



SECURITY INTELLIGENCE
REVIEW COMMITTEE

Annual Report

1994-95

Canada

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The Honourable Herb Gray, P.C., M.P.
Solicitor General of Canada
House of Commons
Ottawa, Ontario
K1A 0A6

September 30, 1995

Dear Mr. Gray:

As required by *section 53* of the *Canadian Security Intelligence Service Act*, we transmit to you the Annual Report of the Security Intelligence Review Committee for the fiscal year 1994-95, for your submission to Parliament.

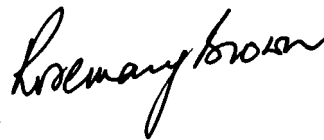
Yours sincerely,



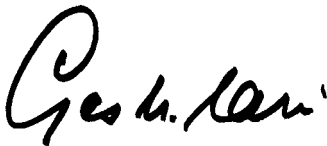
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That they may have some peace, even the best "watch" dogs
are compelled to snarl occasionally

William Feather
(The Fitzhenry and Whiteside
Book of Quotations)

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The Security Intelligence Review Committee at a Glance

The Security Intelligence Review Committee (called "SIRC" or "the Committee" in this report) acts as the eyes and ears of the public and Parliament on the Canadian Security Intelligence Service.

The Canadian Security Intelligence Service (CSIS) is a federal government agency, created in 1984 by the *Canadian Security Intelligence Service Act* (the *CSIS Act*). CSIS investigates terrorists, agents of hostile intelligence services, and others whose activities may be a "threat to the security of Canada." CSIS must protect its sources and methods. Inevitably, therefore, much of its work remains secret. This makes it difficult for Members of Parliament and the Canadian public to ensure that CSIS operations are effective and that, at the same time, CSIS respects the rights and freedoms of Canadians. To pre-empt these potential problems, the same law that created CSIS created SIRC.

The Committee is independent of the Government in its operations, but responsible to the Parliament of Canada. The *CSIS Act* provides that its members are appointed by the Governor General in Council, after consultation by the Prime Minister with the leaders of all parties having more than twelve members in the House of Commons. Individuals may be appointed to the Committee only if they are already Privy Councillors or are appointed to the Privy Council for that purpose by order of the Governor General in Council.

To the extent that national security permits, the Committee reports to Parliament through its Annual Report. This is available to the public. It constitutes an evaluation of CSIS operations that would otherwise not be allowed to come under public scrutiny because of national security considerations.

The Committee also has the power to investigate complaints relating to CSIS. First, it can investigate complaints by a person about, "any act or thing" done by CSIS. It is not necessary that the person complaining be personally affected by what CSIS did.

Second, the Committee can review certain denials or revocations of security clearances affecting federal government employees, or job applicants, or persons who seek to sell goods or services to the federal government under contract.

Third, in a related vein, it can also review adverse security findings that would affect a person's right to immigrate to Canada or obtain Canadian citizenship. If the Committee finds a complaint justified, it recommends a remedy.

1. Introduction

The SIRC Mandate

This annual report reflects a year during which our research program was dominated by the "Heritage Front Affair". Over one third of the person years usually devoted to a variety of moderately sized research projects was consumed by the investigation leading to the report on the Heritage Front.

We provided our report to the Solicitor General of Canada on December 9, 1994, and he made all but a small fraction of it public the following week.

Because of the seriousness of the allegations of misconduct made about CSIS, our report included far more detail than has been released previously about any CSIS activity. The report identified a target, and made it clear that several of CSIS' most intrusive powers were in operation against Heritage Front activities.

The report also noted that we examined over twenty-five thousand pages of documents, and interviewed over one hundred people: some of them for two or three full days, and many of them on several occasions.

We cross-checked people's statements with those made by others, with the information gleaned from sensitive files, and with the actual transcripts of relevant conversations. We tended to believe those accounts that were reasonably well corroborated by these sources of information.

Only in rare cases did we publish the corroborating evidence that supported our acceptance of a particular person's account of events. For example, Grant Bristow told us under oath that he had never travelled to California, and that he had never provided Tom Metzger with money, or with information on Jews or left wing activists in Canada. Tom Metzger, on the other hand, said on national television that Bristow had done all this and more. We believed Bristow because we knew that Wolfgang Droege and Tom Metzger had created this story and had conspired to lie to the media. In this instance, we published the evidence that convinced us of the truth of one account rather than the other.

We did not publish the majority of the evidence underlying many of our other conclusions because not only would this have required an extraordinarily long report, it would also have infringed on the privacy of many individuals. Most important of all, such information would have revealed too much of the operational methods used by CSIS, police forces, and other agencies involved in the continual fight against right-wing extremism.

The Parliament which passed the *CSIS Act* in 1984 clearly established SIRC as a body that would have full access to classified material and would reveal its conclusions about the legality or appropriateness of CSIS activity, but not the secret material itself. An Intelligence Service cannot possibly operate effectively if a review body with full access to the agency's files and operational techniques makes too much of that secret information public.

Some Members of the present Parliament, and some commentators in the media and elsewhere, complain, in effect, that many of SIRC's conclusions must be "taken on faith". That is exactly what Parliament envisaged in 1984. We can see no reasonable alternative if Canada is to have an effective Intelligence Service: capable of protecting her citizens against threats to national security, and capable of retaining the confidence of allied agencies.

If Members of SIRC were to ignore their oaths of secrecy¹, Canada would no longer have an effective Intelligence Service. We believe that such an outcome would put in peril the Government's ability to ensure the safety of its citizens.

¹

A SIRC legal opinion states: "In the case at bar, we believe that the Courts would be justified in preventing the sub-committee from relying on Standing Order n.108(1) or making a claim of privilege in order to invoke a power enabling it to force the members of SIRC to ignore and contravene the law. To allow the House to interpret a procedural rule and ignore a statute would be to allow an amendment to the Act by one House and would be contrary not only to the rule that one House cannot legislate alone but also contrary to Parliamentary sovereignty."

2. The Heritage Front Affair

(a) Introduction

In mid-August 1994, the day after the media carried a story about a CSIS informant in the Toronto white supremacist group, the Heritage Front², we began our investigation of the allegations. The story alleged that a leader in the Heritage Front, Grant Bristow, was a CSIS informant and that he created, funded and built the Heritage Front into one of the most successful racist organizations in Canada. The allegations also stated that he engaged in an harassment campaign against anti-racists. In addition, there were allegations that at the behest of the Progressive Conservative Government, Bristow/CSIS spied on the Reform Party.

As the months unfolded, allegations were voiced that Bristow provided money and information about Jewish individuals and groups to virulent racists in the United States, that he spied on the Canadian Broadcasting Corporation, and that he spied on the Canadian Union of Postal Workers.

We set out to examine the allegations and, in particular, to assess the procedures for handling the CSIS Source in this case. The result was a report of more than 200 pages which we gave to the Solicitor General of Canada on December 9, 1994: "The Heritage Front Affair". In that report, we provided the viewpoints expressed by opposing parties as to what took place in the Heritage Front Affair. We then gave our conclusions in the final chapter.

Our report on "The Heritage Front Affair" provided more details about a CSIS investigation than has ever before been revealed. We wanted to give the public as much information as possible about what took place.

This chapter provides a summary of the key issues from "The Heritage Front Affair". Readers who wish to read the full report, can obtain a copy from the Solicitor General of Canada.

We found that CSIS had placed a human source in the Heritage Front. We concluded that CSIS was correct to investigate the leadership of that extreme right organization and we were satisfied with the depth of the Service's³ investigation.

The Source

Sections 18 and 37 of the *CSIS Act* prevent us from revealing the identity of any CSIS Source. In this summary, as we did in the main report, we will talk about a Source but we will not identify him.⁴

² "Spy Unmasked", Toronto Sun, August 14, 1994.

³ "The Service" and "CSIS" are both used in this report to indicate the Canadian Security Intelligence Service.

⁴ Because of the vagaries of Canada's two official languages, the personal pronouns "he" in the English version and "elle" in the French version are used when referring to sources. These pronouns are used without regard to the actual sex of the Source.

In 1988, the Toronto Region office of CSIS was concerned about the growing recruitment activities of the extreme right among violence-prone "Skinheads" and others. CSIS had identified the new extremist initiative at the embryonic stage and the Source, despite being indiscreet in earlier assignments, was deemed to be the best person to keep CSIS abreast of developments.

Founding the Heritage Front

In April 1989, an important player in the racist right re-appeared on the Canadian scene at a meeting of the radical Nationalist Party of Canada. He was Wolfgang Walter Droege, a man with a history of involvement in the Ku Klux Klan and other hate groups in Canada. He had just been released from prison in the United States after serving four years of a thirteen year sentence for drugs, weapons, and illegal entry convictions, having been convicted previously in the USA of participating in a conspiracy to stage a coup on the island of Dominica.

The Source and Droege were among the Nationalist Party group of seventeen people who were invited by the leader of the Party, Donald Andrews, to travel to Tripoli in the Fall of 1989 to attend the 20th Anniversary Celebration of the Libyan Revolution. Andrews had led the white supremacist Western Guard in the 1970's, and the racist Nationalist Party subsequently.

The adverse consequences of the trip to Libya⁵ and Andrews' authoritarian demeanour led people to leave his Party. This contributed to the formation of a new racist organization.

On September 25, 1989, at a meeting attended by Gerald Lincoln, Grant Bristow and James Dawson, Wolfgang Droege formed the Heritage Front. Under oath, Droege told us that he had "already had this idea for a number of years".⁶ He sought and received the support of Gerry Lincoln and Grant Bristow. These three were placed in the top level of membership called "The Brethren", those "in the know". James Dawson registered the Heritage Front on October 2, 1989.

It should be noted that the Heritage Front was not the first organization that Droege managed successfully. His Ku Klux Klan group in Canada had thrived fourteen years previously, before Droege's exploits in conspiracy, drugs and weapons landed him in United States' prisons.

He conceptualized the Heritage Front as a body to unite those persons in Canada who were associated with The Order⁷, the Ku Klux Klan and the Aryan Nations. It would be the primary

⁵ The group had worried about being attacked by leftists in Libya and, on their return trip, they were arrested in Chicago and were subjected to humiliating interviews and body cavity searches.

⁶ We learned that even prior to the Libyan trip, Droege expressed interest in forming a new group, the Society for the Preservation of the White Race (SPWR).

⁷ The Order, also known as the Silent Brotherhood, was a white supremacist terrorist group in the USA during the 1980's. Its members carried out murders and robberies.

vehicle for furthering the white supremacist movement in Canada. He hoped to obtain financing from the Libyans in return for information on Jewish groups in Canada.

As 1990 began, the Source remained in the Heritage Front to monitor Droege's lead role in the white supremacist movement in Canada. If Droege became the leading Aryan movement personality, CSIS believed that his organization would be hard to penetrate due to his past experience and security consciousness. The Service considered itself fortunate to have a Source in on the ground floor.

Recruiting and Funding

The media alleged that Grant Bristow provided substantial funds to the Heritage Front and to white supremacists in the United States. Investigation shows, however, that the funding which Bristow did provide to the Heritage Front was insignificant and represented his share of the general expenses that were divided between all executive members of the group.

Though Grant Bristow did make some direct and indirect contributions to the movement, these contributions had no substantial impact on the viability of the Heritage Front; a group that had no outlay for capital costs, no office or staff, and minimal expenses.

We found that the allegations that Bristow provided funds to United States racists Tom and John Metzger were false.

The Source's abrasive and offensive attitude towards some of his extremist colleagues was, to some extent, a reflection of his personality. The Source behaved differently with Droege and others with whom CSIS wanted him to remain close. We found no evidence that the Source recruited anyone into the Heritage Front.

The Reform Party

We investigated the allegations concerning the role of the CSIS Source in the infiltration of the Reform Party of Canada by the Heritage Front. We also examined Grant Bristow's activities in regard to the Reform Party.

A major issue for the Reform Party has long been the belief that the former Progressive Conservative government engaged in a conspiracy that used the Heritage Front to discredit the Reform Party in the eyes of the Ontario electorate before the 1993 federal election.

In order to address those concerns, we expanded the focus of our investigation to the widest extent possible under our statutory mandate.

Grant Bristow and the Conservatives

Many of the allegations in the public domain focus on Grant Bristow and whether he was an agent of the Progressive Conservatives. When we examined Bristow's links to the Conservatives, we found the association to be insignificant.

In 1984, Grant Bristow worked in the election campaign for Conservative David Crombie. The Reform Party did not yet exist.

During the 1988 federal election, Grant Bristow's supervisor at a shipping firm was a local fundraiser for Tory Otto Jelinek's 1988 election campaign, and he asked Bristow to help. Bristow performed two activities for his supervisor: on the Sunday before the election, he canvassed door to door for several hours; and, on election day, he went to the polling station at night to count ballots, allegedly so that he could go to the victory party. He may have attended one or two large gatherings in the garden of Jelinek's estate at the invitation of his supervisor. Mr. Jelinek says that he has never met Grant Bristow. These events appear to be the sum total of Bristow's association with the Progressive Conservatives.

In 1988, the Reform Party ran candidates in the Western provinces only; it would be three years before they expanded to Central and Eastern Canada. In the 1993 federal election, which is the focus of Reform Party concerns, Otto Jelinek was not a candidate. We examined the information sent by the Service to former Solicitor General Doug Lewis' office prior to the public exposure of the Heritage Front's infiltration of the Reform Party. One intelligence report referred to the infiltration attempt. Mr. Lewis does not recall seeing the document and there was no evidence to suggest that he did.

We asked former Solicitor General Doug Lewis and his staff whether they sent any instructions, oral or written, to the Director of CSIS or his staff instructing them to investigate the Reform Party. They denied any such action.

The Security Intelligence Review Committee has seen no evidence to substantiate the allegation that Grant Bristow sought to discredit or infiltrate the Reform Party on behalf of Doug Lewis or the Progressive Conservative Party of Canada.

Infiltration

Alan Overfield, a bailiff and a Director of a Reform Party riding association in 1991, had a long-standing relationship with Wolfgang Droege. It was through Overfield's friendship with Droege that Heritage Front members were enlisted to perform security duties for the Reform Party.

Overfield and Reform Party officials agreed that he would provide a security team for the Reform Party during the first major rally in the Toronto area in June 1991. We found that Grant Bristow was not involved in the decision to provide security for the Reform Party. He became part of the security team later, at the behest of Overfield and Droege.

Racist Plots

We found that Overfield's objective was to increase his influence within the Reform Party in pursuit of a racist agenda. His intention was to take over, if possible, some 12 constituency associations in order to influence the political party to implement white supremacist policies.

We concluded that Wolfgang Droege had a different plan. Droege saw the Reform Party as his competition, and his aim was to eventually discredit that Party, preferably close to the 1993 federal election.

The Source objected to the involvement of Heritage Front members in the security duties for the Reform Party. The Source reported that he had had a heated discussion with Droege on July 31, 1991 as the Source tried to point out the negative aspects of the plot for the movement. Droege stated that he and other Heritage Front people would continue to perform security duties with or without the assistance of the Source.

Attendance at Meetings

Grant Bristow attended a total of four Reform Party meetings as part of the Heritage Front security team. Two of the meetings were small constituency affairs where Bristow remained outside the halls to conduct perimeter security. For the two major rallies in the Toronto area (Mississauga and Pickering), Overfield was the person who assigned the security roles to the team. He decided where each person was to work, and he delegated the job of protecting the Reform Party leader to Grant Bristow.

A major issue of concern to the Reform Party was whether Grant Bristow recruited Heritage Front members and other undesirables for the Party. Overfield was the primary actor in signing up Heritage Front members. His name was on the sign-up sheets and he admitted under oath that he recruited a grand total of 22 members for the Reform Party, five of whom were members or associates of the Heritage Front.

The statements made by Droege and Overfield to the media and to the Review Committee that Grant Bristow recruited people for the Reform Party have been contradicted by their own statements and by the written records.

Early Warnings

Seven days after the major Toronto rally in June 1991, the first of a series of early warnings about racists infiltrating the Reform Party was available to Party officials.

On June 19, 1991, an article about Wolfgang Droege and his racist beliefs appeared in the Toronto Star. Droege endorsed the Reform Party and its leader and stated "they have given us some hope."⁸

The second warning came on July 22, 1991, when Al Muxworthy from the Don Valley North riding was told about the concerns of the Canadian Jewish Congress. Muxworthy was informed about Droege's public endorsement of the Reform Party in the June 19, 1991 article in the Toronto Star. Two days later, Muxworthy wrote to Preston Manning's Executive Secretary; he attached a copy of the article.

The third warning came from a CSIS employee who served as a volunteer director with a Toronto area Reform Party riding association. The employee reported that in July 1991 he gave a general warning about Wolfgang Droege to the President of his riding association. The employee advised the President to bring this to the attention of the major rally organizer for the area. The CSIS member and others subsequently reported speaking to the organizer about the issue. Neither the CSIS employee nor the organizer now remember having held these conversations.

