

DRAFT

ANNEX "A"

CIRCULAR NO. _____

SECRET

CABINET DIRECTIVE

Security Investigation of Government Employees

I. POLICY

Principles

Those who serve the State must be loyal to the State. Absolute reliability from a security standpoint is an essential qualification for employment by the Government of Canada, whether such employment is within the jurisdiction of the Civil Service Commission or otherwise.

2. It is recognized that loyalty and trustworthiness cannot be appraised readily, and with any degree of certainty, by the application of any single test, but in most cases past (and certainly present) membership in or association with the Communist Party is to be regarded as a barrier to employment in the Public Service. The same considerations will apply in respect of past or present membership in or association with any organization which advocates the overthrow of the Government, or of established institutions, by other than democratic and peaceful means. A related but somewhat different consideration is that a person may be loyal and yet constitute a security risk due to traits of character, temperament or personality which may render him incapable of being reliable in any position of trust.

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3. Certain branches of the Public Service (e.g., the Prime Minister's Office), including agencies of the Crown not coming within the jurisdiction of the Civil Service Commission, will be designated as "vulnerable" in recognition of the fact that they normally deal with matters of a highly classified nature. In such branches, special precautions will be taken to ensure that all employees are absolutely trustworthy from a security standpoint. In other branches, where lesser risks are involved, or where matters of a highly classified nature are dealt with only by a few individuals or by certain divisions or sections, the appropriate divisions, sections or positions will be designated as "vulnerable" and precautions will be taken in accordance with the policy set out in this directive.

Applicants for Employment in the Public Service or Crown Agencies

4. (a) If the Civil Service Commission believes, after investigation and careful assessment of all the facts at hand, that an applicant for employment in the Public Service is or is likely to prove untrustworthy from a security standpoint, that applicant shall be refused employment, notwithstanding that he may be otherwise qualified.

(b) Notwithstanding that a prospective employee may have been cleared for security by the Civil Service Commission on the basis of a negative file check, or otherwise, the Deputy Head of the employing department has a continuing responsibility for the security of his department and must not accept the employee if, in his considered opinion, other factors exist which may render the employee a security risk.

5. In the case of applicants for employment in Crown agencies not operating under the Civil Service Act (e.g., National Research Council), if the Head of the agency believes, after investigation and careful assessment of all the facts at hand, that an applicant is or is likely to prove untrustworthy from a security standpoint, that applicant shall be refused employment, notwithstanding that he may be otherwise qualified.

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Persons Already Employed in the Public Service (or Crown Agencies)

6. If the Deputy Head of a department or Head of an agency believes, after investigation and careful assessment of all the facts at hand, that a person already employed in his department or agency is or is likely to prove untrustworthy from a security standpoint, steps shall be taken to have that employee transferred to another position in which he cannot have access to any classified material, or to have him dismissed if no suitable position can be found. (In the case of departmental employees, transfers may be effected by the Civil Service Commission in cooperation with the department concerned, but dismissal of a Civil Servant requires the authority of the Governor-in-Council upon the recommendation of the Minister of the employing department).

7. The security status of a temporary employee shall be reviewed before he is recommended for permanency in the Public Service, and in all cases where the employee is found to be untrustworthy from a security standpoint, action shall be taken in accordance with the procedure outlined in para. 6 above. In no case shall the Deputy Head recommend an employee for permanency while his security status remains in doubt.

General Application of this Policy

8. There is no system of security investigation which can provide a sure guarantee against infiltration of the Public Service by subversive or unreliable elements. It is also possible that a person who has been cleared for security may, at some later time, become an active security risk. In view of this, it is essential that Deputy Heads of all departments and Heads of all agencies maintain alert and continuous supervision of their employees to ensure that security is maintained and that subversive or unreliable persons do not gain entry to or are not allowed to continue in their departments or agencies.

9. Should it become necessary or advisable for the Government, at any time, to make a public statement concerning the methods used to carry out the security investigation of Government employees, the announcement will be restricted to a statement of broad principles along the following lines:

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"The Government is acutely aware of the problem of security and is discharging its responsibility to ensure the safety of the State without interfering with the traditional principles of just treatment. The Government considers it essential that those who serve the State must be loyal to the State. Absolute reliability is an essential qualification for employment by the Government of Canada. Steps have been taken to ensure that no persons whose reliability is doubtful are admitted to the Public Service and that any such persons already in the Service are placed in occupations where they can cause no injury or, if that is not possible are removed from the Public Service. The responsible officials in all departments and agencies have been made aware of the Government's policy on this question and of their individual responsibilities in the matter of carrying out all rules and regulations designed to ensure the safety of the State".

