

JOINT STATEMENT FOR THE RECORD BY

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BEFORE THE

SENATE HOMELAND SECURITY GOVERNMENT AFFAIRS SUBCOMMITTEE ON  
OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND  
THE DISTRICT OF COLUMBIA  
OPEN HEARING ON SECURITY CLEARANCE REFORM

SEPTEMBER 15, 2009

Chairman Akaka and Ranking Member Voinovich, distinguished Members of the Subcommittee: Thank you for the opportunity to provide an update on the status of our security and suitability reform efforts.

We reiterate today what was noted at this Subcommittee's hearing in May 2008, that senior officials at the Department of Defense (DoD) and the Office of the Director of National Intelligence (ODNI) continue to give priority attention to transforming the end-to-end process of security clearances. In fact, the DoD has recently identified it as a top priority for the Department. The Director of National Intelligence (DNI) is equally committed to implementing security clearance reform as a matter of high priority. We appreciate and welcome the strong bipartisan support this initiative receives from this subcommittee and other congressional subcommittees and we look forward to working together to ensure the success of the effort.

As has been the case for this critical effort to date, sustained leadership engagement is essential to continuing progress and enabling successful implementation. We are pleased to appear before you today with our new leadership partners, the Honorable Jeff Zients, Deputy Director for Management of the Office of Management and Budget (OMB), and the Honorable John Berry, Director of the Office of Personnel Management (OPM). We look to instill this effort with a sense of urgency, and together are focused on driving forward to achieve the improved performance we collectively desire and the American people deserve.

This initiative has leveraged DoD's business transformation expertise and the Intelligence Community's best security practices to guide and implement reform to date. DoD's particular interest is readily understood given that the Department's volume of work is 1.2 million cases per year and its associated expenditures are approaching one billion dollars annually. In addition

to improved efficiency, national security interests are served by making this process more effective.

Significant improvements have been achieved to reach some of the Intelligence Reform and Terrorism Prevention Act (IRTPA) initial performance goals as a result of increasing resources within the existing process. In order to achieve the transformation change we all want and in order to reach the 2009 IRTPA goals, we need to modernize the underlying security clearance processes across the Executive Branch. The 2009 goal, of performing 90% of cases in 60 days, will require an alignment of policies, process, and information technology to achieve the 2009 IRTPA goals. To that end, the modernization plan's key features include:

- Collecting security relevant information earlier in the process to improve efficiency;
- Leveraging technology to reduce manual activity, utilize modern data sources, and make decisions based on modern analytic methods that manage rather than avoid risk;
- Focusing field investigative activity to better target collection of relevant data;
- Enhancing the investigation process for subsequent hiring or clearing decisions, thereby reducing duplicative work; and
- Applying these new capabilities in "continuous evaluation" to more frequently assess risk in populations of cleared personnel rather than rely on fixed term reinvestigations as current practices do.

We recognize and share the subcommittee's interest in deliberately focusing on meeting these goals for transforming the security clearance process. The implementation plan associated with delivering these capabilities was provided in our December 2008 report on reform which

expressed actions and milestones needed to incrementally implement new processes and information technology essential to reform. Also in December 2008, revised Federal Investigative Standards to enable greater efficiencies and alignment of security and suitability investigations were issued. These revised standards launched implementation planning across the Executive Branch agencies to identify the internal changes they need to achieve reform.

The change of Administration in January 2009 led to a reassessment of portions of the reform plan. We joined OMB and OPM in reviewing the degree of alignment between security and suitability investigations reflected in the revised investigative standards. We re-examined the investigative requirements for certain suitability determinations, and changes to the standard forms previously proposed have also been reviewed. With the review nearly complete, we can resume activity in these areas, which include, among others:

- additional revisions to the federal investigative standards;
- the continuing development of automated record check and field lead requirements for each type of investigation;
- changes to the automated systems that will collect the SF86 forms information online;
- changes to the automated systems to streamline management of future investigation and adjudication processes; and,
- guidance to enable agencies to execute their own implementation plans.

