

1-303. Reports of Loss, Compromise, or Suspected Compromise.

Any loss, compromise or suspected compromise of classified information, foreign or domestic, shall be reported to the CSA. Classified material that cannot be located within a reasonable period of time shall be presumed to be lost until an investigation determines otherwise. If the facility is located on a Government installation, the report shall be furnished to the CSA through the Commander or Head of the host installation.

a. Preliminary Inquiry. Immediately on receipt of a report of loss, compromise, or suspected compromise of classified information, the contractor shall initiate a preliminary inquiry to ascertain all of the circumstances surrounding the reported loss, compromise or suspected compromise.

b. Initial Report. If the contractor's preliminary inquiry confirms that a loss, compromise, or suspected compromise of any classified information occurred, the contractor shall promptly submit an initial report of the incident to the CSA and complete its investigation of the incident unless otherwise notified by the CSA. Submission of the initial report shall not be deferred pending completion of the entire investigation.

c. Final Report. When the investigation has been completed, a final report shall be submitted to the CSA. The report should include:

- (1) Material and relevant information that was not included in the initial report;
- (2) The name, position, social security number, date and place of birth, and date of the clearance of the individual(s) who was primarily responsible for the incident, including a record of prior loss, compromise, or suspected compromise for which the individual had been determined responsible;
- (3) A statement of the corrective action taken to preclude a recurrence and the disciplinary action taken against the responsible individual(s), if any; and
- (4) Specific reasons for reaching the conclusion that loss, compromise, or suspected compromise occurred or did not occur.

1-304. Individual Culpability Reports.

Contractors shall establish and enforce policies that provide for appropriate administrative actions taken against employees who violate requirements of this Manual. They shall establish and apply a graduated scale of disciplinary actions in the event of employee violations or negligence. A statement of the administrative actions taken against an employee shall be included in a report to the CSA when individual responsibility for a security violation can be determined and one or more of the following factors are evident:

- a. The violation involved a deliberate disregard of security requirements.
- b. The violation involved gross negligence in the handling of classified material.
- c. The violation involved was not deliberate in nature but involves a pattern of negligence or carelessness.