

DMG BRIEFING NOTE: National Industrial Security Program Operating Manual (NISPOM)

Executive Summary

The National Industrial Security Program (NISP) was established by Executive Order 12829 on 6 Jan 93 to safeguard in a cost effective and efficient manner classified information held by contractors, licensees, and grantees of the U.S. Government. The DoD, DoE, NRC and CIA all adhere to the NISP. The National Industrial Security Program Operating Manual (NISPOM) (DoD 5220.22-M) prescribes the requirements, restrictions and other safeguards that are necessary to prevent unauthorized, as well as control the authorized, disclosure of classified information released to contractors by U.S. Government Executive Branch Departments and Agencies. Industrial Security Letters (ISL) are binding NISPOM addendums issued between NISPOM publications. The Defense Security Service (DSS) is the office delegated to administer industrial security in a contractor's facility on behalf of the contracting service agency. Their objectives are to foster greater security awareness in response to the potential threat to the facility and ensure that the security measures imposed are rational, appropriate and cost-effective.

Where appropriate, the Contractor must also comply with Foreign Ownership Control and Influence (FOCI) mitigation measures, as well as establish procedures to ensure compliance with U.S. export control laws before executing any agreement with a foreign interest that involves access to classified information by a foreign national. (*Please see the DMG Briefing Notes on FCL and FOCI*). Further, NISPOM 1-304 requires that contractors establish and enforce policies that provide for appropriate administrative actions taken against employees who violate NISPOM requirements.

How DMG Can Help You

Due to the immense risks posed to companies and employees for violating the NISP, it is important that companies doing business in the U.S. and engaging with foreign entities create, implement, and maintain physical controls and security procedures compliant with the NISPOM. The Defense Management Group can assist U.S. and Foreign Companies in developing appropriate policies to ensure full compliance with NISPOM security implementation and reporting requirements and so mitigate the risk of penalties. Please contact DMG for further information.

NISPOM dictates that a Contractor must implement risk-management principles, security controls, and personnel clearances (vetting), establish supporting written 'standard practice procedures,' and pass a site inspection conducted by the DSS before an FCL is granted.

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Regulations and best practice relevant to Government Contracting change over time, and The DMG is delivering a series of seminars on Government Contracting. For the latest information please contact info@defensemg.com for current information on venues and schedule. Alternatively, please register at www.defensemg.com so that we can email to you new and updated briefing notes as they become available.