

STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,  
THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA  
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE  
SECURITY CLEARANCE REFORM: MOVING FORWARD ON MODERNIZATION  
SEPTEMBER 15, 2009

Chairman Akaka, Ranking Member Voinovich, and Members of the Subcommittee; thank you for inviting me here today. It is my privilege to testify on behalf of the Office of Management and Budget (OMB) and to discuss the Administration's ongoing security clearance reform efforts and the status of implementing those reforms.

**Background and Progress**

The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) challenged the federal government to address longstanding problems with the timeliness and coordination of the process for granting national security clearances. Executive Order 13467 reinforced the goals of IRTPA, and recognized the Office of Management and Budget as the lead agency to ensure coordination across the federal government. It also named the Director of the Office of the Director of National Intelligence (ODNI) as the Security Executive Agent and the Director of the Office of Personnel Management (OPM) as the Suitability Executive Agent.

OMB, OPM, and ODNI—along with the Department of Defense (DOD)—comprise the Joint Reform Team and together provide leadership regarding reforms to policy, processes, and information technology which affect the approximately 2 million security and suitability determinations conducted by the government each year.

This effort has had the support of Congress on a bipartisan basis, as well as the commitment of the current and prior Administration.

*Much has been accomplished to reform the process and improve timeliness.*

In 2004, the year IRTPA was passed, initial clearance investigations for Top Secret clearances took 392 days on average. Today, they take 79 days. Initial Secret Clearances took 179 days in 2004. Today, they take 40 days. In 2004, the typical initial security clearance investigation took 205 days. Today, it takes 47 days. And, as recently as October 2006, the backlog of pending clearance investigations over 180 days old stood at almost 100,000 cases. Today the decades-old backlog of investigations is gone.

This is a significant accomplishment in light of the program's history. In the Government Accountability Office's report 04-344, GAO referenced their 1981 estimation that the DOD investigations backlog alone could cost nearly \$1 billion per year in lost productivity. More than a decade later, the Joint Security Commission report noted that the costs directly attributable to investigative delays in Fiscal Year 1994 could be as high as several billion dollars because workers were unable to perform their jobs while awaiting a clearance. That situation with backlogs no longer exists.

These accomplishments are notable, and testify to the dedication of the staff at the agencies representing the security and suitability community, as well as to your leadership and persistent focus on these issues.

*However, much remains to be accomplished.*

IRTPA requires that by the end of 2009, to the extent practicable, 90% of security clearances must be completed within an average of 60 days—providing 40 days on average for investigations and 20 days on average for adjudications. To achieve this goal and ensure that improvements in timeliness are made without a reduction in quality and are sustainable over the long term, we must continue to reform existing processes; optimize the use of human resources; enhance partnerships with critical information suppliers; and leverage the use of information technology.

These reforms—many of them ongoing—will take time, but I believe we have a sound plan from which to move forward today.

### **Inter-Agency Review**

Since beginning work at OMB in June, I have met with the senior leadership of the reform effort who join me today as witnesses, as well as with their principal advisors who drive the effort day-to-day. I have also moved to conclude the inter-agency review of the degree of alignment between security and suitability processes and policies that was initiated shortly after the administration took office. Suitability is the determination whether an individual is suitable for federal employment.

During this review, OMB, along with our partners, OPM, ODNI, and DOD, determined that the design and implementation of the overall reform process was sound, and thus in most cases are not instituting significant changes to the approach. However, we have determined to make changes in one important area – the manner in which we align security and suitability processes and policies. Critical to our efforts to improve the security clearance process and ensure the timeliness and reciprocity of clearances among federal agencies is the alignment of

security and suitability investigations. Improved alignment of these areas allows us to foster efficiencies in the investigative process that will result in improvements to the timeliness and efficiency of the clearance process, as well as the reciprocity of investigations it produces. The plan as originally envisioned fostered significant overlap between security and suitability determinations in order to maximize efficiency across these two processes. Specifically, the original vision architected the suitability and security determinations with common levels of risks and shared investigative elements. This would allow the security review to rely on existing information in the suitability record, or vice versa, and thus shorten and streamline the security review.

However, as the new administration reviewed the original approach, it was determined that the manner in which the overlap was achieved required adjustment. Specifically, certain suitability positions would not require investigations as detailed as the security investigations with which they had been aligned under the previous administration's plan. We believe we can redesign the alignment of the security and suitability processes in a manner that acknowledges the privacy interests of similar employees who do not require the more in-depth national security investigation, while retaining much of the benefits of efficiency and reciprocity envisioned in the original plan.

As a result of this determination, it is necessary to modify the underlying investigative standards and make the appropriate changes to the relevant forms – Standard Forms 85P and 86.

### **Executing the Plan**

As we look forward, I am pleased to report that I expect the revised Standard Form 86, which is used in national security investigations, will be available for public comment by the end

of this month. And, following a review of any comments received, we will make final revisions to the Federal Investigative Standards. As this process continues, we will assess the impact on our development schedule, as well as the phased implementation plan, and I will keep you apprised of any significant changes. However, I am still confident that the reforms will be substantially operational across the Federal Government by the end of Calendar Year 2010.

Later this month, I will lead a meeting of the Performance and Accountability Council (PAC) to underscore the importance of this effort, reinvigorate leadership among participating agencies, and reinforce the close partnership necessary between the Executive Agents for Security and Suitability, as well as DOD, and OMB.

From my experience in the private sector participating in large and transformational projects such as this, the participation of major project champions is essential for success. With this support, the other keys to successfully driving this reform effort include the development of detailed work plans among the joint reform team and all partners; establishing appropriate metrics for the measurement and management of the initiative; identifying problems early and thinking creatively about solutions; holding people accountable for outcomes; and maintaining a relentless focus on the overarching goals of improved timeliness and reciprocity. While not all of these elements are entirely in place yet, I will get us there. I will also devote special attention to areas such as utilizing information technology, and ensuring that the plan we have outlined is comprehensive, correct, and executable.

The goals outlined in IRTPA will serve as a foundation for our work; however, we will also continue to complement these goals with targets established by the PAC's Performance Measurement & Management Subcommittee. To this end, key components of the metrics

include: timeliness, inventory of work-in-progress, quality, and reciprocity. In addition, the PAC Training & Certification Subcommittee will continue its important work to develop standards for investigator and adjudicator training. We have already examined existing training programs and begun work to identify core competencies that must be mastered by all investigators and adjudicators. Ultimately, three distinct training tracks and a certification process will emerge for *investigators*, *suitability* adjudicators, and *security clearance* adjudicators. These actions are all elements supportive of ensuring the quality of clearance decisions and instilling the faith in processes which will naturally drive reciprocity across the entire government.

## **Conclusion**

In summary, our shared goal of improving the suitability and security clearance process is one of tremendous importance to me and it will remain a high priority for this Administration. Also, I want to recognize the important role that the Government Accountability Office plays in the reform initiative. I look forward to working with them toward our common objective of improved performance. The advances made to-date are certainly commendable, but much work remains. With the assistance of the capable agencies that are testifying with me today, and the continued support of this subcommittee, I am confident we can continue to make significant strides in improving the timeliness, reciprocity, and quality of clearance decisions for the security of the American people.

Once again, thank you for the opportunity to speak with you today. I would be very happy to answer any questions you may have.