While the impact of the review will require adjustments to projected timelines, we look forward to resuming an ambitious pace of achievement, and are committed to having milestones and action plans that will permit us to drive, monitor, and report our progress as we do so.

Since our update to you in May 2008, work has continued in many areas to include federal government oversight, performance management and training. Executive Order 13467, issued in June 2008, created a federal-level governance in the Suitability and Security Clearance Performance Accountability Council (PAC) to oversee and drive reform. The PAC:

- Meets regularly with senior member representatives from across the Executive Branch, assisting the efforts of the Suitability and Security Executive Agents, and placing emphasis on performance measurement and training opportunities as critical to ensuring successful outcomes.
- Is responsible for developing and employing standardized timeliness measures, including metrics required by the IRTPA. The PAC leadership is developing metrics for investigative and adjudicative quality and reciprocity, and to better assess agencies' workloads as a means to help prevent backlogs.
- Is developing national standards and curricula for investigator and adjudicator training to ensure that the workforce that makes hiring and clearing decisions acquires and maintains the skills needed to perform those functions.

Also, the Department of Defense took a significant step in November 2008 with the Army's implementation of electronic adjudication. E-Adjudication applies decision support technology to assist in the processing of cases. The Army's implementation screens all Secret-level cases on federal civilian and military members to identify and automatically adjudicate no-issue "clean" cases. The pilot was successful and since full implementation in February 2009 69,804 clean cases have been screened and almost 32.7% of them were e-Adjudicated, requiring no human review resulting in enhanced efficiencies. In September 2009, this capability was

expanded to DoD industry cases, which represent an additional 179,000 cases per year. The Department anticipates that 24% of all Industry cases will qualify for e-Adjudication, thereby eliminating the need for human intervention. The Department plans to roll out this capability to the Air Force and Navy adjudication facilities by December 2009.

In addition to near-term implementation opportunities like e-Adjudication, the reform effort has created an information technology strategy that dictates that reform efforts will leverage existing Federal government systems and capabilities where applicable, and develop or adapt new tools as necessary. The strategy seeks to align executive branch agency modernization plans with the transformed process, where the Joint Reform Team is developing enterprise capabilities and individual agencies will only be required to develop specific internal capabilities that are unique to their mission needs. Successful execution of the strategy will reduce duplication and enhance reciprocity, while focusing on quality, service, and cost. This strategy is reflected in the DoD's planning to co-locate all its adjudication facilities. As part of that effort, required by the Base Realignment and Closures Act by 2012, the DoD plans to move all adjudicators to a standardized case management system, enhancing efficiency, enabling consistency, and allowing better performance measurement and management.

There is one additional policy initiative we wish to highlight as part of the reform effort. In recognition of the increasing needs for skills diversity in the workforce, the DNI issued Intelligence Community Directive (ICD) 704 in October 2008. This ICD governs eligibility for access to Sensitive Compartmented Information and other controlled access information. It makes a key change to the eligibility standards aimed at alleviating a barrier to entry for applicants who are first and second generation Americans.

As you know, the GAO was asked to assess the Joint Reform Team efforts in reforming the security clearance process. As part of that study, the GAO reviewed the reform team efforts, including those detailed above. We recognize that many observations in their report are fair assessments of the current state of clearance reform. That said, we welcome the report's support of, and suggestions for, the success of the reform effort.

Improving the quality and consistency of investigations and adjudications is a goal shared by the reform effort and a key GAO recommendation. We note the work of the PAC in developing meaningful measures to assess quality in these areas across the Executive Branch. We also highlight steps being taken by the Department of Defense, including development of guidelines that will improve the consistency of adjudications and the development of an automated tool to assess and report on the quality of investigations and adjudications.

Chairman Akaka, thank you for the opportunity to update you on this important effort. Both the DNI and DoD senior leadership remain deeply committed to building on the progress we have made to date. We appreciate the subcommittee's continued engagement on this critical reform effort and are confident that our efforts will continue to bear fruit in the future.