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MEMORANDUM TO A SPECIAL GROUP OF THE SECURITY PANEL

Security Cases Involving Homosexuality

Introduction

At the request of a quorum of the Security Panel, an interim study has been made of means of minimizing risks to the national security arising through homosexuality on the part of government employees in positions where their weakness might be effectively exploited for intelligence purposes. It is the purpose of this paper to set out a course of action which is consistent with the principles upon which our established policies are based, but which will effectively adapt itself to the unusual nature of the problem to be faced.

Our primary concern in this matter is to prevent hostile intelligence services from successfully using the threat of blackmail to extort secret information from employees of the Canadian government whose access to such information would make them worthwhile targets for such exploitation. While any seriously aberrant social behaviour is presumably exploitable for this purpose, the present discussion will be limited to homosexuality, and the measures which might be taken to counteract its vulnerability from the security point of view. The discussion will be based on a study made by the Security Panel a year ago, on recent R.C.M. Police and departmental experience, on a more recent study by Dr. F.R. Wake, and on views expressed at a recent meeting of senior officials directly concerned with the problem.

Unusual Problems of Investigation

The investigation of homosexuals insofar as they present a threat to security differs in several important respects from the investigation of communists or agents of a foreign intelligence service. In the first place, no presumption of disloyalty or hostility can be made of homosexuals as a group. They are in fact a social minority who are vulnerable to blackmail by reason of their minority status. While this difference presents our investigators with a number of procedural problems, there is the advantage that the homosexual's cooperation and understanding can, and indeed should, be sought in counteracting any risk which his propensity might pose to the national security.

Another important difference from the investigator's viewpoint lies in the dual nature of the vulnerable homosexual, who is at the same time the subject of a security investigation and a primary source of information which may be of value to other security investigations. The main reason for this subject-source duality is that neither the R.C.M. Police subversive indices nor the field investigations which are presently conducted for purposes of security clearance normally provide information having to do with such matters as homosexuality.

A further difference between this kind of investigation and that concerning communism lies in the kind of reaction one might expect from the public at large were it known that such investigations were being made. Since the espionage trials in the early post-war years, there has been general public acceptance that the government is justified in investigating communist activities in Canada as a matter

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of concern to the national security. There would be some difficulty, however, in convincing the public at large that the investigation of homosexual activities should be considered in the same light unless it were possible to demonstrate that homosexuality posed as serious a problem to the national security as does communism. On the other hand, there is undoubtedly a sector of the public which would demand the purging of homosexuals from the public service, but not necessarily for security reasons.

Bearing these differences in mind, it is apparent that some adjustments are necessary in our normal security investigation and reporting procedures in order to deal with this problem in such a way that good security is maintained without undue damage to the individuals involved, to the prestige and morale of the public service, and to public acceptance of our security policies and procedures in general. However, before considering what these adjustments should be and how they might be made, it would seem worthwhile to look carefully at the nature of the risk posed by a homosexual in a vulnerable position, and at our present means of dealing with that risk.

The Nature of the Risk

In order that a homosexual might be successfully blackmailed into passing secret information to a foreign intelligence service, or otherwise serving their purposes, the following conditions have to be met:

- (a) the employee must have direct or indirect access to secret information, or must be in a position to influence the making of policy;
- (b) the intelligence service must have photographic or comparable evidence of his having engaged in a homosexual act;
- (c) the circumstances must be such that the advantages of exploitation appear to the intelligence service to outweigh the dangers;
- (d) the intelligence service must approach the employee and seek his cooperation on the threat of exposure;
- (d) the employee must balance the probable danger to his reputation and career through public exposure against his loyalty to his employer and his country, and must decide to cooperate with the intelligence service.

If each of these conditions is met, even over an extended period of time, the threat to security can be measured only by the extent of the employee's access to secrets and of his willingness to pass information to his blackmailers. As both of these would probably vary in each case, so would the degree of advantage to the intelligence service. It is worthwhile, however, to consider how the risk might be reduced in a general way by ensuring, insofar as is possible, that certain of these conditions cannot be met, or can be met only in a limited way.

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If an employee is in a really sensitive position, both from the point of view of access to highly important secrets, and from the point of view of good "exploitability" by a foreign intelligence service, (as, for example, a member of one of our posts in an Iron Curtain country), the employing department can have little control over conditions (a), (b), (c) and (d). It can, however, exercise some effective control over the other condition, the employee's decision as to whether or not he should submit to the threat of blackmail. If the employee is made fully aware that an indiscreet act or series of acts can make him subject to this kind of pressure, which endangers his whole future, it should follow that the possibility of his committing an exploitable act is materially lessened. Should he nevertheless find himself under pressure of blackmail, if he is made fully aware of the advantages of immediately reporting the facts to his departmental superiors, and in fact does so, the risk to security has, for the time being at least, been removed. The remaining risks are to his reputation and career, should the intelligence service decide to "spoil" him through public exposure. Again, the employing department can be of assistance in minimizing these risks, by assuring the employee that every effort will be made under the circumstances to reduce the effects of exposure should it take place.

