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CONFIDENTIAL

SECURITY OF PERSONNEL - NATIONAL INTEREST ACCESS
AN OPERATIONAL POLICY OUTLINE

PART I INTRODUCTION

1.1 Purpose and Scope

1.1.1 This operational policy document provides an outline of the requirements relating to security clearances for government and non-government personnel for access to assets classified in the National Interest.

1.2 Application

1.2.1 This policy shall apply to all government institutions that control assets classified in the National Interest as listed in Schedule 1 of the Access to Information Act, as amended from time to time, and to other government institutions that may be designated by the President of the Treasury Board.

1.3 Definitions

access means the opportunity to gain knowledge of assets classified in the National Interest by any means;

applicant means a person who has applied to be employed in a particular position in a government institution;

asset means any information or materiel owned by, in the custody of or under the control of the Government of Canada;

candidate means a person for whom an initial security clearance has been requested, or a person whose clearance needs updating or upgrading;

central records office means the central personnel security records office of the institution responsible for security assessments;

classified in the National Interest has the meaning assigned to it in the Operational Policy for the Protection of Government Assets;

consent form means the form, to be signed by a person who requires a security clearance which gives consent for personal information concerning that person to be collected and used for the purposes of the security clearance;

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criminal record means a consolidation of criminal charges and their disposition, supported by fingerprints, extracted from Criminal History Files maintained by the RCMP Identification Services, Ottawa;

criminal record check means a check by fingerprints against the Criminal History Files maintained by the RCMP Identification Services, Ottawa;

departmental security officer means the senior official who is designated by the deputy head to be responsible for the development and implementation of the departmental security program;

deputy head means, in relation to

- a) a department named in Schedule A to the Financial Administration Act, the deputy minister thereof,
- b) the Canadian Forces, the Chief of Defence Staff,
- c) the Royal Canadian Mounted Police, the Commissioner, and
- d) any other portion of the Public Service, the person designated by Order-in-Council to be the deputy head of that portion of the Public Service;

employee means an officer, employee or member of any government institution which administers assets classified in the National Interest;

field investigation means inquiries, such as interviews of references, and other individuals to assist in determining the suitability of a candidate for a security clearance;

government means the Government of Canada;

indoctrination certificate means the certificate signed by an individual which outlines his security responsibilities and penalties for the improper disclosure of classified information;

non-disclosure undertaking means the written agreement of an individual that he will not without authorization disclose classified information in any form and forfeits any money gained by so doing to the Government of Canada;

personnel security means the development and implementation of policy and procedures related to the suitability of persons who will have authorized access to classified assets;

position description means the written explanation of the functions, objectives, responsibilities, accountability and security classification level requirement of a position or class of positions;

security classification levels includes the designations TOP SECRET, SECRET or CONFIDENTIAL and are applied to assets classified in the national interest, to position descriptions in relation to the need for access to assets classified in the National Interest, and to individuals in relation to the security requirement of the position;

security clearance means the finding that a security screening has been successfully completed for an individual to the security classification level required by the position description;

security assessment means an appraisal of the loyalty to Canada and, so far as it relates thereto, the reliability of an individual;

security assessment institution (SAI) means the RCMP Security Service until another government institution is designated by law to provide security assessments in support of the security clearance program;

security clearance questionnaire means the form for personal information which must be completed by a candidate for a security clearance;

security screening means the investigative and administrative process undertaken to determine the loyalty and the related aspects of reliability of an individual in relation to the security classification level required by the position description;

termination certificate is the form signed by a person who ceases to hold a security clearance, it contains a reminder of security responsibilities and information regarding the penalties for improper disclosure of classified matter.

