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Study of the Security Division

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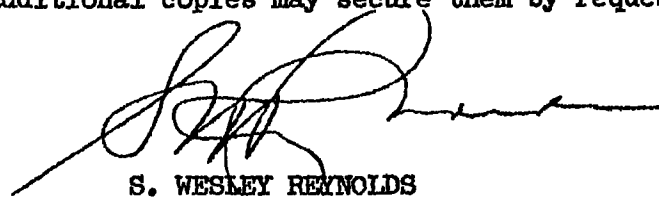
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COMMENT NO 1

1. Attached hereto for your information is a copy of a Study of the Security Division.

2. In an agency of such sensitivity and importance to the interests of the nation as NSA, security must be a paramount consideration. This paper therefore discusses the policies and practices believed necessary to afford maximum security. Further discussions consist of security practices and procedures from the beginning of AFSA, changes and improvements inaugurated to meet pressing needs, together with future plans to arrive at the ultimate security deemed necessary for an intelligence organization as sensitive as NSA.

3. Offices and divisions desiring additional copies may secure them by request to SEC.

  
S. WESLEY REYNOLDS

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NSA SEC

STUDY  
OF THE  
SECURITY DIVISION

NATIONAL SECURITY AGENCY

WASHINGTON 25. D. C.

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S T U D Y

of the

S E C U R I T Y   D I V I S I O N

15 February 1955

NATIONAL SECURITY AGENCY  
Washington 25, D. C.

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## INTRODUCTION

The National Security Agency has two primary functions -- one, the coordination and control of the production and distribution of communications intelligence; the other, the production of cryptologic materials and security of United States communications; and the research and development aspects of both. The compromise of a COMINT source or success could effectively cause exceptionally grave damage to the security of the United States by denying to this country intelligence regarding the programs, operations, and plans of foreign governments, especially potential aggressors. Compromise of a cryptographic system could cause equally grave damage by making available to a foreign nation knowledge of the plans, policies, programs, and operations of the United States government, especially as they concern the defense of the United States. Certainly, in an agency of such importance and sensitivity to the interests of the nation, security must be a paramount consideration.

The Security Division is the component of the Staff concerned with the security requirements of the COMINT activities under the operational and technical control of the Director, NSA, and the fulfillment of security requirements within the Agency.

This paper will discuss the policies and practices believed necessary to afford maximum security to an Agency of this kind; the security practices and procedures from the beginning of the Armed Forces Security Agency, and their weaknesses; and the changes and improvements inaugurated to meet pressing needs, together with future plans to arrive at the ultimate security deemed necessary for an intelligence organization as sensitive as NSA.

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~~CONFIDENTIAL~~POLICIES AND PRACTICES BELIEVED NECESSARY  
FOR MAXIMUM SECURITY

It is firmly believed that security weaknesses result from the total separation of and lack of coordination between the security, counter-intelligence, and intelligence activities of the federal government. Security elements should have full access to information compiled by intelligence agencies, particularly that information which shows the degree of success of foreign intelligence efforts. Knowledge of the information which foreign countries possess or do not possess, derived from successful intelligence operations, is of inestimable value in determining the essential elements of information of the intelligence agents of those foreign countries. Counterintelligence agencies should make available to security officers complete information concerning the known targets of foreign intelligence and the modus operandi and identity of known or suspected agents. This close coordination and exchange of information would enable security elements to place maximum security emphasis on that classified information and material which is not already in the possession of foreign intelligence and to eliminate wasted effort expended in protecting classified material which has been compromised. It will assist security in instituting realistic safeguards as well as focusing attention in those areas which might have been successfully penetrated.

Security of any sensitive agency, in general, involves the protection of classified information and material from access by unauthorized persons and insurance that authorized access by any individual or group is clearly consistent with the interests of national security.

Physical Security.

Physical security is that component of security which results from all physical measures necessary to safeguard classified equipment, material, documents and information from access to or observation by unauthorized persons. Physical security, therefore, supplements personnel security by insuring that authorized persons only have access to classified security information, and that, in receiving, handling and transmitting such information, the necessary facilities and procedures are employed to protect it.

A physical security program encompasses installation security to include perimeter control, internal compartmentalization, personnel identification, and property control. It provides for safe storage facilities, including locked cabinets, safes, and vaults. It promulgates and implements secure means and procedures for the destruction of classified waste. It further prescribes and conducts such inspections and surveys as may be required to maintain high standards of physical security.

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Perimeter control is designed to protect an installation against the entry of unauthorized persons and may be accomplished by means of perimeter fences, exterior guards, controlled gates, lighting, automatic alarm systems, and an identification system. Caution must be exercised in realizing the degree of privacy afforded by perimeter control. Fences can be negotiated and, unless properly lighted and surveilled, only keep out law abiding citizens, sometimes becoming more dangerous than no fences in that they establish careless attitudes and a false sense of security.

A visitor control system is designed to insure that non-employees granted entry to a sensitive installation are properly cleared for access to classified material, and that they are granted access only to that classified material for which they have a "need to know" and to which their level of clearance entitles them. Visitor control is accomplished by means of screening before entry, a pass and identification system, and an escort system.

Compartmentalization is the restriction of individuals to areas and classified material for which they have a "need to know". It prevents every employee from gaining knowledge of the whole of the installation's operations when such knowledge is not essential to the performance of his duties. It may be accomplished by designation of restricted areas properly secured against unauthorized access, an internal identification system, personal recognition, and the use of interior guards and patrols.

Property control is designed to prevent the entry into a sensitive installation of material or devices which might represent a threat to the security of the installation and to prevent the unauthorized removal from the installation of classified material or other government property. Property control can be accomplished to some extent by the use of property passes, but it can be rigidly controlled only by search and inspection methods. There is no system, other than by the personal integrity of employees, for controlling the knowledge in the minds of those individuals who have authorized access.

Accountability, safekeeping, transmission, and destruction of classified material. Normally, highly classified material can be considered secure from unauthorized access only when it is rigidly accounted for from the time of its conception to its eventual complete destruction. Classified material is safeguarded by proper classification, a receipt system, secure methods of communication or transmission, and efficient and secure methods of destruction of classified waste. Proper classification is essential to good security; however, caution must constantly be exercised against over-classification and classification for purposes other than the security of the contents of the document. The protection of classified material depends to a great degree on the individuals handling it. They must be impressed with the accuracy of its classification and their continuing responsibility to afford it the prescribed protection. Human failure is much more frequent and dangerous than is mechanical failure. When classified material is not under constant surveillance by authorized individuals, it must be properly safeguarded by the most

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secure means available, depending upon its sensitivity and, therefore, its classification. It must be recognized that locks, safes, and vaults only afford a degree of privacy, and other precautions must be taken if the sensitivity of the material warrants it.

Surveys. Constant effort must be expended to insure that the physical security of an installation has not been breached. This should be accomplished by a combination of all of the following procedures:

1. Daily inspection of areas to make sure that physical barriers have not been breached to permit surreptitious entry and that classified material is properly secured. Sensitive areas should be checked hourly or more frequently to detect a forced or surreptitious entry and to apprehend any unauthorized individual in the area.
2. Immediate reporting and investigation of security violations to fix responsibility and to determine if physical means are adequate.
3. Periodic search with technical equipment to insure that no surreptitious listening devices have been installed by which classified information might be transmitted electronically outside the installation. Liaison should be maintained with the proper agencies to receive complete intelligence information regarding the development of new devices, both by United States agencies and foreign agencies, and the counter devices to protect against them.

Industrial Security. In addition to the physical security provisions discussed above, a sensitive activity must take measures to insure that its classified material and information transmitted to other activities, but for which it retains responsibility, is properly safeguarded. Included is classified material in the possession of contractors, consultants, and other associated activities. Protection of such classified material may be accomplished by the preparation of adequate regulations; frequent surveys and inspections to insure that the regulations are followed; and, through effective liaison with the officials concerned, mutual understanding of the importance of adequate security.

Personnel Security.

It is firmly believed that three processes are necessary to insure that those persons authorized access to classified material are not potential or actual security risks. These processes are: pre-employment or pre-access screening, investigation and clearance; and security supervision of cleared individuals. Most government agencies place considerable emphasis on clearance and investigation procedures, but they tend to slight or ignore the others. Efficient personnel security can be attained only if every available means is used to effectively complete all three processes.

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Pre-employment or pre-access screening is designed to eliminate before employment those who are, or who might reasonably be expected to become, security risks. It may be accomplished by means of a thorough interview of the applicant, covering the information listed on his Statement of Personal History, his suitability for employment, and his subversive beliefs or activities. Such an interview is more effective if verified by means of the polygraph or lie-detector machine. This concept is based on the fact that an individual knows more about himself than anyone else, and certainly more than any background investigation could possibly develop. In addition, pre-employment screening may provide a basis, in conjunction with other preliminary investigative processes, for granting an interim clearance prior to completion of a background investigation, thus utilizing the services of employees productively much sooner than would otherwise be possible.

Pre-employment screening tends to discourage foreign agents from attempts to infiltrate an activity, particularly one which utilizes the polygraph interview. Penetration agents are invariably selected from those with no previous subversive record so that the background investigation of such an individual seldom will develop information sufficient to reflect a danger to the security of the activity. The polygraph interview, on the other hand, through intensive questioning, may develop the facts, or at least raise sufficient doubt, to eliminate the agent from consideration for employment. Caution must be exercised that the importance of the polygraph to sound security is not overemphasized. It is not the purpose of this study to develop a thesis on the relative merits of the polygraph, but rather to indicate its extreme value as an adjunct to a sound personnel security program, particularly to preemployment or pre-access screening and, in some instances, to personnel security supervision.

Investigation and clearance. Prior to granting clearance to an individual, every investigative process practicable should be utilized to insure that the applicant is not an actual or potential security risk. The investigative process begins with a thorough review and analysis of the applicant's Statement of Personal History. His name and all names appearing on the Statement of Personal History, such as relatives, references, employers, and organizations, should be referenced and checked in the employing organization's security files. After completion of the review of the Statement of Personal History and the pre-employment interview described above, a National Agency Check is requested, wherein the files of all federal investigative agencies maintaining criminal and subversive files on a national level are checked. If no derogatory information is developed as a result of these checks, a complete background investigation should be conducted by the sensitive agency's own investigators or by another investigative agency. The background investigation should include verification of education, employment, and residences, through interviews with educators, employers, co-workers, character references, neighbors, and acquaintances, and checks of local law enforcement and credit agencies in all areas where the applicant has resided or been employed.

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Security supervision. A dynamic security supervision program is necessary to achieve satisfactory personnel security by insuring the continued reliability and suitability of cleared employees. If effective, it should identify successful foreign infiltration and those employees who are or may be logical prospects for defection. It should afford a means of keeping leaks of information at a minimum. The following processes are considered basically necessary to an effective security supervision program:

1. Security education. A security education program is designed to acquaint all employees with the security obligations and requirements of the employing activity and to explain to them the necessity for these requirements. Employees in an agency as sensitive as the National Security Agency must always realize the importance of their work to national security. They must always be aware of foreign interest in the activities of the agency and the constant possibility of successful foreign penetration. Such a program must be designed to instill in all employees confidence in the officials administering the security program and a willingness to cooperate and assist in every way possible in making their organization and its classified material secure against compromises. Once confidence and mutual trust are established, the employee is encouraged to approach security officials with information coming to his attention which might be considered detrimental to the installation. Employees must be aware of their security responsibilities at all times; they should be able to recognize any activities which have a security significance and have enough confidence in the security organization to be willing and desirous of making the information available.
2. Liaison. There should be immediate and continuing liaison with all counterintelligence, investigative and law enforcement agencies in the area to insure that information concerning the sensitive agency, or any of its employees, is passed on promptly to the security officials, facilitating the expeditious handling of investigations. The prompt receipt of derogatory information, even before verification by investigation, enables the security officials to take administrative action to minimize the danger to security that would result if the allegations were true. Liaison should not be limited to outside agencies, but should include the other staff divisions and operating elements of the agency concerned.
3. Investigations. The sensitive agency should have a force of investigators who can conduct immediate investigations of security violations or compromises of classified material, unauthorized entry or access, and allegations concerning the loyalty and/or suitability of any employee. However,

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they should be prepared and willing to refer investigations beyond their scope, or matters not within their jurisdiction, to the proper investigating agency.