A further important aspect of the nature of the risk to security which may arise from homosexuality is that of the circumstances in which exploitation is feasible from the viewpoint of the intelligence service. It is undoubtedly easier for an intelligence service to use this technique on its own home ground, where all the necessary facilities are at hand, than it is in another country. It follows that the risk of exploitability is considerably greater at our posts in communist countries than it is at our posts in allied countries, and vastly greater than it is here in Canada. The political and diplomatic dangers of conducting this kind of operation in a host country, particularly a NATO country, must certainly be clear to communist intelligence services. It is of interest to note here the remarks of the NATO Special Committee in a recent report entitled

Foreign Consult

Problems Inherent in Our Present Approach

As indicated by the memorandum "Homosexuality Within the Federal Government Service" prepared by the R.C.M. Police, widespread investigations have been made over the past year or more of persons both within and outside the public service concerning whom there was some question of recent homosexual activity. While investigations naturally began with public servants in sensitive positions, it was concluded that the only method of obtaining full information would be to extend investigations to follow up any allegations made, and Ministerial authority was obtained to proceed with investigation in both sensitive and non-sensitive departments and agencies. The scope of these investigations was further expanded by the necessity of developing information on homosexuals who are not employed in the government service, on the basis that they could conceivably be used

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by a foreign intelligence service to identify and perhaps otherwise assist in the compromising of homosexuals employed in the government on classified work.

This method of approach has raised a number of problems of concern to the R.C.M. Police and to the departments and agencies concerned. The strain on the R.C.M. Police investigative facilities has been considerable, with the result that experienced investigators have had to be withdrawn from other important counter-intelligence investigations. The methods of investigation, particularly the interviewing of alleged homosexuals, has created difficulties in the nature and timing of keeping departments informed of investigations concerning their employees. The main difficulty has been the conflict between the R.C.M. Police desire not to withhold pertinent security information from departments, and the departments' desire to take action concerning the employee which might jeopardize the success of the investigation. In addition, the cumulative effect of this type of investigation has posed the problem for the R.C.M. Police as to how far and along what lines to proceed.

From the point of view of the departments concerned, the primary difficulties have been in deciding how to deal with specific cases once the R.C.M. Police have reported that allegations of homosexual activity have been made, or that an employee has confessed to having practised homosexuality. While this difficulty would arise regardless of the method of investigation, it is made more difficult by the fact that firm criteria have not yet been devised by which to judge the extent of risk involved in the continued employment of such persons.

In addition, departments tend to feel that, under present procedures, they have no initiative in determining the nature and extent of investigations being made, bearing in mind that they are as a matter of policy responsible for the security of the classified information which they hold.

From the point of view of the government and the public service as a whole, the primary problem raised by our present approach to the investigation of homosexuality lies in the possibility of the matter becoming public, with resultant misunderstanding, scandal, distorted publicity, and demands for prosecution. Should it become generally known that widespread investigations were being made into homosexuality in the public service, the R.C.M. Police, the government and its security policies might for a variety of reasons be criticized and possibly brought into serious disrepute. The morale of the service would undoubtedly be adversely affected, and public confidence in the service as a whole would inevitably be shaken. If it could be clearly demonstrated that the extent and direction of these investigations were justified on security grounds, these dangers would probably not be so great. It might be difficult to do so, however, as no case has yet arisen wherein a homosexual employee has been successfully exploited by a foreign intelligence service.

Proposed Procedures

In attempting to answer the R.C.M. Police request for guiding principles in the conduct of future security investigations concerning homosexuality, the quorum of the Security Panel arrived at several tentative conclusions. The most important of these were as follows:

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- (a) that our inquiries should be limited as far as possible to those persons who were vulnerable to effective exploitation by foreign intelligence services;
- (b) that there did not appear to be a security objection to informing persons being interviewed in connection with homosexuality that the inquiry was related to security;
- (c) that the most careful consideration should be given in each case to the nature and timing of informing departments whose employees were involved, in view of the possible effect on the employee and on the service;
- (d) that where security was not a factor, there did not appear to be any reason for the R.C.M. Police to report allegations of homosexuality to the employing department; and
- (e) that, in cases where continued investigation was essential, but where it was also necessary to inform the department concerned, the Secretary of the Security Panel might ask the department to withhold action until the investigation was completed.