The fourth warning came from Michael Lublin, a Reform Party member, who had brought the same Toronto Star article to the attention of Reform Executive Council member Dick Harris. The two met with the Canadian Jewish Congress, and Harris received a list of nine names to check against the Reform Party membership lists.

On February 28, 1992, the Toronto Sun published a major story about the infiltration of the Reform Party by the Heritage Front. This exposé took place some 19 months prior to the 1993 federal election.

Discussions in CSIS

Toronto Region learned that its Source was involved with the Reform Party security group in early June 1991. It was early August 1991 before Service Headquarters instructed Toronto Region that the Source was to have nothing more to do with the Reform Party.

SIRC is of the opinion that the two month time lag was too long and we conveyed this criticism to the Service. The Source should have been immediately instructed to cease all such activities during the same month that Headquarters learned of them.

Although the Source was instructed to stop his activities with the Reform Party in early August, he participated nonetheless with Overfield's team at the January 1992 rally in Pickering, Ontario. However, both the Source and the handler stated, convincingly, that the Source's activity ceased immediately upon receipt of the instruction to do so; we investigated this contradiction.

We concluded that the August instruction from Headquarters was neither precise nor specific. The message stated that there was to be no reporting on the Reform Party, but it did not explicitly state that the Source was to leave the security team. The managers at CSIS HQ and Toronto Region interpreted the August communication to mean that security group activity was to stop, but the Source and the handler did not draw the same conclusion.

SIRC then examined the reasons why CSIS did not inform the Leader of the Reform Party that the Heritage Front had infiltrated his organization. We learned that the period in which the decision was made was one of transition for the executive level of the Service, and that the Deputy Director of Operations was the Acting Director for most of the Summer and Fall of 1991. He and the Assistant Director of Requirements decided that the situation was not sufficiently egregious to warrant notifying Mr. Manning via the Privy Council Office or through the Solicitor General. The two senior officials decided that the Reform Party was capable of cleansing its own ranks, and taking care of itself.

SIRC saw no evidence that the issue was brought to the attention of the Director during the Summer or the Fall of 1991. Our opinion is that the matter was sufficiently serious that it should have been brought to the attention of the Director during the Summer rather than in the Winter, when a new Director of CSIS was briefed.

The Dissident Plots

SIRC learned that Michael Lublin, a former member of the Reform Party, had developed a relationship with Wolfgang Droege, despite their having been enemies previously. Lublin and Droege agreed to mount a mutual campaign of publicity and controversy to enhance their reputations with their respective constituencies.

Lublin notified Droege about some Reform Party meetings and called the Press to make sure Reform was discredited.⁹ He and Droege agreed that they would try to discredit certain leading Ontario members in the Reform Party.

Another dissident who was instrumental in activities to discredit the Reform Party was lawyer Louis S. Allore. A director of the Ontario riding association, he was expelled from the Party after a series of conflicts and complaints. Once expelled, Allore carried on a one-man campaign through the media and the courts to express his negative opinion of the Reform Party and Preston Manning.

Louis Allore, in order to embarrass the Reform Party, paid Droege \$500 to try to enter an Oshawa meeting at which Preston Manning appeared.

9

Lublin denied he was involved.

Comment

Notwithstanding the intensive investigation that was undertaken, no evidence was found that any person associated with CSIS conspired to discredit the Reform Party. Nor that Grant Bristow orchestrated the Heritage Front plots to take over or to discredit the Reform Party.

We found no evidence to support the allegations that classified CSIS information concerning the Heritage Front was used by the Progressive Conservatives to discredit the Reform Party in the period prior to the media revelations about right-wing infiltration.

It should be noted, however, that the Reform Party received many early warnings about Wolfgang Droege's interest. His white supremacist views and associations were a matter of public record at the time the conspiracies were undertaken. In addition, the media stories about the infiltration were aired fully one and a half years before the 1993 federal election took place.

We criticized the Service for taking too long in deciding to withdraw its Source from the Overfield security team, and then compounding that error by not issuing clear instructions to the Source and handler to cease all involvement with the team.

Finally, we criticized senior management in CSIS for not bringing the infiltration of the Reform Party to the attention of the then Director of CSIS. The decision should have been his to make as to whether the Solicitor General or others were to be informed of the Heritage Front activity.

Harassment

Any informant who enters the Heritage Front or a similar group has to maintain his credibility with his associates, otherwise he would not remain a trusted member for long. The question we were faced with was whether the CSIS Source had remained within the bounds of appropriate behaviour while trying to maintain his credibility. The answer we arrived at was that, *in certain circumstances, he had not.*

The "IT" Campaign

In late 1992, the CSIS Source played a major role in the evolution of a harassment campaign, authorized by Wolfgang Droege, against anti-racists.¹⁰ The campaign escalated rapidly, and threatened to result in physical violence between the two groups. With the permission of his handler, the Source redirected the previously uncoordinated and escalating threats of the Heritage Front members into what was intended to be an information collection program: the "IT" campaign.

10

Droege denies this allegation.

The "IT" campaign involved Heritage Front members calling anti-racists continuously, with the calls stopping only after the victim provided the names and telephone numbers of others in the movement. When interviewed, Grant Bristow said that other people made most of the calls. He did, however, call a female anti-racist activist and Kevin Thomas, an Anti-Racist Action leader. Bristow and Thomas engaged in a mutual mud-slinging match.

The Source tried to enhance his credibility by telling other Heritage Front members that he had harassed some opponents when, in fact, he had not done so; supposed threats to a school principal being an example.

According to the Source, by the Summer of 1993 the calls had become primarily an information collection exercise, as a result of the "IT" campaign. A much smaller number of people were being targeted.

The Source acknowledged that he provided coaching and instruction for the "IT" campaign. He instructed Heritage Front members on how to collect the information from the answering machines, and then he told them how to harass the targets in order to collect information about other anti-racists.

Elisse Hategan, a former racist turned anti-racist was charged in October 1993 with publishing defamatory libel and wilful promotion of hatred by distributing posters which defamed minorities. The charges were withdrawn in June 1994. Bristow was blamed for the posters. We concluded that Alan Overfield produced the posters and Wolfgang Droege distributed them.

We consider that the "IT" campaign had a substantial and detrimental impact on some of those who were its targets.

The around-the-clock harassment of individuals, at least one of them a woman, exceeded the bounds of appropriate behaviour. We similarly believe that calling an employer to discredit an employee, stalking targets, and the other examples that are described in our report were Heritage Front activities that should have been discussed by CSIS management.

We are mindful of the mutual harassment between racists and anti-racists which characterized this period. ***Nevertheless, the Source was involved in a campaign which went beyond the limits of what we believe Canadian society considers to be acceptable and appropriate behaviour from someone who would be perceived as acting on behalf of the Government.***

CSIS senior management in Toronto Region and at Headquarters were unaware of the full extent of the harassment program that transpired during this period. But the conflict between the racists and the anti-racists in the streets of Toronto was not a state secret. The media gave considerable attention to these events. Senior management should have been sufficiently alert to inquire as to what was going on in this regard. We saw no evidence that this was the case.

The handler and the Source did what they considered to be best under the circumstances to transform a situation clearly headed towards violent confrontation. ***Had senior management intervened in the situation, it is at least possible that less harassment and intimidation would have occurred.***

Jewish Groups

Jewish organizations and individuals experienced, as a group, considerably less harassment than the anti-racist activists. When Droege asked the Source to collect and provide information on Jewish leaders and groups, he obtained the information from publicly available sources such as telephone books. When asked to provide information on residences or other personal data, the Source either equivocated, offered no information at all, or gave open source material.

When information on the Jewish community was provided to the Heritage Front by other white supremacists, and the Source had access to it, the material was passed on to CSIS. If required, police agencies were alerted. As an example, Terry Long, an Alberta racist leader, sent Droege a list of 22 names that included some prominent members of the Jewish community, and others perceived as enemies.¹¹ CSIS promptly passed the list to the police.

The Source maintains that he never provided any information to Mr. Long. He said, however, that Holocaust denier Ernst Zundel did send some material, at Droege's request.¹²

Both the Source and Grant Bristow said that they did not pass information on members of the Jewish community to white supremacists in the United States; nor did they provide information on any Heritage Front target groups or individuals to Tom Metzger (White Aryan Resistance).

Intimidation

The Source engaged in individual acts of intimidation and harassment. Such acts were relatively low level efforts but, nevertheless, elicited concern or fear from the victims of these oral attacks. The Source said that in his opinion, these episodes were necessary for his behaviour to be consistent with the role he was playing with the racists. When the handler was informed about the incidents, the Source was instructed to desist; he said the Source complied.

We concluded that the Source should not have intimidated members of the Jewish community. Despite the fact that he said that he was play-acting, he was wrong to have done so, and tighter control should have been exercised by the Service. We realize, however, that

¹¹ Droege told the Source that lists of enemies were created for the "Day of the Rope". The phrase comes from the infamous 1978 novel "The Turner Diaries", written by right-wing extremist, William L. Pierce. The book, which tells of a militia-like terrorist group, is seen by some ultra-right extremists as a blueprint for action.

¹² Zundel stated "that is absolutely nonsense."

in handing over information to CSIS, which in several cases was then communicated to law enforcement bodies, he may have prevented physical violence.

We believe that the "balance sheet" shows that, over all, the Source's efforts aided in protecting the Jewish community against violence.

Alleged CSIS Interference

In the wake of the media statements of August 1994 that CSIS had an informant in the Heritage Front, allegations arose that CSIS interfered in the arrest of Sean Maguire, and arranged the entry to Canada of Tom Metzger, both notorious American white supremacists.

The media alleged that in the 1991 arrest of Sean Maguire on an Immigration warrant, CSIS intervened to protect Grant Bristow who was driving Maguire in his car. The facts are that the police found guns in the car trunk and detained Bristow, but released him when they found that he had not broken any law.

The police maintain that had Bristow's possession of the firearms proved to be illegal in any way, he would have been arrested and charged. We concluded that the media's allegation of CSIS interference in the arrest was unfounded. It should be noted that the arrest of Maguire took place on the basis of CSIS information.

In Tom Metzger's case, a media broadcast alleged that he and his son John were brought into Canada in June 1992 at the instigation of CSIS, in the belief that the Service would achieve glory through their arrest.

We found that neither CSIS nor the Source had details of the Metzgers' illegal entry into Canada. When the Service learned that they had arrived, the police were informed and a joint Police-Immigration task force arrested them after a Heritage Front meeting.

In 1994, Tom Metzger appeared on television program. He stated that Grant Bristow came to California to give him money, along with the names of leftists and Jewish community leaders. We were told that Metzger's comments seriously frightened the Jewish community. We learned that Metzger's statements were prepared in advance in consultation with his neo-Nazi associate in Canada, Wolfgang Droege. Complying with Droege's instructions, Tom Metzger lied about receiving money and information on Jewish groups from Grant Bristow.

The same television program alleged that CSIS received advance notice that synagogues in the Toronto area would be defaced after the Metzgers were arrested. We found that this was not true; CSIS issued a Threat Assessment which warned of vandalism, but this is a standard practice after the extreme right suffers a blow, and police forces were and are well aware of the risk to Jewish and other institutions in such cases.

Spying on the CBC

We examined the allegation that CSIS spied on the Canadian Broadcasting Corporation (CBC). A Toronto newspaper displayed a leaked House of Commons Briefing Card which stated that a CBC program was to air a story on racism in Canada's military.

We concluded that the information that the Service collected concerning the CBC was obtained in a lawful investigation of white supremacists. Of greater importance, CSIS did not spy on the CBC, its journalists, or any of its other staff. The information reported to the Solicitor General was not obtained by the Source.

We are of the opinion, however, that some of the information retained and reported by CSIS was not "strictly necessary." If the Service wanted to update the Minister on the threat to national security presented by white supremacists in the Canadian Armed Forces, it could have done so without reference to the CBC program.

Spying on the Postal Union

We reviewed the Canadian Broadcasting Corporation exposé of CSIS spying on postal workers or the Canadian Union of Postal Workers which aired in September and October 1994. We found that the allegations were without foundation.

We concluded that one or more CBC journalists misread a leaked Housebook Card to the Solicitor General. The CBC withdrew its allegation that CSIS spied on the Postal Workers.

Source Handling and Direction

Human source activities are governed by the limits of the *CSIS Act*, direction issued by the Solicitor General, and CSIS internal policies.

We concluded that the existing level of policy guidance was seriously deficient in answering:

- how proactive a source can be;
- whether a source should lead or direct an organization or movement;
- whether a source should "counter" or try to destroy the group; and
- whether the benefits of maintaining a source outweigh the benefits of destroying the group.

We recommended Ministerial guidelines that require CSIS management to carefully weigh the benefits and the dangers of each human source operation on a regular basis; taking due account of the special circumstances of each case.

We believe that the actions of sources should not bring discredit to the Service, nor the Government, nor the society in which we live. But employing any source, whether among drug dealers or terrorists, becomes a risk management situation in which the intelligence benefits must be weighed against the risk of disclosure as well as any inappropriate activities of the source.

We are of the opinion that passive sources in the racist right would yield less useful information at best or useless information at worst. Most valuable sources are active. In the current case, information from the Source contributed to eighty Threat Assessments over five years, hundreds of reports, the deportation or expulsion of foreign white supremacists, and the weakening of racist efforts by some other groups.

Finally, we would like to put on the record our unshakeable conviction that the Government of Canada, through all means at its disposal, should continue to ensure that it is always aware of what is going on within all potential terrorist groups including extreme right wing racist and neo-Nazi groups. Canadians should never repeat the mistakes of the past by underestimating the potential for harm embodied in hate-driven organizations. The hate bombing in Oklahoma City is evidence of the threat posed by these groups and those who share their creed.

(b) Aftermath

After the report was released, the Sub-Committee on National Security, during public and "in camera" sessions, questioned us on a page by page, paragraph by paragraph, and line by line basis. We met with the Sub-Committee seven times for a total of over fifteen hours.

On August 1, 1995 the Solicitor General of Canada issued a new Ministerial Direction concerning the management of human sources, as a result of the Heritage Front Affair. The Direction arrived too late for analysis in this Annual Report.

The Racists and their Associates

The members of the Heritage Front and their allies were most incensed by our report. We received correspondence from several persons who complained about our depiction of certain events. For example, Canadian David Maxwell French and American Sean Maguire telephoned us. Others wrote to us: British author David Irving, for example, complained about our use of the term "Holocaust denier".

We watched as the trials of key persons in our study went through the court system. In February and May 1995, Wolfgang Droege was jailed, once for contempt of court and again for clubbing an anti-racist. George Burdi, a young leader associated with Droege, was convicted in April 1995 of assault causing bodily harm to an anti-racist in Ottawa. Heritage Front members Carl and Elkar Fischer along with Andrew Maynard are to be tried for the kidnapping and assault of another Heritage Front member, Tyrone Mason.

The Search for Bristow

During the course of our study, the search for Grant Bristow appeared to consume many in the media. In April 1995 the Toronto Star was alerted to the fact that Grant Bristow was living in Alberta. But he soon disappeared. That story appeared above the story of the tragic Oklahoma bombing on the newspaper's front page. The story ignored the Star's previous articles which described the key findings in our report and, instead, relied on the original unsubstantiated allegations for background.

3. Case Studies

(a) Terrorism and a Foreign Government

We reviewed the Service's investigation of a foreign government with a history of employing illegal means in pursuit of its objective to neutralize dissidents to the regime in power. In support of its objectives, the country allegedly sponsored terrorist groups abroad, and provided direction and support for them.

SIRC reviewed the Service's investigative activities for a two year period. To conduct this study, the Committee interviewed Counter Terrorism Branch staff, reviewed the files of the Service and consulted documents, including public sources, from other countries that pertained to the activities of that foreign government and its intelligence services. We examined in detail the cases of several persons in Canada who CSIS believed were closely associated with that foreign government.

The Service's Case

The foreign country relies upon numerous departments and agencies as well as a host of co-opted individuals (nationals, expatriates) and groups to protect the regime from its opponents.

CSIS believes that to ensure the stability of the current regime, the foreign government:

- monitored dissident elements;
- strengthened itself through propagandizing; and
- engaged in scientific, technological and military espionage.

SIRC's Findings

Our examination of both classified and open sources of information confirmed beyond a doubt that CSIS had reasonable grounds to suspect a threat to Canada's national security from the foreign government and its intelligence services. The cases of violence and terrorism encouraged or undertaken by the foreign state are convincing.

The CSIS targeting documents alleged that the foreign government was involved in activities covered by sections 2(b) (foreign influence) and 2(c) (serious political violence) of the *CSIS Act*. In Canada, it was evident that the representatives and the supporters of the foreign regime monitored dissidents and that they covertly sought to influence a local community.

The Service described how persons known by Western intelligence agencies to be operatives of the foreign government had attempted to enter this country, sometimes under cover.

There were credible indicators that the foreign government had a covert science and technology acquisition program overseas. The Service stated that students and business delegations posed the most serious threat in this area, but we believe that a strong case has yet to be made.