PART II GENERAL

2.1 Policy Principles

- 2.1.1 Persons authorized to have access to assets classified in the National Interest shall be security cleared.
- 2.1.2 Assets classified in the National Interest are described in the Operational Policy for the Protection of Government Assets dated November 1, 1983.
- 2.1.3 The loyalty to Canada and the related aspects of reliability of all persons who are to be security cleared must be verified to the fullest extent possible to protect such assets from unauthorized disclosure.
- 2.1.4 When the loyalty of a person to Canada is in doubt, that person should not be authorized to have access to assets classified in the National Interest.

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2.1.5 In addition to loyalty, reliability in relation thereto, is essential in any person who is to be authorized to have access to assets classified in the National Interest. Persons should be denied a security clearance if there are reasonable grounds to believe that:

- a) they are engaged in or are likely to engage in activities which may constitute a "threat to the security of Canada" as that term is defined in Bill C-157 or its successor; or
- b) because of features of character, or association with persons or groups who are of security concern, or through family or other close ties of affection to persons living in oppressive or hostile foreign countries, they are likely to act in such a way as to constitute a "threat to the security of Canada" as defined.

Great care must be taken when considering reliability factors in relationship to a security clearance. Many character traits or behaviour patterns may be objectionable or appear undesirable to the reader or observer but may have no adverse effect on the loyalty of the individual. A reliability defect must have an obvious adverse effect on loyalty, or the clear potential for endangering the security of Canada, before it may be considered as an influencing factor in making an assessment of an individual's suitability to hold a clearance.

2.1.6 The field investigation must at a minimum cover a period of 10 years. For certain classes of position or persons, or if otherwise deemed necessary, or where required by international agreement, this may be extended to a longer period in accordance with guidelines issued by Treasury Board.

2.1.7 A determination of whether a person is suitable to have access to classified assets must be made by the relevant government institution based on adequate information, contained in the security

assessment and any other information in the possession of the government institution. A formal acknowledgment of the suitability of a person to be authorized to have access to classified assets shall be in the form of a security clearance.

- 2.1.8 Access to assets classified in the National Interest by persons suitably cleared shall be restricted to those that have a need-to-know to perform their duties.
- 2.1.9 In special cases when the nature of the duties may offer an individual the opportunity to gain access to highly sensitive classified information, or to less sensitive classified information on a continuing or frequent basis, even though direct access is not required to perform the duties, the individual may be security cleared.
- 2.1.10 Before a person is granted a security clearance he shall sign a security indoctrination certificate, which contains information advising the person of his responsibilities with regard to the safeguarding of classified assets, and details the action that may result from improper disclosure. He shall also, as specified in Treasury Board guidelines, sign a non-disclosure undertaking agreement that he will not disclose classified information in any form without approval and acknowledges that any financial benefits obtained through the unauthorized release or publication of classified information will be forfeited to the Crown.
- 2.1.11 Information obtained by a government institution from sources other than the institution responsible for security assessments (SAI) about a person holding a security clearance or for whom a security clearance has been requested, which may call into question that person's loyalty or reliability in respect of loyalty, and which may on reasonable and probable grounds give rise to a suspicion that the person has been, is, or may become involved in or the subject of activities constituting a threat to the security of Canada, shall immediately be brought to the attention of the SAI in writing. Consultation with the SAI shall occur before a follow-up investigation of such information or person.
- 2.1.12 Review and redress procedures shall be as provided for in Bill C-157 or its successor.

PART III ADMINISTRATION

3.1 General

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- 3.1.1 The deputy head is responsible for personnel security within a government institution.
- 3.1.2 The requirement for a security clearance shall be explicitly stated as a condition of employment in the position description where it is required by the Government of Canada or a government institution in respect of individuals employed by or performing services for the Government of Canada or a government institution, or individuals employed by or performing services for a person or body performing services for the Government of Canada or a government institution, or individuals seeking to be so employed or seeking to perform such services. The requirement shall be expressed in terms of TOP SECRET, SECRET or CONFIDENTIAL according to the level of access required.
- 3.1.3 In certain cases, subject to guidelines issued by the Treasury Board, requirements for security clearances may be specified for a class of positions or persons.

