



Communications Security
Establishment

Centre de la sécurité
des télécommunications

*file: MND
Briefing
Notes*

S E C R E T

19 September 1985

File—Référence:

CCSE/74-85

The Hon. Erik Nielsen
Minister of National Defence
Department of National Defence
101 Colonel By Drive
OTTAWA K1A 0K2

Dear Mr. Nielsen:

Apropos of our discussions some weeks ago about homosexuality in the context of CSE security, I would like to give you a more considered account of where I stand on that issue and at the same time address a number of other major security issues that have concerned me in my time as Chief. As I understand that Messrs. Dewar and Seaborn have already written to you to describe the general personnel security policies of the government and their evolution over recent years, my comments will relate to the specific details of how the policy on homosexuality has been applied at CSE.

As Chief of CSE, I exercise the delegated responsibility which is conferred on deputy heads and their delegates by Cabinet Directive 35 and the issue of approving security clearances of CSE employees is something which I take most seriously. As the national cryptologic agency CSE is the custodian of many of Canada's most sensitive secrets and I endeavour to ensure their safety in every possible way. I am also very conscious of my responsibilities as head of an agency forming part of an international alliance, and the consequent need for a measure of consistency with the security policies adhered to by Allied centres.

With respect to security clearances, I am bound by CD 35 as well as the more recent interpretation of this document in light of the definition of "security assessment" in the CSIS Act. Security checks for CSE personnel and prospective employees are undertaken by CSIS and their reports are submitted to my Security Officer who then recommends approval or denial of security clearances with questionable cases being brought to my attention. In particularly delicate cases I have

Department of National Defence
101 Colonel By Drive
Ottawa
K1A 0K2

Ministère de la défense nationale
101, promenade Colonel—By
Ottawa
K1A 0K2

S E C R E T

A0053648_1-000009

sought advice from appropriate sources including senior officials in the Privy Council Office and the Departments of Justice and the Solicitor General as well as my Deputy Minister and since February 1985 the Coordinator.

It was in September 1981 that I was confronted with my first homosexual case. An employee of [REDACTED] standing [REDACTED] had been identified as a homosexual in the course of the RCMP Security Service field check for his regulation 5 year clearance update. When confronted with this report by CSE's Security Officer he turned out to welcome the opportunity for openness (his family and some friends and CSE colleagues had been aware of his sexual preference for some time) and indicated that he would have come forward voluntarily but for uncertainty over CSE policy and resultant anxiety that he might lose his job. Interviewed by my Director of Personnel and the Security Officer, his sincerity and frankness coupled with his good work record and his appreciation of CSE's security concerns led the interviewers to recommend to me that we retain his services.

I was not precisely sure how I should treat the case given that government policy on this issue was in development under the Security Policy Under Review (SPUR). I knew that homosexuality was intended to be included in the reference in Cabinet Directive 35, (1963) to "illicit sexual behaviour", and therefore sought clarification as to how deputy heads of government departments and heads of government agencies interpreted this aspect of CD 35 in the 1980's.

In this situation I sought advice from three sources, the Deputy Minister of National Defence, the Associate Secretary to the Cabinet with special responsibilities for security and intelligence and the Assistant Secretary to the Cabinet for Security and Intelligence. I received totally consistent advice from all three sources; namely that government policy in these circumstances was one of case-by-case consideration and that it came down to my judgment of the risk. None of these officials indicated they would disagree in principle with a decision to retain the individual in question. The general tenor of the discussions with them was that social change had made it unacceptable to use avowed homosexuality as the sole justification for release of an employee, it being difficult, if not impossible to maintain that an avowed homosexual was any more vulnerable to blackmail than a heterosexual person. This advice made sense to me and we certainly had no other reason to want to dismiss the valued employee in question.

I interviewed the employee myself at some length, and I indicated what a weighty matter it would be for me to decide to retain him, especially in the sensitive position he then held, given that I was unsure how our foreign collaborators would react and that hostile intelligence services reportedly found even out-of-the-closet gays attractive targets. The individual recognized the need to maintain the discreet, low key life style he then had and the overriding importance of coming to us immediately if there was the slightest hint that anyone was trying to set him up as a potential subject for blackmail. For our part we undertook to help and protect him in every way possible should such an eventuality arise. At the end of the interview I told the employee that, subject to my consultation with the Deputy Minister the next day, I had decided he should stay on. I noted however that this decision would be subject to review at any time. Subsequently I prepared a detailed account of our discussion which the employee read and signed. As it turned out, there was no occasion to reconsider the decision since [REDACTED]

In the years since there have been four other instances, one of which did not represent a live issue as the individual had only briefly engaged in homosexual (lesbian) activity in the distant past. Thus there are three avowed homosexuals (all male) in the workforce today. While I have not personally interviewed these three individuals, my Director of Personnel and Security Officer have followed somewhat the same procedure I did in 1981, although, the undertaking which the employee is asked to sign is now considerably more limited in scope. The undertaking reminds the individual that possession of an SA clearance is a continuing condition of employment in CSE, that any character feature which could make that person vulnerable to blackmail is of concern, and that the individual will therefore promise to report immediately any possible attempt at coercion.

The source of the above mentioned revision to the employee undertaking was the Senior ADM in the Ministry of the Solicitor General, in his capacity as Chairman of the Interdepartmental Committee on Security and Intelligence (ICSI) subcommittee, the Security Advisory Committee (SAC). The Chairman, SAC is not only a most knowledgeable source for information on current government policy in such areas, he is someone with extensive practical experience in applying such policy on a government-wide basis. In one of the recent cases we also sought the advice and assistance of CSIS because the employee was new and we were struck by the fact that the CSIS field check had turned up no evidence of homosexuality. CSIS interviewed the employee and advised us that they saw no reason to deny him an SA clearance.

S E C R E T

A0053648_3-000011

S E C R E T

On related security issues, I am pleased to advise you that we have developed a new signals intelligence indoctrination agreement in the form of a binding non-disclosure undertaking which should allow us to take civil action against anyone who unlawfully discloses classified information about CSE. This has been approved in principle by the Security Advisory Committee and by the Intelligence and Security Co-ordinator and is now being checked by the Department of Justice. I hope that it will be in use by the end of the year.

You are, I am sure, aware that CSIS personnel undergo positive security vetting and polygraph testing; positive vetting comprises an interview with the employee designed to corroborate the results of the field investigation and the polygraph test for new employees covers both loyalty and lifestyle. I believe there could be advantages to adding these two procedures to our security armory.

I would like to add that CSE has also been active in the field of physical and information security. We requested a security audit by the RCMP in 1982 and have now instituted most of its recommendations. We have reviewed our means of protecting our most sensitive material through improved compartmentalization of knowledge on a strict need-to-know basis and, we have surveyed all electronic data processing and word processing equipment at CSE to ensure that information cannot be intercepted by electronic means. We are also in the process of improving records management and with the completion of a new entrance to the Sir Leonard Tilley building we will introduce a new and more secure pass control system in October.

I trust that the foregoing has served to provide you with further detail on the status of CSE security. Security is and will continue to be a preoccupation at CSE and I am hopeful that the Solicitor General's new proposals on personnel and information security, which are expected shortly, will assist us in continuing to improve the effectiveness of our security measures. In the meantime, with the help of Messrs. Dewar and Seaborn I hope to continue to improve the security afforded SIGINT product and information about SIGINT throughout government.

Yours sincerely,



P.R. Hunt
Chief, CSE

cc: Mr. D.B. Dewar
Mr. J. Blair Seaborn

S E C R E T

A0053648_4-000012