Allied agencies have documented that the intelligence services from the foreign country have used students for political purposes. Students from the foreign country in Canada have also been accused of this activity. The Service has documented the use of students in demonstrations and the provision of information on dissidents, which could imperil their lives or the lives of their relatives.

CSIS showed that the foreign country's nationals in some Canadian cities made important decisions about whether persons in this country should be given certain privileges in regard to the homeland. The nationals had links to the highest levels of the foreign government.

In one investigation, we noted a controversy within CSIS. The short-lived debate concerned what section of the *CSIS Act* a foreign national should have been targeted under and whether he should be removed from Canada. The CSIS correspondence appeared to be instrumental in the foreign national's removal from Canada after CSIS conveyed its concerns to Immigration. We concluded that with one exception, the arguments in the Service's correspondence to Immigration were supported by the file material.

Issues

We expressed our concern to CSIS about an investigation of certain persons from the foreign country that was not described in any targeting authorization. We found that, in one case, no ministerial approval was obtained to collect information which involved a sensitive institution.

Our review showed that the advice which CSIS gave to the Canadian government was exhaustive and consistent with the information we saw on file.

We detected problems in some source operations that we examined. In one case, we had difficulty with the Service's argument that a source simply volunteered information and thus was not directed by CSIS. Though there is room for differences of opinion, our interpretation of Ministerial Direction in such circumstances leads us to the view that the source was directed and that the Solicitor General's approval was required.

In this case, we recommended that CSIS policy should be re-written to conform more closely to the letter and the spirit of the Ministerial Direction. We similarly believed, in another case, that CSIS should have sought ministerial approval before the Service agreed to extend an existing operation, but no action ensued.

We observed that CSIS did not have a policy for managing cases where sources witness serious illegal acts unrelated to their tasking.

Conclusions

The Committee assessed whether the Service had reasonable grounds to suspect a threat to national security from the foreign government, its departments and agencies. We concluded that the government did pose a serious threat, based on the activities of its representatives and agents abroad and in Canada.

CSIS, in our opinion, made a strong case that the foreign country monitored and reported on the activities of opponents to the regime.

The information and intelligence we examined supported the Service's case that the foreign government attempted to clandestinely influence a community in Canada. We found that Service concerns relating to the threat of serious violence were also fully supported.

In some cases, we thought that the Service's assertions about the transfer of restricted technology were not compelling.

We are of the opinion that in the cases that we examined, the Service collected information that was strictly necessary to inform the Government about threats to national security.

We believe that, for the most part, the Service used investigative techniques that were proportionate to the threat. That said, one case that we examined did not appear to justify a renewal of targeting. As our study concluded, we learned that the Service had stopped targeting that person.

(b) Boutros Boutros-Ghali and VIP Protection

Under section 12 of the *CSIS Act*, the Service is to provide "advice to government". According to agreements with the RCMP, in the case of VIP (Very Important Person) or special events security, the Service is to provide threat assessments before and during the event, and indices checks for persons who might obtain access to VIPs or secured areas.

During a review of domestic exchanges, we came upon a case where CSIS surveillance appeared to be providing protective coverage for the Secretary General of the United Nations, Mr. Boutros-Ghali, during a trip to Quebec. He was to arrive on August 22, 1993, and the RCMP indicated that they would be providing 24-hour coverage.

We examined the events leading up to the visit. The RCMP notified CSIS of Mr. Boutros-Ghali's trip on July 21, 1993, and provided an itinerary. Between July 27 and August 5, CSIS provided the RCMP with assessments concerning possible threats to the Secretary General. On August 19 and August 20, 1993, CSIS provided specific assessments of possible threats to Mr. Boutros-Ghali during the trip.

On August 19, 1993, CSIS provided its overall plan for the coverage of the visit, and asked regions to put appropriate procedures in place.

At 3:00 a.m. on August 20, 1993, the Quebec City Police found a bomb at La Maison des Municipalités, which was then defused. CSIS officers learned of the bomb in the morning newspapers. Headquarters, however, was not officially informed of the bomb until August 22, 1993.

Later on August 20, 1993, a CSIS officer learned of the potential for an attack against Mr. Boutros-Ghali. Two days later, CSIS obtained a five-day TARC authority to evaluate whether the potential represented a real threat to Mr. Boutros-Ghali during his visit to Quebec City. We were subsequently told that the RCMP were informed about this matter.

On the morning of August 23, 1993, Quebec Region initiated a surveillance operation. The operation was not at the request of the RCMP. The purpose of the surveillance was to verify the residences and locations of subjects. The team visited various locations, and determined whether the subjects were present. Later in the day, the team attempted to determine whether any of the subjects might be in the vicinity of the Secretary General.¹³ The team was present at the airport when Mr. Boutros-Ghali departed that evening.

After special events, CSIS prepares a Post Action Report. The assessment of CSIS performance during the event was positive. There was criticism, however, of ineffective communications, arising from problems in communicating planning documents, itinerary changes, and the information about the bomb.

The *CSIS Act*, Ministerial Direction, and the agreement with the RCMP require CSIS to provide threat assessments and other advice concerning possible threats. The CSIS Operational Manual does not provide specific instruction concerning the role of Intelligence Officers in VIP protection.

We have no difficulty with the Service providing assistance, when requested, to the RCMP. Sometimes that may take the form of use of surveillance teams and sometimes, even, direct assistance in the furtherance of the RCMP protective mandate. We would not want anything to detract from the overriding goal of protecting state guests or other important individuals. This case, however, indicates a lack of clarity as to the Service's precise role, a confusion that potentially undermines the Service's efforts in contributing to public safety in such situations. The Operational Manual should be written more clearly in this area.

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CSIS stated that surveillance was not following Mr. Boutros-Ghali, but pursuing a legitimate section 12 investigation.

(c) CSIS Investigations of Certain Intelligence Services

In the 1994 CSIS Public Report and Annual Outlook, the Service indicated that, "in a turbulent and uncertain world, many states are engaging in intelligence activities to further their aims and policies." According to CSIS, "foreign intelligence activities violate Canadian sovereignty and are inimical to our national security interests. The Service said that it had "identified undeclared intelligence officers operating in Canada".

This year, for the first time, the Committee examined CSIS investigations of four non-traditional targets. These are intelligence services that have become subjects of investigation only relatively recently, and are not linked to old Cold War adversaries. We wanted to verify that the investigations were justified, and that Canadians were not subject to unreasonable investigation. We also wanted to make sure that the Service exercised due diligence in any matters that might concern national sovereignty.

We began by looking at direction and instruction. Government policy in this area is quite explicit — any foreign intelligence service operating in Canada without the approval of the Solicitor General is subject to investigation.¹⁴ Significant cooperation must be negotiated on a government-to-government, and not intelligence service-to-intelligence service basis. The Government can and does approve joint operations in Canada. Such operations, however, must remain under Canadian control and must specifically benefit Canadian security interests.

We examined what CSIS was telling federal departments and agencies. In general, we found that the Service's account of the threats posed to Canada was reasonable and balanced. We believe that in some reports the Service overstated the threat posed by the theft of economic and technological information; though we acknowledge that this threat is significant and growing. In other reports concerning the theft of information, there was no actual Canadian link to the activities described, nor any plausible link between the particular activity and a foreign intelligence service. We also noted some omissions of background information needed to evaluate activities and actions deemed to be detrimental to Canadian citizens.

We examined all TARC authorizations in place when the review started. Most of the investigations involved foreign nationals, and all fall under section 2(a) and/or 2(b) of the *CSIS Act*: espionage, defined to include theft of economic and technical secrets, or foreign influence.

The minutes of the TARC committee suggested vigorous debate and, in a few cases, the Committee either limited the authorizations requested, required a reassessment of the threat, or indicated an unwillingness to renew authorizations without additional supporting intelligence.

We examined the Requests for Authorization documents considered by TARC before authorizing an investigation. Most of them seemed reasonable and well grounded in fact. However, in the case of one service, a number of submissions cited 2(a) and 2(b) of the *CSIS Act*, but made no case for foreign influence. We are told that the reference to 2(b) was a typing error. In another

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Any investigation must be duly authorized by TARC.

instance, a TARC submission was not strongly substantiated by cases involving activities in, or threats directly to, Canada. In one superseded Request for Authority, we noted the listing of Canadians for Level 3 investigations in an Annex to a TARC authorization. We were told that this was a seldom used practice, and that, in this instance, the case for investigation was put to TARC on a person-by-person basis. In a related decision, a Federal Court Judge indicated that, in his view, the Service had to prove a real detriment to national security when making a case under 2(b) of the *CSIS Act*, foreign influence. Thus, for example, it might be inadequate to argue as detriment the chilling effect of an activity on an individual's rights under the *Charter of Rights and Freedoms*.

We determined that there was unacceptable behaviour by some individuals on behalf of certain intelligence services. In ethnic communities, attempts were made to gather information, infiltrate organizations, manipulate community views, and manipulate the media. In a few instances, individuals sought military, technological, or business information to which they had no right. Other threats involved activities directed at Canadian diplomats, or other Canadian interests, abroad.

We obtained statistical data concerning the extent of CSIS investigations, such as personnel utilization and the use of warrants, and rough measures of threats, such as diplomatic warnings. Most of the investigations are too small to be individually classified for statistical purposes; they are part of larger Intelligence Requirements, and so we used estimates provided by desk officers. For most of the intelligence services reviewed, the person-year usage is very small, there is no dedicated staff in the regions (ie. staff handle a number of different investigations), and the investigative strategy can probably best be called reactive.

We noted the discrepancy between what was to be investigated according to TARC authorizations, and the limited Service capacity to conduct the authorized investigations. According to the Director General (CI), TARC authorities should not be restricted by the availability of resources. The Director General added that international events and/or new investigative leads can impact on the effort that CSIS decides to dedicate to a particular target.

Some of the activities of certain intelligence services touch on matters perceived as involving Canadian sovereignty. In a few cases, we noted that the Service did not seem to be able to get to the bottom of possible threats, and significant investigations ended inconclusively. We asked about the extent of CSIS investigative efforts in these areas, and about a regional manager's statement concerning the lack of resources to finalize investigations. The Director General (CI) said that these areas involve third tier targets and that, in an era of restraint, significant additional resources could not be directed against them. Unlike traditional targets where the threat is broad based, and goes right across the spectrum, these intelligence services usually pose a threat in one or two narrow areas.

We examined whether CSIS ever ignored matters relating to sovereignty. We noted no significant issue that CSIS had simply ignored, though sometimes its reviews might have been crimped by resource shortages. We also were vigilant for any signs of unauthorized or clandestine

collaboration between CSIS and the foreign intelligence services. We found no such signs, though noted one case where CSIS may have had difficulty balancing its complex relationship with the target.

We also looked at any joint operations undertaken with CSIS by the Intelligence Services reviewed. The Solicitor General can approve operations in Canada undertaken jointly by CSIS and a foreign agency, such as the debriefing in Canada of a source of a foreign service. We found no joint operations involving the services reviewed.

We did not discover anything to concern us seriously in CSIS' investigation of the four targets. Generally we found the investigations to be specific and well-defined. However, we have some concerns with the CSIS investigation of individuals in contact with targets. In one case, CSIS officers obtained information on a person in contact with a mandated target, which seemed to exceed the level of investigation required to establish full identification, as set out in the CSIS Operational Manual. CSIS obtained the information by interviewing the individual's employers and co-workers.

(d) Air India

June 23, 1995 marked the tenth anniversary of the destruction of Air India flight 182 off the coast of Ireland with the loss of the 329 persons on board, most of them Canadians. During May and June 1995, politicians, the media and, of course the friends and families of the victims sought a public inquiry to provide answers to the many questions which remain outstanding.

In our 1991-92 Annual Report, we described the principal findings and conclusions of our review into CSIS' activities before and after the terrible tragedy took place. Should the Government of Canada see fit to convene a Royal Commission to investigate all dimensions of the terrorist act, we will offer our complete cooperation.

4. CSIS Operations

(a) Arrangements with other Departments and Governments

(i) Foreign Arrangements

As of March 31, 1995, the Service had a total of 195 arrangements with 119 countries and three international organizations. During fiscal year 1994-95 CSIS established or enhanced five liaison arrangements after approval by the Solicitor General. Two of the agencies are in a former Warsaw Pact country, two are in Latin American states and the fifth is with an agency in an African country.

We were particularly interested in the arrangements with two security agencies in the former Warsaw Pact state. The Service considers that these arrangements have two potential benefits for Canada: to provide Canada with information important to its own security (e.g., in the area of terrorism); and to convince former adversaries that their legitimate security needs can be satisfied through liaison and cooperation, without the need to spy on Canadians. CSIS recognized the country's progress toward democratization and that the security services were reorganized. Some elements of cooperation have not yet been realized and so the Service will proceed with caution.

The liaison arrangements with the two Latin American agencies will permit the exchange of information relating to international terrorism. One of the agencies does not have a record of human rights abuses, but the same cannot be said of police agencies in that country, hence the international terrorism focus.

The second Latin American agency and the African agency have been cited for several abuses in recent years and the Service has stated that it will exercise special caution in the information exchanges. The Committee had serious reservations about the new arrangements with these two agencies, based on recent, publicly available information. CSIS said that it relied on information from Canada's Ministry of Foreign Affairs about the human rights issue in these countries. We believe that the Service should also consider information from other sources, in view of the potential for abuse of the information it sends overseas. In future reviews, SIRC will examine the information exchanges between CSIS and the two agencies.

(ii) Domestic Arrangements

Under s.17 of the *CSIS Act*, CSIS can enter into agreements for the purpose of performing its duties and functions with federal or provincial institutions, or police forces. In fiscal year 1994-95, the Committee reviewed two domestic arrangements and one amendment to a provincial agreement.

CSIS reached an agreement with Environment Canada to exchange information and operational support. The majority of the exchanges of information involve threat assessments provided to Environment Canada.

CSIS signed a similar agreement with Ports Canada Corporation, only the second such agreement signed with a Canadian government agency. The agreement covers co-operation and the exchange of information with Ports Canada Police.

In 1994-95 the Service re-negotiated its agreement with the Province of British Columbia (BC), subsequent to the enactment of the 1993 *BC Freedom of Information and Protection of Privacy Act*. An amendment to the agreement was made to enhance the protection given to Service information under the new legislation. It also allows for CSIS to be included as a law enforcement body to permit acquisition of information from some provincial departments and agencies.

CSIS has various agreements with Federal departments, including, for example, agreements for the purchase of office equipment. Though section 17 of the *CSIS Act* could be interpreted as including all arrangements between CSIS and other domestic departments and agencies, we focus on agreements approved by the Minister.

(b) Exchanges of Information with Domestic and Foreign Agencies

(i) Domestic Exchanges of Information

Under section 38(a)(iii) of the *CSIS Act*, the Committee is to monitor exchanges of information pursuant to agreements between the Service and government organizations and police forces. We also review how well the agreements are working. Each year, we review a large portion of the recorded exchanges of information undertaken throughout Canada during the prior calendar year. We also examine in more detail the handling of exchanges in two CSIS Regional Headquarters.

We estimated that in 1994 CSIS took part in a total of 13,000 exchanges. In two-thirds of these exchanges, CSIS was the recipient of the information. There was an increase in the number of exchanges in the Counter-Intelligence area, and a slight increase in the number of exchanges with government agencies and departments who have not historically exchanged much information with CSIS.

We examine relevant statutory and policy changes. CSIS did not make any significant policy changes in 1994. Section 17 agreements, however, are apparently being affected by new provincial privacy and access legislation. We have already mentioned amendments to the Memorandum of Understanding with British Columbia. CSIS is also discussing its agreement with the Province of Alberta in response to legislation due to be enacted there in October 1995. According to CSIS, assurances are necessary for the protection of Service information provided to the province and to secure CSIS access to provincially held information.

We assess how Memoranda of Understanding are working, and how well CSIS is co-operating with other government departments and agencies. We have observed that CSIS is becoming more sensitive to "client" needs. For example, CSIS sometimes provides departments with translation services. CSIS officers are also networking. Officers in the British Columbia Region are

continuing their regular liaison visits with local government and police officials. In the Requirements — Technology Transfer area, officers in the regions continue to expand their relationships and contacts within Federal and Provincial departments and agencies.

To examine exchanges, we rely on the Service's computerized tracking system. We checked the tracking system for accuracy and consistency. There remain some differences between the CSIS Regional offices as to what should be logged. Some Regions logged all contacts with government officials in which information was exchanged while others logged only written exchanges of information. Despite the differences, efforts in the regions to standardize the process are making good progress.

We review files for, and question CSIS managers on, the collection and use of sensitive information such as medical or welfare records. In the two CSIS regions audited, CSIS personnel stated that sensitive records were not accessed. In one region, however, we did come across an instance where CSIS had accessed welfare information from a provincial social service — an individual's name, address, date of birth and length of time on social assistance. The region had also collected similar information on the individual's mother. According to regional officials, the individual, was believed to have joined a domestic extremist group targeted by CSIS. Provincial welfare records were the most efficient way to fully identify and locate the individual. The officers added that they collected the information on the individual's mother in order to establish her address.