4. Research. A continuing and detailed research program should be established to effect a detailed study of the security files of all employees concerning whom unresolved derogatory information exists, of those who have been associates or co-workers of others proven to be security risks, of those who have not been thoroughly investigated, and, ultimately, of all employees. This is an affirmative counterintelligence approach to security based on the reasoning that an agency as sensitive to national security as the National Security Agency must be high on foreign targets of interest and penetration and, further, that sound security compels a presumption of successful foreign penetration. The investigative approach is based upon the receipt and investigation of an allegation, the counterintelligence research approach is based on assumptions. These assumptions require a close working relationship with the intelligence organizations in an attempt to more definitely discern the relative degree of foreign interest in specific areas. With these assumptions, the researchers, who should be experienced counterintelligence agents, can better search out and identify any successful foreign penetration. The liaison, investigative and research functions are dependent upon each other and should be included in one organizational segment under a single supervisor.
5. Reinvestigation. Finally, an effective program of security supervision of personnel should include periodic reinvestigation. Follow-up interviews with the aid of the polygraph are considered essential. These interviews may be confined to questions bearing on subversive activities or associations and unauthorized divulgence of classified information. Reinvestigations should also include a National Agency Check, a check of local police and credit agencies, and neighborhood interviews.

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## OPERATIONS OF THE SECURITY DIVISION

## PART I

## PHYSICAL SECURITY

Mission.

The mission of physical security is the protection of NSA classified material and areas from unauthorized access, by all possible means, and the establishment and supervision of effective measures for the handling of classified information. It is designed to protect all of NSA's information, material, and facilities against compromise, whether unintentional or through any subversive or criminal activity.

History.

Physical security at the beginning of the Armed Forces Security Agency (AFSA) was handled by personnel attached to the military installations at which AFSA was located. They were employed in a two-fold capacity as security officer and staff for both the military station and AFSA. As the operations of AFSA grew, involving more equipment, materials and space, the need for a separate physical security control unit became apparent. Early in 1950 the Physical Security Branch was organized in the Security Control Division under the AFSA Office of Administration.

The physical security of AFSA, and later NSA, has been influenced by certain physical limitations. The location of the Agency at several military sites necessitated statements of policy to establish the responsibilities of internal security.

The Army Security Agency issued two letters, dated 22 December 1949 and 27 February 1950, on the subject of the interrelationship of AFSA and ASA. AFSA assumed the responsibility for internal security and fire watch at the Naval Communications Station, and "A" and "B" Buildings at Arlington Hall Station. It was further stated that all directives concerning the functioning of AFSA elements at Arlington Hall Station must conform to the administrative policies and regulations of the Chief, ASA. The Director, AFSA, was given the responsibility for insuring that all personnel at Arlington Hall Station under his control complied with such policies and regulations. In turn, ASA performed the following functions which benefited AFSA:

1. Formulated and administered security policies for personnel located at Arlington Hall Station.

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2. Investigated security violations.
3. Conducted security orientation of newly assigned personnel.
4. Made and issued identification badges for military and civilian personnel in accordance with policies jointly established by Headquarters, AFSA and ASA.
5. Provided armed guard protection for the entire area within Arlington Hall Station and its specifically designated RESTRICTED areas.

The following excerpt, containing background information pertaining to the Security Control Division, is from a letter dated 21 July 1950, from the Commanding Officer, Naval Communications Station, to the Director, AFSA, on the subject of Command functions and responsibilities:

"Physical Security Branch, Naval Communications Station, will provide for physical security and will restrict access to the Station to properly authorized and accredited personnel. Only the Commanding Officer, Naval Communications Station and the Commanding Officer of the Marine Guard will issue orders to the Marine Guard. AFSA will provide personnel for the interior security patrol, will issue instructions for the performance of duties, and will make, fabricate and issue identification badges to all personnel who may be employed at or visit the Station. The administration of these responsibilities of AFSA will not relieve the Commanding Officer, Naval Communications Station, of his responsibilities for the military command of the Station, nor restrict his authority for exercising it. Naval Communications Station will set up an organization for the fire protection of the Station. Fire Marshal and Assistant, if necessary, will be provided from Naval Communications Station's personnel. AFSA will provide patrols, if necessary, for the interior of the buildings. These duties may be combined with those duties of the security patrol."

Based on the information outlined above, the main functions of the Physical Security Branch were visitor control; issuing of badges for personnel identification; property control; directing and supervising the AFSA interior guards; and prescribing the procedures and methods for the collection, accountability and destruction of classified waste. The functions of the Branch were somewhat restricted since the Branch was governed by the Naval Security Manual at the Naval Communications Station and the ASA Regulations at Arlington Hall Station. On 1 January 1950, and until the present NSA Security Manual was published on 5 November 1953, the regulations outlined above, with certain modifications, governed at all AFSA installations.

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There were no major reorganizations within the Physical Security Branch until November 1953, at which time, in order to equalize the workload and better utilize personnel, the Branch was divided into the following Sections:

Administrative Unit  
 Badge Section  
 Naval Security Station Security Section  
 Arlington Hall Station Security Section  
 Survey and Investigative Section

Other organizational changes occurred in 1954. In June, the physical security responsibilities of the NSA Training School were absorbed by the Physical Security Branch. A Security Section was established using key personnel of the Naval Security Station Security Section as a nucleus and uncleared personnel as guards. The responsibility of industrial security and the evaluation of COMINT compromises were reassigned from this Branch in July to the Technical Assistant to the Chief, Security Division, who in turn was authorized additional personnel in order to activate the Industrial Security Branch. In October, the Survey and Investigation Section was redesignated as the Inspection and Survey Section, when all the investigative functions were assigned to the Special Research Unit.

Guards. It should be understood that at no time since the Agency was initially activated has the Physical Security Branch had any guards available for exterior guard duty. All exterior guard duty has been performed by guards from the respective services, over whom the Security Division has had no control. A force of interior security patrol guards has been maintained at both the Naval Security Station and Arlington Hall Station, whose function it is to detect any unauthorized entry, either forced or surreptitious, and to apprehend any unauthorized individuals within NSA areas. The guards escort visitors during duty hours, and patrol all NSA areas at periodic intervals during non-duty hours, checking for fire and violations of security requirements.

A civilian guard post was established at the entrance of one of the main buildings at the Naval Communications Station in September 1951 and maintained until 1953. Later this guard force was changed to another building, providing better control over the movement of large groups in both buildings, and requiring all personnel entering or leaving either building after normal duty hours to use the entrance where the guard force was stationed.

On 1 February 1954 the security patrolmen began an inspection of unlocked desks for classified material. A notice to the effect that the desk was inspected was placed in each desk. On 22 April 1954, NSA Regulation No. 121-7, "Storage of Classified Material," was revised and published.

Until June 1954, civilian guards were utilized for physical security purposes at the NSA Training School, located on "U" Street, N.W.,

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Washington, D. C. When the Training School was moved from the "U" Street location to Temporary "R" Building, the Physical Security Branch of the Security Division assumed the security duties at that location with the utilization of military guards.

Badges. In the earliest period of AFSA history, responsibility for the manufacture, control, and issuance of personnel identification badges was maintained by the Naval Communications Station. As the Agency grew, personnel billets for the identification badge operation were included in the Agency's personnel allotments, and personnel, equipment, and supplies of the Naval Communications Station were assigned to AFSA for this operation.

In October 1949, AFSA assumed the responsibility for photographing, manufacturing, controlling, and issuing of the personnel identification badges. In April 1950, a new identification system was established for the Agency. In July 1950, AFSA no longer rented the equipment and materials for this operation, but had full ownership of all the Agency's machinery for badge production. A new identification badge system was again initiated in April 1953, which system is now in effect. The Badge Section, Physical Security Branch, at the present time performs photographic duties for ASA, NSA, and the Naval Communications Station, and manufactures badges for NSA, the Naval Communications Station, OP-202, and consumer personnel. The Section does not, however, manufacture badges for ASA at the present time.

Property Passes. The AFSA Security Manual, dated 5 November 1952, assigned to the Physical Security Branch, Security Control Division, the responsibility for identification and control of property (property pass system). This Manual designated the Chief, Security Control Division as the competent authority for the identification and control of property (matter) being carried into or out of the Agency by other than electrical means and made all such property, whether publicly or privately owned, subject to inspection. NSA Regulation 121-3, dated 27 January 1954, required that civilians and enlisted military personnel have property passes to remove classified documents, government-owned property, and all carrying devices which conceal their contents, from either station. The three types of passes which authorize removal of property from either station are the NSA Messenger Badge, the NSA One-Time Property Pass, and the NSA Monthly Property Pass.

A survey was conducted at Arlington Hall Station and Naval Security Station from 9-24 July 1953, to determine if property passes were being properly controlled. Another survey was initiated to check all property passes issued since the new system became effective in February 1953 to determine if passes were being properly utilized. The entire property pass system is now being investigated to determine possible weaknesses and to take steps to revise the system for more secure operation.

During the month of October 1954, a review was made of the property pass and badge system, including control of consultants and experts who have contracts with the various NSA offices and divisions in order that their movement may be more adequately controlled.

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Visitor Control. The present visitor control system became effective on 1 April 1953. During June 1953, minor changes were made in the visitor control and escort procedure at the Naval Security Station, which resulted in a more effective operation. The patrolmen were moved from the Quarter Deck to the Gate House, making them immediately available for escort duty. The Physical Security Branch assigned one man behind the counter at the Gate House to handle NSA visitors in coordination with the visitor control office. This operation has been performed very satisfactorily, eliminating delays. In October 1953, a new procedure was placed into effect to enhance the security of the visitor control system. No "one-day badges" were to be issued to personnel reporting for duty as in the old system. All personnel reporting for duty or briefing were processed as visitors and required an escort badge prior to indoctrination by the Personnel Security Branch.

In December 1953, as a result of a discussion between G-2, ASA and members of the Security Division, NSA, the regulations governing the processing of NSA visitors at Arlington Hall Station, and the procedure for handling NSA personnel desiring to remove property or material from the compounds, were changed to permit more efficient entry and exit. This change permitted NSA visitors to be escorted from the Main Gates to compounds and back by NSA personnel. NSA personnel apprehended at the gates with classified material, who did not have the required authorization, were referred to the Security Division, NSA, rather than to G-2, ASA, for investigation. This procedure precluded delays which had existed under the former system. NSA Regulation No. 122-2, "NSA Visitor Control System," was revised on 26 March 1954. However, no major changes were made at that time.

Designation of Areas. In November 1953, in order to more effectively compartmentalize NSA operations, and to better protect particularly sensitive areas, a system of designating certain areas as RESTRICTED, SECURE, or EXCLUSION areas was adopted. Physical security standards and requirements were established for each type of area. Representatives of the Physical Security Branch inspected each area to be designated as a SECURE or EXCLUSION area, prior to its being authorized as such, in order to determine if established standards were met. Physical standards were not considered rigid and could be modified by installation of equally secure alternate physical barriers, so long as the modifications would prevent unauthorized access as effectively as the original barriers. SECURE and EXCLUSION areas are resurveyed periodically to insure that they continue to meet security requirements. They are resurveyed at other times whenever information comes to the attention of the Security Division which indicates that security interests necessitate such a resurvey.

Areas and installations outside the confines of Arlington Hall Station and the Naval Security Station, which are under the jurisdiction of the Director, are surveyed to determine security requirements prior to utilization by NSA and are inspected periodically to insure that security requirements continue to be met. Such areas include records storage facilities at Crane, Indiana, Mechanicsburg, Pennsylvania; Alexandria,

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Virginia; Congressional Airport, Maryland, and Franconia, Virginia; and operating facilities at Vint Hill Farms, Virginia; St. Paul, Minnesota; Ft. Meade, Maryland, and others.

Safe Combinations. The combination of each safe and storage facility for classified documents is recorded in the Physical Security Branch, together with the names of the individuals authorized to have each combination. It is the responsibility of the Physical Security Branch to insure that all safe and lock combinations are changed every six months.

Classified Material. Promulgation of adequate regulations governing the handling, accountability, safeguarding, transmission, and destruction of classified material, and supervision to insure compliance, are integral functions of physical security. The Chief, Security Division, has coordinated with the Adjutant General in preparation and publication of such regulations, and exercises staff supervision for the implementation of such regulations. Supervision is exercised by inspections and surveys, investigations of violations, and recommendations for corrective measures and disciplinary action. The destruction of classified waste is accomplished by personnel of the Physical Security Branch using pulping or burning methods. Classified waste is under continuous guard from the time it leaves the generating area until it is completely destroyed.

Regulations. All regulations pertaining to physical security matters are constantly reviewed, and revised when necessary, to meet changing situations and to adapt the policy to NSA's tenant status on installations administered by other activities. Regulations for the physical protection of NSA classified material are promulgated from a counterintelligence approach to the problem, i.e., to prevent the entry of subversive elements to NSA spaces and to prevent NSA classified material from being placed in a position where it might eventually fall into the hands of subversive elements.