Bearing in mind the problems raised by the security service, the dangers involved in widespread investigation without a direct relationship to security in each case, the nature of the risk as we know it, and the points set out above, there appear to be a number of measures which might be taken to adapt our procedures more effectively to all aspects of the problem:

First Priority

- (a) that the Security Panel ask those departments with missions abroad to categorize according to risk those positions whose nature and location is such that their incumbents might be subjected to pressure for intelligence purposes;

Comment

If it is accepted that this proposal is a useful means of concentrating our preventive efforts first on the areas of greatest risk, it will be necessary to devise criteria by which the degree of risk inherent in each position might be calculated. These would include such characteristics as the extent of access to sensitive information, the necessity of travel abroad, the extent of required official or possible unofficial contacts with Soviet Bloc representatives, the degree of influence on policy, and other such conditions which could contribute to the vulnerability of the position to this kind of exploitation. In a few departments, a very considerable number of positions, and in one department nearly all, would have to be considered vulnerable, because of the nature of the work and the necessity to rotate personnel in both the highly vulnerable and less vulnerable positions. In the majority of departments, however, it should be possible to segregate the really vulnerable positions from those less so or not vulnerable at all.

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- (b) that these departments, with whatever assistance the R.C.M. Police are able to provide, make a careful study of the incumbents of these positions to ensure, insofar as possible, that they are not susceptible to blackmail, either through homosexual activity or other indiscreet behaviour;

Comment

It is suggested that the study of the present incumbents of positions categorized as vulnerable will require a careful assessment of the employee's personnel record, his character and performance, and his family background, even though prior security investigation may have shown no exploitable characteristics. The Panel may wish to consider means by which the understanding and cooperation of the employees concerned may be obtained in this, although there are obvious dangers in doing so.

- (c) that, concurrent with this study, the incumbents of the vulnerable positions be made fully aware of the nature of this threat, both to themselves and to the security of their departments;

Comment

This proposal is related to the suggestion made by Dr. Wake that one of the best available assurances against exploitation is the vulnerable employee's complete awareness of the danger of blackmail by reason of indiscreet behaviour.

- (d) that, in cases where the incumbent of a vulnerable position is found to be a homosexual, departments be asked to consult the Secretary of the Security Panel before any action is taken concerning the employee;

Comment

The purpose of this proposal is to ensure, as far as possible, the avoidance of precipitate action by a department in transferring or dismissing an employee without his full understanding of the reasons therefor, and to ensure that further necessary investigation is not jeopardized. With the assistance of the Secretary of the Security Panel, means might be sought whereby the case will be handled with deliberate care and caution, and with the full understanding of the employee. The proposal refers particularly to departments with limited experience with this problem.

- (e) that, should any case come to light in which there are indications of a homosexual employee being subjected to blackmail for intelligence purposes, the R.C.M. Police should inform the Secretary of the Security Panel, who would request the department to take no further action concerning the employee other than that required to avoid an immediate breach of security, and to turn the case over to the R.C.M. Police for such further investigation as they deem necessary.

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Comment

Cases in which blackmail is or may be taking place fall within the counter-espionage responsibilities of the R.C.M. Police, and should be investigated at their discretion until the case is satisfactorily concluded.

Second Priority

- (a) that the special group of the Security Panel working on this subject, in consultation with the departments and agencies concerned, consider the extent to which positions other than those abroad are vulnerable to this kind of exploitation;
- (b) that efforts be made to improve the present system of having employees report to their security officers the nature and extent of their social contacts with Soviet Bloc officials;

Comment

This proposal would appear to be one of the means by which departments might solicit the cooperation of the employees themselves in anticipating the possibility of exploitation. The R.C.M. Police have found extremely valuable the reports on social contacts with Soviet officials which have been submitted. However, while all departments have been requested to assist in this way, reporting has been spotty and inconsistent. This could be vastly improved, particularly if arrangements could be made for close liaison between the security service and the departments and agencies primarily concerned.

- (c) that consideration be given to the proposals set out in the memorandum prepared by Dr. F.R. Wake, with a view to finding means of excluding homosexuals from employment in positions vulnerable to blackmail, and to developing a program of training calculated to make employees in vulnerable positions fully aware of all aspects of this threat.

Comment

This envisages a longer-term consideration of policies which should be adopted to prevent this problem from arising in the future. The suggestions made by Dr. Wake appear to give some promise of means of dealing with the matter in such a way that the security objectives in this field might be substantially fulfilled without undue damage to individual rights and freedoms, to service morale or to government prestige.

It is recommended that the Panel group consider the merits of these proposals and formulate recommendations which might be discussed with the Prime Minister and the Minister of Justice, with a view to making such amendments to the Cabinet Directive on Security as may be necessary.

D.F. Wall,
Secretary of the Security Panel.

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