From our review of all exchanges, we found that CSIS in 1994 had accessed welfare records on ten occasions throughout Canada. All of these queries involved attempts to identify individuals and six of these involved identification of individuals in contact with CSIS targets. In a number of files, CSIS recorded the amount and the duration of the welfare benefits received by the individuals. We also saw one case in which CSIS accessed provincial health insurance records to identify an individual.

We examined whether CSIS was following the statutory requirements and Treasury Board rules for accessing personal information held by Federal departments and agencies. We found that the Service in all but one instance had followed appropriate procedures in accessing personal information. In that case, CSIS collected personal information from employment files without making a formal application for it. According to CSIS, a departmental security officer provided information from a personnel file during an informal Requirements — Technology Transfer liaison visit.

This year, we examined the use of information from security assessment interviews in CSIS security investigations. CSIS can collect information about individuals to provide security assessments for government employment, or for citizenship or immigration applications. In the 1989-90 SIRC Annual Report, the Committee recommended that:

"...any information taken from security screening files for use in other investigations should be logged in the same way as exchanges with other agencies, so that it can be easily identified for our review".¹⁵

We were told that there are currently strict procedures to control access to this information by CSIS intelligence officers. During the review period, however, the only record of the use of security screening files was an authorization form placed directly on the files themselves. Thus, we could not identify the relevant files, nor conduct a full review. We did, however, examine some sample files. In these files, we found no problem with information from security screening being used in section 12 investigations. We noted that in one case, CSIS had information from a section 12 investigation during a security assessment interview with an individual seeking Landed Immigrant Status in Canada. The information concerned legal advice to the individual about the security assessment interview.

We examined approximately 6,000 reports and, in general, we noted few problems with the exchanges. The logging system appeared to be working well, and there were no problems in the operations of the Memoranda of Understanding.

Of all the records we reviewed, we found only ten or so touching on health, welfare, or other sensitive areas. In several cases, the information received seems to have exceeded what was required to identify or locate an individual.

Canadians need to be assured that when they provide information for security screening purposes, its use for any other purpose is carefully controlled and scrutinized. The Committee reiterates its 1990 recommendation that any information taken from security screening files for use in other investigations be logged in the same way as exchanges with other agencies.

(ii) Foreign Exchanges of Information

The *CSIS Act* gives SIRC the responsibility to monitor CSIS' cooperation with foreign agencies. Each year, the Review Committee fulfils this role by examining the activities of one or two CSIS posts abroad. Every CSIS post liaises with the agencies of several countries. The Committee specifically looks at the policy framework relating to CSIS foreign liaison, at new or modified arrangements with foreign agencies, at CSIS assessments of foreign agencies' activities, and, most importantly, at CSIS' disclosure of information and intelligence to foreign agencies.

Last year, we recommended that CSIS increase its presence abroad. We also stated that additional staff overseas would require more coordination and support from Headquarters.

The Service reported that it closed one post abroad in fiscal year 1994-95. A reorganization also took place at CSIS Headquarters. The Service bolstered its Foreign Liaison Unit by bringing in a senior manager to direct the small Headquarters Unit to whom the Security Liaison Officers

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1989-90 SIRC Annual Report, p.40.

(SLOs) would report. Another innovation was the establishment of an advisory group for the Foreign Liaison Unit, comprised of the Foreign Liaison Advisors from each of the operational branches. SIRC will examine the activities of the advisory committee in future reviews.

This year, the staff resources required for "*The Heritage Front Affair*" curtailed the scope of SIRC's audit of an SLO post. Consequently, we concentrated solely on CSIS cooperation with the agencies of one country.

For two years, the Service has maintained a computerized assessment of the activities and reputations of the agencies with which it cooperates. These Agency Assessments are prepared by the SLOs *en poste* and they are available to the operational branch analysts at CSIS Headquarters to assist them to, among other functions, determine what should or should not be provided to foreign agencies.

The Committee examined two Agency Assessments prepared by the SLO post under review. We found that the two assessments did not appear to take into account the recent, publicly available information from human rights observers who noted an increase in the reports of arbitrary imprisonment and torture, the latter sometimes involving elements of the security intelligence establishment of the foreign country. The observers alleged that the government's investigations into human rights abuses were not handled seriously. We noted too that the CSIS assessments did not address allegations of corruption within the security intelligence establishment and overlooked significant political incidents in the country which took place in 1994. Our concern was that by not considering these information sources, the Service did not present a balanced view of those agencies with which it exchanges information.

CSIS responded that it has no mandate to investigate human rights abuses. Consequently, the Service's view of the human rights activities of the foreign agencies was based on the information from Canada's Ministry of Foreign Affairs and the direct contacts of the SLOs.

SIRC's position is one that we have expressed previously: the Service should avail itself of up-to-date, publicly available reports from reliable non-governmental agencies and the agencies of other states. CSIS would then be in a position to consider a wider range of views about the agencies with which it shares information. We recommended that CSIS re-evaluate the Agency Assessments prepared at the SLO post under review.

We then reviewed the information and intelligence the Service disclosed to agencies of the foreign country. When we examine the information CSIS provides to foreign agencies, we apply the rules set by the Service's Operational Manual:

- the relevant Director General at CSIS Headquarters is responsible for making disclosures to foreign agencies;
- the disclosures must comply with the conditions of the arrangements CSIS entered into with the foreign agencies;
- foreign agency requests must be justified under the Service's mandate;

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- prior to any disclosure, CSIS employees shall consider:
 - the potential use of the Service's information or intelligence, especially if it concerns Canadians; and
 - Canada's national interests.

The Service pointed out to the Committee that this policy was meant to send the message that care must be exercised before any information on a person is disclosed to a foreign agency. The policy's objective is to ensure that such information is not used in a manner or for a purpose that would be unacceptable to Canadians and the Canadian government.

In 1994-95, the Committee did not send a Researcher to the Post to examine the SLO files. We tried to obtain all of the necessary information at CSIS HQ by auditing the Service's disclosures to the agencies of the foreign country from January 1994 to March 1995. The Committee requested the SLO's correspondence logs for that period, and all CSIS Headquarters messages sent to the SLO. The Committee's twin objectives were to ensure that the disclosures complied with policy, and that they were correctly identified in CSIS' records.

However, our audit of the Service's information disclosures to agencies of the foreign country proved to be virtually impossible. We found that the SLO had not followed the guidelines about logging exchanges of information with foreign agencies. This created difficulties for the remainder of our audit.

The minimal information that we found in the log entries did not permit us to learn: who sent the messages; what was in the messages; whether there were special handling instructions; or whether the items were incoming or outgoing. We also observed that the number of entries in the correspondence log did not match the statistics about the information exchanges at the post that were provided to the Committee by CSIS HQ. When we examined the HQ messages sent to the SLO, we found that only a small fraction of them were listed in the SLO's correspondence logs.

The Chief of the Foreign Liaison Unit at CSIS HQ agreed with the SIRC complaint. He noted that the Service takes accountability very seriously and that correspondence sent to and from the SLO must be retrievable. The Chief informed the Committee that the situation was unacceptable and that he would send a clear direction to the SLO to comply with the existing policy.

We also noted that most of the messages sent to the SLO from CSIS HQ were not identified by the Service's computerized system. CSIS informed us that not all of the correspondence that goes to and from the SLO is computerized which, from our perspective, makes retrieval difficult. The Committee is, therefore, unable to comment about the majority of the information disclosed to the agencies of the foreign country. We will make further enquiries.

Because of these problems, we reviewed only a small number of disclosures. The CI Branch did not provide a foreign agency with information about some persons and organizations based in Canada because it did not agree with the foreign country's broad interpretation of foreign

interference. The CI Branch was very careful with its exchanges and all exchanges were given full consideration prior to transmittal. We complimented the Branch for its cautious course.

CT Branch too sent little information of value to the foreign country about Canadians. We were disconcerted, though, by the absence of a paper trail to indicate what was or was not shared with the foreign agencies. CSIS informed us that the SLO held meetings with mission personnel at the SLO post to discuss the cases and CT Branch instructed the SLO. The CSIS files we saw were silent on those discussions and what was shared with the foreign security intelligence agencies.

In other cases that we examined in regard to the post, the foreign agency requests were based on the actual or suspected presence of some Canadians in a region in conflict. CT Branch stated that it was sensitive to the issue of providing information to a foreign agency and assured us that both HQ and the SLO were conscious of the possible consequences of responding to the foreign requests. But we were left uneasy about the cases, not the least because the Canadians posed no threat to Canada's national security and due to the foreign country's cloudy human rights record.

SIRC does not advocate that the Service create a policy for every possible contingency — this would clearly be an impossible and counterproductive measure. *But we do recommend that CSIS document its discussions with domestic and foreign agencies that impact on the safety of Canadians at home or abroad.*

(c) Warrants and Warrant Statistics

Under the *CSIS Act*, the Service must apply to the federal court to use telephone intercepts, and other similar intrusive powers.

The Service retains statistics concerning the use of warrants.

Table 1			
New and Renewed Warrants			
	1992-93	1993-94	1994-95
New Warrants Granted	32	85	85
Warrants Renewed/Replaced	115	103	130
Total	147	188	215

The number of new warrants granted may be overstated, because, in some case, a single expiring warrant was replaced by two new ones. Increases in warrants "Renewed/Replaced" reflect administrative changes. As we have previously indicated, the above data is not a good indicator of investigative activity, because one warrant can authorize a number of powers against a number of locations. In addition, warrant powers requested and authorized may not be used.

Under section 28 of the *CSIS Act*, the Governor General in Council can make regulations concerning warrants and the hearing of warrant applications. No such regulations were issued in fiscal 1994-95.

The Court frequently includes conditions in warrants limiting how authorized investigations can be conducted. In 1994-95, the Court permitted changes to procedures for the review of potential solicitor-client communications, and slightly narrowed the scope of what it defined as solicitor-client privilege.

There were no recent Federal Court decisions that could affect the acquisition and/or execution of CSIS warrants.

The Committee prepares its own statistics on warrant affidavits, devices, and locations. We have noted a trend towards requesting powers that, though not required immediately, may be needed in the future. We have also noted increases related solely to technological changes. Despite these apparent changes, we believe that there has been no increase in the real level of warrant related investigative activities, and that there may even have been a decrease.

We examine the number of individuals targeted and named in warrant affidavits; and we note, to the extent possible, whether the individuals are Canadians, Landed Immigrants, or Foreign Nationals. Frequently, however, CSIS warrants do not indicate such status, and there is no legal requirement for them to do so. According to our data, Canadians and landed Immigrants named as targets number, as was the case last year, in the hundreds, not thousands.

We also record individuals named in warrants as possible subjects of inadvertent interception in the course of lawful investigations. They are named in accordance with the court decision in *Vanweenan and Chesson vs. the Queen*.¹⁶ We have noted significant increases in the naming of such individuals. We have come to no conclusions, however, about the relevance of the increases.

(d) Counter-Terrorism (CT) Branch

The Counter-Terrorism Program is the Service's primary vehicle to monitor "individuals and groups that use violence to achieve their political goals."¹⁷ The two general categories which describe this type of threat are foreign and domestic terrorism.

The foreign threat is posed by the representatives in Canada of terrorist groups who use Canada largely as a base to support terrorist efforts overseas. The foreign conflicts which feed these threats in Canada have their origin in the Middle East, Asia, Africa and several states which arose after the dissolution of the Soviet Bloc. As the Service states, "only a small proportion of immigrants and refugees" who enter Canada are involved.

16. Vanweenan and Chesson vs. The Queen, 1988, S.C.R. 353.

17. 1994 Public Report and Program Outlook, Canadian Security Intelligence Service.

Although few persons from abroad engage in illegal or violence-promoting activity, their actions also feed the domestic terrorism threat in Canada — the hate producing machines of the extreme right, which we discuss elsewhere in this report.

The threat from the extreme right in Canada also has a foreign aspect. The influence on Canadian racists from the violent white supremacists in the United States is thought to be increasing. The deadly terrorist bombing in Oklahoma City earlier this year is alleged to be the work of persons associated with the anti-government, racist-tinged militia movement, which has been gaining ground in the United States.

Canadians have a right to expect that the Government will warn them of threats to their safety. Because political violence can develop quickly, the Counter-Terrorism Branch must be able to act in a rapid manner, in particular, by having the capacity for preemptive identification of the threats.

On the domestic side of the political violence equation, the Service has a variety of tools to learn what is taking place in the extreme right. We described some of those tools in our report on the Heritage Front Affair. To obtain warnings in regard to foreign or "homelands" — based terrorism, the Service conducts interviews with persons having knowledge of or ties to the homeland in question. We reviewed these programs in our 1993-94 Annual Report.

Since our last Annual Report, there have been no significant changes to the organizational structure of the Counter-Terrorism Branch, although there has been movement in some key management positions.

During fiscal year 1994-95, the Counter-Terrorism Branch responded to increases in the threat of violence associated with civil unrest in two foreign countries, one in the Caribbean and the other in Eastern Europe.

In response to increasing tensions in Asia and the concomitant rise in foreign agency activities in certain expatriate communities in Canada, CSIS has also expanded its information collection activities to assess the potential for political violence.

Fiscal year 1994-95 marked the second year in a row that the Briefing and Production Unit in CT Branch did not produce any research documents, which are also described as functional analyses. The Branch stated that this situation was due to resource constraints and other requirements such as preparations for the 1995 Halifax Summit.

Threat Assessments

CSIS alerts other departments and agencies in the Federal Government to imminent and potential threats through the production of Threat Assessments. For fiscal year 1994-95, the Threat Assessment Unit produced a total of 691 threat assessments.

The Service attributed the small number of threat assessments during the past fiscal year, in part, to a decline in activities associated with two extremist groups.

(e) Counter-Intelligence (CI) Branch

The CI Branch believes that economic espionage remains a significant threat. However, it is continuing to reassess traditional threats, and in some instances, has reduced resources or even terminated investigations.

The Branch is working hard to recognize and meet client (ie. Federal department and agency) requirements. It is also attempting to decrease the number of undeclared intelligence officers in Canada by taking new initiatives to develop security liaisons with Eastern European countries and, together with Foreign Affairs and International Trade, by promoting the requirement that all intelligence officers present or travelling in Canada be declared. In keeping with the requirements of restraint, the CI staff at Headquarters has been reduced. Additional computerization has also allowed a reduction in the number of support staff.

Community Interviews — Postscript

In our 1993-94 Annual Report, we reviewed the Service's community interview programs. We said that the Service frequently meets with representatives of ethnic groups in Canada to seek information about emerging threats. We looked at the guidelines CSIS investigators must follow when they meet with members of designated communities, and we examined several interview programs underway.

We said that there was some ambiguity in the Counter-Intelligence (CI) Branch as to what constitutes a community interview program. In the classified report that we sent to the Director of CSIS, we conveyed our dissatisfaction with the position taken by the Counter-Intelligence Branch that some of the programs it conducted did not constitute community interview programs.

Our view was that a small number of the programs in the CI Branch did not differ appreciably from the community interview programs conducted by the Counter-Terrorism Branch, and that they should, therefore, adhere to the guidelines for community interviews approved by the Director. The response we received late in 1994 from CSIS was that there were no such programs in the CI Branch.

In May 1995, the Service told us that the Branch had reconsidered its initial position. It recognized that while its interview programs may not be as formally structured as those in the Counter-Terrorism Branch, it does, in fact, conduct community interviews.

The Review Committee believes that the current set of rules governing community interviews in the Counter-Terrorism Branch is adequate. We think that if the same rules will now apply to all community interview programs conducted by CSIS, this will be a significant step forward.

(f) Requirements Analysis and Production Branch (RAP)

In 1992, the Analysis and Production Branch (RAP) put into operation a computer system to track who receives the Branch's intelligence products and the clients' level of satisfaction.

The Branch enhanced the system in 1994-95. It now tracks the distribution throughout government of a wider range of intelligence product, records clients' respective security clearances, and operates on-line to analysts in RAP, RCT and RCI. We consider the Service's initiative to consult its clients on a systematic and a more frequent basis as a positive move. We are alert to the possibility, however, that CSIS might try to respond to client requirements that are not consistent with the Service's mandate. To date, this concern remains unsubstantiated and we will monitor Service actions in this area.

For several years, RAP has prepared Threat and Risk Assessments in response to requests from Federal departments, pursuant to the Government Security Policy. These Assessments differ from the counter-terrorism Threat Assessments. They are longer and more detailed documents. RAP usually consults the RCMP and the Communications Security Establishment in the preparation of these intelligence reports. These analyses attempt to answer the concerns which Federal departments and agencies have raised regarding threats to their operations or their proprietary interests.