Future Plans.

Physical Security Publications. A program has been initiated by the Physical Security Branch to review all physical security regulations, memoranda and procedures in order that tighter controls in the various areas of physical security may be provided. This program will be continuing in nature and reviews will be made periodically by this Branch, when deemed necessary.

Surveys of Sensitive Areas. A program of physical security surveys for designating certain areas of the Agency as EXCLUSION and SECURE has been initiated and will continue until all spaces have been resurveyed, in order that the physical security standards required for these areas may be made current.

Classified Material. The Physical Security Branch will work and coordinate very closely with the Adjutant General, NSA, regarding handling, transmission, safeguarding, accountability and destruction of classified

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material within the Agency. At the present time, this Branch is in the process of coordinating an NSA regulation with the Adjutant General relative to the above mentioned subjects, in order that all information may be contained in one reference for use of all Agency personnel.

Visitor Control. A recommendation has been forwarded to the Chief, Security Division, regarding transfer of the functions of visitor control from the Physical Security Branch to the Clearance Branch. The checking of clearances and indoctrination status and the processing of the visitor control forms would thereby be conducted in one office, effecting tighter control. The Physical Security Branch would maintain control of the escorts. This recommendation has received the approval of the Chief, Security Division, and will be implemented in the very near future.

Consultant Personnel. Coordination has been effected for a proposal which would provide tighter controls of consultant personnel entering and circulating throughout the Agency. The Physical Security Branch is anticipating the manufacture of a special badge for all consultant personnel which will indicate that the individual is a consultant, his clearance status, and the organizational segment which is utilizing his services.

Property Passes. Discussions have been held with the Naval Security Station Security Office regarding the Navy's feeling toward officers carrying property passes. The Station Security Officer informally indicated that he had no objection to this proposal. It is hoped that in the very near future similar discussions will be held with the Station personnel at Arlington Hall Station and that they will interpose no objection to such a proposal. Steps will be taken at that time to revise the NSA property pass system.

Physical Security Field Circulars. Periodically, since the spring of 1954, a Physical Security Field Circular for the COMINT elements under the operational and technical control of the Director has been written and submitted to the Plans and Policy Division, NSA. The results up to the present time have been negative.

Technical Surveys. Equipment has been obtained for use in conducting technical surveys to detect the introduction of surreptitious listening devices in NSA areas. Initial, periodic, and spot surveys will be conducted at such time as personnel trained in the use of the equipment are available to the Security Division.

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## PART II

## PERSONNEL SECURITY

Personnel security measures are designed to prevent authorized access to NSA classified material by those individuals who could reasonably be expected to do damage to the United States, intentionally or unintentionally, by reason of such authorized access. Generally, the following methods are employed by foreign agents to obtain security information: (1) Infiltration, or gaining access to a sensitive installation and its classified material by legal means, employment, assignment, or authorized visits, (2) Defection of a cleared and legal employee; (3) Picking up and piecing together bits of classified information through perusal of publications, the press, and loose talk by employees.

Attempts to infiltrate can be minimized by a thorough pre-employment screening program. The risk of defection can be materially reduced by eliminating, before employment, those whose background and character, as revealed by pre-employment screening, warrant the presumptions that they would be potential security risks, and by a continuing security supervision program for those cleared and granted access. Loose talk can be materially reduced by a thorough security education and supervision program.

## PRE-EMPLOYMENT OR PRE-ACCESS SCREENING

Personnel Interview BranchMission.

The mission of the Personnel Interview Branch, as originally established, was to interview, with the aid of the polygraph, civilian employees of the Agency who were awaiting clearance before they could be productively employed. In recognition of the desirability of eliminating from consideration applicants for employment concerning whom information existed which would be a bar to clearance, the additional mission of interviewing local applicants for hire was assigned in November 1951.

This Branch is currently performing the same mission for which it was first organized. There have, of course, been shifts in emphasis and techniques, as experience developed better ways of performing the mission. Other aspects of a well-rounded polygraph program, such as interviewing military personnel and re-interviewing employees at regular intervals, have not yet been placed into effect. A policy indicating the desirability of re-testing employees was adopted in 1952, but implementation of the plan was abandoned because it was ill conceived and had not been properly presented to the employees, resulting in bad employee morale and an ever increasing chasm between the employees and security. It was reasoned that to

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attempt to completely implement the program as planned and presented to the employees would not develop significant information of value but would render impossible the development of mutual confidence between the employees and security which is deemed essential to sound security. A program is in progress, and a series of meetings held with other divisions of the Agency which are designed to clear up confusion and misunderstanding concerning policies, operations, and plans of the Security Division and its branches.

#### History.

The polygraph program at NSA was instituted initially because of dire operational necessity. The NSA Training School, in the latter part of 1950, was jammed with more than 1000 employees awaiting clearance, which at that time could be granted only upon the receipt and evaluation of a complete background investigation. At that time, the Chief of the AFSA Security Control Division and the Chief of the Personnel Security Branch investigated the potentialities of the polygraph as an aid to security clearances. Since the Central Intelligence Agency had been utilizing the polygraph for about two months in employee screening, liaison was established with CIA, and the operation of their program was reviewed. It was the opinion of the Security Control Division that the program offered obvious advantages to AFSA in expediting the clearances of civilian employees.

The Chief, Security Control Division, on 24 January 1951, recommended to the Director that a polygraph program be instituted on a voluntary basis among AFSA employees awaiting clearance in the Training School. Prior favorable consideration had been received from the Office of the Comptroller, the Special Assistant to the Director, the Deputy Director, and the Chief of Staff. On 26 January 1951, the Director approved the program as outlined, and the Security Control Division took steps to implement it. The Personnel Interview Branch became operative on 11 May 1951, and the first polygraph interview was conducted. More than two months had elapsed since a skeleton staff for the unit had been recruited and trained. Most of the delays were caused by the difficulty in securing proper physical facilities for the polygraph operation. The original quarters for the Branch were located in part of what had been the dispensary of the Training School at 1436 "U" Street, N. W. The necessity for sound-conditioning the area and isolating it from other activities of the Training School required a great deal of construction work. Because of construction compromises, satisfactory soundproofing of interview rooms was never achieved at this location.

Since the staff recruited to administer the polygraph interviews lacked experience, the AFSA Security Control Division proposed to begin operations slowly and to let Branch personnel get their feet on the ground before attempting seriously to reduce the employee overload in the NSA School. School authorities, however, were understandably anxious to secure clearances for the excess employees being held there. After a consideration of the factors involved, the Director ordered that full-scale operations begin immediately, and a recruiting program was instituted to secure additional examiners. During the period, July through September 1951, this

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Branch worked on an overtime schedule from 0700 hours to 2200 hours on a seven-day-a-week basis, processing 2,052 interviews during the period. Examiners worked on two shifts, and interviewed more cases than is recommended for peak efficiency and avoidance of errors. Because of the limited time allotted to each interview and the relative inexperience of some of the examiners, it was impossible in many cases to complete the proper psychological conditioning of the subject. This resulted in a large number of unresolved cases, sometimes as high as 25% of all cases run, necessitating one or more re-interviews of many of the employees. The tremendous backlog of employees awaiting interim clearance in the Training School had been cleared up by 30 September 1951. The processing of employees has remained on a current basis since that period, and close liaison with the Personnel Division has enabled the Branch to plan to meet its commitments in the foreseeable future.

When full-scale operations of the Branch were ordered in May 1951, there were three examiners assigned for duty. The shortage of trained examiners in the country forced the Agency to recruit men whose interrogational background was all in criminal or military work. Some of these men were unable to make the transition to employee screening work, where the person being interviewed is not a known or suspected criminal. In an effort to obtain control reactions to validate the charts, some inexperienced examiners asked highly personal and embarrassing questions, which were quite properly resented by the employees being interviewed. Some justifiable complaints were also received concerning the attitudes and interrogational methods of some of these former criminal interrogators. The personnel guilty of such offenses have been replaced, and no inexperienced examiners are presently on duty with the Branch. All personnel of the Branch are expert in employee screening interviews, which are one of the most delicate types of polygraph interviews. No justifiable complaints concerning an adverse attitude by examiners have been received since the Fall of 1953.

In November 1951, when the processing of local civilian applicants for hire was begun, temporary facilities were established at Arlington Hall Station, at the request of the Personnel Division. The rooms were not sound-proofed, and the subjects were distracted by many outside stimuli. In addition, the forty-five minutes allotted to each interview were insufficient for a complete employee screening interview, resulting in undeveloped interrogational leads. Operating under such conditions proved highly unsatisfactory. It has been the consensus in this Branch, since the experience at Arlington Hall, that temporary gains in the number of cases handled under such conditions are more than offset by the loss in accuracy and efficiency caused by working under adverse conditions.

Another experimental program was established in March 1952 to interview recruitments in the field. Although it was recognized that such a program had merit, the experiment was abandoned because the limited number of persons recruited from any one geographical area made field operations economically unsound and because the ideal physical conditions necessary for a successful polygraph interview could seldom be met.

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Until January 1952, definite recommendations for or against clearance, or statements that no recommendation could be made because of unresolved charts, were forwarded by the Personnel Interview Branch as a part of the polygraph report. Recognizing that such recommendations were a function of security analysis, on 22 January 1952, this Branch ceased to make any recommendations as to the action to be taken on the basis of the polygraph report. Under present practices the examiner reports merely the information developed during the interview and his professional opinion, derived from the charts, as to the completeness and the accuracy of the information forwarded.

A change was instituted in March 1954 whereby the applicant's Statement of Personal History was referred to the Personnel Security Branch for review and checking of references prior to his polygraph interview. All information available in the Central File could then be made available to the examiners as an aid in conducting the interview.

It became apparent, almost from the inception of the polygraph program, that some means of verifying its effectiveness and of establishing its strengths and weaknesses was essential. Personnel of the Security Division who reviewed the polygraph reports, or who took action based on these reports, were in a position to realize the invaluable service performed by the polygraph interview in the clearance process. The confidential nature of these reports preclude their use, however, in justifying the use of the polygraph to critics of the program. Accordingly, it was decided that the polygraph reports for each calendar year would be correlated with the corresponding background investigation for each individual, to determine the extent to which the two investigative methods corroborated or failed to corroborate each other. Because of the length of time required to complete a background investigation, a delay of nine months was necessary in order to assure that a reasonable number of the background investigations had been received and evaluated. Definitive proof of the importance of a polygraph interview in obtaining security information has been established by these surveys. They establish also that over-enthusiastic proponents of the polygraph are in error when they make claims of perfection for the process. Errors occur in polygraph interviews as in any other process dealing with human beings, but surveys of the operation of the Personnel Interview Branch reveal that major errors affecting the clearance status of the person concerned are very infrequent.

Because of the controversial nature of the polygraph, the Agency has always taken steps to protect itself against charges of coercion in the administration of polygraph tests. Employees were originally required to sign a waiver indicating that they were aware of the voluntary nature of the interview and that they had been fully apprised of their rights under the Fifth Amendment to the Constitution. This form, which also contained a statement by the Agency that information revealed during the interview would be held strictly confidential within the Agency, had been declared adequate by legal counsel within the Department of Defense. When a question arose later as to whether the Agency, by use of this form, was committing itself not to reveal felonious crimes, the waiver was amended to read ".... will not be released by this Agency outside the government, except as required by due process of law." The amended form was adopted 13 February

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1953, and at the same time reference to the word "waiver" was discontinued. Present usage refers to this form as an "agreement".

Present policy requires that a polygraph interview be given to all applicants for civilian employment with NSA, recruited in the Washington area, prior to acceptance, and to all field recruitments immediately after entering on duty. Although the interview is voluntary, the Director has stated that no individual will be considered for employment who does not volunteer for a polygraph interview. He has reserved to himself the right to exempt any applicant or employee. Field recruitments are informed at the time of their application that they will be expected to volunteer for a polygraph interview after entering on duty. The polygraph is occasionally used as an investigative aid when the employee desires to avail himself of a polygraph interview to verify statements made by him under normal interrogation.

As a matter of policy, this Branch has never processed military personnel assigned to the Agency. A few Air Force men assigned to the Agency were interviewed during a pilot project in January 1952. However, military personnel who convert to civilian status are given a polygraph interview at the time of their conversion. The dual policy as regards military and civilian personnel has resulted in some friction and misunderstanding. Background investigations of military personnel are conducted by the parent service, and it has been the feeling that the military authorities have a degree of control for the physical location and activities of the military personnel which the Agency does not possess for civilians. In addition, civilians have considerable freedom of choice concerning where they work and what they do, and a civilian who does not wish to be interviewed by means of the polygraph has only to seek employment elsewhere. This is not strictly true of military personnel, who have little choice as to their assignment.

