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**JOINT STATEMENT FOR THE RECORD BY**

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**BEFORE THE  
SENATE HOMELAND SECURITY AND GOVERNMENTAL  
AFFAIRS COMMITTEE (HSGAC)  
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT**

**SECURITY CLEARANCE REFORM: THE WAY FORWARD**

**MAY 22, 2008**

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## **Introduction**

Good afternoon Chairman Akaka, Ranking Member Voinovich, and distinguished Members of this subcommittee: Thank you for this opportunity to discuss security clearance reform. We are pleased to offer additional information to this subcommittee regarding our ongoing efforts to meet our goal of making hiring and clearing decisions more quickly, effectively and efficiently.

## **Security and Suitability Reform**

The Joint Security and Suitability Reform Team is composed of representatives of the Office of the Director of National Intelligence (DNI) and the Department of Defense, the Office of Management and Budget (OMB), and the Office of Personnel Management (OPM). All are represented before you today. The Joint Reform Team effort includes ongoing actions intended to make an immediate and lasting impact.

As this subcommittee is well aware, the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 established the first ever legislated measures of success with regard to the timeliness of security clearance processing, with goals for 2006 and more ambitious goals for December, 2009. While progress has been made across the Executive Branch, and we note the Intelligence Community (IC) agencies that conduct their own investigations and adjudications are compliant with current IRTPA goals, the existing process is not, in our estimation, likely to allow the US Government to achieve the additional efficiencies needed to meet the 2009 objectives. Further, improvements in terms of timeliness, consistency, and quality require adoption of a common process across government using end-to-end automation and modern technologies.

The Director of National Intelligence (DNI) recognized the need for transformational change to meet such future needs, and identified security clearance reform as a top priority in his 100- and 500-Day Plans. The DNI's call for improvements to the security clearance process is matched by the Secretary of Defense, who placed clearance reform as one of the Department's Top 25 Transformation Priorities. To that end, the DNI along with the Under Secretary of Defense (Intelligence) and the Deputy Director for Management at OMB commissioned a Joint Security Clearance Process Reform Team to systematically examine and improve the way we process and manage security clearances as an enterprise. Recognizing the need to align suitability and security clearance processes where appropriate, this effort combined forces with the Office of Personnel Management (OPM) to form the Joint Security and Suitability Reform Team, thereafter accelerating and expanding efforts to develop transformed, modernized, fair, and reciprocal security clearance and suitability systems applicable across the Executive Branch.

Over the last few years, the Department of Defense has built a strong foundation of agile business practices and management that ably supports the warfighter and provides transparent accountability to the taxpayer. Under the Direction of Deputy Secretary of Defense, Gordon England, the senior leadership of the Department has been engaged and accountable for the performance of business operations. As part of these larger business transformation efforts, the Deputy Secretary identified Continuous Process Improvement/Lean Six Sigma as a management best practice. In identifying clearance reform as a Top 25 Transformation Priority, he charged the Office of Business Transformation, which oversees the enterprise implementation of Continuous Process

Improvement (CPI)/Lean Six Sigma (LSS), to apply this rigorous methodology to the challenge of clearance reform.

The importance of this effort was underscored on February 5, 2008, when the President issued a memorandum recognizing significant opportunities for improvement in the processes that support hiring and clearing decisions. The memo directed that an initial reform proposal be submitted to the President by April 30, 2008 proposing actions necessary to achieve the goals of reform.

On April 30, 2008, the DNI, DoD, OPM, and OMB submitted the Joint Reform Team plan to the President, proposing a transformed process that manages the hiring and clearing process from an enterprise end-to-end perspective. This enables the design, coordination, and implementation of policies and standards that promote more effective and efficient hiring and clearing determinations. Based on the analysis of the Joint Reform Team, whose report has been separately provided to this sub committee, we concluded that we are now ready to adopt and pursue implementation of a process design whereby:

- More relevant information is collected and validated at the beginning of the process, using the application, automated record checks, and an enhanced subject interview.
- Automation is used to make the process faster, reduce manual activity and leverage additional data sources.
- Field investigative activity is focused to collect and validate targeted information.
- Risk decisions rely on modern analytic methods rather than practices that avoid risk.
- Relevant data is better used for subsequent hiring or clearing decisions, enabling reciprocity, reducing duplication of requests and ensuring consistent quality and standards.
- Continuous evaluation techniques replace periodic reinvestigations, utilizing more frequent automated database checks to identify security relevant issues

among already cleared personnel, permitting targeted resolution of cases as issues arise.

The new process proposes the use of modern investigative tools, end-to-end information technology, a risk management philosophy, and efficient, standardized business practices. The Joint Reform Team has identified several near-term actions to achieve specific needs and capabilities of the process design. Foremost, an Executive Branch governance structure is needed to ensure processes that enable hiring and clearing decisions are effectively coordinated. This structure will drive implementation of the reform effort, ensure accountability, and sustain reform momentum, particularly through the upcoming change of administrations. Additionally, the following actions have already been initiated:

- Development of the next-generation online application
- Initiating automated adjudication of “secret” cases where no actionable issues are present
- Developing a robust automated records checks capability
- Developing the enterprise information technology strategy to enable reform

The Joint Reform Team’s process has been inclusive of government and industry expertise, and has taken into account the existing base of research and recommendations for improving the process.

The Department of Defense continues to make progress in key performance measures of the current process, demonstrated by increased electronic submissions, and decreases in both adjudicative processing time and overall end-to-end timeliness.

Also of note, modifications to Intelligence Community policies are being made to allow for the clearing of more first and second generation American candidates. This effort includes careful consideration of ways to balance risk while increasing opportunity

for such citizens to be considered by the clearance process. We have studied existing programs within the Community that may offer a model for other IC agencies to build upon. We fully expect the near-term outcome of this DNI-level policy change to result in more applications from heritage Americans and ultimately a more robust mission capability within the IC.

### **Conclusion**

While we do not underestimate the challenge that a reform effort of this magnitude represents, we are resolute in our determination and dedication to achieve the change necessary to ensure effective and timely hiring and clearing decisions. Additional reform actions will be pursued in the coming months as the Joint Reform Team validates technology and process improvements proposed in the Reform Plan. With the continued interest and commitment from the President, Congress and senior executive leadership, we are confident that this clearance reform effort will ultimately succeed in producing a transformed system that meets our nation's critical requirements for a qualified, effective and trustworthy workforce.

Mr. Chairman, thank you for the opportunity to appear before you and testify on our proposed clearance reform plan. This concludes our statement.