Security Intelligence Reports

RAP produces three types of classified reports: *CSIS Intelligence Briefs*, *CSIS Reports*, and *CSIS Studies*. Table 2 gives an overview of last year's production.

Table 2
Security Intelligence Reports

Topic	
Public Safety	67%
Integrity of the Democratic Process	5%
Security of Classified Government Assets	16%
International Peace and Stability	7%
Economic Security	5%

Review of RAP

The Committee does not examine and critique all RAP reports. Rather, we concentrate on those which relate to the investigations which we review during the year. In this manner, we evaluate the RAP intelligence summaries against the information which was used to produce them.

This year we looked at the CSIS reports on five foreign intelligence services. The RAP reports pertaining to those Services spanned several years.

The CSIS reports on one foreign intelligence service were excellent. An allied agency asked permission to publish two of them for its domestic customers. We were also satisfied with the Service's analyses concerning two other foreign agencies.

The intelligence product on the last two targeted foreign services we examined, however, was scant. CSIS produced no reports about one agency and only a single report on the other. In this report, the Service's advice to government did not link the threat-related activities to a foreign intelligence service. CSIS attributed the incidents to a state-owned company and we viewed the activities as dirty or unfair business practices, rather than espionage.

Commentary

In 1994-95, CSIS published thirteen (13) issues of *Commentary*, its series of public analyses of a strategic, long-term nature. They are listed by issue number, date, and title:

- 42 China in Transition (April 1994)
- 43 Immigration by Sea to North America: More "Golden Ventures"? (April 1994)
- 44 South Africa: The Real Threat to Sustainable Democracy (May 1994)
- 45 Intelligence and Policy: What is Constant? What is Changing? (June 1994)
- 46 Economic Espionage II (July 1994)
- 47 The Environment and Changing Concepts of Security (August 1994)
- 48 Organized Crime in Post-Communist Russia — A Criminal Revolution? (September 1994)
- 49 Middle East Peace? II (October 1994)
- 50 Peoples Against States: Ethnopolitical Conflict and the Changing World System (November 1994)
- 51 Situation and Future of the European Security Architecture (March 1995)
- 52 Mexico: Prognosis for Stability (December 1994)
- 53 Terrorism: Motivations and Causes (January 1995).
- 54 South Africa: An Interim Report (March 1995)

(g) File Management

This year marks the end of a long saga in CSIS. On March 8, 1995 the Service reported to the Committee that it had completed its review of all of the files it had inherited from the RCMP. The process seemed to take a very long time, but a number of factors were involved.

Background

The files inherited from the RCMP Security Service have often been a thorn in CSIS' side. For example, the recent controversy over the Canadian Broadcasting Corporation's allegation that CSIS spied on the Canadian Union of Postal Workers, was a consequence of the CBC's misinterpreting a CSIS Briefing Note to the Solicitor General about files which the RCMP Security Service had collected in the 1970s.

When CSIS was created in 1984, the Service received approximately half a million files from the RCMP Security Service. Many of these files dealt with the investigations of trade unions, the Black Movement in Atlantic Canada, homosexuals in the public service... and so on. As may be deduced from the titles, the content of many of these files did not correspond to the new mandate which is defined in sections 12, 13, 15 and 16 of the *CSIS Act*.

At the time that CSIS began its operations, the destruction of the inherited files was proceeding in a sporadic manner, due to moratoria imposed on the process. In 1983, pursuant to recommendations from the McDonald and Keable Commissions, the Solicitor General authorized the destruction of some files but stipulated the retention of others, including those relevant to judicial proceedings. In the Spring of 1985, an absolute moratorium was imposed in anticipation of the findings of the Deschênes Commission on war crimes.

In January 1987, the Solicitor General wrote to the Director of CSIS to ask for his opinion about the legal authority by which CSIS acquired and retained the RCMP Security Service files which fell outside the Service's mandate. The Minister also requested the Director's cooperation in developing and implementing retention standards.

CSIS examined the legal basis for retention and concluded:

- that it had been correct in assuming control of the inherited files;
- that it was obliged to review the inherited files against the Service's statutory mandate; and
- that pending destruction, CSIS employees should not have access to the information that did not match the current mandate.

The Solicitor General's Requirements

In 1987, SIRC, the Inspector General and the Independent Advisory Team (*The Osbaldeston Report*) all urged CSIS to review and destroy all of the files which did not meet its mandate. In our *1986-87 Annual Report*, for instance, we raised serious legal and ethical questions about the information in the inherited files.

In the wake of these reports, the Solicitor General issued four Ministerial Directions about CSIS' handling of files. The main focus of these Directions was the management of inherited information:

October 1987. The Solicitor General provided a set of principles for the CSIS review:

- the retention standards and guidelines must be in strict conformity with the statutory authority for collection and retention -- in particular with respect to sections 2 and 12 of the *CSIS Act*;
- CSIS and the Justice Department's War Crimes section should reach an agreement on the Deschênes Commission's requirements;
- records inherited from the RCMP which had been reviewed and set aside for destruction must be stored separately; and
- the authority and purpose for the retention of RCMP inherited files must be explicit.

November 1987. The Solicitor General directed that the inherited labour union files, and any information added to them by CSIS, be immediately segregated from the Service's operational data bank.

March 1988. The Minister lifted the moratorium on file destruction for all file categories listed in the schedules approved by the National Archivist.

September 1988. The Solicitor General acknowledged the size of the review and disposal task and he recognized that progress had been made. He instructed that:

- because the Service would continue to hold unreviewed, inherited files on individuals for several years, the Service should develop an action plan and schedule for the review and disposal process; and
- procedures for controlling access to unreviewed holdings should be formalized as soon as possible.

The File Review and Disposal Process

In late 1987, CSIS created a small section responsible for the review and disposal of inherited information. The first task of the new section — named the National Archives Requirements Unit (NARU) — was to set up guidelines for its operation. NARU started to review the files shortly

after the Minister lifted the moratorium. After reviewing a file, NARU analysts had three options: retain the file in CSIS, destroy it, or transfer it to National Archives for the historical record.

Retention by CSIS. Some files dealt with individuals currently under investigation or with activities which required investigation under CSIS' mandate. Whenever an analyst determined that a file should be retained, a written authority and rationale was required.

Transfer to National Archives. The decision to transfer a file to National Archives was made on the basis of a schedule which was approved by the National Archivist. This outcome took place only after the Service decided not to retain the file. Before the transfer, CSIS removed and destroyed all information it received from foreign governments, pursuant to the agreements with those countries.

Destruction of Files. Files marked for destruction were incinerated on-site under supervised conditions. Incineration of a file usually took place within three weeks of the decision to destroy it.

The Final Word

The Director of CSIS informed the Committee in March 1995 that NARU had finished its task. The following table describes the fate of the inherited files.

Table 3		
Inherited RCMP Files		
Files destroyed	438,218	88.47%
Files sent to Archives	28,820	5.82%
Files retained by CSIS	28,302	5.71%
Total Files Reviewed	495,340	100%

With the completion of NARU's mission concerning the files inherited from the RCMP, another chapter has closed on the early years of the Service.

(h) Internal Security

We reported last year on Mr. Aldrich Ames, the CIA employee arrested for spying on behalf of the Soviet Union. We had asked the Service whether Mr. Ames' activities had damaged Canadian security, and whether CSIS had reassessed its own internal security policies in light of the case.

Last year, we received a response from the Service. We were told that any Canadian information accessed by Ames would have been historical, and of little consequence to current operational interests. Following news of the Ames arrest, Headquarters reviewed all correspondence and investigations of a joint CSIS/CIA interest covering the years in question. Questions were forwarded to the CIA concerning the extent of Ames' knowledge and involvement. Thus far, the Service believes that operational damage was minimal.

In light of the Ames affair, CSIS conducted a review of internal security practices. While the review concluded that the Service maintains sound and effective security practices, it contains a number of recommendations for changes to existing procedures.

From our review to date, we conclude that it appears that CSIS operations emerged unscathed from this affair. We will, however, continue to review CSIS internal security matters.

(i) Foreign Intelligence

Under section 16 of the *CSIS Act*, the Minister of National Defence or the Minister of Foreign Affairs can make a personal request in writing for the Service's assistance in the collection of foreign intelligence.¹⁸ Foreign intelligence concerns the capabilities, intentions or activities of a foreign state. Under section 38(a)(v) of the *CSIS Act*, the Committee is to "monitor" all such requests. Under an agreement between Ministers,¹⁹ SIRC also examines information about Canadians that might be collected and retained by CSIS in the course of section 16 operations.

Under the CSIS mandate, the Service can collect and retain information concerning "threats to the security of Canada" (section 12 of the *Act*). The Service only retains section 16 information or reports from the Communications Security Establishment (CSE) if they meet the section 12 threat test. In our reviews, we examine whether the retained information does in fact meet the test.²⁰

As an agency of the Federal Government, CSIS receives reports from the CSE concerning foreign intelligence. Some reports originate from CSE's own collection activities, and some from allied intelligence agencies.

We examined changes in policy and new instructions. In the last two years, CSIS has developed procedures for section 16 source operations, and for the storage of information collected from these operations. CSIS is also encouraging staff not to retain CSE reports, noting that these reports, frequently cross referenced in the CSIS section 12 data base, are readily available from CSE.

¹⁸ Assistance, however, is not to be "directed" at Canadians.

¹⁹ The 1987 Tri-Ministerial Memorandum of Understanding governing section 16 operations.

²⁰ The Service retains information in a few other circumstances. For example, it might temporarily retain information concerning crimes to transmit to police forces.

In our review of items containing information about Canadians, we asked about some items touching upon Canadian political figures and the retention of a few items that did not seem to concern national security (e.g., information concerning a cultural event). We also discussed the handling of information concerning possible illegal acts. We were satisfied with the CSIS responses.

We looked at a sample of information from CSE retained by CSIS. This information can be entered directly in the CSIS computers, or stored in a paper form in a special registry. In the former case, most of the stored items were cross references to CSE reports: names of individuals, companies and products, frequently having to do with weapons proliferation. We noted a number of cases where CSIS had received information concerning possible danger to Canadians. In these cases, officers considered the seriousness of the threat to the individual, and if necessary, took steps to have the individuals warned.

When the Minister of National Defence or Foreign Affairs wants CSIS assistance to undertake a section 16 operation, the Minister personally signs a "Request for Assistance", a letter to the Solicitor General. In our review, we determined that some current operations were conducted under Requests for Assistance that were a number of years old. The agreement between Ministers governing section 16 operations contains no provision for periodic reassessment.

We asked CSIS if Ministers were aware of current section 16 operations. According to a CSIS manager, a Committee of senior officials, led by the Assistant Secretary to the Cabinet, Security and Intelligence, Privy Council Office (PCO), constantly reassesses such operations, and discontinues them when necessary.²¹ In the case of operations requiring warrants, officials of the Requesting Minister and the Solicitor General sit on the CSIS committee that considers warrants: the Warrant Acquisition and Review Committee. Warrants must be renewed at least annually.

The Committee agrees that, technically, the *CSIS Act* does not require current Ministers to explicitly acknowledge or re-approve section 16 operations. It also recognizes that senior officials regularly reconsider section 16 operations. We believe, however, that the spirit of the *CSIS Act* requires that Ministers have full knowledge of and take specific responsibility for current section 16 operations even though they may not have been initiated during their own term. Steps should be taken to formally advise new Ministers as to the full extent of on-going section 16 activities, including both warranted and non-warranted operations.

(j) Statistics on Operational Activities

As part of the Committee's duties, we examine statistics on operational activities. Each year, we compile statistics on finances, warrants, files, targets, personnel, operations under Ministerial Direction, and other matters. We examine year over year variation, and question the Service about any changes.

²¹

The 1987 Tri-Ministerial Memorandum of Understanding governing section 16 activities provides for and sets out the mandate of the interdepartmental committee of senior officials.

In most cases, we use statistics provided by the Service. In one case, warrant affidavits, we compile our own. We attempt to use already existing statistics to avoid unnecessary expense.

Over the last few years, we have developed a small data base which we frequently use in our studies. We are then able to establish the personnel and investigative resources, such as warrant powers, directed at specific targets. We can identify how much effort is directed at a particular area, and whether this effort is increasing and/or decreasing. We can also assess, in aggregate, whether the level of the investigative effort is appropriate.

The data we use has weaknesses. In some cases, definitions, and the way in which data is collected, have changed a number of times over the past ten years. However, the statistics are valuable in terms of the questions they raise.

Much of the data we collect measures investigative effort — for example how many investigators and wiretaps were used against a targeted group. Prior to 1993, we obtained from the CSIS Annual report to the Minister statistics on the number of people subject to investigation, by targeted group. This provided a measure of how many people are touched by CSIS investigations. CSIS ceased publication of the statistics in the 1992-93 Annual report to the Minister, citing security concerns. Recently, however, we came to an understanding with CSIS that will allow us to continue to receive it.

5. Security Screening

The Service's security screening activities fall under sections 13, 14, and 15 of the *CSIS Act*, supplemented by Ministerial Direction and Service policy. The Service provides advice to clients (government departments or agencies; or foreign governments and agencies) in the area of government security screening, immigration and citizenship screening, refugee determination, and screening on behalf of foreign agencies.

In the course of performing screening enquiries, the Service's investigators come into daily contact with the public, thus making the Security Screening Program the Service's most visible function.

(a) Government Security Screening

The Service conducts screening investigations in order to provide security assessments for all employees of the Public Service, except for the Department of National Defence (DND) and the Royal Canadian Mounted Police (RCMP) who conduct their own field investigations. Security assessments are also provided for persons in the private sector under contract to government institutions.

A security assessment is required in all instances where a person's duties require access to classified information or assets.

The *CSIS Act* defines a security assessment as an appraisal of an individual's loyalty to Canada and, insofar as it relates thereto, the reliability of that individual. Therefore, a clear causal relationship between loyalty and reliability must be seen to exist before reliability becomes a concern of the Service.

For the year under review, CSIS processed a total of 51,209 government security assessments. The processing time for government screening levels one, two and three were: one, twenty-eight, and one hundred and four days respectively.

The Government Security Policy and the Ministerial Directive on the provision of security assessments establish the "evidentiary standards, tests, and rejection criteria" by which a person can be denied a security clearance. Upon completion of its screening investigations, the Service provides not only information but also an assessment of the individual's loyalty to Canada, and a clear recommendation to the requesting department advising whether the clearance should be granted.

For the 1994-95 fiscal year, the Service provided 44 information briefs²² and one rejection brief to its clients.

²²

The Service defines an information brief as "a detailed security assessment forwarded to a governmental institution and containing information deemed to have potential impact on the security of an individual". The information contained in such a brief addresses the loyalty to Canada and, as it relates thereto, the reliability of an individual, or any relevant matter uncovered during verifications and investigations.

(b) Immigration Screening

The decision to grant or refuse permanent residence status in Canada rests with the Minister of Citizenship and Immigration. There is, however, a legislative requirement²³ for the Service to provide advice on the potential inadmissibility of applicants based on background checks that reveal a possible threat to the security of Canada and Canadians.

Since 1991, with the implementation of the Overseas Streamlining Program²⁴, the initial assessment of the potential security threat posed by a prospective immigrant has been made by a Citizenship and Immigration Officer, an Immigration Program Manager (IPM), rather than by the Service's SLO. This has had the effect of freeing the Service's security liaison officer for the more complex cases. To assist the Immigration Officer in making this preliminary determination, the Service has compiled a "profile guidebook" which should help identify a potential security concern. Applicants whose backgrounds do not indicate any of the characteristics identified in the profile do not require any further security background checks. On the other hand, those posing a possible security risk are subject to more in-depth examination: a home country name check when possible, and referral to the CSIS SLO or CSIS Headquarters for an interview to address the security concerns identified.

In last year's annual report we mentioned the report by the Service and Citizenship and Immigration Canada (C & IC) on their joint evaluation of the Overseas Streamlining Program. The Service has acted upon many of the recommendations in that report. We will continue to examine the Service's performance of its duties and functions regarding its participation in immigration security screening procedures. We are grateful for the cooperation of other departments (C & IC and the RCMP) which enables us to put the role played by the Service in its proper context.

Important though it is, security screening should not unnecessarily delay immigrant processing.²⁵ Of the 52,150²⁶ immigration cases (including cases under the Refugee Determination Program) that were completed in the 1994-95 fiscal year, the Service's average processing time was 41 days. A total of 27,126 cases (52%) were completed within this 41 day period. The remaining 25,024 cases (48%) averaged 65 days to complete.

²³ As outlined in section 19(1) (e) (f) and (g) of the *Immigration Act*.

²⁴ The program objective is to expedite the processing of immigrant applicants while maintaining an acceptable level of risk management.

²⁵ We have noted in the complaints chapter an increase in the number of complaints against the Service with respect to the time the Service is taking or has taken before providing advice to C & IC.

²⁶ This number includes cases carried over from previous years.