It has been exceedingly difficult for the Agency to justify the fact that in the cases of some military conversions, it is impossible to grant a clearance to a person to perform the same functions which he had been performing in a military status. The answer is, of course, that in many cases information is developed during the polygraph interview which would have been a bar to clearance had it been previously known.

In addition to military personnel, there are approximately 2400 civilian employees of this Agency who entered on duty prior to May 1951 and who have never had a polygraph interview. The Security Division has also recognized the desirability of reinterviewing employees of the Agency at regular intervals, at the time of re-opening their investigations, to determine if continued clearance is in the best interests of the government. One such project was undertaken on an experimental basis in January and February, 1953, among the employees of NSA-412. Although the experiment was successful, it demonstrated the need for a security education program for employees before an Agency-wide program could be established.

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The program of granting interim clearance on the basis of information from the polygraph test and the National Agency Check has been an unqualified success. Experience has indicated that the calculated risk of such a procedure is at a minimum. The utilization of this program has resulted in a tremendous saving to the government in the salaries and services of persons who are able to enter into a productive status almost immediately instead of remaining in an unproductive status during the period required to initiate and complete a background investigation.

#### Future Plans.

The dual standard of clearance as concerns military personnel and old employees, compared with employees who entered on duty since the inception of the polygraph program, has given rise to paradoxical situations which are extremely difficult to justify. Incidents have occurred concerning military personnel and old employees which might have been discovered in a polygraph interview. Since the trend in the field of security determination is increasingly to utilize all possible sources of information on which an initial or continued clearance might be based, it is difficult to justify not using the polygraph in these cases.

Detailed plans for a modified polygraph interview, covering Communism, subversion, and the unauthorized disclosure of classified information are currently under consideration, and apparently have an excellent chance of receiving approval. Implementation of these plans will require the approval of the parent military services in the case of military personnel. The excellent results achieved from the use of the polygraph and the professional stature which the program has achieved have gone far to remove some of the earlier objections to an Agency-wide program.

People outside the field of security are not too familiar with the fact that a clearance is adequate really only at the close of the investigation or the polygraph interview on which it is based. Thus, it is highly desirable that personnel who require a security clearance be reinvestigated and reinterviewed with the polygraph at regular intervals to determine whether a continued clearance is clearly consistent with the requirements of national security. The proposed modified interview by employees of the Personnel Interview Branch will contribute much to the program of reexamining the clearance status of Agency personnel.

### INVESTIGATION AND CLEARANCE

#### Clearance Branch

#### Mission.

From its inception, the mission of the Personnel Security Branch, which became the Clearance Branch in January 1955, has been to screen Personal History Statements of applicants to determine eligibility for hire,

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to certify the clearances of personnel of the three military services for NSA duties; to review background investigations and effect clearance to the degree required, and to recommend termination action when appropriate. Related functions of equal importance are to verify visitors' clearances and to determine the eligibility of temporary personnel, such as consultants, contractors, and part-time employees, e.g., special instructors and technicians.

#### History.

Initially Agency personnel, both civilian and military, were received from the Army Security Agency and the Naval Security Group. Their clearance status was continued without change. Records were incomplete, and it was not until approximately January 1951 that satisfactory records of clearance on all those individuals were received from the Naval Security Group and Army Security Agency. The functions of the Personnel Security Branch were performed by personnel of the Office of Administration until the Branch was formally organized.

One factor which is of major consideration in personnel security is the necessity of reaching a rapid security determination on the individuals concerned. Therefore, in early 1951, it was decided to grant an interim clearance based on the results of a polygraph interview and a National Agency Check. The person could then be placed in a productive status, involving access to classified data. Final clearance was granted upon the receipt and evaluation of a complete background investigation. In cases where the polygraph interview did not resolve all doubts as to a security risk, the individual was held in an uncleared status, with no access, until the background investigation was completed, at which time a determination as to clearance or termination was made.

With the aid of the polygraph interview the screening of local applicants has become much more conclusive. A hiring recommendation is made on the basis of a report from a polygraph operator and the subject's Personal History Statement. However, personnel recruited in the field are approved or disapproved for hire solely upon the information contained in their Personal History Statements. If the Personal History Statement reveals no disqualifying information, the applicant is approved for hire and given a polygraph interview during his first week at the NSA School. If the interview is satisfactory, the employee is given an interim clearance upon receipt of a favorable National Agency Check. If the interview is unsatisfactory, the employee is held in the Training School until a background investigation is completed, unless the derogatory information is sufficient to terminate. Some unresolved cases are referred to the Special Operations Branch for further development. With their aid, enough information is often obtained to either give the individual a clearance or to terminate before a background investigation is initiated.

Since the organization of the National Security Agency, there has been no basic change in the clearance procedures regarding military personnel. The parent military service certifies the subject's cryptologic clearance

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to the National Security Agency. When the individual reports for duty he submits a Personal History Statement to the Clearance Branch. It is reviewed for information which might make the person ineligible under USCIB selection requirements, such as relatives living behind the "Iron Curtain", citizenship, criminal record, psychiatric treatment, etc. If the statement meets the requirements and his certification has been received, he is indoctrinated. If he is not eligible for indoctrination, he is assigned to the NSA Training School or reassigned out of the National Security Agency.

Clearances of civilian personnel are a different matter. Procedures have changed due to additional screening methods. By August 1953, approximately all of the previous background investigations on civilian transferees or military conversions had been reviewed and additional investigation requested in those cases where the investigation did not meet USCIB requirements or where there were matters requiring solution by further investigation.

By agreements with the Army, Navy and Air Force, each of the investigative branches of the three services provide logistical support to the Agency by conducting the necessary background investigations on civilian personnel hired by the Agency. An effort is made to divide the case load as equally as possible between the three services. However, it must be recognized that the investigative branches of the three services vary both in the scope and in the time required for completion of their respective investigations. When an individual applying for civilian employment with the Agency has had a previous background investigation by one of the three military services, the file is obtained and reviewed. If further investigation is required, the agency which performed the original investigation is requested to do the additional work. On those personnel who have had no previous background investigation, consideration is given to our case load with each agency, the type of investigation we wish conducted, and the urgency for completion.

The promulgation of Executive Order 10450 had little, if any, effect upon clearance criteria or evaluation standards within this Agency since clearance had always been effected under the criteria of USCIB Directive No. 5 which contains standards equal to and in some cases higher than those contained in Executive Order No. 10450.

Prior to 6 December 1953, persons who had been assigned to this Agency in a military capacity and who applied for civilian employment at the expiration of their military service were asked if they wished to volunteer for a polygraph interview. If they refused to volunteer, it did not affect their opportunity for employment. Favorable consideration was given because of a previous clearance granted by their parent military service. Likewise, prior to that time, those civilian applicants who did not wish to volunteer for the polygraph interview and whose services were desired by the Agency were considered for employment and cleared upon the receipt of a favorable background investigation. Effective 6 December 1953, applicants for employment with the Agency were required to volunteer for a polygraph examination whether they were new civilian applicants or military personnel converting

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to civilian status. No exceptions are granted except by the authority of the Director, National Security Agency. This is not the case with consultants and "special" employees.

The Agency's need for employees and consultants in the various professional and technical fields is recognized, but the clearance of these outstanding and nationally known people is a tremendous problem. Generally, this category of personnel is given clearance without a polygraph interview. Because of their academic background they are often members of professional and scientific organizations which may be infiltrated and whose large membership includes some individuals of doubtful loyalties. These individuals also are sometimes associated or acquainted with individuals, both foreign and indigenous, whose political beliefs are inimical to interests of the United States.

The previous policy regarding reemployment followed Army Special Regulation 380-160-10, Section III 12, dated 19 September 1949, which stated that a civilian or military employee could be reemployed and cleared if not absent over 18 months. In March 1952, NSA regulations stipulated that in order to be eligible for reemployment under provisions of the above regulation, a favorable polygraph interview was necessary. In August 1953, this policy was changed, the present rule being that the time away from the Agency has no bearing upon whether the individual is required to take a polygraph examination.

In January 1952, a program of reinvestigation of personnel who had been cleared prior to 1 January 1949 was initiated. Until 1 January 1954, investigations were reopened every three years. Commencing 1 January 1954, investigations were reopened every four years, insuring completion within five years in accordance with USCIB Directive No. 5.

In addition to the basic evaluation function performed by this Branch, there is also the function of verifying clearances of visitors and reviewing files on those persons who are going on TDY and overseas assignments. Within the last year appropriate steps have been taken to insure that personnel scheduled for temporary or permanent assignment overseas are fully cleared and are not the subject of a pending investigation, since it is felt that a person should stay within the continental limits until security questions are resolved. By present procedures, an advance check with the Security Division is required before orders are cut, thus avoiding embarrassment and inconvenience to the Agency and to the individual.

The policy has always been to hold to a minimum the number of persons cleared who do not completely meet the selection standards. However, when there is a compelling operational need for a person with unique qualifications, and the risk involved appears to be negligible, a waiver may be granted. Before the standards are waived, a request must be submitted by the operational division stating the circumstances. Normally the waiver is granted by the Branch Chiefs on minor matters, but when the deviation from standards is extreme, it is forwarded to the Division Chief, the Chief of Staff, or the Director, for final decision. A record of such waiver is a part of the individual's security file. Before January 1954, when the security risk involved was negligible, documentation of the compelling need was not always obtained.

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From the beginning of the personnel security evaluation function until July 1952, all analysts' recommendations as to hire or clearance were referred to the Branch Chief for approval. In July 1952, that authority was delegated to the Chief of the Evaluation Section. Under that procedure, one of the analysts made a recommendation which was approved or disapproved by the Chief Analyst. This action was considered final unless the case was strongly controversial, in which case it was referred to the Branch Chief for determination. Effective May 1954, all disapprovals for hire or clearance were forwarded to the Branch Chief for concurrence or nonconcurrence, and to the Division Chief on matters requiring deviation from established policy.

In arriving at decisions on personnel clearances in the evaluation process, close coordination with other branches of the Division is essential. The Personnel Interview Branch and its operations continue to play an important role in the granting of clearances. The development of information of a derogatory nature during a National Agency Check is comparatively infrequent. For this reason the information resulting from the polygraph interview is often the only information available to the security analysts who must recommend for or against granting interim clearance. Where the information resulting from the polygraph interview is not adequate for the analysts to reach a clear-cut decision, the case is often forwarded to the Special Operations Branch for further investigation to assist the analysts in determining the security qualifications of the personnel involved.

The interview function performed by the Special Operations Branch has resulted in removing from the Clearance Branch the burden of attempting to interview individuals. It has made it possible to bring to a conclusion cases that have been unresolved by polygraph interview or background investigation. Formerly, some cases were delayed several months or a year while additional information was being sought.

Prior to present administration of the Security Division, all cases of questionable loyalty or unsuitability were summarized for review by the Chief of Staff. Loyalty cases were then referred with a recommendation to the Department of the Army Loyalty Security Screening Board for review and final decision. In cases of unsuitability, with unfavorable decisions by the Chief of Staff, the employee was terminated. If the Chief of Staff rendered a favorable decision, the employee was retained and cleared.

Shortly after the present Chief was appointed to the Security Division in November 1953, authority was delegated to him to process cases for termination without referral to the Chief of Staff. By regulation, now being implemented, a Security Review Board has been established within the Agency to advise on cases falling within the provisions of Sec. 8, paragraphs a(2) through (8), of Executive Order 10450.

During the period September 1953 through March 1954, a study of Branch operations was conducted by personnel within the Branch, with the assistance of a representative of the Office of the Comptroller. During this

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period all forms used by the Branch were reviewed and a file prepared showing the function of each form. Standing Operating Procedures were written for each desk operation, each section operation, and for the Branch as a whole. The results of this study included, among other things, improved efficiency reducing personnel spaces and the consolidation of ten separate card files into one control file. This file system in the Operations Section is a multiple purpose file and is used for control of investigative requests, clearance and status records, and preparation of regular and special statistical reports and studies.

Personnel security files were transferred to the Office of the Chief Clerk, when that office was established on 16 November 1953. The function of screening Personal History Statements and of logging and controlling cases referred for polygraph interview was also transferred to the Office of the Chief Clerk on 4 October 1954. It is contemplated that within the immediate future indoctrinations will be accomplished by the Security Education Group rather than the Clearance Branch.

