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Executive Registry

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26 July 1982

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director of Central Intelligence  
Executive Director

FROM: Stanley Sporkin  
General Counsel

SUBJECT: Next DCI Meeting with Secretary Caspar W.  
Weinberger

Bill:

1. As you know, I have on several occasions raised the issue of foreign investment in certain United States commercial concerns, particularly those which supply research or material critical to the national security. This problem is receiving great attention by the DDA and his staff and my Office in order to refine our basic policy regarding the treatment of such contractors. The principal concern, of course, rests with the adverse security implications which may be present when doing business with a contractor where foreign ownership control or influence is present.

2. In addition to our own reexamination of this issue, I believe it might be an opportune moment to raise the matter with Secretary Weinberger. I believe it is important to ensure that, to the extent possible, CIA and DoD policies are consistent with one another. While inconsistency may be required in some situations, I believe it is generally inappropriate for one of our agencies to grant or maintain a security clearance on a contractor or individual where the other agency has for reason denied or withdrawn such a clearance.

3. I am limiting my concern here to the different standards that are apparently being currently applied regarding the foreign ownership standards that govern these issues. Compounding the problem is the fact that under existing procedures there is no central repository of cleared corporations or individuals (except SCI clearances), and it falls on the agency withdrawing or denying the clearance to notify other interested members of

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the Intelligence Community. If such notification is not provided, one agency may find itself doing business with a foreign-owned corporation, or an individual employed thereby, which could not be cleared by another member of the Intelligence Community.

4. It may be time for CIA and DoD to jointly look at this matter of foreign ownership in greater detail and provide a mechanism to ensure that inconsistent situations only occur under those circumstances which demand such treatment. I have attached a memorandum prepared by my Office which explains our concerns about increased foreign investment in greater detail.



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Stanley Sporkin

**Attachment**

OGC:JMH:SS:sin (26 July 1982)

Original - Addressee

- 1 - DDCI
- 1 - ExDir
- 1 - ER
- 1 - OGC

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