Over all 43,994 cases (84.4 %) were completed within 90 days, 7,587 (14.5%) within one year, and 569 (1.1 %) took over one year.²⁷

From April 1, 1994 to March 31, 1995 the Service received 50,028 immigration applications (including 12,707 refugee applications) and provided 65 information briefs and 40 inadmissibility briefs to C & IC.²⁸ Out of the 105 cases, 5 decisions have been rendered by C & IC. Including those forwarded to C & IC in previous years, the Service is awaiting decisions on 178 cases.

(c) Refugee Determination Program

In 1994-95, the Service received 12,707 immigration applications concerning refugees. Of these, 12,518 were applications under the refugee Determination Program and 189 were under the Refugee Determination Backlog program.

(d) Citizenship Screening

Citizenship & Immigration Canada maintains a registry called the Security Flag System with the names and biographical data of permanent residents about whom the Service has identified security concerns, thereby justifying a more in-depth review by the Service at the time of an individual's application for citizenship. From April 1, 1994 to March 31, 1995 the Service received 1,516 citizenship applications and provided two rejection briefs. Of those referred to the Service for such an in-depth investigation, very few are still unresolved.

(e) Screening on behalf of Foreign Agencies

The Service, with the approval of the Solicitor General who must, in turn, consult the Minister of Foreign Affairs, may enter into an arrangement with the government of a foreign state, a foreign agency, or an international organization to provide security assessments.

In this fiscal year, the Service processed 806 requests for foreign agencies, which required 110 field investigations. Of these investigations, 2 resulted in detailed information briefs.

²⁷ Of the cases which took over one year, delays were caused by the length of security screening enquiries, travel to Immigration offices in Canadian Consulates in the United States to conduct screening interviews, or applicants failing to meet scheduled appointments.

²⁸ Recent amendments to the *Immigration Act* (Bill C 86) adopted in February 1993, have resulted in an increase in the number of briefs forwarded to Immigration from the Service.

6. Complaints

As an independent investigatory agency established under the *Canadian Security Intelligence Service Act*²⁹ (the "*CSIS Act*"), we conduct investigations into the conduct of the Canadian Security Intelligence Service (the "Service") (section 41 of the *CSIS Act*), into denials of security clearances (section 42 of the *CSIS Act*) and render reports under the *Immigration Act*³⁰, the *Citizenship Act*³¹ and the *Canadian Human Rights Act*³².

(a) Statistics

During the 1994-95 fiscal year, we received 59 new complaints and 3 referrals from the Canadian Human Rights Commission.

Table 4
Complaints (April 1, 1994 to March 31, 1995)

	New Complaints	Carried Over from 1993-94	Closed in 1994-95	Carried to 1995-96
CSIS Activities	59	3	58	4
Security Clearances	1	1	1	1
Immigration	0	1	1	0
Citizenship	0	0	0	0
Human Rights	3	0	3	0

(b) Complaints Against the Service's Activities

(i) Prerequisite to the Committee's Jurisdiction

Any person may make a complaint to the Committee with respect to "any act or thing" done by the Service and we have to investigate such complaints as long as we are satisfied that the complaint is not trivial, frivolous, vexatious or made in bad faith and that the complainant has first submitted his or her complaint to the Director.

²⁹ R.S.C. 1985, c. C-23.

³⁰ R.S.C. 1985, c. I-2.

³¹ R.S.C. 1985, c. C-29.

³² R.S.C. 1985, c. H-6.

If, after having submitted the complaint to the Director, the complainant is not satisfied by the Director's response, or if there has not been a response within a reasonable period of time, the complainant can bring the matter to our attention for an independent review.

In thirty-six instances, we have had to inform individuals of the prerequisite of first having to submit the complaint to the Director of the Service. In some such instances, we do not hear from the complainant again, while in other cases we are asked to further investigate the matter.

We are also precluded from investigating a complaint in respect of which the complainant is entitled to seek redress by means of a grievance procedure established either pursuant to the *CSIS Act* or the *Public Service Staff Relations Act*. For the year under review, we had to decline two such complaints from ex-term employees of the Service. In one of the two cases, we explained that our conclusion would have been different had the non-renewal of the term been caused by the denial of a security clearance or had the allegations of "discrimination" or "harassment" been tied to an operational matter, which was clearly not the case.

(ii) Examples of Complaints Against the Service

As in previous years, we received numerous complaints from individuals who believed that they were being persecuted or subject to torture by the Service, or that the Service was involved in "a covert mission" against them. Other complaints involved individuals who believed that they were the subject of undue surveillance, or of "mail or telephone censoring". In such cases, we usually neither confirm nor deny that a person is a target, yet we thoroughly investigate the allegations to ensure that the Service has not used and is not using its powers unreasonably; and that it is performing its duties and functions effectively, efficiently, and legally.

For the year under scrutiny, we had an increase in complaints with respect to the Service's activities in providing security assessments and/or advice to the Minister of Citizenship and Immigration Canada (C & IC). It is the responsibility of the Service to provide information and/or advice to assist that Minister in determining a prospective immigrant's admissibility pursuant to the *Immigration Act*. Most of the thirty complaints received under this heading concerned the time taken by the Service in providing advice to C & IC.

As previously indicated, some of these complaints must have been resolved to the satisfaction of the complainant when he or she submitted the complaint to the Director of the Service, after first writing to us. In some instances, the Service had not yet been asked to conduct a security screening by C & IC, in others, the Service was pursuing its screening enquiries up to the time the complaint reached us, but had provided its advice to C & IC by the time that we started our investigation.

In three cases, where the Committee's investigation included a hearing, we found that there was an undue administrative delay in the processing of the security assessments. The delays were deemed unreasonable and the three complaints were supported.

One complaint concerned the failure of the Service to consider seriously the information provided concerning an organization. The Service had informed the complainant that the information did not fall within the mandate of the Service. We considered the decision made by the Service to be appropriate.

One individual complained that he and his wife had been the object of surveillance by the Service, and that an employee of the Service had taken the liberty of investigating his relatives in Canada and the United States. The Director assured the complainant that neither he nor his wife had been under surveillance. We satisfied ourselves that this response was indeed correct.

One individual who had experienced problems while in another country believed that it may have been due to information he had provided to the Service. We found absolutely no evidence that the individual's problems were as a result of the Service's activities.

One individual asked for a "written" explanation as to the real purpose for the visit of an investigator from the Service and, believing that the visit had been instigated by an enemy, asked to be provided with the name of that person. While conducting our investigation, it became obvious that the Service's visit was an error caused by a misunderstanding and we immediately apprised the individual of our conclusion. We were satisfied that the Service's unfortunate error had been made in good faith, and we confirmed that the individual had not been investigated, and that no one had provided the individual's name to the Service.

Two complaints generated by the "Heritage Front Affair" were investigated and became the object of formal hearings.

One complaint criticized the conduct of the Service in retaining an agent to infiltrate and spy on the Heritage Front. As indicated in our main report on this issue, we found that the Service had placed a human source in the Heritage Front, and, therefore, had used the investigative technique that offered the best value for money when it instructed the Source to report on white supremacist targets. We agreed with the Service's decision to place a human source in the white supremacist movement to investigate what we concluded was a threat to the security of Canada.

In the second complaint, we examined allegations pertaining to Grant Bristow's alleged attempt to manipulate or interfere on behalf of the Service, with the defence in a specific case. We satisfied ourselves that no one had been tasked by the Service, to collect and/or pass information to anyone in an attempt to manipulate or interfere with the case.

(c) Security Clearance Complaints

Section 42 of the *CSIS Act* provides a right of complaint to the Committee for individuals who have been denied employment, or have been dismissed, demoted or transferred because of the denial of a security clearance.

In a case completed this year, the Service raised a jurisdictional issue. According to counsel for the Service, section 42 of the *CSIS Act* gives the Committee jurisdiction to hear complaints from employees of the Government, or from companies or individuals who have a direct contractual relationship with the Government, but precludes the Committee from taking jurisdiction when the complainant is an individual working for an agency which has a contract with the Government. Subsection 42(2) refers to a decision being made to deny the individual or any other person a contract to provide goods or services to the Government. Drawing upon the *Interpretation Act*³³, the Committee concluded that the word "person" was broader than the word "individual" and its use in section 42 included both an individual and a corporation, and that both would be entitled to seek review with the Committee.

We believe, therefore, that the review of a security clearance denial is available to individuals operating through placement agencies who are prevented from having access to Government employment requiring a security clearance.

In the particular case reviewed, we believed that the Service was justified in recommending that the Deputy Head deny a security clearance to the individual concerned.

(d) Ministerial Reports by the Minister of Citizenship and Immigration Canada and the Solicitor General

(i) Citizenship Refusal³⁴

The Minister of Citizenship and Immigration Canada may make a report to the Committee when the Minister is of the opinion that a person should not be granted citizenship because there are reasonable grounds to believe that the person will engage in activity that constitute a threat to the security of Canada, or that is part of a pattern of criminal activity involved in the commission of an offense punishable by way of indictment.

(ii) Deportation Order³⁵

A joint report signed by the Minister of Citizenship and Immigration Canada and the Solicitor General may be issued to the Committee when both Ministers are of the opinion, based on security or criminal³⁶ intelligence reports received and considered by them, that a permanent resident is a person described in the inadmissible classes of the *Immigration Act*.³⁷

³³ R.C.S. 1985 c. I-21.

³⁴ See the *Citizenship Act* (s.19.1 onward)

³⁵ See the *Immigration Act* (s.39 onward)

³⁶ Criminal Intelligence reports provided by police forces.

³⁷ Section 19 of the *Immigration Act* defines the classes of persons who are not admissible to Canada.

(iii) Persons before the Immigration Appeal Division³⁸

A joint report signed by the Minister of Citizenship and Immigration Canada and the Solicitor General may be issued to the Committee when both Ministers are of the opinion, based on security or criminal³⁹ intelligence reports received and considered by them, that a person who has lodged an appeal (against a Deportation Order) before the Immigration Appeal Division is a permanent resident described in the inadmissible classes of the *Immigration Act*. The hearing of the individual who has lodged an appeal to the Immigration Appeal Division cannot begin until the Governor in Council has made a decision on the Committee's report.

(iv) Role of the Committee upon receipt of Ministerial Reports

The role of the Committee upon the receipt of a Ministerial report is to investigate the grounds on which the report is based. As soon as practicable after the receipt of a Ministerial report, we send a statement summarizing the information available to us so as to enable the person concerned to be as fully informed as possible of the circumstances giving rise to the report. We then conduct a full investigation, including a hearing at which the person is afforded an opportunity to make representations, to present evidence, and to be heard personally or by counsel.

Upon completion of our investigation, we submit a full report to the Governor in Council.

(v) Role of the Governor in Council

(v.i) Citizenship

The Governor in Council may declare that there are reasonable grounds to believe that the person with respect to whom the Committee has made a report will engage in activity that constitutes a threat to the security of Canada and issue a declaration preventing the approval of any application for citizenship for a two year period.

(v.ii) Deportation

If, after considering the Committee's report, the Governor in Council is satisfied that the person with respect to whom the report was made is a person described in the inadmissible classes of the *Immigration Act*, the Governor in Council may direct the Minister of Citizenship and Immigration Canada to issue a security certificate to that effect and proceed with the deportation of the individual.

³⁸ See *Immigration Act*, section 81.(1) onward.

³⁹ Criminal Intelligence reports provided by police forces.

(v.iii) Persons before the Immigration Appeal Division

If, after considering the Committee's report, the Governor in Council is satisfied that the person with respect to whom the report was made is a person described in the inadmissible classes of the *Immigration Act*, the Governor in Council may direct the Minister of Citizenship and Immigration Canada to issue a security certificate to that effect. The consequences of a certificate are such that notwithstanding anything in the *Immigration Act*, the Appeal Division dealing with the case shall dismiss any appeal based on compassionate or humanitarian considerations. The Appeal Division may then consider only questions of law or fact or mixed law and fact.

For the year under review, we forwarded one report for the consideration of the Governor in Council. It was the second Ministerial report based on criminal intelligence information to be received by the Committee.⁴⁰

Upon completion of our investigation, which included eleven hearing days, we concluded that the individual was a person in respect of whom there were reasonable grounds to believe that he or she is or was a member of an organization that is or was engaged in organized criminal activity.⁴¹ We had to interpret the meaning of the word "member" found in subparagraph 19(1)(c.2) of the *Immigration Act*. We decided that the provision did not concern a person who merely has knowledge of the organization or its activities, nor did it require the person to commit or to have committed a criminal act. It is sufficient for the person to be "associated" with the criminal organization.

The Service was not involved in this case.

(e) Canadian Human Rights Commission Referral⁴²

When, at any stage after the filing of a complaint and before the commencement of a hearing before a Human Rights Tribunal, the Commission receives written notice from a Minister of the Crown that the practice to which the complaint relates was based on considerations relating to the security of Canada, the Commission may refer the matter to the Review Committee.

For the year under review, the Commission referred three cases to us, all of which originated in the Department of National Defence.

⁴⁰ The first one being "Chiarelli", *Chiarelli v. Canada* (Min. of Employment and Immigration), [1992], S.C.R. 711, 16 Imm.L.R.(2d)1.

⁴¹ For the exact terminology, we refer you to sections 19(1) (c.2) and 19(1)(d)(ii) of the *Immigration Act*.

⁴² See section 45. (1) of the *Canadian Human Rights Act*.

The issue before the Committee in each complaint was whether the respondent⁴³ acted appropriately and reasonably in applying the Personnel Screening Standards of the Government Security Policy⁴⁴. The question as to whether the respondent engaged in discriminatory practices contrary to the *Canadian Human Rights Act* in applying the relevant sections of the policy being a matter which clearly remains with the Commission.

At the time of the first case, the security screening policy in place was as follows:

"A decision to grant or deny a security clearance must be based on adequate information. Where such information does not exist or cannot be obtained, a security clearance cannot be given. An assessment that indicates that no information is available about an individual, or that covers only a very short period of his or her life, does not provide adequate grounds on which to base a security clearance".

A background check covering 10 or 20 years (or to age 18) was also deemed necessary, depending on the level of security clearance required.

This was the same policy that had been in place at the time of two earlier cases that were considered by the Committee in November 1989.

Those two cases involved complainants who had five years of residency in Canada and an additional five years of residency in countries that provided unreliable information. Both individuals had been denied enrolment on the basis of the application of the "10 year Canadian residency rule" contained in the then applicable security policy (the policy that was still in force at the time of the first case that was sent to us this year). In both cases we had found that there was sufficient flexibility under the "ten year rule" to allow applicants with less than 10 years of Canadian residence to provide alternative means of verification, such as a personal interview or the provision of references. In both cases, the Department of National Defence was considered to "have foreclosed risk assessment by mechanically applying a numerical formula, without the true assessment required by the Government Security Policy". The Committee had concluded with a recommendation that "the department apply the government security policy in a flexible and humane manner, bearing in mind the intent, and purpose of the policy relating to protecting security".

In the aftermath of these decisions, the security screening policy was modified to more clearly reflect the flexibility considered to have been inherent in the prior policy.

In the first case received this year, the individual had only fifteen months of verifiable background information in Canada by the time of his application for enrolment. For this reason, we found

⁴³ The Canadian Armed Forces in two instances and the Communications Security Establishment in one instance. All three fall within the Department of National Defence.

⁴⁴ Included in the Treasury Board Manual.

that the department did not act unreasonably or inappropriately in denying the application for enrolment.

In the second case referred to us, we found that the department foreclosed risk assessment by a mechanistic application of a numerical formula, and did so prematurely. The department's actions in this regard were neither reasonable nor appropriate in the circumstances.

In the third case, we found that the department did not act inappropriately with respect to an investigation conducted pursuant to allegations that an individual was a threat to the security of Canada. In the circumstances of the case, we found that the Government Security Policy could not have been implemented without an investigation and that the investigation was conducted reasonably given the nature of the allegations.

7. Regional Audits

(a) General

Each year, the Committee audits a broad range of investigative activities of CSIS in one region of Canada. We examine warrant affidavits and warrant execution, targeting approvals, surveillance, and sensitive operations. By examining a number of different aspects of regional investigations at the same time, we obtain a picture of how well the system is working. We also learn how the system has evolved since our last regional audit.

(b) Targeting

All CSIS section 12 investigations begin with targeting decisions under the authority of the Targeting Approval and Review Committee (TARC) policy. This is a Committee of senior CSIS managers and representatives from the Department of Justice and the Solicitor General, and is chaired by the Director of the Service. For the least intrusive powers, approval authority is delegated to Unit Heads in the regions or headquarters, and the TARC Secretary is notified of the approval. For more intrusive powers, TARC meets and considers a "request for authorization" report describing the threat. The Committee frequently questions the relevant managers and investigators, before arriving at a decision.

We examined randomly selected targeting authorities to ensure that the investigations were authorized in accordance with targeting policy, and that there were reasonable grounds to suspect a threat to national security. We verified the facts supporting the written requests for targeting authority considered by TARC or the senior managers. We also ensured that the subsequent investigations met the limits set out in the authorizations, and were not excessive in proportion to the threat.

