or, for that matter, responsibility, no formal organizational structure, and an informal but limited T/O. Because of existing conditions the early activities

of the Security Division were, therefore, limited to providing physical security guidance for CIG offices, the processing of CIG overt applications for investigation, the fingerprinting of new employees, the preparation and issuance of identification to new CIG employees, and conducting security briefings for new employees. Personnel assigned to handle these physical security functions included

25X1A9a

and by December of 1946, the T/O of the Division has increased to 29.⁹

5. Despite personnel limitations, the Division was actively involved in physical security matters. During this period the first CIG Security regulations were written and published on 20 October 1946.¹

Physical Security inspections were made of existing and proposed CIG buildings in the Washington area, and by late 1946, plans for re-badging personnel had been approved and the Division had established security controls over ██████████ obtained the services of ██████████

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██████████ and processed a total of 49,817 visitors.²

6. On the personnel security side, whose employees included ██████████ the temp increased along with the size of CIG. Initially, a new secrecy agreement was developed, coordinated, approved and administered to all CIG employees. In this connection, the final memorandum to the DCI,

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signed by [REDACTED], dated 14 May 1946, which 25X1A9a recommended signature and implementation of the proposed CIG Secrecy Agreement by the Administrative Staff, contained the interesting observation which remains true today that ". . . under existing regulations each individual in the service of the Government is responsible for safeguarding classified information. A secrecy agreement adds nothing to an individual's legal obligation under existing laws . . . Experience has shown that a secrecy agreement has an excellent salutary effect . . ." ⁷

7. NIA Directive No. 1 of 8 February 1946, ¹ also influenced the personnel security policies and activities of CIG in that it authorized the assignment of employees to CIG from the State Department as well as the Army, Navy, Army Air Forces and other approved Federal departments and agencies. Personnel so assigned were granted security clearances by their parent organizations. As evidence of how this operated, on 26 February 1946, Admiral Sowers ^u requested that the participating intelligence activities assign personnel to staff CPS and mentioned, among other things, that such personnel should "be cleared to handle intelligence material." ³ This practice raised questions in CIG relative to what security clearance criteria were being used by the participating activities and it was not until August 1948 that such personnel were processed in

accordance with CIA's policies and procedures.

8. Within CIG, personnel security clearances standards were formulated and approved to cope with the increase in the personnel strength of CIG. This was initially accomplished by CIG Directive No. 8 of 9 May 1946, entitled, "Policy on Clearance of Personnel for Duties with the Central Intelligence Group." It was replaced by CIG Order No. 24 of 25 October 1946, same title as CIG Directive No. 8, which added some refinements relative to clearance criteria.⁸ While on the subject of applicants and clearances, it is interesting to note that on 9 May 1946, the Chief of Naval Personnel submitted a group of applications for employment to CIG, including one completed by 25X1A9a [REDACTED] which was returned to Navy on 21 May 1946 as being of no interest to CIG.⁵

9. For the period November 1946 through June 1947 the FBI completed 1,663 character investigations and during the same interval, 3,200 cases were reviewed by the appraisal section of the Division.²

V. Related Information

1. As early as 1945, thought had been given to establishing a Central Intelligence Agency and by mid-1946, planning had reached the stage where CIG authorities were actively engaged in drafting proposed legislation that would establish such an Agency. Considerable thought went into this effort and the initial proposals were carefully

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scrutinized by government authorities, one of these being Mr. Clark Clifford, Assistant to the President.

(1) While not directly related to the history of the Office of Security, it is interesting to note that Mr. Clifford, in a memo to General Vandenberg, dated 12 July 1946, while commenting on CIG proposals indicated his fears that parts of the proposal "could lead to the suspicion that the 'National Intelligence Authority' and the 'Central Intelligence Agency' will attempt to control with powers granted to them in this bill, the F. B. I. and other investigative activities."³

(2) Of significance is the fact that CIG authorities were aware of the need for legislation that would provide the DCI with the authority to terminate employment in the interests of the United States and this authority was included in the final proposal submitted to Mr. Clifford on 2 December 1946.

2. As a result of an IAB recommendation to the NIA, CIG agreed to take over in June of 1946 the activities of the [REDACTED] [REDACTED] which began operations in 1941. Further, [REDACTED] because of unique activities had acquired during its early existence a wide variety of personnel, some of whom

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were unable to meet the stringent personnel and security standards established for CIG. A number of these people caused termination problems up to the point where the DCI was given the legal authority in late 1947 to remove such personnel in the interests of the United States. This subject, as it affected the Security Division, will be covered in detail later.

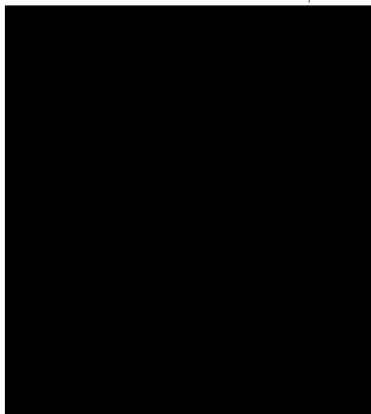
3. Another significant event occurred in November 1946 when the Department of State, the Government Printing Office, and CIG agreed that the State Department printing plant at 2430 E Street, N. W. would be transferred to and operated by the GPO effective on or before 1 March 1947. The agreement stipulated that GPO, in operating the plant, would have to conform to the security requirements of CIG or the Department of State whichever was the highest with respect to personnel and physical security and that either the Department of State or CIG would conduct personnel security investigations. The participants also agreed to establish a policy committee which would, among things, prescribe regulations dealing with the physical and personnel security of the plant.¹⁰

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Organizational Chronology - 1 October 1945 - 1 August 1952
5. CIG File, Job No. 54-207, Box 8
6. TOP SECRET Document Loss, Job No. 60-242, Box 8
7. Agreements File, Job 54-207, Box 8
8. Personnel Security Division File, OS
9. Executive for P. A., Job No. 54-207, Box 1
10. GPO, Job No. 57-420, Box 2

Personnel Interviewed

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1946 and 1947

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OFFICE OF SECURITY

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