

STATEMENT OF

Kathy L. Dillaman  
Associate Director  
Federal Investigative Services Division  
Office of Personnel Management

before the

Permanent Select Committee on Intelligence  
Subcommittee on Intelligence Community Management  
United States House of Representatives

on

Security Clearance and Investigation Reform and  
the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA)

September 17, 2008

Madam Chairwoman and Members of the Subcommittee, it is my privilege to testify today on behalf of the Office of Personnel Management (OPM) concerning security clearance reform and its compliance with the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA).

**Background**

OPM's mission is to ensure the Federal Government has an effective civilian workforce. To accomplish this mission, OPM provides background investigation products and services to agencies to assist them with making security clearance or suitability decisions on civilian, as well as military and contractor personnel. OPM conducts different levels of investigations for various types of positions in the Federal Government. The investigations range from the minimum level of investigation for positions that require a Confidential or Secret clearance to extensive field investigations for those that require a Top Secret clearance.

At OPM, the division responsible for conducting background investigations is our Federal Investigative Services Division (FISD). This division supports over 100 Federal agencies with over 2,000 security offices across the country and worldwide. Our automated processing systems and vast network of field investigators handle a high volume of background investigations. This fiscal year, we expect to conduct over two million investigations, including over 800,000 for positions related to national security.

When I testified before your subcommittee on February 27, 2008, I reported that since the implementation of the Intelligence Reform and Terrorism Prevention Act of 2004, significant progress had been made in improving overall timeliness and reducing the inventory of pending investigation and that there was no longer a backlog of investigations delayed in process.

## **OPM and the Joint Reform Effort**

The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) established timeliness goals for the security clearance process. By the end of 2009, the Act directed that, to the extent practicable, 90% of initial security clearances be completed within an average of 60 days, allowing 40 days on average for investigation and 20 days for adjudication. Although much progress has been made, achieving these aggressive goals requires significant reform and modernization of the traditional investigative and adjudicative processes that support clearance determinations.

OPM has partnered with the Office of the Director of National Intelligence and the Department of Defense in these reform efforts. On April 30, 2008, the Joint Reform Team issued its initial reform proposal to achieve the goal of making hiring and clearing decisions more quickly, effectively, and efficiently. To ensure this goal is achieved, President George W. Bush signed Executive Order 13467 on June 30, 2008, establishing the Suitability and Security Performance Accountability Council (PAC) and designating Suitability and Security Executive Agents. The President assigned specific duties to each Executive Agent to ensure alignment of the suitability and security programs.

Acting OPM Director Michael Hager will serve as the Suitability Executive Agent and “will continue to be responsible for developing and implementing uniform and consistent policies and procedures to ensure the effective, efficient, and timely completion of investigations and adjudication relating to determinations of suitability and eligibility for logical and physical access.” Director Hager takes this responsibility very seriously.

In addition, I will co-chair the Council’s Performance Measurement and Management Subcommittee that is responsible for establishing annual goals and metrics to measure the progress of the reform initiatives. We will report annually on the reform progress.

## **Status of the Security Clearance and Investigation Process**

As the reform effort moves forward, we are continuing to optimize the current process by maintaining adequate staffing, building partnerships with information suppliers, and through greater use of information technology. Information technology is an important aspect of security clearance reform and the work we are doing to modernize OPM’s processing systems supports the initiatives the Joint Reform Team proposed in our April 30, 2008, report.

Agency Submissions: The clearance process for submissions through OPM begins with the web based electronic application, currently known as e-QIP, which allows applicants to provide their background information securely on line instead of submitting a paper form. This tool has improved both processing timeliness and the quality of the information supplied. In July 2008, agencies submitted 94 percent of their requests for national security investigations through e-QIP, with 16 agencies submitting all requests electronically.

In July 2008, e-QIP submission timeliness from the date the subject completed their information to receipt for processing by OPM averaged 15 days while hardcopy submissions averaged 35 days. Most agencies are on track to meet the performance goal of all submissions within 14 days. In addition, the rejection rate for submissions that are incomplete or contain inconsistent information is currently 6 percent, close to the performance goal of less than 5 percent.

This month, OPM will deploy the next generation of the electronic questionnaire which was developed to collect additional information from the subjects of investigation that might be of concern in clearance process. As part of the reform effort, a subsequent version to this “e-Application” is in development that will require self-disclosure of more relevant details when certain issues are admitted and will allow for continuous evaluation of individuals who are granted a security clearance. This expanded application will improve our ability to conduct issue-focused investigations, beginning with subject provided information.