Delegation of authority was given to the Director, National Security Agency, on 19 May 1954, for the administration of NSA civilian employees, resulting in certain procedural advantages to the Branch. Under the new procedures, loyalty investigations conducted by the FBI, which are obtained by the Civil Service Commission during the course of a National Agency Check, are forwarded directly to the Clearance Branch rather than through the Assistant Chief of Staff, G-2, Military District of Washington, and the Assistant Chief of Staff, G-2, Department of the Army channels. Formerly, there was a delay of from 30 to 60 days, whereas now the cases are delivered directly to the Security Division by special messenger from the Civil Service Commission. Under the new delegation of authority, cases to be considered by a Security Screening Board will be sent to the Office of the Secretary of Defense rather than through G-2, Military District of Washington, and G-2, Department of the Army, to the Office of the Secretary of the Army. Evaluations are now based upon USCIB Directive No. 5 and Executive Order 10450 without consideration of Army Regulations SR 380-60-10 and SR 620-220-1, as formerly required.

During the months of August and September 1954 the Branch reviewed approximately 16,000 personnel security files and prepared 3 x 5 cards on all loyalty cases which had been referred to the Department of the Army Loyalty Security Screening Board. Cards were also prepared on employees, or former employees, who were the subject of FBI investigations. In addition, while this review was being made, cases in which there appeared to be derogatory information were referred to the Special Research Unit for further investigation and research. With regard to the loyalty cases, the review disclosed the following.

1. A total of 26 cases were referred to the Department of the Army Loyalty Security Screening Board with favorable recommendations by NSA and favorable findings by the Department of the Army.

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2. One case was referred to the Department of the Army with a recommendation for termination by this Agency as a loyalty risk. However, after a hearing the Department of Army Loyalty Screening Board resolved the case in favor of the employee.
3. One case was returned for additional information.
4. There are now five loyalty cases under investigation by the FBI.

Future Plans.

As reflected above, civilian employees of this Agency are the subject of polygraph interview screening, as well as interview by the Special Operations Branch where required, in addition to the usual National Agency Check and background investigation. However, military personnel are granted interim cryptographic clearances by the parent military service solely on the basis of a National Agency Check, and final cryptographic clearance on the basis of a background investigation, either of which normally establishes eligibility for indoctrination by this Agency under present procedures.

It is planned that every effort will be made to: (1) have all military personnel assigned to this Agency for duty interviewed with the aid of the polygraph; and (2) have the report of any existing background investigations reviewed by the Clearance Branch, prior to indoctrination and certification for clearance to NSA material and information.

Under present procedures the clearance of consumer personnel having access to NSA material and information is merely verified with the Security Office of the parent organization. However, the matter of how NSA may be enabled to evaluate the security reliability of such individuals is presently under consideration.

## SECURITY SUPERVISION

Security Education GroupMission.

The mission of the Security Education Group (formerly called the Programs Section of the Plans and Programs Group) includes:

1. The NSA Security Education Program -- development and preparation of all pertinent information on security for:
  - a. NSA Training School
  - b. Agency employees
  - c. Supervisors
  - d. Executive and Supervisory Development Program
  - f. NSA field activities

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2. Revision and continuing implementation of indoctrination procedures.
3. Review and audit of all security training instituted by the Security Division.
4. Preparation of security posters, pamphlets and security kits, containing timely material.
5. Cross-training programs within the Security Division.

#### History.

During the early part of 1953, it was finally recognized that an effective security program depended upon the understanding and cooperation of every employee. In order to accomplish its mission, the Security Division could not rely upon arbitrary and unilateral action, even though backed up by regulations for which the average employee could see no reason. It was determined, therefore, that importance of security in NSA, and the reasons for measures adopted, must be explained to all supervisors and employees; that they must be approached and treated in such a way that confidence in the judgment and ability of the people administering security would be firmly established, and that all employees would be thoroughly aware of their individual security responsibilities. If such confidence and understanding could be established, employees could be expected to be constantly alert to foreign interest and possible penetration, and to be aware of their individual responsibility to bring to the attention of the Security Division possible security violations and instances of personnel conducting themselves in a manner indicating that they fail to continue to meet the high security requirements of USCIB Directive No. 5. The function of security education was assigned to the Programs Section of the Plans and Programs Group when it was established in July 1953.

It was decided that the program would be planned to incorporate three phases. The first phase involves thorough security education of new employees from the time of their entrance on duty until they leave the NSA Training School for their job assignment. The second phase involves a continuing security education program for NSA employees working within the Washington area installations. The third phase involves assistance to the NSA field activities and service cryptologic agencies in setting up and administering their own security education programs.

As a part of the initial planning, personnel from the Security Division visited Brooks Air Force Base (Headquarters, Air Force Security Service) for the purpose of studying a security education program already in progress.

In planning Phase I, a schedule was set up for a week of indoctrination at the NSA Training School. This was coordinated with the Training Division with the decision that the Training Division would implement the

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program and the Programs Section, Security Division, would prepare the security material and periodically monitor the classes. The program was designed to acquaint the new employees with general security practices throughout the Agency and to give some insight into security rules and regulations.

Phase II of the Security Education Program was designed to maintain a high degree of security-consciousness of all NSA personnel assigned to installations within the Washington area and, through thorough explanation and expert example, to instill confidence in the personnel and activities of the Security Division and insure employee cooperation. This program involves the use of such media as security lectures for the Management Development groups, posters, hand-out sheets, signs, films, recordings, and security Check Lists, as well as the use of a security education questionnaire to determine how much the average employee is aware of his security responsibilities and to enable the Security Division to further assist him.

At present, Phase II is being implemented. An effective technique in the implementation of this phase has been a type of panel forum presentation on security in NSA. These presentations have been made usually by the Chief and a few of the key employees of the Security Division. Requests to make these presentations have come from various groups of supervisors and other personnel of the Agency who are anxious to learn of the operations of the Security Division. An outline is presented of the organization of the Division and the Security Division's theses of a sound personnel security program. An effort is made to explain what actions are considered sufficient to constitute a security risk under Executive Order 10450. Time is allotted to permit an extensive question and answer period wherein an effort is made to dispel any fears that any actions of the Security Division impair the civil rights of the employees and explain, insofar as is possible, the reasons why Security takes certain action.

In planning Phase III, it was deemed necessary that the NSA field activities should be included in the Security Education Program and that assistance should be given to the service cryptologic agencies in setting up security education programs, partially fulfilling the Director's responsibilities in those COMINT elements under his operational and technical control.

One of the first accomplishments of the Security Education Group (then known as the Programs Section) was the preparation of the Guide to Individual Conduct. This booklet was designed to aid the employee in answering questions regarding his work, his place of employment, and other questions concerning the Agency. The purpose of the booklet was also to impress upon the employee the importance of assuming responsibility for being security-conscious and for safeguarding classified information.

In August 1953, the Programs Section assumed the responsibility for presenting a security indoctrination to persons who received clearance which enabled them to begin working at their regular duty station. This

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indoctrination included the reading of pertinent laws and regulations affecting persons working within the Agency, explanation of the badge identification system, signing of the indoctrination oath and an indoctrination lecture.

After coordination with the Training Division and approval by the Security Division, an indoctrination program for use at the NSA Training School began in September 1953. This program consisted of lectures on such matters as individual conduct, security classifications, use of safes, locks, and burn bags, visitor control procedures, property control, the badge system; and loose talk. The lectures were supported by films and booklets, as well as illustrations and quotations pertinent to each lecture. The program was conducted by the NSA Training School and monitored by the Security Division.

As the Security Education Program progressed, a surprising development was noted. Heretofore, the Security Division and its personnel had been looked upon as a thing apart, something for the average employee to stay as far away from and to have as little to do with as possible. Now, as employees began to understand the security program and to have confidence in its administrators, more and more requests for security lectures were received from all organizational segments. In devising the program specifically for the individual organizations, a security questionnaire was developed to be completed by each employee in the organization. The questionnaire was designed to determine how much, generally, was known by the individual about security regulations and his responsibilities, thus giving the Security Division an opportunity to educate him in those items with which he was not familiar, or to change security practices in some instances where indicated.

A security Check List was designed and prepared and is given to each new employee to take to his duty station. The Check List is initialed by the employee and his supervisor, who gives further detailed explanation of security practices in the specific office where the employee is assigned.

The Security Education Group organizes and implements the Agency-wide security poster contests. The response to these contests has been gratifying, demonstrating the desire and willingness of employees to participate and support a security program in which they feel they have a part. Cash prizes are awarded to persons submitting the winning entries, and all contestants receive letters acknowledging their participation in the contest.

By March 1954, the cross-training program for investigators was completed. About twenty persons received certificates for completion of the course. A cross-training program began within the Operations Section of the Clearance Branch in May 1954 and, by September 1954, all personnel had become familiar with the operations conducted at each desk in the section.

In November 1954, the Security Division adopted the practice of thoroughly briefing all personnel taking temporary duty trips overseas to advise them of the potential security problems they might encounter and the

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security safeguards to be taken. Conferences are also held with these persons upon their return from overseas, in order to compile facts on security conditions in field activities and to assist in guidance of persons taking trips in the future.

#### Future Plans.

Plans are being developed to place an expanded security education program into operation at the beginning of the Fiscal Year 1956. This program will be designed so that all segments of the Agency will receive a security lecture quarterly, presented by a representative of the Security Division, usually a Branch Chief. The lectures will include a discussion of the problems of physical security, personnel security, polygraph screening, and security risks. During the intervening months, when lectures are not presented, informational material in the form of handout sheets will be distributed to NSA personnel.

Visual aid material pertaining to security education is being planned so that once each month a different type of visual aid material will be presented to all NSA employees. In conjunction with the visual aid program, a poster program will also be used. This shall consist of a monthly distribution of security posters placed strategically throughout the Agency.

The Security Education Group will offer support to the COMINT elements in the field for a security education program. It is planned that this support consist of informational bulletins to security officers in the field to guide them in their programs, printed and illustrative material on request, and security posters.

It is planned that after coordination has been effected with both the Civilian Personnel Branch and the Military Personnel Branch of the Personnel Division, the Security Education Group will be responsible for conducting all indoctrinations and the Personnel Division all debriefings unless there is sound reason for Security to conduct them.

Upon clarification of the extent of the responsibility of the Director, NSA, in industrial security, it is planned that the Security Education Group will furnish support, consisting of advice and material, to those industrial organizations working on classified contracts for the National Security Agency.

#### Special Operations Branch

##### Mission.

The primary mission of the Special Research Unit, as originally established, was to implement and expand a program of continuing security supervision of all personnel assigned to or employed by NSA. In the accomplishment of this mission, the Unit was to (1) maintain liaison with appropriate

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security and investigative organizations, (2) conduct limited investigations within the confines of NSA, and (3) engage in a program of research and analysis concerning personnel background data with respect to cleared employees of the Agency. Each of these functions is discussed in succeeding portions of this study.

#### History.

In January 1953, the Chief, Security Division, advised the Chief of Staff of certain deficiencies in the personnel security program of NSA. It had been determined that no effective means existed to ferret out those individuals who, having passed the tests of pre-access screening, and background investigation, were, as a result of successful subversive penetration or defection, undetected security risks having authorized access to classified information. It would have been difficult to estimate the danger of such a situation to an organization of such critical importance to the national defense as NSA. The Chief, Security Division, proposed that a research activity be established as a means of attacking this problem, and on 9 February 1953 the Chief of Staff approved this recommendation.

When initially organized, the activity was designated the Special Research Unit, Personnel Security Branch, Security Division, and, while under the administrative control of the Chief, Personnel Security Branch, it was placed under the operational supervision of the Chief, Security Division.

Prior to 1 September 1953, the Special Research Unit was primarily occupied in orientation and familiarization with NSA activities. In this connection, investigators assigned to the Unit were afforded an Agency-wide tour covering a period of several weeks.

#### Liaison.

The Special Research Unit, through its liaison activity, was to insure that items of a counterintelligence or criminal nature which might affect the security interests of NSA or involve personnel of the Agency were brought to the attention of the Security Division as promptly as possible. In addition, liaison contact was designed to insure prompt initiation of investigations of complaint type cases to the proper investigating agency and the thorough coordination and expeditious handling of these cases as well as routine background investigations.