10. Departments and agencies, and the Civil Service Commission, if required to state reasons for transfers or dismissals which may, at any time, be effected under the policy stated in this directive, will explain their actions on grounds of personal unsuitability or by reference to some administrative procedure (e.g., curtailment of staff), rather than on security grounds. Every effort must be made to avoid compromising sources of information bearing on individual cases.

11. In the interpretation of this policy, members of the Armed Forces are to be considered as employees of the Government of Canada in the same sense as civilian employees. Similarly, the provisions of this directive shall apply to all persons in the employ of the Government who do not come within the jurisdiction of the Civil Service Commission (e.g., employees of Crown agencies).

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II. PROCEDURES

Designation of Vulnerable Departments and Agencies

12. It will be the responsibility of each Deputy Head of a department and each Head of an agency to review the organization and functions of his department or agency and to recommend to the Security Panel that any branch of his department or agency, or section or division thereof, or position therein, which he thinks should be classed as "vulnerable" within the meaning used in this directive, should be so designated.

13. Without limiting the primary responsibility of the Deputy Head to review his departmental organization and to make specific recommendations, the Security Panel may designate departments and agencies, or sections or divisions thereof, or positions therein, as "vulnerable", as the need arises.

Security Investigations

14. The security investigation of persons employed by the Government of Canada shall be carried out in the following manner:-

(a) New employees

Under the terms of the Civil Service Act, the Civil Service Commission are required to satisfy themselves as to the character and habits of persons appointed by them to positions in the Public Service. The security status of new employees shall be determined as follows:

- (1) all persons selected for positions in the Public Service, whether in a temporary capacity or otherwise, must be cleared for security on the basis of a negative file check before appointment to a "vulnerable" position and, in every other case, before confirmation in a permanent position in the Public Service. It will be the responsibility of the Civil Service Commission to arrange for the necessary file checks in all cases covered by this clause, and to furnish the employing

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department with satisfactory documentary evidence to the effect that a file check has been made.

- (ii) all persons selected for positions in Crown agencies must be cleared for security on the basis of a negative file check before appointment to a "vulnerable" position and, in every other case, within three months of first appointment to a position in the agency concerned. It will be the responsibility of the Head of the agency to arrange for the necessary file checks in all cases covered by this clause.

- (iii) where any person in the categories listed in sub paras. (i) and (ii) above has not had a minimum of five years satisfactory consecutive service in the Public Service, or the Armed Forces, or both, immediately prior to appointment to a "vulnerable" position, the Civil Service Commission or the Deputy Head of a department or Head of an agency, as the case may require, will initiate action to have a field investigation carried out in respect of that employee, and the security status of any employee in this category shall remain in doubt pending satisfactory evidence of security clearance based on a field investigation.

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(b) Persons already employed

All persons employed in "vulnerable" departments or agencies must be cleared for security by:

- (i) certificate of the Deputy Head (or Head of an agency), based on a negative file check and a minimum period of five years satisfactory consecutive service in the Public Service, or the Armed Forces, or both; or,
(ii) field investigation, if the employee does not meet the requirements set out in sub para.(i) above.

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All persons employed in "vulnerable" departments or agencies as of the date of promulgation of this directive are to be re-checked in accordance with the procedures outlined in sub paras. (i) and (ii) above, as may be appropriate in the particular case.

Liaison with the R.C.M. Police

15. (a) In the case of large departments and agencies, such as National Defence, the priority according to which security investigation will be carried out may be agreed between the department or agency concerned, the Civil Service Commission (where applicable) and the R.C.M. Police. (This does not limit in any way the right of the Armed Forces to undertake additional enquiries to supplement the work of the R.C.M. Police).

(b) It will be the responsibility of the Security Panel to establish priorities when any question arises as to the order in which security investigations are to be carried out as between departments and agencies.

16. Normally, the Civil Service Commission will provide the necessary liaison between departments operating under the Civil Service Act and the R.C.M. Police, both in the matter of initiating enquiries and in the distribution of reports. However, this will not preclude direct contact between Deputy Heads (or departmental Security Officers acting on their behalf) and the R.C.M. Police for discussion of individual cases already reported upon.

17. Agencies not under the jurisdiction of the Civil Service Commission (e.g., Crown Companies) may deal directly with the R.C.M. Police when initiating security enquiries.

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18. It will be the responsibility of each Deputy Head (or Head of an agency, as the case may require) to nominate a competent senior official to act as departmental Security Officer, and to notify the Secretary, Security Panel, of the appointment and of any subsequent change. The person so named will be responsible to the Deputy Head (or Head of an agency) for ensuring that all regulations relative to security are carried out within the department or agency concerned. It will also be the responsibility of the departmental Security Officer to maintain close liaison with the Government agencies responsible for the coordination of security policy and procedures (e.g., Security Panel).