Investigation Process: The Intelligence Reform and Terrorism Prevention Act of 2004 established a goal that by the end of 2006, 80 percent of background investigations conducted for initial security clearances would be completed within an average of 90 days. OPM is exceeding this statutory goal for all investigations initiated after 10/1/06.

Closed during:	All Initial Clearances		Top Secret Initial		Secret/Confidential	
	Total	80% Avg	Total	80% Avg	Total	80% Avg
FY 2007	425,268	56 days	54,385	83 days	370,883	52 days
FY 08 1 <sup>st</sup> Qtr	158,997	60 days	21,527	83 days	137,470	56 days
FY 08 2 <sup>nd</sup> Qtr	167,780	63 days	22,579	88 days	145,201	59 days
FY 08 3 <sup>rd</sup> Qtr	190,622	54 days	26,843	74 days	163,779	51 days

The backlog of pending investigations delayed due to inadequate resources has been eliminated. In October 2006, there were over 98,000 pending clearance investigations that were over 180 days in process. As of August 30, 2008, OPM reduced this number to 1,802 clearance investigations pending over 180 days. Those now delayed in process are primarily due to the nature of issues developed that require resolution and/or our ability to obtain required third party information in a timely manner.

As an element of the Joint Reform Team’s plan, OPM continues to expand its use of information technology to improve the time required to obtain third party records. We have worked closely with national, state, and local record providers to streamline the transfer of data and improve response time. A good example of this effort is the implementation of centralized law record checks. OPM conducts online law checks through the National Law Enforcement Telecommunications System (Nlets) or other statewide repositories for 15 states, representing 35 percent, or approximately 1.2 million of the law checks we conduct each year. We recently approved transfer of six additional states for centralized processing. With the added states, almost 46 percent, or over 1.6 million checks will be done through this method. This process saves time, reduces cost, and allows us to use our investigative staff more efficiently and effectively.

While improving the timeliness of investigations, we have been vigilant in maintaining the quality of those investigations. We have put additional internal quality control processes in place to ensure that the investigations we conduct meet the national investigative standards and the needs of the adjudication community. We have also maintained a robust training program and routinely request input from our customer agencies on the services and products we provide.

Investigation Delivery and Adjudications: We are continuing to work with agencies to reduce the time it takes to deliver completed investigations between OPM and their adjudication offices and to record agency adjudication actions in our record system. This includes expanded implementation of our imaging system to electronically transmit the results of completed investigations to the adjudications facility and linking the agency's in-house record system to OPM's database for electronic updating of their adjudication actions. As of September 3, 2008, we have sent over 305,000 completed background investigations electronically to the participating agencies, including the Department of the Army, Department of Transportation, Department of Commerce, and the Department of Energy. Future development and expansion of electronic delivery will support the Joint Reform Team's initiatives to further automate adjudication.

Reciprocity: OPM currently hosts the Clearance Verification System (CVS) which houses active security clearance information for non-Defense agencies. The Department of Defense (DOD) records its security clearance information in the Joint Personnel Adjudications System (JPAS). Although clearance data is not consolidated into one centralized database, agencies have access to the DOD security information in JPAS; agencies can access the DOD information through a link provided in the CVS. To further aid reciprocity, this month CVS is being expanded to include additional information and provide transparency into suitability determinations and logical and physical access.

## **Conclusion**

The Intelligence Reform and Terrorism Prevention Act requires the national security community to work together and transform its procedures to improve the overall timeliness of the security clearance process. In order to meet the 2009 goals and keep the momentum going, more significant reform is needed. It is also clear that policies and procedures for Security Clearance and Suitability determinations must be aligned to avoid conflicting or redundant processing and promote reciprocity across government. Through the establishment of the Performance Accountability Council and the designation of the Security and Suitability Executive Agents, areas of responsibility have been clearly defined within a forum that supports collaboration and alignment.

We are confident the goals will be met with the efforts of the Joint Reform Team and leadership from the Office of Management and Budget and the Performance Accountability Council. OPM is committed to achieving the ultimate goal of a Government-wide system that continues to protect national security through more modern processes that are secure, dependable, scalable, and time and cost-efficient.

This concludes my remarks. I would be happy to answer any questions the Subcommittee may have.