3.2 Security Clearances - Government and Potential Government Employees

Departmental Action

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- 3.2.1 Deputy heads are responsible for ensuring that the personal data, professional and academic qualifications and references of an applicant for a position requiring a security clearance, are verified during the staffing process. The deputy head is also responsible for initiating the necessary security screening action in respect of the successful applicant in a competition.
- 3.2.2 All applicants for a position requiring a security clearance shall be advised during the staffing process of the purpose of the security clearance procedures; the type of checks and investigations to be conducted, and the consequences of concealing information pertinent to the granting of a clearance.
- 3.2.3 Candidates shall provide a completed security clearance questionnaire and a statement of consent, and be fingerprinted. (Note: Fingerprints obtained solely for the purposes of security clearances shall be returned to the candidate on request when he or she

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ceases to be employed in a position requiring a security clearance).

- 3.2.4 To initiate a request for security screening, a government institution shall forward to the SAI in respect of the candidate:
- a) statement of security clearance requirement;
 - b) a completed security clearance questionnaire;
 - c) a consent form;
 - d) a completed fingerprint form; and
 - e) a factual report of any irregularities revealed during the verification of personal data in 3.2.1 above.
- 3.2.5 When the security screening request is to support a TOP SECRET clearance, or where otherwise requested, the government institution shall provide to SAI a recent photograph of the candidate. The size of the photograph shall be passport size, approximately 5 X 7 cm, and shall be signed by the candidate. The full names, in block capitals shall appear on the reverse side.

SAI Action

- 3.2.6 On receipt of the request for an initial security clearance, the SAI shall:
- 1) If the request is for a TOP SECRET clearance:
 - a) search security intelligence records;
 - b) review information provided in respect of irregularities revealed during the staffing inquiries;
 - c) conduct a credit check;
 - d) conduct an interview of the candidate;
 - e) conduct a field investigation; and
 - f) request the RCMP to conduct a criminal records check and provide an assessment where required.
 - 2) If the request is for a SECRET clearance:
 - a) search security intelligence records;

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- b) review information provided in respect of irregularities revealed during staffing inquiries;
 - c) conduct a credit check;
 - d) conduct an interview of the candidate;
 - e) conduct a field investigation for cause only; and
 - f) request the RCMP to conduct a criminal records check and provide an assessment where required.
- 3) If the request is for a CONFIDENTIAL clearance:
- a) search security intelligence records;
 - b) review information provided in respect of irregularities revealed during staffing inquiries;
 - c) conduct a credit check;
 - d) conduct an interview for cause only;
 - e) conduct a field investigation for cause only; and
 - f) request the RCMP to conduct a criminal records check and provide an assessment where required.

3.2.7 Nothing in paragraph 3.2.6 precludes additional investigation, checks or interviews by the SAI for cause when requested by a deputy head.

Assessment - SAI Action

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- 3.2.8 On completion of the security screening the SAI shall:
- a) if adverse information is revealed provide the government institution with a security assessment including conclusions and recommendations; or
 - b) if no adverse information is revealed provide the government institution with a security assessment showing investigative action taken and period covered together with any conclusions or recommendations considered necessary.

Suitability Determination - Departmental Action

- 3.2.9 On receipt of a security assessment and other related information, the deputy

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head shall decide whether to grant or deny a clearance.

- 3.2.10 To assist him in reaching a decision the deputy head may:
- a) interview or have the candidate interviewed; and
 - b) consult with the Interdepartmental Committee on Security and Intelligence (ICSI).

Action Where Clearance to be Granted

- 3.2.11 In the event that the decision reached by the deputy head is contrary to the conclusions and recommendations given in the security clearance assessment, the deputy head shall notify the Director of the SAI in writing. The Director of the SAI may then consult with ICSI.
- 3.2.12 When a deputy head has decided to grant a security clearance, the candidate shall first sign a security indoctrination certificate and, as required, a non-disclosure undertaking agreement. The deputy head shall then issue a security clearance certificate with an information copy to the SAI central records office.

