

N A V Y D E P A R T M E N T

WASHINGTON

SOSED-O-Kr-9/11
(SC) LL/P19-1

~~CONFIDENTIAL~~

11 September 1940.

From: The Secretary of the Navy.
To: All Naval and Marine Corps Activities Concerned.

Subject: Legislation making usual Civil Service procedure inapplicable to employees whose immediate removal from employment is in the opinion of the Secretary of the Navy warranted by the demands of national security.

Reference:

- (a) Navy Dept. Circ. Let., on same subject, dated 24 July 1940, SOSED-4-SM.

Enclosure: (Herewith)

- (A) Copy of Confidential White House instructions to Heads of Departments, Establishments and Agencies of the Federal Government, dated August 17, 1940, signed by William H. McReynolds, Administrative Assistant to the President.

1. This is a supplement to reference (a).

2. Although the procedure set forth in confidential Enclosure (A) herewith applies only to cases arising under Section 9 (a) of the Hatch Act, and under Section 15 (f) of the Emergency Relief Act of 1941, it is directed that this procedure be followed by the Navy Department for cases arising under Section 6 of the Act of June 28, 1940 (Public No. 671 - 76th Congress), which covers cases of civilian employees of the Naval Establishment whose removal is warranted by the demands of national security. The Department's circular letter of 24 July 1940 (reference (a), set forth the method of presenting such cases to the Navy Department by the Bureaus, Offices and Heads of Field Establishments of the Navy. No change is required in such procedure, but for the information of all concerned there is set forth below the steps that will be taken by the Navy Department on receipt of recommendations for removals under Section 6 of the Act of June 28, 1940, so that the Department's action may conform to that set forth in the White House confidential circular, dated 17 August 1940.

3. That procedure, in brief, is that the Navy Department, after receiving recommendations from the Field or the Departmental Bureaus and Offices, will request an independent investigation by the Federal Bureau of Investigation of the Department of Justice for those cases that justify such action. To that end, therefore, the following procedure is prescribed:

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- (a) Upon presentation to the Department of cases arising under the Hatch Act, under the Emergency Relief Act of 1941, or under the Act of 28 June 1940, the Assistant Secretary of the Navy (Shore Establishments Division) shall make a careful review and cull those cases which do not justify detailed investigation by the Federal Bureau of Investigation.
- (b) The Assistant Secretary of the Navy (Shore Establishments Division) shall, thereafter, prepare a confidential letter for the signature of the Assistant Secretary of the Navy, to the Federal Bureau of Investigation, Washington, D. C., with a copy to the Office of Naval Intelligence and to the Commandant or other official originating the recommendation (for use of the District Intelligence Officer), requesting that the Federal Bureau of Investigation make the necessary investigation and report results to the Navy Department.
- (c) On receipt of such report from the Federal Bureau of Investigation, the office of the Assistant Secretary of the Navy (Shore Establishments Division) shall analyze the results and prepare a letter for the signature of the Secretary of the Navy setting forth the action to be taken in each such case. A copy of this action letter shall be furnished to the Office of Naval Intelligence.

LEWIS COMPTON
ACTING.

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THE WHITE HOUSE

CONFIDENTIAL

WASHINGTON

August 17, 1940.

TO THE HEADS OF DEPARTMENTS, ESTABLISHMENTS, AND
AGENCIES OF THE FEDERAL GOVERNMENT.

Under the provisions of Section 9A of the Hatch Act, it is unlawful for any person employed in any capacity by any agency of the Federal Government whose compensation, or any part thereof, is paid from funds authorized or appropriated by any act of Congress to have membership in any political party or organization which advocates the overthrow of our constitutional form of Government in the United States. It is further provided that any person violating these provisions of the Act shall be immediately removed from the position or office held by him.

The Emergency Relief Act of 1941 provides as follows:

"Section 15(f) No alien, no Communist, and no member of any Nazi Bund Organization shall be given employment or continued in employment on any work project prosecuted under the appropriations contained in this joint resolution and no part of the money appropriated in this joint resolution shall be available to pay any person who has not made or who does not make affidavit as to United States citizenship and to the effect that he is not a Communist and not a member of any Nazi Bund Organization."

These Acts regarding subversive and related activities point clearly to the fact that it is the desire of the Congress to take all possible precautions to insure the integrity and loyalty of Federal employees, particularly in this emergency. The President shares this desire.

Adequate provisions already seem to have been made for investigating the backgrounds and records of prospective Federal employees. The point at which definite action should now be taken relates to responsibilities in connection with investigations involving matters which pertain to possible Federal criminal violations or subversive activities on the part of employees who are in the service of the Federal Government.

ENCLOSURE (A).

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It is essential that investigations of this character be carefully conducted and that they be made by trained people. They properly fall within the category of investigations made by the Federal Bureau of Investigation of the Department of Justice. Agreement has, therefore, been reached with the Department of Justice to have the Federal Bureau of Investigation serve as the clearing house and investigating agency for cases involving the integrity, loyalty, and possible subversive activities of Federal employees.

Such investigations of employees in the Federal Service will be undertaken by the Federal Bureau of Investigation only upon the request of the head of the appropriate Department or agency, so far as provisions of Section 9A of the Hatch Act and Section 15 (f) of the Emergency Relief Act of 1941 are concerned. It should be understood, of course, that the heads of Departments and agencies will themselves eliminate the hundreds of cases clearly based upon mere vague rumor and will refer to the Federal Bureau of Investigation only those cases that seem to justify detailed investigations that can be made with the facilities available through that Bureau. This will keep the total number of required investigations within reasonable and workable bounds.

When a request for an investigation of this character is made by the head of a Department or agency, the Federal Bureau of Investigation will make an appropriate investigation and submit the resulting report to the head of the Department or agency for such action as that head may wish to take on his own responsibility. The report will thus furnish needed information which the head of the Department or agency requires to reach a final decision on the basis of an informed judgment.

It is, therefore, suggested that this procedure be followed in the future in those cases where employees in the Federal Service are suspected of violating provisions of Section 9A of the Hatch Act and Section 15(f) of the Emergency Relief Act of 1941 regarding alleged subversive activities.

(S) Wm. H. McReynolds.

Administrative Assistant
to the President.

ENCLOSURE (A).

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