

Prime Minister

Content with the

briefing attached?

Ref. A086/1634

PRIME MINISTER

N.L.W

G.B.

Confidentiality of Normal Vetting (NV)

The Ministry of Defence have brought to my attention a breach of security in reports prepared by management consultants, Touche Ross, of which you should be aware.

2. Touche Ross were commissioned to undertake a study in connection with the plans for privatisation of the Royal Dockyards at Devonport and Rosyth. Their Phase 2 reports on both dockyards contain paragraphs which refer explicitly to Normal Vetting (NV), the lower level security clearance procedure. Inter alia, the paragraphs allege, inaccurately as it happens, that all personnel working in each Dockyard require NV clearance.

3. This procedure, which involves checks with the Security Service and the Criminal Records Office (CRO) at New Scotland Yard, is not disclosed to the individuals vetted and is not publicly avowed - mainly because the police prefer to keep secret the fact that access to the CRO is permitted for this purpose. The author of the Touche Ross report is a former employee of the Ministry of Defence who was aware of the procedure but not of its sensitivity.

4. The Touche Ross reports, which are themselves classified RESTRICTED, have been distributed widely, including the House of Commons Select Committee on Defence, the trade unions and to companies involved in the tendering process. The fact that copies have gone to the Defence Select Committee is particularly unfortunate, given that following consultation with you in 1983 (my minute of 22 February 1983, Ref. A083/0624) I instructed the



Ministry of Defence that officials giving evidence to the Select Committee should avoid disclosing the existence of NV, which they did during inquiries in both 1983 and 1984, though not without difficulty.

5. On being advised of the breach I first explored with the Ministry of Defence the possibility of recalling the reports and deleting the relevant passages since some, at least, of the information is incorrect. We came to the conclusion that to do this would simply have had the effect of drawing attention to passages which might otherwise go unnoticed in reports some five inches thick.

6. The alternative was to do nothing. The reports were circulated in November last, over six months ago. It would not be unreasonable, I think, to be cautiously hopeful that the danger of the breach being noticed may have passed. In the meantime the Ministry of Defence have been preparing defensive briefing against the possibility of such a breach. A copy of --- this is attached.

7. If, as a result of a breach, it became necessary to discuss NV with the Defence Committee, I should need to consider with those concerned how best to deal with the inevitable questions. At the very least, I believe that any discussion should be in closed session and that, even in those circumstances, there should be no reference to the role of the police, who have co-operated with the arrangements for using their records for security purposes on the understanding that the practice would remain confidential. As I have indicated, this is one of the main reasons for the covertness of the NV process which I believe we should try to retain.

8. I should be glad to know whether you would be content for the attached briefing to be used in the event of questions being asked about the reports produced by Touche Ross and, should it

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become necessary, for me to pursue the question of discussions with the Select Committee along the lines I have suggested above.

REA

ROBERT ARMSTRONG

5 June 1986

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Q1. Questions about vetting and enquiries generally which do not refer to the NV procedure as such.

Answer. All prospective employees' references are taken up and information provided by the candidates on their application forms is verified and enlarged upon as necessary to establish their bona fides and suitability for the particular appointment for which they are being recruited.

Q2. As for Q1, but with special reference to persons with Irish connections.

Answer. As in the case of all prospective employees, references are taken up and information provided by candidates on their application forms is verified and enlarged upon as necessary to establish their bona-fides and suitability for the particular appointment for which they are being recruited. I cannot confirm what enquiries may be made as the depth of such enquiries will depend, as in any management consideration of a recruit, on the particular circumstances and requirements of the case in question.

Q3. Questions about MOD procedures for vetting employees of Defence Contractors engaged on classified work.

Answer. The MOD is not involved in the recruitment or selection

Staff engaged by defence contractors. However, defence contractors are contractually obliged to seek the prior approval of the MOD before allowing any employee access to classified material or sensitive areas and the MOD must satisfy itself that those employees are suitable persons to have such access.

Q4. Questions about MOD procedures for satisfying itself that an individual is a suitable person to have access to classified material.

Answer. If the material is of a highly secret nature Positive Vetting procedures are implemented. These procedures consist of checks against records and a full field investigation which includes interviews with the subject, supervisors, referees and previous employers. For access to less sensitive information a more limited range of checks is made.

Q5. Questions (which may arise as supplementaries to answers 1, 2 and 4 above) about checks against the NIB and Security Service records.

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The National Identification Bureau (formerly the Criminal Records Office)

Answer. Enquiries are made as necessary to check references and verify the information given by candidates for employment or their employers in their applications for employment. [If pressed: it is not in the national interest to publish details of security procedures.]

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Q6. Is it true that all personnel working in the Dockyards require normal vetting clearance?

Answer No. [In respect of the Devonport Dockyard it is untrue to say that all personnel require NV clearance]

Q7. What then is the "normal vetting" referred to in the reports by Touche Ross?

Answer For the purposes of establishing the suitability of an individual to be employed on work which affords access to sensitive information, but which does not call for the full PV procedure, normal managerial enquiries such as the taking up of references and verification of information, are made.

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

CONFIDENTIALITY OF NORMAL VETTING (NV)

I have shown the Prime Minister your minute of 5 June in which you seek her approval to the use of the briefing attached to your minute in the event of questions being asked about the reference to the NV procedure in the Touche Ross report.

The Prime Minister is content for the briefing to be used should it prove necessary. She is also content for you to pursue the question of discussions with the Select Committee on Defence in the way that you suggest in your minute.

N.L. Wicks

6 June 1986

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