

AMENDING SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950 1693

Dec 7, 66
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in connection with assisting the Secretary of Defense, or the Agency Head concerned, to safeguard classified information within industry pursuant to Executive Order 10865.

4. Records compiled in the regular course of business or other physical evidence other than investigative reports, relating to a controverted issue, which, because they are classified, may not be inspected by the applicant, may be received and considered provided the Assistant Secretary of Defense (Administration), as designee of the Secretary of Defense, or when applicable, of the Agency Head concerned has (1) made a preliminary determination that such physical evidence appears to be material, and (2), determines that failure to receive and consider such physical evidence would, in view of the level of access sought, be substantially harmful to the national security. Information as to the authenticity and accuracy of such physical evidence furnished by the investigative agency involved shall be considered.
5. A written or oral statement adverse to the applicant on a controverted issue may be received and considered without affording an opportunity to cross-examine the person making the statement only in the circumstances described in either of the following subparagraphs:
 - a. The head of the department supplying the statement certifies that the person who furnished the information is a confidential informant who has been engaged in obtaining intelligence information for the Government and that disclosure of his identity would be substantially harmful to the national interest.
 - b. The Assistant Secretary of Defense (Administration) as designee of the Secretary of Defense, or when applicable, of the Agency Head, has preliminarily determined, after considering the information

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