

Statement of
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and
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Before the
Subcommittee on Oversight of Government Management, the Federal
Workforce and the District of Columbia
Senate Committee on Homeland Security and Governmental Affairs
United States Senate
On
Modernizing the Security Clearance Process
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Chairman Voinovich, Senator Akaka and members of the Subcommittee, I am Heather Anderson, Director of Strategic Integration, Office of the Deputy Under Secretary of Defense, Counterintelligence and Security, and the Acting Director of the Defense Security Service (DSS), Department of Defense (DoD). I am pleased to appear before you today to present testimony concerning modernizing the security clearance process and the transfer of the personnel security investigations function and personnel to the Office of Personnel Management (OPM).

DoD requests personnel security investigations (PSIs) to ensure that only trustworthy and reliable individuals are granted access to classified information or placed in sensitive positions within DoD. The investigative process includes an

initial investigation that provides assurance a person has not demonstrated prior behavior that could be of security concern. A reinvestigation is conducted at specified time intervals to determine if an individual's clearance should be continued. Investigative standards for initial and periodic reinvestigations are prescribed by Executive Order 12968 (August 4, 1995).

There are approximately 3.2 million cleared individuals within the Federal government of which almost 2.5 million are cleared DoD civilians, military or industry personnel. Approximately 80% of the total cleared population is affiliated with DoD. Of that number, approximately 546,000 individuals possess a Top Secret clearance with Sensitive Compartmented Information (TS/SCI) access. The number of cleared industry personnel totals approximately 650,000 and includes individuals who are processed for clearances by DoD under the auspices of the National Industrial Security Program (NISP) on behalf of DoD and 22 other Federal agencies.

DoD has been partnering with the Office of Personnel Management (OPM) for the past 5 years, seeking their assistance in the conduct of DoD PSIs, collaborating on initiatives to improve the PSI process and, more recently, planning for the transfer of the PSI function and personnel to OPM. On February 20, 2005, DoD completed the transfer of the PSI function and Defense Security Service (DSS) PSI personnel to OPM, an initiative that began approximately 2 1/2 years ago and which has consolidated management and personnel security investigative resources within a single agency of the Federal government. This consolidation will provide for the more efficient and effective use of trained, experienced and available manpower resources to conduct investigations, facilitate and expedite the standardization of PSI policies and procedures, leverage other available private sector resources to

promote overall investigative capacity, and further the reciprocity of investigations on a government-wide basis.

In anticipation of this functional transfer, DSS, the DoD component previously responsible for conducting PSIs, succeeded in closing more than 95% of investigative work received via the Case Control Management System (CCMS), the DSS management database in use prior to and during Fiscal Year (FY) 2004. (Beginning Fiscal Year 2004, all incoming DoD requests for investigations were processed by OPM, using their database system known as the Personnel Investigations Processing System (PIPS). Our success in completing these investigations was accomplished, in part, by redesigning the DSS PSI organization to reduce infrastructure costs and realigning resources to achieve improved productivity, by redeploying management resources to conduct investigations, and by deploying special investigative teams to augment PSI offices with insufficient resources and conduct overseas investigative leads previously accomplished by military personnel or other government agencies.

As we planned and worked towards the transfer of the PSI function to OPM, DoD championed several initiatives that would improve the end-to-end PSI process. Our strategy is to transform the PSI process into one that is proactive, risk-managed and focuses resources on critical investigations. Most notably, DoD pioneered a two-phased approach to the Single Scope Background Investigation - Periodic Reinvestigation (SSBI-PR) in advance of the transfer. The SSBI-PR makes best use of scarce investigative resources by expending resources to run neighborhood and reference checks only if the first phase of the investigation (including the subject interview) indicates issues of security concern. Our implementation reinforced our research results that showed no degradation of

information, and we are most pleased that on December 11, 2004, the President approved the Phased PR as the investigative standard for the Federal government.