Some cases involved urgent level 3 authorizations. Under extraordinary conditions, a Director General from a Region or Headquarters Branch can authorize the most intrusive investigations (warrants, however, must be obtained from the Court), but must seek ratification from TARC within three working days. In the cases we examined, the authorizations were well substantiated, as was the use of the emergency procedure.

Most of the remaining cases presented no difficulties. In the last one, involving the activities of a foreign intelligence service, we noted differing perspectives in the assessment of the threat by Headquarters and by the region, and a belief by the region that the allocation of scarce investigative resources against the target was unwarranted. The TARC authority also cited section 2(a) of the *CSIS Act* (espionage). We saw little evidence, however, of involvement in economic, or any other form of espionage when the targeting authority was renewed at a higher level of investigation.

We concluded that in all cases, there were reasonable grounds to start the investigations. Over all, the investigations we reviewed were justified, proportionate to the threat, and complied with the *CSIS Act*, Ministerial Direction, and Service policies.

(c) Warrants

Under the *CSIS Act*, the Federal Court must authorize the use of telephone intercepts, and other intrusive powers. CSIS requests these powers, and a federal court judge can issue warrants authorizing their use. These warrants list who is to be subject to the powers and where the powers are to be executed. Sometimes, the Court adds conditions; for example, special procedures to protect the confidentiality of solicitor-client communications.

We normally focus on the factual basis of the affidavit in support of the warrant. We do this by comparing statements in the affidavits against information in CSIS files. We also attempt to determine if the case posed in the affidavit is balanced, and includes any contrary information that may be available. By contrary information, we mean information that might not support a request for investigative powers.

We found, in general, that the affidavits were well justified by supporting documentation. There were no factual inaccuracies, and the affidavits were, in our opinion, balanced and complete. However, we noted that:

- In affidavits concerning foreign intelligence services, "agent" was sometimes used to describe individuals providing varying degrees of cooperation;
- a case concerning theft of technology by a foreign intelligence service seemed to be overstated in the affidavit; and
- one affidavit failed to provide important details about the context in which the investigation took place.

We also examined the execution of warrant powers to determine whether the terms and conditions of the warrant were being met. There were no problems related to the execution of warrant powers. However, in one case, we found an instance where target-solicitor communication was retained without the approval of the Regional Director General.

We audit, to the extent possible, the accuracy of warrant product.⁴⁵ Warrant product is information transcribed from, for example, a telephone intercept. In our sampling, we noted a small number of minor inaccuracies. In one case, however, a transcription gave an individual a greater role in an activity than seemed warranted from the original rough notes. We also noticed ambiguous use of quotation marks. Sometimes they indicated the exact wording of statements by an individual, but sometimes only that information had been taken word-for-word from the rough notes of transcribers. CSIS does not in general retain verbatim transcripts, and tapes are usually re-used after a thirty day period.

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This is done for warrants deriving from the warrant affidavits examined for factual accuracy.

(d) Sensitive Operations

We also examined sensitive operations, many of which touch on the use of human sources.

Human source operations are seldom trouble free. They represent, however, the most cost efficient, and the most effective, means of gathering information about terrorist groups, and foreign intelligence agents in Canada. The people who handle sources generally have gone through a long process of instruction, apprenticeship training, and on-the-job trial and error development.

Some human source operations may require the approval of the Minister due to their sensitivity. We examined operations approved by the Minister pursuant to section 6(2) direction, and operations approved by senior managers in accordance with CSIS internal direction.

We noted that the Service was making requests to the Minister for approval of certain human source operations covering a six month or one year period, rather than requesting approval for each specific activity. Most of these approvals, in fact, were relatively innocuous.

We had problems with two CSIS operations. In one case, a CSIS target was inadvertently provided with information that might be injurious to an individual in a foreign state. In another case, a target obtained adverse information that might affect the ability of a Canadian to do business abroad.

We found that operations on university campuses complied in general with Ministerial Direction, and usually involved operations of limited duration. In some instances, information concerning possible student or faculty involvement was not included in an Aide-mémoire to the Minister. We recommended that, in all cases, Aide-mémoire specifically include details of any possible interference in the free exchange of ideas.

We found no problems concerning source handling and recruitment in the region. The handlers made reasonable decisions, and managed unique and often difficult situations competently.

(e) Surveillance

We examined the use of surveillance as an investigative tool. Surveillance is an art, and the individuals concerned receive extensive training.

Surveillance is used against individuals targeted for investigation, directly or indirectly, by TARC. Under new targeting policy, it can also be used on an emergency basis before TARC authority has been obtained. Officers must then seek authority after the fact within a short time. In the region audited, there had been no emergency use of surveillance.

When a CSIS operational Branch wants to make use of surveillance in an investigation, it makes an application using a surveillance request form. CSIS managers must then determine which targets will be subject to surveillance. Because surveillance is very expensive, it frequently has to be rationed.

We examined a sampling of all surveillance request forms. We noted some minor irregularities in how the forms were completed, but nothing significant.

We also examined randomly selected surveillance operations. We questioned CSIS regional officials about the possible use of surveillance on individuals who were not targets of investigation.

We noted that one operation appeared to be unnecessary, given that the targets were already under police protection. We were satisfied with the responses provided by the Service.

8. Review of General Matters

(a) Ministerial Direction

According to Ministerial Direction, the Minister must approve any investigation of threats falling under 2(d) of the *CSIS Act*, the "subversion" threat. The Minister approved no such investigations in 1994-95.

Under section 6(2) of the *CSIS Act*, the Minister can provide direction to the Service. The Committee is required to review such Direction regularly.

We look at new Directions when they are issued to determine if there are any obvious problems. We also look at the effect of Direction in practice because most of our studies begin with a review of relevant Direction, and contain an assessment of the Direction's effect on operational activities.

In fiscal 1994-95, the Minister did not issue any new Directions to the Service. This is likely due in part, to the completion of a fairly comprehensive body of Ministerial Direction.

In the 1989-90 SIRC Annual Report, we noted the release as section 6(2) Ministerial Direction of "National Requirements for Security Intelligence". This Direction reflected a Cabinet decision. The McDonald Commission had recommended "that Cabinet annually determine the government's intelligence requirements"⁴⁶, and this Committee, in its 1989-90 Annual Report, noted that the national requirements document "fills an important gap in legitimate political supervision of security intelligence".⁴⁷

In last year's annual report, we indicated that the 1993-94 Ministerial Direction describing national requirements was not sent to CSIS or SIRC until July, 1993. A Ministerial Direction on national requirements has not yet been released for fiscal 1994-95. We understand that the process has merely been delayed, not changed.

Instruction

CSIS Officers, in general, rely on instructions found in the CSIS Operational Manual. The Operational Manual interprets section 6(2) Ministerial Direction. It also describes various internal controls for investigative activities.

The Operational Manual used to be a large "how to" manual, that described approval processes and other matters in excruciating detail. Increasingly, it contains general guidance and principles, and provides a framework for officers to make decisions. We support this trend.

⁴⁶ p.847, Second Report — Volume 2, Freedom and Security Under the Law, Commission of Inquiry concerning Certain Activities of the Royal Canadian Mounted Police.

⁴⁷ p.7, SIRC Annual Report, 1989-90.

In 1994-95, the Service produced two new policy instructions. One set of instructions provides guidelines for the security screening of foreign officials and visitors to Canada. The second concerns the identification of CSIS officers in covert operations.

During the year, CSIS also produced three sets of amendments. One involves community interviews. It indicates that, when about to conduct a community interview, CSIS officers are to identify themselves as CSIS employees, and are to indicate that co-operation is voluntary. A second amendment covers disclosure of information to law enforcement officials, and provides a specific warning to be conveyed to authorities that the nature of the information and/or how it was acquired may render it inadmissible as evidence. The third covers human source use.

Almost all sections of the CSIS Operational Manual predating the *CSIS Act* have now been removed, and in most cases redrafted. CSIS is currently working on updating direction in the areas of foreign liaison, physical surveillance, the use of open information and covert operations. The Service is also finalizing operational policy concerning the warrant acquisition process.⁴⁸

(b) Disclosures in the Public Interest

Under section 19(2)(d) of the *CSIS Act*, the Minister can disclose information in the public interest when that interest clearly outweighs any invasion of privacy. We are to be notified of such releases. There were none in 1994-95.

From time to time, Solicitors General have asked CSIS to release information as agents of the Minister. CSIS made no such releases in 1994-95.

(c) Regulations

Under section 8(4) of the *CSIS Act*, the Governor in Council may make regulations concerning appointments and other personnel matters. No such regulations were issued in 1994-95.

(d) Report of the Director and Certificate of the Inspector General

Under section 38 (a)(1) of the *CSIS Act*, the Committee is to review the report of the Director of CSIS and the Certificate of the Inspector General, both of which are to be provided annually to the Solicitor General. We generally receive both too late for inclusion in the current annual report, and have to report on them in the following year.

The CSIS Annual Report provides significant information about the directions being taken by the Service in its investigations.

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This policy arises from recommendations released in April 1992 following a review of the warrant acquisition processed by a retired judge.

In the 1993-94 Annual Report, the Director summarized CSIS investigative activities in the Counter-Intelligence and Counter-Terrorism areas, and provided a variety of statistics concerning various investigative activities, such as the use of warrants. He noted, in particular, that public safety was the most important Service priority in 1993-94, and provided statistics showing the shift in Service efforts from CI to CT.

The Director reported on CSIS security screening activities, operations support, technical support, information management, and other areas. He also included a wealth of specific details and statistics in his review of each area of investigative activities, and provided a sense of the changing operational environment faced by an intelligence service. However, the report did not contain any information about the number of individuals authorized for investigation; an important measure of the scope, and possible effect, of CSIS investigative activity.

In July 1995, we received the Inspector General's Certificate; the first to be issued by the present Inspector General since his appointment to office in April 1994.

The Certificate provides the means by which the Inspector General (IG) "gives informed advice to the Solicitor General on whether CSIS has been performing its functions in a manner consistent with the law, ministerial direction, and its own operational policy."

The Certificate is divided into three sections dealing with: his assessment of the CSIS Annual Report, 1993-94; reviews of specific CSIS programs and activities; and other matters, including questions of compliance, viewed as warranting the Solicitor General's attention.

The IG is satisfied that the CSIS Annual Report, "was an informative overview of major CSIS operational activities" and gave the Solicitor General "a sufficiently comprehensive picture of CSIS". However, the IG observed that the report made little mention of some important CSIS programs and activities, such as the status of CSIS' cooperation with other government bodies and foreign agencies under section 17, or the collection of information concerning foreign states and persons under section 16 of the *CSIS Act*. He did note that there are other reporting channels by which CSIS can appropriately inform the Solicitor General concerning these activities.

Based upon reviews in selected areas of CSIS programs and activities, the IG also reported on some issues. He reviewed five affidavits submitted to the Federal Court in support of CSIS warrant applications. Mindful of CSIS' "very strict obligation -- to make a full and fair disclosure to the Court", the IG expressed the view that two affidavits relating to a foreign intelligence service did not meet the same high standard as the other three. Their "shortcomings" did not, however, in his opinion, affect CSIS' justification for requesting the related warrants.

Dealing with matters of compliance, the IG found instances where CSIS did not advise the Solicitor General of activities, as was required by ministerial direction. CSIS did not appropriately consult the Solicitor General in advance of a *démarche*, against certain diplomats, issued by the Department of External Affairs on the recommendations of CSIS. In three additional cases, activities, with a significant potential to result in controversy, were not reported

to the Solicitor General at the time of discovery. Finally, CSIS did not inform the Solicitor General before "overtures" were made concerning a possible cooperative arrangement between CSIS and a foreign intelligence service.

(e) Reports of the Inspector General

Under section 40 of the *CSIS Act*, the Committee can ask the Inspector General to "conduct a review of specific activities of the Service", and report his findings to us. In recent years the Committee has asked for the Inspector General's help, but it did not do so in 1994-95.

The Committee and the Inspector General regularly consult one another concerning work plans to avoid redundancy. We also exchange reports.

In 1994-95, we received one report from the Inspector General, entitled "Review by the Inspector General of CSIS of Security Arrangements in Place in the Office of the Solicitor General in October, 1993". This report, dealing with the protection and control of classified national security documents, followed allegations concerning the leaking of such documents by former ministerial staff. This report, with minor severances, is available for public examination.

In April 1995, we received a report entitled "CSIS Handling of Confidential Sources" from the Inspector General. He began his review in November 1994 in response to the "Heritage Front Affair".

The study is an examination of the operation of the CSIS system for the direction and control of human sources, from the perspective of the source handler. The Inspector General first undertook an in-depth analysis of the relevant Ministerial Direction and operational policy that guide source handlers, then developed comprehensive questions for focused discussions. He also spoke to source handlers and supervisors individually, as well as in "focus groups" about existing policy, procedures and practices, and a wide range of source handling issues.

His study found that the existing policy and direction provided handlers with a comprehensive and practical guide for managing human source operations. The Inspector General was very impressed with the high degree of dedication, professionalism and knowledge of source handlers, supervisors, and the Human Source Office managers.

In his report, the Inspector General describes in considerable detail the existing source management system and, based on the findings of his study, suggests refinements to the system that could further improve its operation and be of assistance to handlers. The Inspector General concluded, in particular, that the way the relevant Ministerial Direction is interpreted in CSIS operational policy should be clarified and amplified in some important areas.

The Inspector General made recommendations that concerned handler safety and training programs. He suggested clearer guidance on what constitutes sensitive institutions, and on the

implications of section 8 of the Canadian Charter of Rights and Freedoms⁴⁹. He also suggested an updating of the Ministerial Direction concerning investigations on university campuses.

(f) Unlawful Conduct

According to section 20 of the *CSIS Act*, the Director must notify the Minister when he believes that an employee has acted unlawfully in the performance of his/her duties and functions. The Minister, in turn, writes to the Attorney General of Canada, who must decide on legal action. Generally, when the Minister notifies the Attorney General, he includes a recommended course of action. The *CSIS Act* requires that we be provided with a copy of any correspondence to the Attorney General.

There were no cases of unlawful activity reported during 1994-95.

(g) SIRC Consultations and Inquiries

(i) Formal Inquiries

In our review function, not counting inquiries arising out of complaints, we directed 152 formal inquiries to the Service in the 1994-95 fiscal year (April 1, 1994 to March 31, 1995). The average time CSIS took to answer a formal inquiry was 40 days.

(ii) Briefings

We met with the Director of CSIS on August 9, 1994, November 22, 1994, and again on March 17, 1995.

We visited regional offices of the Service when our regular meetings took us out of Ottawa. We were briefed on regional operations in Toronto on April 26, 1995, and in Vancouver on May 11, 1995.

(iii) Beyond CSIS

On June 22, 1994, we met with the then-Commissioner of the RCMP, Mr. Norman Inkster, the Australian Delegation (Hon. Gordon Samuels, A.C., and Mike Codd, A.C.) on September 13, 1994, the Chair of the Sub-Committee on National Security on September 14, 1994, and the Inspector General on October 12, 1994.

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Collection of information without warrant authority by means of human sources.

(h) Special Reports

Under *section 54* of the *CSIS Act*, we can make special reports to the Solicitor General on any matter relating to the performance and functions of the Service. In 1994-95, we submitted the following study to the Minister under section 54 of the *CSIS Act*:

- Counter-Terrorism Study 94-02, December 1994 (SECRET)⁵⁰

A list of all SIRC studies can be found in Appendix B of this report.

⁵⁰

The Heritage Front Affair Report to the Solicitor General of Canada dated December 9, 1994.

9. Inside CSIS

(a) Recruitment

Two Intelligence Officer (IO) Entry Training Classes were held during the fiscal year 1994-95 with a total of fourteen (14) students in the first class and ten (10) students in the second.

Five of the participants in the first class, and four of those in the second were conversions from other job categories within the Service.

In the first class, there were eight females and six males. In the second, there were five of each.

All students met the bilingualism criteria by attaining the standard government requirement of level BBB, which requires functional bilingualism in oral conversation, reading, and writing.

In the IO category the percentage of female employees remained almost the same; an increase of .5 percent this year, bringing the total to 24.5 percent.

In the senior management level, the percentage of men decreased slightly from 89 percent to 87.3 percent; women represented 12.7 percent of Senior Management.

The representation of visible minorities is 1.3 percent, a decrease of 1.8 percent from what we reported last year.

(b) Public Relations

Most public relations are handled by the Service's Communication Branch. Although section 19 of the *CSIS Act* prevents Service employees from confirming or denying specific CSIS operational activity, they are able to provide unclassified information regarding the role and functions of the Service.

Examples of unclassified information are found in the CSIS Public Reports, and two new general information brochures entitled "The Canadian Security Intelligence Service in a Changing World", and "Economic Espionage and CSIS's Liaison Awareness Programme". The latter includes recent statistics from the Service's Technology Transfer Programme.