Due to personnel limitations, it was not possible to establish and maintain liaison contact with as many organizations, nor with as much frequency, as was originally proposed. However, during the early months of the Unit's operation, liaison was established with:

The Central Intelligence Agency  
Federal Bureau of Investigation  
Office of Special Investigations, USAF  
Counter Intelligence Corps

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G-2, Department of the Army  
Military District of Washington  
Intelligence Officer, Potomac River Naval Command  
U S. Civil Service Commission  
Metropolitan Police Department, Washington, D. C.  
Arlington County Police Department, Arlington, Virginia  
Assistant Chief of Staff, G-2, Army Security Agency,  
Arlington Hall Station, Arlington, Virginia

Originally, contacts were made on a weekly basis. An understanding providing for the exchange of pertinent information was reached with each of the above agencies and in every case has proven to be of mutual advantage. A case in point involves the Morals Division, Metropolitan Police Department, Washington, D. C., which in several instances has cooperated with NSA by permitting the Agency to make disposition in routine arrests of NSA personnel on charges of immoral conduct when trials and resultant publicity might mark the employee for exploitation by subversive factions.

The task of reviewing pertinent files maintained by other governmental agencies within the Metropolitan area has become an added responsibility of the liaison operation. In view of the unusual value which it represents to personnel security case evaluators, a major portion of the liaison function is now devoted to the review of personnel or security files pertaining to current Agency employees or applicants which are maintained by other governmental agencies. The liaison activities of the Unit have necessarily been restricted due to personnel limitations and, as of this writing, the Agency is realizing only a fraction of its full value.

As a means of further contributing to the Unit's liaison program, the Security Division, NSA, was accepted in 1953 as a member of the Federal Law Enforcement Agencies, a local organization devoted to bringing together security and law enforcement officers on a fraternal and social basis.

#### Investigations.

The Unit was also to be responsible for conducting overt investigations of personnel security violations and reports of possible espionage, subversion and such deficiencies of character and discretion. These investigations were, of course, to be limited to the confines and personnel of NSA. With the beginning of actual operations in July 1953, the Unit launched a number of rather basic inquiries into reports of subversion, disloyalty, loose talk and miscellaneous security violations. A chain reaction seemed to develop from these first inquiries and as a result the Unit was completely deluged with investigative cases, most of which should have had prompt attention. In addition, the full effects of Executive Order 10450 of 27 April 1953, titled "Security Requirements for Government Employment," were just beginning to be felt by the operating security agencies and this factor added immeasurably to the investigative responsibilities of the Unit. Matters of personal misconduct and character deficiencies such as sexual perversion, alcoholism, mental or nervous

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disorders, narcotic addiction, etc., now were included in the revamped personnel security clearance standards.

During late 1953, the investigative burden of the Unit was further increased by two decisions. (1) it was determined that former military assignees desiring to convert to civilian positions in NSA, who showed specific reaction upon polygraph examination, without satisfactory resolution, should be referred to the Special Research Unit for further interview rather than being denied clearance solely on the basis of that examination, and (2) it was determined that the Unit would conduct preliminary inquiry into allegations of falsification of questionnaires, particularly applications for government employment and Statements of Personal History. These decisions added considerably to an already heavily backlogged investigative activity. Translated into figures, the Unit's receipt of requests for investigations has averaged approximately 50 per month while somewhat less than half that figure constitutes the monthly average production of closed cases. This figure is one which takes into account at least two extended periods during which the investigative capacity of the Unit was almost exclusively devoted to two major cases.

The Special Research Unit was assigned the responsibility for all types of investigations conducted by the Security Division in October 1954, including investigations of security violations, lost or misplaced documents, and COMINT compromises.

A cursory analysis of the investigative activity of the Unit discloses that to date it has proven to be without a doubt the most productive of the Unit's three functions insofar as the security supervision program is concerned. Requests for investigation will increase considerably at such time as the research function of the Unit becomes more active and begins to supply investigative leads. Results attained by this activity would certainly seem to justify its expansion as well as considerable broadening of the geographical scope of its activities to points possibly extending outside of the Agency proper.

In discussion of the investigative activity of the Special Research Unit, it should be noted that it is currently the policy of the Security Division that unresolved derogatory information concerning Agency employees or military assignees will not be simply filed away and forgotten but in each case any area of doubt will be resolved either in favor of the Agency or the employee. In pursuance of this policy, a program was conducted in early 1954 during which all personnel security files were screened for such unresolved data and action taken to insure that it would receive investigative attention as soon as possible. To further aid in elimination of such information from security files, a master cross-referenced index has been established and serves to bring to the investigator's attention security information heretofore undiscernible. The military service investigative agencies which provide NSA with background investigations are now supplying reports of their investigations on a retention basis rather than in abstract form or on temporary loan, the advantage of this arrangement to the internal investigative activity, over that which previously existed, is obvious.

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~~CONFIDENTIAL~~Research.

Another responsibility of the Special Research Unit is the function of research and analysis which was to be designed to provide counter-intelligence information as a result of the systematic review of existing personnel data, as well as information specifically secured through investigation by either the Unit's own investigators or those of other government agencies. The research and analysis were expected to bring to light possible patterns of infiltration of the Agency by subversive individuals or the detection of those individuals who may have experienced a change of loyalty since their initial clearance. This particular activity was, in fact, the primary reason for the creation of the Special Research Unit and is believed to represent a unique means of exploiting information, much of which is already in our files, to the benefit of our personnel security program. However, again due to personnel limitations and in view of the pressure of the backlog of investigations, it has been impossible to place the research program into full operation.

Accomplishments.

As of 31 January 1955, nine hundred and thirty-one (931) cases had been referred to the Unit. More than 125 individuals have been either separated from Agency employment or denied such employment as the direct or indirect result of the Unit's activities. The great majority of the cases actually closed, in which dispositions were made, consisted of sexual perversion matters. A survey as of June 1954 disclosed that the Unit's investigations had resulted in the separation of 91 individuals from NSA. Of this number, more than 70 could be categorized in the sexual perversion classification.

In October 1954 the persistent efforts of investigators of this Unit resulted in the arrest of Dr. Joseph Sidney Petersen, Jr., who at that time was an NSA employee and who was indicted on charges of espionage. This particular case came about only as a result of the aggressive exploitation of an otherwise routine case of sexual perversion involving a former military assignee. Again, due to personnel limitations and the heavy backlog of more pressing investigations, it was not possible to pursue this case as fully as it was desired. The damage sustained by NSA as a result of the activities of Dr. Petersen during his twelve years with the Agency is difficult to estimate. Certainly the cost is in millions and the time loss in years. As of this writing, the Petersen case is being thoroughly investigated by the FBI and further exploited within NSA. As a matter for future research, many months of analysis will be spent in making certain that no aspects are not thoroughly exploited and investigated. Dr. Petersen pleaded guilty to one count of a three-count indictment and was sentenced to seven years imprisonment. For their outstanding performance in conduct of the preliminary investigation of this case, two investigators of the Unit have received meritorious awards.

In retrospect, the question arises as to why Dr. Petersen's covert activities were not brought to light before a lapse of some ten years since he initially made his decision to betray his country and serve as the leech of a foreign government on a vital organ of the United

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States. Pre-access screening and pre-employment background investigation would have little hope of pre-disclosing his character as that of a future defector. However, there is absolutely no doubt that the many keys and "tip-offs" to the true nature of his subsequent activity would have brought him into the sights of an operation such as the Special Research Unit at an early date. For example, through investigation of any one of the then current suspicions of Petersen's moral conduct, unexplained absences, alcoholism, mental depression and marked changes in personality evidenced by his increasingly unpredictable conduct in the office, his declining adherence to religious principles, and his growing tendency to distort situations to fantastic proportions, a complete picture should have resulted. On the other hand, special research would have certainly been alerted by his unconcealed friendship with a foreign intelligence representative or his relationship to known homosexual cliques. Investigation of loss of COMINT successes through system changes, if reported to the Security Division, might have resulted in Petersen's apprehension much earlier. Through liaison with outside investigative agencies responsible for a comparatively recent routine background re-investigation of Petersen, their efforts could have been directed along lines to cover undeveloped leads requiring neighborhood inquiries. It is known that such inquiry alone would have marked Petersen for more serious scrutiny ultimately resulting in his exposure.

The Special Research Unit has been instrumental in the preparation and coordination of NSA circulars designed to provide COMINT elements under the operational and technical control of the Director, NSA, with a guide for implementation of a security supervision program within the respective cryptologic services. It is anticipated that such a program will result in a uniform improvement in the security of the U. S. communications intelligence activities throughout the world. The circular referred to is looked upon as a pilot model and, as improved techniques and procedures are developed in the security supervision program by NSA, further guidance in this field will be extended to the cryptologic services.

As evidence of the response by the cryptologic services it is noted that G-2, ASA, has already undertaken a security supervision program patterned primarily after the Special Research Unit. This action is believed to be the first forward step in the creating of a far-reaching, closely coordinated network which will eventually encompass the entire COMINT family and provide an outstanding means of discharging NSA's security responsibilities to the cryptologic services.

The considerable contribution of the Special Research Unit to the security of NSA was recognized, and the Unit was elevated to Branch status in January 1955, becoming the Special Operations Branch, Security Division.

#### Future Plans

There are immediate plans for the expansion of the Investigative Unit of the Special Operations Branch, both in manpower and in scope of

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operation. Serious consideration is being given to the possibility of NSA special investigators conducting certain types of inquiry outside the previous limitations of NSA proper. The procurement and utilization of necessary technical investigative equipment, i.e., sound recorders, photographic equipment, etc., has been under consideration for some time and various commercial models of such equipment have been tested.

Present plans envision considerable increase in the scope of the liaison activity of the Special Operations Branch. Due to personnel limitations, this valuable means of interchange of security information has not been fully exploited. It is anticipated that liaison activities will be placed on a routine basis whereby periodic visits will be possible. In the near future, an effort will be made to establish liaison with federal and local security and law enforcement agencies in the area of Ft. Meade, Maryland, including the city of Baltimore.

In the field of special research, it is expected that increased attention will be given to the analysis of cryptanalytic problems, solutions to which have been lost through change of systems for what have been previously described as normal reasons. In fact, it is expected that the original concept of special research, whereby analysis of personnel data is conducted to establish patterns of infiltration, defection, etc., will be broadened to the extent that analysis of all reports of physical security violations, COMINT compromises, equipment failures, loss of classified material, destruction of critical equipment and such other information not directly involving known personalities will be made with a view to revealing possible subversive motivation.

The Special Research Unit was initially assigned a complement of three investigators and one stenographer. During the period covered by this report, this force has been temporarily augmented from time to time by borrowing personnel, not more than one or two, from other activities. Selection of personnel for assignment to the Unit has been closely limited to those with counterintelligence experience (CIC, OSI, ONI, FBI, etc.). Further, consideration is necessarily given to the fact that members of the Unit by reason of their continual association with NSA personnel, many in the top echelon, should be of such character that they will reflect credit upon the Security Division even in handling of the most embarrassing or delicate situations. The Comptroller at the direction of the Director, NSA, has recently approved a significant increase of personnel spaces for investigators in the Special Operations Branch, with additional augmentation promised for the future as the Branch expands its activities and is able to train and absorb additional personnel.

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## PART III

SECURITY IN COMINT ELEMENTS UNDER THE OPERATIONAL AND  
TECHNICAL CONTROL OF THE DIRECTOR, NSAMission.

NSCID No. 9 charged the Director, NSA, with certain responsibilities for the security of COMINT activities under his operational and technical control. It has been the feeling of the Security Division that the Director can best discharge these responsibilities in the field of physical security by issuing regulations setting minimum standards for the physical security of field installations, requiring the military services to implement such regulations by regulations of their own, and by inspections and reports to insure that service regulations are being complied with. In the field of personnel security, the Security Division feels that each military service should uniformly interpret and implement the provisions of USCIB Directive No. 5 and develop effective methods of pre-access screening and security supervision for those individuals utilized in the production and processing of COMINT.

History.

In the spring and summer of 1953, the Assistant Chief and another representative of the Security Division traveled extensively in Europe and the Far East, visiting many field installations of the cryptologic services, in order to get some idea of the security practices in representative activities. They found that there was a wide range in security directives as well as in the manner of compliance with those directives, and determined that certainly guidance and direction to the COMINT elements was desirable.

Since these trips, the Security Division has drafted numerous circulars in the fields of physical security, personnel security, and security supervision, in an attempt to exercise the Director's responsibility but has been unable to reach agreement at the policy level on the form, content, and force of these directives.

On 20 March 1953, by a D/F signed by the Chief of Staff implementing USCIB 13/309, the Security Division was assigned the responsibility of evaluating reports of possible COMINT compromises, and compromises resulting from other than communications insecurities, which occurred in the elements under the operational and technical control of the Director, NSA. This directive required that the Security Division evaluate all incidents of physical security violations which occurred in the elements under the operational and technical control of the Director to make a determination as to whether or not the material in question was subject to compromise.

