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14 May 1957

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : An Analysis of Agency Methods for Handling Personnel Security Cases

REFERENCE : Memorandum for the DCI from the Inspector General, same subject, dated 19 April 1957

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1. I have reviewed this memorandum with Mr. Houston, Colonel Edwards, and [redacted]. The first part of the memorandum is mainly a recital of the provisions of the three regulations, namely, [redacted]. It should be noted that [redacted] is required for Agency purposes because boards composed of Agency personnel may be necessary to protect our own interests. Paragraph 1G of Regulation [redacted] was rescinded by Regulation [redacted] of 11 March 1957. Regulation [redacted] is required in its present form by the Department of Justice and, therefore, its rescission would require Justice concurrence which they have previously refused to give.

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2. On page 6 Mr. Houston points out that the sentence at the bottom should end with a clause "after obtaining Agency permission". Mr. Houston emphatically disagrees with the proposal that another lawyer from his office should be defense counsel in these cases. He feels that his presence on the Board would make it impossible for one of his subordinates to properly represent the subject and therefore the procedure already in existence, namely, that the subject with the approval and permission of the Agency can obtain outside counsel or representation by lawyers in other Agency components, should still hold good.

3. Mr. Houston, Colonel Edwards, [redacted] and myself all feel that there is no reason why there should not be filed a dissenting or differing opinion if such exists. We all feel that this is a healthy and proper method of procedure. We also all feel that cases would only call for a review by the Inspector General if evidence produced matters outside of loyalty and security such as defalcation of funds, improper supervisory practices, and other matters which would require investigation by the Inspector General. [redacted] Colonel Edwards, [redacted] and I feel that even this may be too early for the Inspector General to enter a case and that he should only proceed after the subject has appealed to the Director of Central Intelligence for a review.

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4. It should be noted that since the 18th of January when I became permanent Chairman of these Boards that the time listed in the report has been materially reduced. We can, of course, have no control over the FBI investigation time. The Security Office action is usually much shorter than the quoted

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three months. The General Counsel's Office can now cut down his time to from three to 10 days, and I feel that once we establish a continuity of action in Board hearings that no Board should last longer than three to four weeks on average unless there is a particularly long and difficult series of hearings where the bottleneck is the record which must be reviewed from time to time by members of the Board and consequently delays the time for final action. We none of us know of any case where the employee has not been asked to appear if it was an adverse action.

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5. It is the opinion of all of us that these Boards are not a waste of time and that in the [redacted] case a Board would have saved much time and trouble for many persons in the Agency.

6. In the specific recommendations made by the Inspector General the following are our unanimous conclusions.

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a. As outlined above Regulation [redacted] cannot be rescinded because of rulings of the Department of Justice.

b. A statement of charges in writing is of value in some cases, but we all feel that oral notification may be sufficient in other cases.

∴ Regs. should not require writing & do not.

c. As stated above it is believed that we can materially reduce the length of time involved in the hearing of a case by the procedures which are now in effect and that additional speed can be added if attendance of members at a Board hearing takes priority over other commitments except for extraordinary circumstances, and alternates are provided in the event of a member's absence on account of sickness or temporary duty. *What about suspension & compensation?*

d. We all feel that the policies cited in this paragraph are already being complied with. *except re Counsel.*

e. We all feel that every effort is being made by the Agency to obtain consistent recognition of our problems in the Civil Service Commission and other Federal Agencies. The activities of the Out-Placement Group in the Office of Personnel have been more successful than any of us believed that they could be when they were instituted. It should be pointed out that our own Boards have their own record, and these are not sent to the FBI if they contain information for CIA alone, so that a statement such as suggested by the Inspector General cannot be followed. *I.G. not talking about "Board Records" but about "derogatory info" - so why not?*

7. The present system of a Permanent Chairman for all Boards was instituted to protect the Director's authority under 102(c). It is our feeling that present regulations are effective in affording this protection and that the procedures now in force give an employee the necessary rights

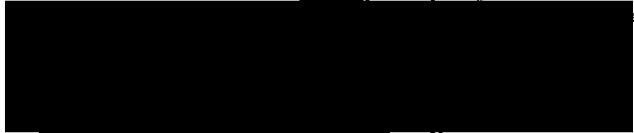
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to protect himself, and that no change is required at this time. It should be recognized that in cases arising under EO 10450 we also consider the question of suitability. This is part and parcel of every hearing, and our recommendations to the Director contain security, loyalty and suitability in every case.

This ignored principle of referring the written reqs. so as not to have us changed if we do not follow our own reqs.

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Assistant to the DD/S

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CONCUR:

(See DDCI's memo for DD/S dated 27 June 57)

Allen W. Dulles
Director