Action Where Clearance is Denied to an Applicant for Employment

- 3.2.13 When a security clearance is denied to an applicant for employment in a government institution, and where solely by reason of such security clearance action employment is denied, the deputy head shall:
- a) take the action as described in Part III of Bill C-157 or its successor as it relates to security clearances;
 - b) reconsider the decision in light of any recommendation arising out of a complaint made to the Review Committee as provided for in Bill C-157 or its successor;
 - c) advise the applicant of his final decision;
 - d) advise the SAI of his decision.

Action When Denying, Revoking or Downgrading the Security Clearance of an Employee

- 3.2.14 When a security clearance is denied, revoked or downgraded for an employee of a government institution, and where solely by reason of such security

clearance action the incumbent is to be dismissed, demoted, denied a promotion or transfer or transferred, the deputy head shall:

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- a) take the action as described in Part III of Bill C-157 or its successor as it relates to security clearances;
- b) take such action as is necessary to preserve security;
- c) reconsider the decision in light of any recommendations arising out of a complaint made to the Review Committee as provided for in Bill C-157 or its successor;
- d) where no complaint to the Review Committee was made or after the complaint, where the decision is to deny, revoke or downgrade a security clearance:
 - (i) attempt to place the incumbent in a position consistent with his security clearance level within the government institution, with the assistance of the PSC if required;
 - (ii) in the event that no position can be found within the government institution, request the PSC to find a position in some other government institution consistent with the incumbent's security clearance level; and
 - (iii) in the event that no position can be found:
 - a) ask the incumbent to resign;
 - b) in the event that he refuses to resign, recommend to the Minister that he be dismissed from the public service; and
 - c) advise the SAI of the decision.

3.3 Security Clearances - Non-Government Employees

- #### 3.3.1 General Procedures for obtaining and processing security clearances for non-government persons who are to have access to classified assets during a pre-

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contractual process, or under contract or agreement to provide goods or services to the government, or under an international or other agreement for access shall be the same as those for government employees. Responsibility for initiating all screening requirements rests with the contracting institution or in the case of agreements for access with the government contracting authority providing access.

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3.3.2 Departmental Action The contracting government institution shall ensure that staffing inquiries respecting a candidate's personal data, qualifications and references are carried out to the same standard as for government employees.

3.3.3 Assessment On receipt of a security assessment, the deputy head shall follow the procedures outlined in paragraphs 3.2.9 - 3.2.14 above, as applicable.

3.3.4 Provincial and Municipal Employees In any arrangements made with provincial or municipal authorities, or those sponsored by provincial or municipal authorities, that involve the provision of information classified in the National Interest the requirement for security screening of provincial and municipal officials and those sponsored by provinces or municipal authorities who are to have access to such information shall be discussed during the preliminary negotiations. Where there are no objections raised, the federal government institution concerned shall be responsible for initiating the security screening request in accordance with paragraphs 3.2.4 and 3.2.5 above. Should the provincial or municipal authority object to screening being carried out, the matter should be referred to the Treasury Board before classified information is passed.

3.3.5 In the event that a security clearance requested in accordance with paragraph 3.3.4 is denied, the provisions of paragraph 3.2.13 may apply. Information, other than referred to in 3.2.13, shall not be passed to a provincial or municipal authority or those sponsored by provincial or municipal authorities without permission of the Director of the SAI.

3.4 Periodic Review - Government and Non-Government Employees

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3.4.1 General The SAI shall initiate the review of security clearances every five years by advising government institutions when updating action is required.

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3.4.2 Departmental Action On receipt of notification that a security clearance should be updated, the deputy head shall determine whether the requirement for a security clearance still exists. If it does he shall provide to the SAI a request showing the level of the security clearance requirement and, in respect of the incumbent, forward to the SAI:

- a) a completed updated, short form, security clearance questionnaire;
- b) a signed consent form;
- c) a report giving details of any adverse information contained in department records;
- d) resubmit the fingerprint form; and
- e) where the review is to support a TOP SECRET clearance, a recent photograph is required as provided for in paragraph 3.2.5.

