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Mr. F.L.W. McKim,
Director, Administration and Personnel.

Re: Security in the Public Service of Canada
Cabinet Directive No. 35

1. General

On reviewing the policy, procedure and method for dealing with the security of personnel as set out in the above-noted document and comparing them to the policy, procedure and method followed in CBNRC on this subject, it would appear to be advisable to clarify certain points and to establish certain internal procedures. There are no problems insofar as policy, as set out in paras one to eight of the Directive, is concerned.

2. Security Clearance - Applicant for Employment

(a) According to the Cabinet Directive (Sections 13 and 25 (iv)) the responsibility for granting or withholding security clearance rests with the Deputy Minister or Head of Agency. The decision to grant or withhold security clearance of an applicant for employment in CBNRC has always been made by the Director, consulting if necessary the Director, Communications Security (Mr. J.J. McCardle). This is in accordance with the regulations governing the special security requirements of this Branch.

(b) Do you agree that we are justified in continuing to follow our present procedure based on the assumption that the procedures as set out in the special security regulations as they pertain to this Branch will take precedence over the more general regulations contained in the Cabinet Directive?

(c) If the responsibility for the granting or withholding of security clearance does rest with the Deputy Minister or Head of Agency (The President, NRC, in this case), may I assume that this responsibility has been delegated to the Directors of Divisions or Branches as per Standard Operating Policies and Procedures, S-1(a) para 3 and S-2(a) para 1?

If your answer is yes to either (b) or (c) above, there is no problem regarding the authority to grant security clearances for personnel to be employed in CB.

3. Security Clearance - Person Already Employed in CB

The problems that arise when one has to deal with an employee concerning whom doubts have arisen as to his suitability to have access to classified material are much more difficult to deal with than those associated with the security of an applicant for employment.

Section 15 of the Cabinet Directive states - "the security officer must take such action as is necessary to preserve security". Section 16 states - "the responsible department or agency shall withhold a security clearance and shall take such action as is necessary to preserve security". To me, the phrases - "take such action as is necessary to preserve security"- simply mean that the person whose security status has been questioned should not have access to classified material while the procedures and methods as set out in the Cabinet Directive for dealing with such cases are being followed.

In CBNRC it is practically impossible to have a person remain in this building and keep him out of contact with classified material. Therefore it is necessary to immediately find temporary employment for him in some other location or to place him on leave, while the authorized procedures are being observed. (If the security report indicates that the reasons for questioning the security status of the employee are serious and have been substantiated or admitted, then at the time of interview the suggestion is made that the employee resign.). I know from bitter experience how little assistance one can get from the Secretariat of the Security Panel in such cases. The Panel can act only in an advisory capacity and has no authority to assign an employee, whose security status is being questioned, to a non-sensitive position in another Department or Agency. Negotiations with the Civil Service Commission are long and frustrating. You are faced with the problem of qualifying examinations, eligibility lists, and the fact that other Departments do not want to get involved in security or potential security risks. For this I cannot blame them.

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In the last case that I had to deal with (one pertaining to homosexuality, which with CB is the commonest cause of security problems and the most difficult to deal with as the employee very often feels that he is not a security risk and will not offer his resignation), information effecting the security status of the employee concerned was received in [REDACTED] and it was not until [REDACTED] that I was able to have the employee [REDACTED]

During this long period of negotiations, this employee, while without the proper security clearance, was in daily contact with highly classified material. This is not a satisfactory situation and had anything gone wrong during this protracted period of negotiations, we would have found it very difficult, from the security point of view, to justify the procedure we had followed.

I would therefore recommend that a definite procedure be established pertaining at least to personnel in CB whereby an employee, concerning whom we have received information that might effect his security clearance, could be immediately removed from an area where he could have access to classified information during the period that the procedures authorized in Cabinet Directive No. 35 were being implemented.

I would suggest that the procedure might be along the following lines:

- (a) Any information reflecting on the security status of an employee will be assessed by the appropriate officers in CB (i.e. Director, Coord(Admin) and Security Officer).
- (b) If the security implications are considered serious enough to warrant further action, the case will be discussed with the NRC Security Officer, i.e. Director, Administration and Personnel.

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- (c) If it is agreed that the information reflecting on the employee's security status is of such a nature that it is considered advisable to deny the employee access to classified information, the employee will be interviewed by the Director, CBNRC and if considered necessary by the Vice-President (Admin) NRC or the Director, Administration and Personnel NRC.
- (d) The employee at this interview will be advised of the information received and if he agrees that the information is true, he will be given an opportunity to resign.
- (e) If the employee denies the charge against him or if he admits it to be true but does not wish to resign, he will be immediately placed in a non-sensitive position in NRC (remaining on CE's establishment) or be placed on leave, preferable with pay. (Of the two alternatives in (e) above I consider it preferable to place the employee in a non-sensitive position rather than on leave.).
- (f) The procedures approved in the Cabinet Directive No. 35 for dealing with security of personnel will then be implemented.
- (g) If the information reflecting on the employee's security status is of such a nature as not to warrant a request for the employee's resignation or dismissal, and if he can be usefully placed in a non-sensitive continuing position in NRC, the action referred to in (f) above will be omitted and the appropriate officials will be advised of the action taken as a result of the information received.

I would appreciate receiving your comments or suggestions on this subject or having an opportunity to discuss the subject with you.

ORIGINAL SIGNED
BY



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