

11 OCT 1977

MEMORANDUM FOR THE RECORD

SUBJECT: Industrial Security Policy

The attached memo contains three policies relative to the security of Agency funded and non-Agency funded contracts which will be considered for development and promulgation. They are:

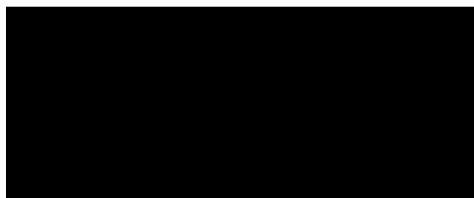
1. Badge check when employees are leaving our facilities.

2. Package inspections for security purposes on a periodic unscheduled basis.

3. The need for contractors to report all violations to the sponsor in accordance with the definition outlined by the Office of Security.

*- Being worked,
week of 12 Dec 77 + following.
EJ*

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Distribution:

Orig - IS Policy

1 - Chrono

1 - [Redacted]

1 - IS Manual Checklist

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4. INDUSTRIAL SECURITY APPROVALS

a. Granting Authority

Industrial Security Approvals constitute written authority for Contractor employees, consultants, associates, subcontractors, auditors, etc., to have access to classified information and to perform classified work under that contract. Approvals may be requested only when the Contractor and the Sponsor's representatives have established a definite "need-to-know" for the selected individual or individuals. Such approvals are issued and initialed on behalf of the Contracting Officer by his Security Representative after appropriate investigation and evaluation. *Contractors themselves have no authority to grant any type of Approvals or access to classified information, documents, hardware or work projects of the Sponsor.*

CONFIDENTIAL

b. Contractor Responsibilities for Furnishing Appropriately Approved Personnel.

(1) The Contractor should immediately designate an employee to act as his, the Contractor's, Security Officer. In the event the Contractor does not have or chooses not to utilize the corporate or plant security officer, the individual designated as the security officer should be an official of sufficient stature to insure that the required security measures are implemented and to whom all internal and external security matters regarding the Sponsor's contract can be directed for appropriate action.

(2) The Contractor's Industrial Security Approval needs should be identified to the Contracting Officer's Security Representative at the earliest possible date for the purpose of establishing secure channels of communication, arranging for control and storage of classified materials, providing for preparation and inspection of proposed work areas, etc. The Contractor's Security Officer should request Industrial Security Approvals on sufficient key personnel and alternates to allow contract administration and performance without interruption due to sudden terminations, illnesses, vacations, business trips, etc. It is incumbent upon the Contractor to provide the necessary personnel with appropriate Sponsor approvals for the successful completion of the contract.

(3) "Pre-employment" investigations of the Contractor's potential employees will not be conducted by the Sponsor.

c. Requests for CONFIDENTIAL or SECRET Industrial Security Approvals.

(1) If an Industrial Security Approval at the CONFIDENTIAL or SECRET level is desired, the Contractor's Security Officer should obtain the appropriate information from company records and submit the Request for Industrial Security Approval (Form 1541) and both copies of File Index Cards (Form 670) directly to Sponsor's Security Officer. No information identifying the Sponsor, the Contracting Officer, his representatives or other Sponsor employees shall be placed on these forms. The forms shall be signed by the Contractor's Security Officer. THE EMPLOYEE FOR WHOM THE REQUEST IS BEING SUBMITTED IS NOT TO SIGN THE FORM IS 1 AND IS NOT TO BE ADVISED THAT HE IS BEING CONSIDERED FOR SPONSOR APPROVAL NOR IS BIOGRAPHICAL INFORMATION TO BE SOLICITED DIRECTLY FROM THE EMPLOYEE.