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The Security Division's evaluations were forwarded to the Office of Production for its action, as established within the provisions of the D/F from the Chief of Staff, cited above.

The Security Division operated in accordance with the above-mentioned D/F from the Chief of Staff, insofar as the evaluation of COMINT compromises are concerned, until 12 April 1954. At this time the D/F was revised implementing USCIB Directive No. 9, "Instructions for Reporting Compromises and Possible Compromises of COMINT Information of All COMINT Codewords," dated 4 February 1954.

Prior to 23 July 1954 the evaluation of COMINT compromises as a function was assigned to the Physical Security Branch. Due to the increase in activities in this field, and as a result of the publication of NSA Circular 120-2, this function was assigned to the Technical Assistant on Industrial Security Matters to the Chief, Security Division, and the Physical Security Branch was relieved of the responsibility. Presently, it is the responsibility of the Industrial Security Branch to evaluate all reports of compromises and possible compromises submitted in accordance with NSA Circular 120-2 and to forward the final evaluation to the Office of Production which, in turn, after COMINT evaluation, forwards a complete report to the Executive Secretary of USCIB.

This involves a tremendous responsibility in that the Director is responsible for insuring that adequate investigations of all instances of possible COMINT compromises in any element of the United States Government are conducted and for determining whether or not a compromise of a codeword has occurred. Responsibility for investigations of COMINT compromises has been delegated to the Special Operations Branch, while evaluation remains with the Industrial Security Branch.

#### Future Plans.

Possible compromises, whether COMINT or COMSEC, should be carefully considered in order that a determination can be made as to whether the possible compromise resulted because of a personnel or a physical security violation. It is planned that all reports of possible compromises will be reviewed by the Security Division and, if there is any indication of personnel or physical security violations, an investigation will be instituted and necessary action taken.

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## PART IV

## INDUSTRIAL SECURITY

Mission.

The mission of industrial security is to ensure that classified material and information transmitted to other activities, but for which NSA retains responsibility, is properly safeguarded.

History.

Prior to 5 May 1954 the Security Division had, on many occasions, been called upon for guidance and advice on security matters which were directly or indirectly related to NSA classified material in the hands of contractors or on NSA classified contracts themselves which were awarded through the military procurement activities. Due to the nature of some of these problems, the Director deemed it advisable to have the Chief, Security Division, and his representatives visit some of the facilities engaged in work on NSA contracts to observe their methods of handling and protecting classified information. Serious security discrepancies and conditions were noted and reported to the Director.

As a result of the discrepancies noted in the process of collecting information on industrial security, it was deemed advisable to establish the problem as a special function, operating directly under the supervision of the Chief, Security Division. On 23 July 1954 Administrative Memorandum No. 22 established the position of the Technical Assistant on Industrial Security to the Chief, Security Division. The Physical Security Branch was relieved of participation in industrial security matters.

The Chief of Staff directed the Security Division to conduct a study of the industrial security problem and make recommendations which would insure that NSA's classified material would be adequately safeguarded. On 24 September 1954, the Security Division reported to the Chief of Staff its evaluation of the security weaknesses existing in NSA's relations with contractors and procurement agencies, and the factors contributing to those weaknesses. These factors were determined from observation during the field trips, past experiences with the difficulties of contract negotiation and clearances of personnel and facilities, and research within NSA.

The Department of Defense Industrial Security Regulations were not realistic in their requirements for the clearance of facilities. No regulations existed which governed the safeguarding of cryptologic information and material in the hands of contractors. Due to personnel shortages and lack of guidance from NSA and the procurement agencies, the military

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services were not adequately fulfilling their security responsibilities. Security inspectors representing the military services were not cleared for access to cryptologic material. Contracts and projects were not properly classified. In many cases there was no effective liaison between the procurement activities and the contract management branches of NSA. NSA personnel engaged in contract negotiations failed in many instances to comply with the provisions of Industrial Security Regulations. Classified contracts had been awarded to firms which did not have the proper facility clearance.

The Chief of Staff was informed of preliminary measures which the Security Division had taken prior to submission of this study. These measures included the following affirmative action.

Liaison was established with the Industrial Security Branch of the Department of Defense and with the military procurement agencies. Recommendation was made to them regarding revisions of the Industrial Security Regulations. A meeting was arranged between representatives of the Office of Communications Security, the Logistics Division, the Office of Research and Development, and the Security Division to formulate requirements for the safeguarding of cryptologic material in the possession of contractors. Several facilities working on NSA cryptographic contracts were surveyed and the Security Division made recommendations to enable them to qualify for facility clearances, and assisted and guided the NSA Contract Management Branches on industrial security matters, when requested. Security standards were established for crash projects involving SCAMP, Anderson Nichols and the Friden Calculating Company. Changes were recommended in the procedures for shipping cryptographic equipment to industrial concerns. The procurement activities were advised to contact the Security Division on matters pertaining to the security of NSA classified material.

Recommendations for the improvement of industrial security were made to the Chief of Staff and approved by the Director and the Chief of Staff on 1 October 1954. It was recommended that an Industrial Security Branch be established within the Security Division to handle all matters pertaining to industrial security. The Security Division was to arrange with the procurement activity to include a security supervision clause in all NSA contracts, permitting NSA representatives to visit any facility working on NSA classified contracts to observe its security practices and to advise the procurement agencies of discrepancies noted and corrective action required. The Security Division representatives would visit facilities presently working on NSA contracts. The Security Division would continue liaison with the Industrial Security Branches of the military departments to advise and assist them with the security requirements of NSA contracts. A Classification Advisory Sub-Panel was to be established to evaluate and properly classify contracts. An NSA industrial security regulation was to be prepared and published by a committee representing the Office of Research and Development, the Logistics Division, the Office of Communications Security, NSA Procurement Activity, and the Security Division. The Industrial Security Branch was established in January 1955 and

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is beginning to function. It was agreed that initially this Branch would be staffed by the Technical Assistant and two additional civilians qualified in the field of industrial security.

#### Future Plans.

A Security Panel has been established with representation from the Logistics Division, the Office of Communications Security, the Signal Corps Procurement Office, and the Security Division for the purpose of reviewing NSA contractual procedures and publishing regulations to guide NSA Contract Management Branches on industrial security matters and to establish a control point between NSA and the procurement activities on contractual matters.

Contract files are being established within the Chief Clerk's Office by the Industrial Security Branch.

Arrangements are presently being made to include a security supervision clause in all NSA classified contracts, enabling the security specialists of the Industrial Security Branch to conduct inspection visits to facilities engaged in work on NSA contracts. When this has been accomplished, an itinerary will be prepared and all plants visited. An effort will be made to revisit each plant at periodic intervals.

Liaison has already been established with the officers of the military departments assigned security cognizance for the facilities engaged in work on NSA classified contracts, and it is intended that a representative of these offices accompany representatives of NSA on all inspection tours.

The present planning in the Industrial Security Branch is based on the inadequacy and restrictive nature of the existing Department of Defense Industrial Security Regulations. Future planning envisions some modifications of these regulations after the revised regulations, presently in preparation, have been revised by NSA. Some consideration is being given to the establishment of cryptographic facility clearance criteria for facilities working on classified cryptographic contracts. The program of the Industrial Security Branch was designed with sufficient flexibility if modification to the plan is required.

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## PART V

## ADMINISTRATION AND FILES

Mission.

The Administrative Group was assigned the function of general administration; personnel matters; Top Secret Control; property and space control and assignment; review and control of all correspondence and preparation of reports, Administrative Control Point; and organization and supervision of the Chief Clerk's Office, which was established to provide the Chief, Security Division, with a Master Index of all available intelligence data in a Central File.

History.

Administrative activities and files pertaining solely to one branch of the Security Division were generally handled by each Branch, independently of each other. The establishment of an Administrative Group and a Central File System was deemed essential. An adequate file and reference system, which is all inclusive, is the backbone of any counterintelligence organization. Therefore, it was immediately necessary to revise the file system so that all information and reference material held by the Security Division was readily available in usable form.

Files.

Prior to January 1953, the files of the Security Division were maintained by the interested Branch or Group. The major group were the personnel security files, and these were used only to indicate whether or not a person was employed by NSA. These files were of no use for counterintelligence purposes. The aforementioned files were controlled by the Operations Section, Personnel Security Branch, and there were two people from this Section whose sole responsibility was pulling files and filing mail. At this time the personnel files were arranged in alphabetical order rather than numerically and were broken down into eight categories: (1) Prospective employees -- people who were eligible for hire but not immediately available; (2) Prospective, hold for CBI -- people who had to have a background investigation completed prior to availability for hire; (3) Special employees, (4) Contract employees; (5) "Live" civilian and (6) "Live" military -- which referred to employees currently employed by NSA; (7) "Dead" civilian and (8) "Dead" military -- which referred to employees no longer employed by NSA. As a secondary means of ascertaining whether a person works, or did work, for NSA, there were maintained two strip files -- one for military and one for all other categories.

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The filing system was modified in January 1953. The original eight categories were reduced to three -- "Live" files, "Dead" civilian files, and "Dead" military files. The strip file was also modified. The two strip files were consolidated, and the clearance status of all individuals was noted on this strip file.

The personnel security files of all individuals who have been separated from the Agency have been microfilmed and prepared for transmittal to the storage facility at Crane, Indiana. In the case of individuals who have been cleared subsequent to 31 May 1953, a duplicate copy of the clearance certificate was prepared for transmittal to the storage facility at Crane, Indiana. As of 15 November 1954, this practice has been discontinued. It was felt that unless subsequent actions affecting clearances were also forwarded, the clearance certificate would be of little value.

In August of 1953 an audit of the Security Division was made by the Office of the Comptroller to examine the need for a complete reorganization of the filing system. Also, at this time, the first Division meeting was held to plan the establishment of the Central File and Master Index. As a result of the audit and subsequent Division meetings, the Central File and Master Index system was inaugurated and became a function of the Chief Clerk's Office.

The Chief Clerk's Office began operation on 16 November 1953 and, as a first step, a Standing Operating Procedure was placed into effect to establish a Central Files and Master Index Section. To centralize the files, it was necessary to phase the task. Phase I, convert the jackets of the security files; Phase II, cross-index all references; and Phase III, consolidate all Branch files and correspondence.

Phase I has been completed. Since 16 November 1953 all of the personnel security files formerly located in the Operations Section, Personnel Security Branch, have been transferred to the Chief Clerk's Office and have been converted to a numerical filing system, which is capable of handling all types of material. At present there are 13 categories ranging from Category I, Personnel, through Category XIII, Industrial Security.

The Master Index of the Chief Clerk's Office also started on 16 November 1953, when the 12,000 alphabetical files were converted to numerical files. Phase II, the task of cross-indexing all references, was begun as an emergency project on 22 November 1954. Typists and file clerks, less in number than considered necessary, were loaned to the Security Division from other organizations in the Agency to complete the cross-indexing in approximately 60 work days. The Master Index has continued to enlarge as each file has been cross-indexed so that today it contains approximately 80,000 cards. When total cross-indexing has been completed, the Indices will be enlarged to approximately 200,000 cards.

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The files of the various other Branches have not to date been completely integrated into the numerical filing system but those that have been are cross-indexed.

The Chief Clerk's Office not only assumed the duties of a file room, but also those of the mail room. Formerly the mail room consisted of one person physically located in the Office of the Division Chief. He was responsible for receiving and disseminating all mail. Today the mail desk is located in the Chief Clerk's Office and one person is assigned full time and another person part time to handle this job.

#### Administration.

Recommendations were submitted to the Comptroller for the establishment of an Administrative Group on 26 July 1954. The administrative functions were generally being performed in the Office of the Chief, Security Division, but the Group was not identified in the organizational structure, and many of its functions were being duplicated by the Branches.

#### Organization.

At the same time, recommendations for a complete reorganization of the Security Division were submitted in order to more clearly fit the Security Division. The reorganization was approved by the Comptroller on 26 January 1955 and additional personnel spaces authorized. The new organization is as follows with changes explained briefly:

Chief, Security Division

Assistant Chief, Security Division

Assistant for Operations

- To supervise the operating functions of the Branches.

Administrative Group

- Explained above.

Plans Group

Security Education Group

- To replace the Plans and Programs Group.

Fort Meade Group

- Comprises Security Section of the Interim Move Support Group and Marine Guard

Physical Security Branch

- Remains the same.