3.4.3 On receipt of the updated documentation from a department the SAI shall:

- 1) If the clearance held is TOP SECRET:
 - a) search security intelligence records;
 - b) conduct a credit check;
 - c) conduct an interview of the subject;
 - d) request the RCMP to conduct a criminal records check and provide an assessment where required; and
 - e) conduct a field investigation on the 10th, 20th and 30th year anniversary, or sooner for cause, or to accommodate special requirements.
- 2) If the clearance held is SECRET or CONFIDENTIAL:
 - a) Search security intelligence records;
 - b) conduct a credit check;
 - c) request the RCMP to conduct a criminal records check and provide an assessment where required;
 - d) conduct an interview for cause only; and
 - e) conduct a field investigation for cause only.

3.4.4 On completion of the updating screening, the action described in paragraphs 3.2.8 to 3.2.14 shall be followed.

3.5 Reissuance of Security Clearances

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3.5.1 When an employee is transferred from a government institution his security clearance shall be cancelled by the deputy head, who will so notify the central records office of the SAI. If the individual requires a clearance in his new position with the receiving government institution, the deputy head shall request a file transfer from the previously employing institution. The receiving deputy head will then review the information and:

- a) reissue or deny the clearance; or
- b) request the SAI to clarify or update the information; and then
- c) reissue or deny the clearance; and
- d) notify the central records office of the SAI of the decision taken.

Any denial of a clearance shall be dealt with in accordance with paragraph 3.2.14.

3.6 Revocation of Security Clearance

3.6.1 When a security clearance is revoked the termination certificate must be signed and witnessed as soon as possible thereafter. The certificate reminds the person of his or her security responsibilities and outlines the penalties for the improper disclosure of classified assets.

3.7 Special Cases

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3.7.1 Information on the security clearance procedures for special cases, such as Members of Parliament, Senators, Judges, Order-in-Council candidates and appointees, will be contained in instructions to be issued by the Privy Council Office.

PART IV ROLES AND RESPONSIBILITIES

4.1 General

4.1.1 This part identifies the specific roles and responsibilities of officials, and institutions of government concerned with personnel security.

4.1.2 Departmental Security Officers designated by and under the direction of deputy

heads shall be responsible for the development and implementation of the departmental security program which shall include a determination and enforcement of security clearance requirements, and the conduct of the personnel security education program. Departmental Security Officers shall be responsible for advising deputy heads on all aspects of this personnel security policy.

4.1.3 Deputy heads shall be responsible for all aspects of security in their respective government institutions, and for ensuring compliance with this personnel security policy.

4.1.4 The Security Advisory Committee shall be responsible for:

- a) providing assistance and advice to Departmental Security Officers, including the review of individual cases or incidents;
- b) advising Treasury Board on the implementation of this policy; and
- c) issuing a consolidated annual report to the CCSI through ICSI on the extent and effectiveness of the security clearance program.

4.1.5 The Department of National Defence is responsible for conducting the security clearance process as described hereunder respecting members and prospective members of the Canadian Forces and employees and prospective employees of DND excluding the Communications Security Establishment and Defence Construction (LTD):

- a) initiate the security screening by actioning paragraphs 3.2.4 and 3.2.5, or the periodic review by actioning paragraphs 3.4.1 and 3.4.2, as necessary, except that the information shall be passed to the departmental authority responsible for security clearances;
- b) investigating the suitability of persons for a security clearance by following the procedures assigned to the SAI in paragraphs 3.2.6 and 3.2.7 with the exception that the SAI shall be requested to search security intelligence records and provide an assessment;
- c) conducting periodic reviews of security clearances in accordance with the provision of paragraphs 3.4.3 and 3.4.4 inclusive with the

exception that the SAI shall be requested to search security intelligence records and provide an assessment;

- d) on completion of the security clearance process make a security clearance decision by applying the provisions and procedures of paragraphs 3.2.8 to 3.2.14 inclusive;
- e) issue security clearance certificates with an information copy to the SAI central records office;
- f) issue an annual report to the SAC on the extent and effectiveness of the Department's security clearance program.