The Automated Continuous Evaluation System (ACES), an automated assessment tool, is another breakthrough still under research, design and testing within DoD that will identify information of potential security concern about cleared personnel on a continuous basis. It will initially augment, and potentially supplant, the specified periodic reinvestigations (PR) that are now required (5 years for Top Secret, 10 years for Secret, and 15 years for Confidential). With the consent of the cleared individual, specified government and commercial databases that are part of ACES will be searched to identify information that is relevant to the ongoing evaluation of individuals to determine their continued suitability for access to classified information or retention in sensitive positions. The beta testing has concluded and has resulted in the identification of issues of security concern that would have gone undetected, most likely until the individual's next scheduled PR. The lessons learned from the beta test are being incorporated into an initial operating capability of ACES to be in place later this year.

DoD has been an active participant in the e-Government/e-Clearance initiative. DoD has begun the transition from the DoD electronic PSI request form (EPSQ) to *e-QIP*, an on-line, web-based investigative request form, originally developed by the Department of Energy (DOE) and adopted by OPM. Data submitted through *e-QIP* will be stored and made available for continuous revision and updating by individuals who have already submitted their initial applications and will provide another opportunity for identifying potential security issues. Additionally, DoD will establish various locations throughout the U.S. that will allow requesters to electronically submit fingerprint cards and release forms that are required as part of

the e-QIP request package. Through an interface to the DoD Joint Personnel Adjudication System (JPAS), verification and validation of the request will be accomplished electronically at the beginning of the process.

Electronic adjudication is yet another process improvement that will soon be implemented to expedite the final step in the PSI process - adjudication. The Electronic Report for Adjudication (*e-RFA*) provides for the electronic submission of the Report for Adjudication, from OPM to the adjudicative facility. Based on established business rules, the e-RFA facilitates on-line review and completion of the adjudication without “touch labor.”

The Joint Personnel Adjudication System (JPAS) is now in use within DoD and is the official system of record for personnel security information, including clearance eligibility and access and adjudicative decisions. JPAS, which provides an automated view of an individual's clearance eligibility and access, allows DoD security managers, including industry Facility Security Officers, to immediately grant access at the verified clearance level, perform certain clearance actions such as transfers, reinstatements, and conversions of clearances or terminate the access of their employees. JPAS enables the highest standards of reciprocity by providing immediate information on which to base a clearance decision and eliminates "downtime," thus eliminating the costs associated with unnecessary waiting for clearance verification or eligibility. Additionally, as part of the e-government initiative, in December 2002, a bridge was established between JPAS and OPM's Security/Suitability Investigations Index (SII) to exchange information. The bridge enables JPAS users to see into the SII and SII users to see into JPAS, thus setting a standard for seamless information sharing. We expect the bridge will no

longer be needed when the government-wide database on security clearances is implemented by OPM later this year.

During the past year, additional improvements were implemented in preparation for the smooth transition of the PSI function to OPM. One of the most notable accomplishments was the training received by DSS PSI employees that allowed them to transition to the OPM investigative case management system known as PIPS. DoD not only obtained the immediate benefit of PIPS operating efficiencies, but DSS investigators gained improved and immediate access and insight into their assigned cases.

As you are aware, the timeliness of investigations has been the measure most sensitive to any disturbance in the process. It is the one that receives the most attention because it has been disruptive to continuity of operations within the military and defense industry and has resulted in increased costs and personal hardships. DoD and OPM have agreed upon aggressive goals for significantly improving the timeliness of investigations. These improvements will result, in part, from the additional investigative capacity that will be provided by the five new investigative providers under contract with OPM.

DoD has established initial timeliness goals with improvements to be implemented incrementally over the next several years. Our goal is to complete 90% of adjudications within 30 days; however, that does not include the time required for the hearings and appeal process.

OPM indicates that for investigations submitted next fiscal year 90% of each case (investigation) type will be completed within the following timelines:

- 90-120 days for initial investigations and for reinvestigations for Secret and Confidential information (NACLIC)
- 90-120 days for initial Top Secret (SSBI)
- 120 days for Top Secret periodic reinvestigation (TSPR)
- No case over a year old

DoD will continue to work with OPM to identify additional process improvements to ensure that these initial timeliness goals are adjusted to meet the requirements for completing investigations as mandated by the Intelligence Reform and Terrorism Prevention Act of 2004.

Thank you for the opportunity to appear before your Subcommittee today. I will be happy to answer any questions you might have.