Clearance Branch

- Change of designation from Personnel Security Branch.

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Personnel Interview Branch	- Remains the same.
Special Operations Branch	- Replaces the Special Research Unit.
Industrial Security Branch	- Combines industrial security and COMINT compromises evaluation function.

Future Plans.

Further plans of the Chief Clerk's Office include the continuation of the cross-indexing project and the incorporation of all Branch files into the Central File. When these two projects have been completed, the functions of the office will continue, on a day to day basis, the proper cross-indexing of all material files in the Security Division.

It is planned to attain greater uniformity of correspondence procedures and internal routing so as to fix responsibility for action on specific individuals.

Effort to obtain more satisfactory operating space to accommodate increased personnel and responsibilities will continue.

In order to more effectively utilize clerical and stenographic personnel, an attempt will be made to equalize their workloads and to shift stenographers and clerks temporarily between areas within the Division as the need arises. The possibility of increased use of dictating machines is being investigated.

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## PART VI

## PLANNING

Mission.

When the original recommendation for a Plans and Management Branch was made in May 1953, it was proposed that the functions of the Group would include the following preparation of a realistic study and evaluation of the Security Division's Disaster, Emergency and War Plans; coordination of plans for the New Site, establishment of firm security adjudication procedures with the Office of the Secretary of Defense; review of the indoctrination procedures of the cryptologic services and their standardization, planning and establishment of a strong Security Education Program for the Agency, coordination and standardization of the physical and personnel security procedures within and among the COMINT elements under the operational and technical control of the Director.

History.

Prior to the establishment of the Plans Group, planning and coordination of security operations were handled by the Assistant Chief, Security Division. Plans concerning operations within the Division were made by the Chief, Security Division, in coordination with the Branch Chiefs.

A need was realized for a separate group for the purpose of properly coordinating activities of this Division. In May 1953 the Chief, Security Division, recommended the establishment of a Plans and Management Branch for the Division. However, it was not until 6 July 1953 that final approval was granted by the Chief of Staff for the reorganization of the Division to include a group of this type with the title "Planning and Programs Group."

The Group as approved consisted of two Sections, the Planning Section and the Programs Section, and had a maximum of five operating personnel: Chief, Planning Section; Assistant Chief, Planning Section; Chief, Programs Section; Assistant Chief, Programs Section, and one secretary. No additional spaces were requested because of an overall Agency personnel space reduction at that time, but positions were filled by individuals already assigned to other segments of the Security Division, thus leaving the Branches with insufficient personnel to fulfill their responsibilities.

During the past year the functions of the Planning and Programs Group have been expanded to include coordination of all Security Division planning and policy matters, including the preparation of security regulations; representation of the Security Division in matters involving planning and policy affecting the Security Division, with other NSA staff

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divisions and offices and with other United States and foreign agencies; preparation of the Monthly Operational Summary and Review and Analysis Reports. The Programs Section, responsible for security education, gradually functioned more and more independently of the Group and finally was designated the Security Education Group and divorced from the Planning Group. Its functions and accomplishments have been described more fully in preceding sections of this study.

#### Future Plans.

Security Division planning encompasses some new fields of security operation, not as to principles but as to location and extent. Much discussion has been provoked by the language of NSCID No. 9 stating that the Director is responsible for security within COMINT elements under his technical and operational control. One phase of the program planned to discharge the Director's responsibilities is the publication of security circulars for the guidance of the cryptologic services. It has also been recommended that a representative of the Chief, Security Division be stationed at each of the NSA field activities. He would be the liaison security representative for a given area. In recognition of command responsibility, this security representative would be in a position to properly guide the field elements in security principles as promulgated by NSA and to serve as an advisor on security matters within his area. He would be able to control movement of NSA personnel and to prevent security problems from arising, or to detect security problems when they arise, so that proper administrative action may be taken to assure continued sound security within all NSA elements.

To fully discharge its responsibility for the planning, programming, budget and fiscal matters of the Security Division, the Planning Group intends to include a program of self-inspection of the elements of the Division to insure at all times compliance with the policies of the Chief and the most efficient operational procedures attainable.

Security principles dealing with those phases which are included within communications security matters should be reviewed and redesignated after a realistic appraisal and determination of the principles utilized. It is conceivable that this would mean a realignment of the responsibility for security within both physical and personnel aspects of cryptographic matters.

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## PART VII

## INTERIM OPERATION AT FORT MEADE

History.

Planning for the security requirements upon NSA's move to Fort Meade, Maryland was begun in the summer of 1952. Being constantly aware of the difficulties experienced in the Washington area where NSA had no control of the exterior guard or perimeter defense system, an early decision was required as to what type of guard system would be utilized at the NSA installation at Fort Meade. It was decided that civilian guards would not be satisfactory because of Civil Service regulations regarding hours and pay, excessive turn-over of personnel, and lack of control. Difficulty had always been experienced in obtaining sufficient qualified, trained guard and patrol personnel from the Army, Navy and Air Force. Therefore, it was decided that because of the experience of the Marine Corps in installation guard duty, a Marine Detachment, permanently assigned, would most adequately fill the Agency's requirements for interior and exterior guard duty.

Accordingly, the Secretary of Defense was requested in December 1952 to assign to the U. S. Marine Corps the responsibility of protecting the Agency's permanent installation at Fort Meade. The Secretary of Defense requested the Secretary of the Navy to direct the Commandant of the Marine Corps to furnish a Marine Detachment, over and above Marine Corps authorized strength, to the National Security Agency in late fiscal year 1955. When it became evident that guards for the Interim Operation would have to be supplied by the Second Army, it was decided to request the Marine Corps to furnish the Detachment in November 1954 to begin operations with the activation of the Interim Operation. This was done, and a Marine Barracks consisting of 5 officers and 144 enlisted men was officially activated at Fort Meade on 15 November 1954. The Commanding Officer of the Marine Barracks was designated the Chief of the Security Section, Support Group, for the Interim Operation.

Since the early stages of the planning for the Interim Move, the Security Division has participated in and established security requirements for the Interim Operation, including coordination with the Commanding Officer, Fort Meade, and staff divisions of the Second Army, regarding logistical support for the Marine Detachment, clearances of custodial and support personnel furnished by Fort Meade, and security phases of the construction, including fencing, alarm system, identification system, communication system, lighting, locks, etc. The Security Division will be responsible for the security of classified material during the Interim Move and has completed a Security Annex to the movement order. Measures have been taken to protect all buildings at the New Site against the installation of surreptitious listening devices or other threats to the security of the building, during the construction phase.

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The Security Division has been authorized four additional personnel spaces in addition to the Marine Corps personnel to function as the Security Section of the Support Group for the Interim Operation. These consist of an Assistant Chief, a Physical Security representative, a Personnel Security representative, and a stenographer.

The security plans for the future concerning NSA operations at Ft. Meade have been developed and will continue for implementation as the interim move to the New Site progresses. Security precautions, in both physical and personnel security aspects, have been taken into account. The position of the Provost Marshal at the New Site will be established under the Chief, Security Division, when the final move takes place. This Office will be responsible for those physical security functions of a Military Police nature.

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## PART VIII

## PARTICIPATION IN AGENCY SECURITY POLICY

Until recently, the Security Division has not been consulted on many internal policy and planning matters, and mainly on relationships with other agencies and organization, which had a security interest. This oversight has been corrected to a large degree and the Chief, Security Division, has assumed responsibility for coordination on any matter which has a security interest.

In October 1954, the Chief, Security Division was appointed NSA Representative on the Security Committee of USCIB. This insures expert Agency participation in USCIB policy and planning on security matters. The Planning Group has been given the job of compiling and analyzing all the material of this Security Committee and briefing and assisting the Chief, Security Division, on these matters.

The Security Division has been assigned certain responsibilities in connection with the security aspects of general United States participation in COMINT activities of the North Atlantic Treaty Organization.

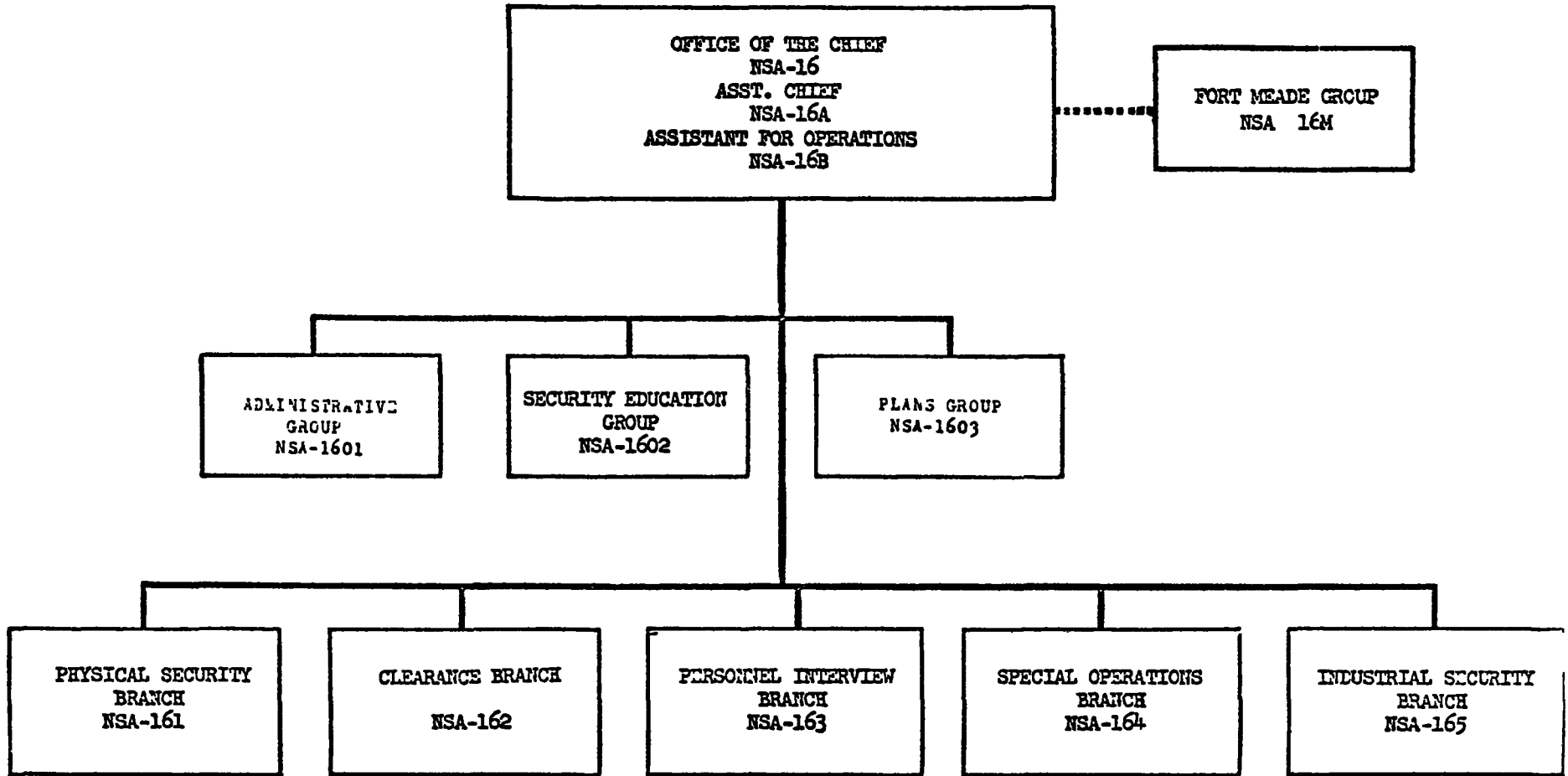
The Security Division has responsibility for implementing the security provisions of bilateral agreements with foreign governments.

Security representatives from time to time sit as members of other agency and combined committees such as the Classification Advisory Panel, Special Intercept Problem Board, Relocation Planning Board, Proficiency Awards Committee, Promotion Board, and others.

During the early part of this year the Security Division participated in a survey of the methods of handling, control and accountability of classified documents within elements of the Office of Production. This survey was conducted at the request of the Office of Production by teams composed of members of that office, the Adjutant General, and the Security Division. It was designed to detect the weaknesses of document control in the Office of Production and to make recommendations for a tighter and more uniform system, especially designed to maintain control and accountability despite the tremendous volume of classified material. The survey was completed, recommendations adopted, and a system of control put into effect gradually by each division of the Office of Production, with progress reports submitted to the Security Division.

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SECURITY DIVISION



Approved by: *Mitchell*  
Date: 20 January 1955  
Prepared by: Security Division