CSIS also reprinted pamphlets entitled "Helping to protect Canada and its people", in English, French, Arabic, Chinese, and Farsi. The Service plans to produce them in six other languages as well. The Director's personal communications initiatives during the past fiscal year included a speech at the Intelligence Assessment Dinner in June 1994, a speech before the Canadian Association for Security and Intelligence Studies (CASIS) in October 1994, and a presentation before members of the parliamentary Sub-Committee on National Security.

(c) Accommodations

In December 1994 the Service submitted its ninth progress report on its new Headquarters building to Treasury Board. The report stated: "The overall construction project is 99% complete and to date, there remains no significant deviation in terms of quality, cost or time. Phase II can be completed within budget. Plans have been made for the Service to take custodial occupancy of the building as of February 1, 1995, in order to begin the technical fit-up necessary for the anticipated occupancy in April 1995."

The custodial occupancy did in fact occur as planned on February 1, 1995, and technical staff and services were relocated from four separate locations to commence the fit-up. The main employee move commenced on March 31, 1995.

(d) Finances

In July of each year, we receive three charts from the Service concerning CSIS expenditures. We also receive explanations for any major year-to-year changes. We examine all changes in expenditure over time and analyze significant variances between what was budgeted and what was actually spent. Table 5 shows CSIS expenditures over the last six years.

Table 5
Actual Expenditures (\$000's)

	Personnel	Other Expenditures	Sub-Total	Capital	Total
1990-1991	118,000	61,355	179,355	25,545	204,900
1991-1992	120,956	69,200	190,156	15,294	205,450
1992-1993	124,926	72,591	197,517	27,833	225,350
1993-1994	118,819	77,282	196,101	48,190	244,291
1994-1995	115,579	71,715	187,294	18,381	205,675
1995-1996 ⁵¹	109,530	70,873	180,403	2,350	182,753

CSIS expenditures are generally down. This year, the Service's capital spending has decreased dramatically, as the new national headquarters building nears completion.

51

Based on Main Estimates.

10. Inside SIRC

(a) Accounting to Parliament

On October 27, 1994, the Solicitor General tabled the Committee's 1993-94 Annual Report.

The Committee appeared before the Sub-Committee on National Security on September 13, 1994, and December 16, 1994, at two meetings on February 14, 1995, on March 16 and 17, 1995, and on May 4, 1995, to answer questions on the "Heritage Front Affair".⁵²

The Committee appeared before the Sub-Committee on June 20, 1995, to answer questions about its 1994-95 Main Estimates.

(b) Staying in Touch

Since September 1992, when SIRC held its last seminar in Montreal, budget constraints have temporarily frozen any consideration of future seminars with academics, lawyers, and others interested in the field of security and intelligence.

(c) Impact of Budget Changes

The Committee's budget has been declining since fiscal 1991-92, and although the cuts have not been large in absolute terms, they are significant for a small organization with little budget flexibility. The following graph understates the degree to which the Committee's budget will be reduced in FY 1995-96 and subsequent years because translation services which are now provided off-budget (\$50,000) will then be included in SIRC's Main Estimates.

⁵²

The meetings in February, March and May were held "in camera".

S.I.R.C.

Main Estimates

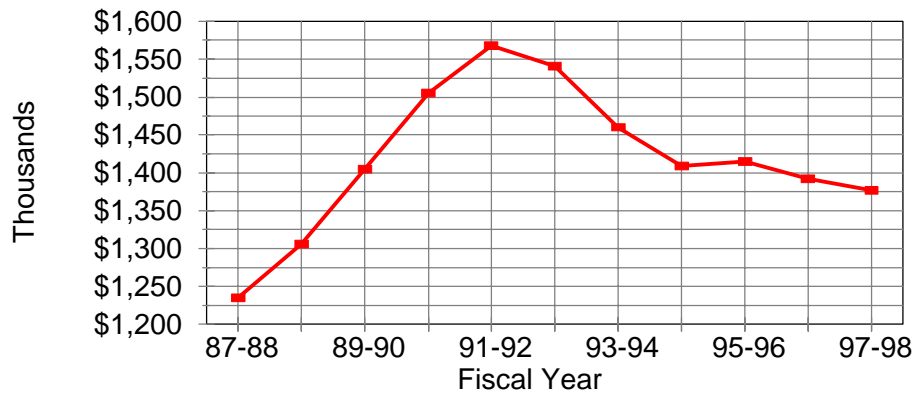


Table 6
SIRC Budget 1994-95

	1994-95	1993-94
Personnel	\$807,000	
Goods and Services	\$593,000	
Total Operating Expenditures	\$1,400,000	\$1,451,000
Capital	\$9,000	\$9,000
Total	\$1,409,000	\$1,460,000

Source: 1994-1995 Estimates, Part III, Section II, Figure 7

The investigation of complaints is the most expensive area of operation for the Committee, and must, therefore, bear the brunt of the budget cuts. To deal with the reductions, the Committee is doing more work "in house", and using outside lawyers less. Committee staff, rather than outside SIRC Counsel, are taking a greater role wherever possible. More pre-hearing meetings are being conducted by Committee staff to better focus the issues to be dealt with in hearings. While

undertaking such measures, the Committee is determined to avoid increasing the time required to handle complaints, and to maintain the quality of its reports.

The Review area is also being affected by budget reductions. As with Complaints, more work is being done "in house", and the Committee is no longer using contract Research consultants. In another cost-cutting measure, the on-site audits of selected Security Liaison Officer posts abroad will be reduced to once every two years, on a trial basis. This measure is possible because of the considerable knowledge amassed over the years as to how the posts function; the new comprehensive reporting procedures for each post implemented by CSIS (e.g., the new message tracking system which SIRC advocated); the reduction in the number of CSIS posts; and a decision-making process which is centralized in Ottawa. The Committee, despite the budget reductions, proposes to maintain the same level of rigour in its annual review.

Over the last few years, the Committee has been reducing costs through automation. It has installed personal computers and a local area network. This has resulted in a cutback of secretarial staff from three persons to two, and has reduced the time required to prepare and release documents. Automation has also allowed more effective tracking of correspondence, classified records, and the Committee's budget.

The Committee is also taking some measures to reduce general administrative costs. In past years, the Committee used an outside Editor to assist in the preparation of the Annual Report. This year, the Executive Director and the Executive Assistant will share the task. The Committee is no longer hosting seminars and conferences. Rather, it is dealing with more experts and opinion-makers on a one-to-one basis at, for example, Committee meetings. SIRC is reducing travel abroad and in Canada and is cutting other costs. For example, after reviewing various information search services, the Committee contracted a dial-in Internet Connection at \$25 dollars per month.

The Committee believes that the steps outlined above, together with a continuing effort to improve efficiency, will allow SIRC to maintain or improve the performance of its responsibilities to Parliament and the public at lower cost.

(d) Committee Membership

On May 26, 1995, the Honourable Michel Robert, P.C., Q.C. resigned from his position as Committee Member of SIRC in order to accept an appointment as a judge on the Court of Appeal of Quebec.

SIRC is very grateful for the time and dedication Mr. Robert contributed during his appointment as a Committee Member. In particular, the Committee and staff appreciate Mr. Robert's efforts as Acting Chair during the investigation of "The Heritage Front Affair".

The Prime Minister appointed the Honourable Paule Gauthier, P.C., O.C., Q.C. to SIRC on June 12, 1995 for a period of five years. Mme Gauthier also served as a Member of SIRC during the period 1984-1991.

(e) Personnel

The Committee has a small staff of fourteen in total: an Executive Director; a Senior Complaints Officer to handle complaints and ministerial reports; a Director of Research Counter-Terrorism; a Director of Research Counter-Intelligence; and four Research Officers; an Executive Assistant who co-ordinates activities on behalf of the Chairman, conducts all media liaison, co-ordinates the production of the Annual Report, and undertakes research projects; an Administrative Officer who is also the Committee registrar for hearings; and an administrative support staff of four. There is a particular burden on the Committee's administrative support because the material handled by the Committee is sensitive and highly classified, and must be dealt with using special security procedures.

The Committee decides formally at its monthly meetings the research and other activities it wishes to pursue, and sets priorities for the staff. Day-to-day operations are delegated to the Executive Director with direction, where necessary, from the Chairman in his role as the Chief Executive Officer of the organization.

Appendices

A. Glossary

BC	— British Columbia
CASIS	— Canadian Association of Security and Intelligence Studies
CBC	— Canadian Broadcasting Corporation
CIA	— Central Intelligence Agency
CI	— Counter-Intelligence
COMMITTEE	— Security Intelligence Review Committee (SIRC)
CSE	— Communications Security Establishment
CSIS	— Canadian Security Intelligence Service
CT	— Counter-Terrorism
DFAIT	— Department of Foreign Affairs & International Trade
DIRECTOR	— the Director of CSIS
DND	— Department of National Defence
EDP	— Electronic Data Processing
FY	— Fiscal Year
GSP	— Government Security Policy
HF	— Heritage Front
HQ	— Headquarters
HS	— Human Source
IG	— Inspector General
IO	— Intelligence Officer
IPM	— Immigration Program Manager
MINISTER	— the Solicitor General of Canada, unless otherwise stated

MOU	— Memorandum of Understanding
NARU	— National Archives Requirements Unit
OM	— Operational Manual
PCO	— Privy Council Office
RAP	— Requirements Analysis and Production Branch
RCI	— Counter-Intelligence Branch
RCMP	— Royal Canadian Mounted Police
RCT	— Counter-Terrorism Branch
SERVICE	— Canadian Security Intelligence Service (CSIS)
SIRC	— Security Intelligence Review Committee
SLO	— Security Liaison Officer
SPWR	— Society for the Preservation of the White Race
TARC	— Targeting Approval and Review Committee
USA	— United States of America
VIP	— Very Important Person

(Section 54 reports — special reports the Committee makes to the Minister — are indicated with an *)

Eighteen Months After Separation: An Assessment of CSIS' Approach to Staffing Training and Related Issues, April 14, 1986 (139 pages/SECRET) * (86/87-01)

Report on a Review of Security Screening for Applicants and Employees of the Federal Public Service, May 1986 (SECRET) * (86/87-02)

The Security and Intelligence Network in the Government of Canada: A Description, January 1987 (61 pages/SECRET) * (86/87-03)

Closing the Gap: Official Languages and Staff Relations in the CSIS, June 1987 (60 pages/UNCLASSIFIED) * (86/87-04)

Ottawa Airport Security Alert, March 1987 (SECRET) * (86/87-05)

Report to the Solicitor General of Canada Concerning CSIS' Performance of its Functions, May 1987 (SECRET) * (87/88-01)

Counter-Subversion: SIRC Staff Report, August 1987 (350 pages/SECRET) (87/88-02)

SIRC Report on Immigration Screening, January 1988 (32 pages/SECRET) * (87/88-03)

Report to the Solicitor General of Canada on CSIS' Use of Its Investigative Powers with Respect to the Labour Movement, March 1988 (18 pages/PUBLIC VERSION) * (87/88-04)

The Intelligence Assessment Branch: A SIRC Review of the Production Process, September 1988 (80 pages/SECRET) * (88/89-01)

SIRC Review of the Counter-Terrorism Program in the CSIS, November 1988 (300 pages/ TOP SECRET) * (88/89-02)

Supplement to the Committee's Report on Immigration Screening of January 18, 1988, 15 November 1989 (SECRET) * (89/90-01)

Report to the Solicitor General of Canada on Protecting Scientific and Technological Assets in Canada: The Role of CSIS, April 1989 (40 pages/SECRET) * (89/90-02)

SIRC Report on CSIS Activities Regarding the Canadian Peace Movement, June 1989 (540 pages/SECRET) * (89/90-03)

A Review of CSIS Policy and Practices Relating to Unauthorized Disclosure of Classified Information, August 1989 (SECRET) (89/90-04)

Report to the Solicitor General of Canada on Citizenship/Third Party Information, September 1989 (SECRET) * (89/90-05)

Amending the CSIS Act: Proposals for the Special Committee of the House of Commons, September 1989 (UNCLASSIFIED) (89/90-06)

SIRC Report on the Innu Interview and the Native Extremism Investigation, November 1989 (SECRET) * (89/90-07)

A Review of the Counter-Intelligence Program in the CSIS, November 1989 (700 pages/ TOP SECRET) * (89/90-08)

Security Investigations on University Campuses, February 1991 (TOP SECRET) * (90/91-01)

Release of Information to Foreign Agencies, January 1991 (TOP SECRET) * (90/91-02)

Domestic Exchanges of Information, September 1990 (SECRET) * (90/91-03)

Regional Studies (six studies relating to one region), October 1990 (TOP SECRET) (90/91-04)

Investigations, Source Tasking and Information Reporting on 2(b) Targets, November 1990 (TOP SECRET) (90/91-05)

Section 2(d) Targets — A SIRC Study of the Counter-Subversion Branch Residue, September 1990 (SECRET) (90/91-06)

CSIS Activities Regarding Native Canadians — A SIRC Review, January 1991 (SECRET) * (90/91-07)

Report on Multiple Targeting, February 1991 (SECRET) (90/91-08)

Study of CSIS' Policy Branch, October 1990 (CONFIDENTIAL) (90/91-09)

Review of the Investigation of Bull, Space Research Corporation and Iraq, May 1991 (SECRET) (91/92-01)

Report on Al Mashat's Immigration to Canada, May 1991 (SECRET) * (91/92-02)

CSIS and the Association for New Canadians, October 1991 (SECRET) (91/92-03)

Exchange of Information and Intelligence between CSIS & CSE, Section 40 Study, October 1991 (TOP SECRET) * (91/92-04)

Victor Ostrovsky, October 1991 (TOP SECRET) (91/92-05)

Report on Two Iraqis — Ministerial Certificate Case, November 1991 (SECRET) (91/92-06)

Threat Assessments, Section 40 Study, January 1992 (SECRET) * (91/92-07)

East Block Investigations, August 1991 (TOP SECRET) (91/92-08)

Review of CSIS Activities Regarding Sensitive Institutions, August 1991 (TOP SECRET) (91/92-10)

A SIRC Review of CSIS' SLO Posts (London & Paris), September 1992 (SECRET) (91/92-11)

The Attack on the Iranian Embassy in Ottawa, May 1992 (TOP SECRET) * (92/93-01)

Domestic Terrorism Targets — A SIRC Review, July 92 (TOP SECRET) * (90/91-13)

Review of CSIS Investigation of a Latin American Illegal, November 92 (TOP SECRET) * (90/91-10)

CSIS Activities in regard to the destruction of Air India Flight 182 on June 23, 1985 — A SIRC Review, November 92 (TOP SECRET) * (91/92-14)

Prairie Region — Report on Targeting Authorizations (Chapter 1), November 92 (TOP SECRET) * (90/91-11)

CSIS Activities during the Gulf War: Community Interviews, September 92 (SECRET) (90/91-12)

The Audit of Section 16 Investigations, September 92 (TOP SECRET) (91/92-18)

Prairie Region Audit, January 93 (TOP SECRET) (90/91-11)

"STUDYNT" The Second CSIS Internal Security Case, May 92 (TOP SECRET) (91/92-15)

The Assault on Dr. Hassan AL-TURABI: a SIRC Review of CSIS Activities, November 92 (SECRET) (92/93-07)

CSIS Activities with respect to Citizenship Security Screening, July 92 (SECRET) (91/92-12)

Domestic Exchanges of Information (A SIRC Review — 1991/92), November 92 (SECRET) (91/92-16)

Regional Audit, September 1993 (TOP SECRET)

Counter-Terrorism Study 93-01, December 1993 (SECRET)

Counter-Terrorism Study 93-02, December 1993 (SECRET)

Counter-Terrorism Study 93-03, September 1993 (SECRET)

*Counter-Terrorism Study 93-04, December 1993 (TOP SECRET) **

Counter-Terrorism Study 93-05, December 1993 (SECRET)

Counter-Terrorism Study 93-06, May 1993 (SECRET)

Counter-Terrorism Study 93-07, December 1994 (SECRET)

Counter-Terrorism Study 93-09, January 1995 (SECRET)

Counter-Terrorism Study 93-11, March 1995 (SECRET)

*Counter-Terrorism Study 94-02, December 1994 (SECRET)**

Counter-Terrorism Study 94-04, January 1995 (SECRET)

Counter-Intelligence Study 93-01, December 1993 (TOP SECRET)

Counter-Intelligence Study 93-02, July 1994 (TOP SECRET)

Counter-Intelligence Study 93-03, November 1993 (TOP SECRET)

Counter-Intelligence Study 93-04, December 1993 (SECRET)

Counter-Intelligence Study 93-05, December 1993 (SECRET)

Counter-Intelligence Study 93-06, January 1994 (SECRET)

*Counter-Intelligence Study 93-07, May 1995 (TOP SECRET)**

Counter-Intelligence Study 93-08, January 1995 (SECRET)

Counter-Intelligence Study 93-09, June 1994 (TOP SECRET)

Counter-Intelligence Study 93-11, May 1994 (TOP SECRET)