4.1.6 The Department of Supply and Services (Supply Administration) is responsible where appropriate, for initiating security screening procedures in respect of non-government personnel whose contractual or other arrangements with the government, or a person or a body performing services for the government, require that they have a security clearance.

4.1.7 The Department of External Affairs is responsible for:

- a) the periodic review activities described in 3.4.3 1) c) and 2) d) in respect of its employees serving outside Canada;
- b) conducting review activities described in 3.4.3 1) e) and 2) e) outside Canada in respect of its employees who have served or are serving outside Canada, in which case the investigation shall be restricted to the interviewing of:
 - (i) Canadian citizens and their spouses;
 - (ii) locally employed staff;
 - (iii) associates of the subject of the investigation who are employed in the embassies of friendly countries; and
 - (iv) the post security officer of (iii) above.
- c) issuing an annual report to SAC on the extent and effectiveness of the security clearance action taken in accordance with a) and b) above.

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4.1.8 The Royal Canadian Mounted Police (RCMP) except as otherwise provided, is responsible for:

- 1) a) assisting in determining the suitability of persons for security clearance requirements by checking criminal records and, where appropriate, criminal intelligence records, and providing details of any adverse information to the SAI; and
b) providing advice on the significance of criminal information provided under this program.
- 2) In respect of members of the RCMP, special constables, civilian members and public servants employed by the RCMP, and persons employed under contracts awarded and administered by the RCMP, the RCMP shall be responsible for:
 - a) initiate the security screening by actioning paragraphs 3.2.4 and 3.2.5, or the periodic review by actioning paragraph 3.4.1 and 3.4.2, as necessary, except that the information shall be passed to the departmental authority responsible for security clearances;
 - b) investigating the suitability of persons for a security clearance by following the procedures assigned to the SAI in paragraphs 3.2.6 and 3.2.7 with the exception that the SAI shall be requested to search security intelligence records and provide an assessment;
 - c) conducting periodic reviews of security clearances in accordance with the provision of paragraphs 3.4.3 and 3.4.4 inclusive with the exception that the SAI shall be requested to search security intelligence records and provide an assessment;
 - d) on completion of the security clearance process make a security clearance decision by applying the provisions and procedures of paragraphs 3.2.8 to 3.2.14 inclusive;

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- e) issue security clearance certificates with an information copy to the SAI central records office; and
- f) issue an annual report to the SAC on the extent and effectiveness of the agencies security clearance program.

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4.1.9 The Institution Responsible for Security Assessments (SAI) except as otherwise provided, is responsible for:

- (a) investigating the suitability of persons for a security clearance by, where required,
 - (i) checking security intelligence records;
 - (ii) conducting field investigations;
 - (iii) conducting security clearance interviews.
- (b) providing a security assessment;
- (c) maintaining a central automated record of security clearances that is responsive to this policy;
- (d) ensuring to the extent possible that the personnel security responsibilities of the Institution are kept separate and distinct from the primary security intelligence role and that security clearance investigations and interviews are conducted by personnel with no other intelligence gathering responsibilities;
- (e) issuing an annual report to the CCSI through the SAC and ICSI on the extent and effectiveness of the security clearance program.

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4.1.10 The Treasury Board is responsible for approving and issuing the personnel security directives and guidelines, and monitoring their implementation and effectiveness.

4.1.11 The Public Service Commission of Canada is responsible for:

- (a) providing direction regarding appointments made under the Public Service Employment Act to positions requiring security clearances, and
- (b) assisting, where required, in the provision of security training programs for employees.

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