## NAVY DEPARTMENT OFFICE OF THE CHIEF OF NAVAL OPERATIONS WASHINGTON

(SC)A8-6 Op-16-B-4 A8-6/QM <del>CONFIDENTIAL</del>

Serial No. 01914416

August 11, 1943

From: Vice Chief of Naval Operations.
To: All Bureaus and Offices, Navy Department.
Subject: Clearance of Commercial Companies in Connection with Classified Contracts for the Army and Navy.
Reference: (a) Under SecNav letter No. (SC)Pl4-2/QM Op-16-B-10 Pl4-2/QM, Serial Ol038616, dated October 25, 1941.
(b) Under SecNav letter No. (SC)Pl4-2/QM, Serial O425616, dated February 22, 1942.

1. In the interest of security and community of action by the Army and Navy, Joint Security Control recommends as follows:

"(a) When the Chief of any agency of the War or Navy Department charged with making contracts awards a classified contract to a commercial firm, ho shall supply the following information to the appropriate Intelligence Service (MIS or ONI):

- (1) Name of company to which contract is awarded.
- (2) Classification of the contract.
- (3) Nature of work or material which is the subject of the contract.
- (4) Information as to whether the awarding of the contract denotes a limited clearance of the company - for that contract only - or indicates that by virtue of the award the company is cleared to receive other contracts without restriction as to classification.

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- (b) Decisions as to clearance of commercial firms to perform classified contracts shall be made:
  - (1) In the War Department by the Military Intelligence Service based on information secured by the Military Intelligence Service.
  - (2) In the Navy Dopartment by the appropriate contracting agency (Bureau or Office) based on information secured by the Office of Naval Intelligence.
- (c) MIS and ONI shall keep a file of the information mentioned in (a) above and shall mutually exchange such information.
- (d) Contracting agencies shall under no circumstances issue letters of clearance to civilian firms or laboratories. (By clearance is meant authority to receive classified information from the Army and Navy.)"

The Vice Chief of Naval Operations concurs in 2. the above-quoted recommendations and the addressees are directed to comply therewith.

The reports herein required of contracting З. officers are intended to supplement, but not to supplant, the lists furnished by inspection officers pursuant to references (a) and (b).

/s/ F. J. Horne F. J. Horne

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