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

on

SECURITY CLEARANCE REFORM: MOVING FORWARD ON MODERNIZATION

September 15, 2009

Chairman Akaka, Senator Voinovich, and Members of the Subcommittee:

Thank you for inviting me here today to discuss security clearance reform efforts and the progress OPM has made over the last year to improve the security clearance process.

Five years ago, when the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) was passed into law, there was a substantial backlog of both initial security clearance determinations and the required reinvestigations for continued access to our Nation's most sensitive national security information. Federal agencies lacked sufficient resources, for both the investigation and adjudication phases of processing. Furthermore, antiquated or dysfunctional processing systems and record systems across Government were a significant challenge to eliminating this backlog and achieving acceptable timeliness. The average time required to obtain a Top Secret security clearance was in excess of one year, and a Secret or Confidential clearance averaged well over six months to process.

The timeliness goals established in the Act required that all agencies involved work cooperatively to build adequate processing capacity and develop a strategy to reduce processing time to an acceptable level by the end of calendar year 2009. Specifically, that goal is to process 90% of all initial security clearance determinations in an average of 60 days or less, allowing 40 days for the investigation phase and 20 days for the adjudication process, to the extent practical.

OPM's Role in the Security Clearance Process

OPM provides background investigation products and services to agencies for their use as a basis for security clearance or suitability determinations for OPM customers. The employing or adjudicating agencies identify the level of clearance or access required, obtain the required background data and forms, and initiate the appropriate level of investigation commensurate with the position requirements. Since assuming responsibility for DOD's personnel security investigations program in FY 2005, OPM now provides over 90% of the background investigations required by the Federal Government. Over 2 million investigations will be completed by OPM this fiscal year, with over 650,000 conducted to support initial security clearance determinations.

The Federal Investigative Services Division (FISD) under the leadership of Kathy Dillaman, Associate Director, is responsible for conducting background investigations at OPM. Over 10,000 submitting offices, representing over 100 Federal agencies, request investigations from FISD. FISD is staffed with over 2,300 Federal employees and 6,000 contractors that include a nationwide network of field investigators and support staff as well as a cadre of Federal agents working abroad. FISD manages a complex suite of automated processing systems that has demonstrated ample capacity to handle the Government's high-volume demand for investigations.

Once completed, the investigations are returned to the employing or governing agency for the adjudication process.

Progress Made to Improve the Security Clearance Process

In May 2008, Ms. Dillaman testified before this committee, outlining the significant progress that had been made in many of the critical areas or stages of processing security clearance determinations. That progress has continued over the past year, with the assistance of our partners in the Office of the Director of National Intelligence (ODNI) and the Department of Defense (DOD) to transform the clearance process from beginning to end.

There is no backlog in OPM's investigations program. OPM is currently exceeding the IRTPA December 2009 timeliness goals for the investigations portion of the initial security clearance process. The following chart shows how OPM has met its goals:

OPM PROGRESS FOR INITIAL CLEARANCE INVESTIGATIONS						
	FY 2007	**FY 2008**	**1st Qtr FY 2009**	**2nd Qtr FY 2009**	**3rd Qtr FY 2009**	**IRTPA Goal 12/2009**
Total Completed	695,513	709,402	167,852	164,721	168,270	
Average time for 90%	115 days	64 days	41 days	42 days	**37 days**	**40 days**

Time measured in calendar days

Clearance-granting agencies have also shown continuous improvement in reducing the time required to adjudicate investigations, despite increasing workloads as OPM eliminated the investigations backlog.

During the third quarter of FY 2009, 10 of the 15 agencies whose adjudication performance is being tracked by OPM exceeded the December 2009 IRTPA goals for adjudicating 90% of their initial clearance investigations within an average of 20 days or less. These 10 agencies adjudicated 44% of all actions reported. The remaining five agencies continue to show progress toward this goal.

Initiatives that Contributed to Progress

In previous testimonies before this subcommittee, OPM mapped the process for making security clearance determinations and the various stages of processing and external dependencies that could affect the overall timeliness for clearance determinations. We are addressing each of these with notable success, implementing validated improvements to the traditional process. Specific accomplishments include:

- In September 2008, a revised Standard Form for National Security positions was implemented that enhanced the information requested from the subject and allowed for a more issue-focused background investigation.
- Over the last several months we have worked with our joint reform partners to make further improvements in this Standard Form and will shortly be forwarding the newly-revised form to the Federal Register for publication and comment.
- Agencies have adopted OPM's web-based electronic Standard Form for 97% of all submitted background investigations for national security positions. This allows the subject to complete and store their background information in a data warehouse, transmitting the data electronically between the subject, their employing agency and OPM.
- Close to one million law enforcement agency records checks previously conducted manually each year by field agents nationwide or through mailed inquiries, have been converted to centralized automated record checks. Centralizing the checks has allowed OPM to use its investigative resources more effectively, reduce costs and processing

time, and ease the burden on local law enforcement agencies across the country that previously completed the inquiries.

- OPM has converted records checks, such as bankruptcy and Federal employment records, to automated processing – again saving time, money, and resources.
- The processes for exchanging records between OPM and other Federal agency record systems, including the FBI, State Department, DOD, and U.S. Citizenship and Immigration Services, have been reengineered, resulting in rapid retrieval of files necessary to the investigative process.
- OPM has upgraded its automated processing systems to an integrated suite of applications that allows for secure and dependable web-based interaction between subjects, their employing agencies, and OPM. This new technology moves OPM from an antiquated processing system with batch processing to a state of the art, event-driven architecture that allows for real-time processing throughout the investigative process. The system has over 11,000 authorized users and processes over 3.8 million transactions daily to manage the large volume workload.
- OPM continues to convert agencies to receiving completed investigations electronically, versus hardcopy. To date, we have delivered over 600,000 completed investigations to participating agencies through eDelivery.
- The Clearance Verification System which collects and maintains information for over 260,000 active security clearances, has been enhanced to include information on security, suitability, and credentialing decisions. Over 2,700 agency users have online immediate access to this information.
- OPM is continuing to work with agencies to adopt scanning technology for the capture and transmission of ten-print fingerprint images to OPM for referral to the FBI. This biometric search of all criminal history and related files is a critical element of the investigative process. Search results are received within hours of submission. Over the past year, OPM processed 1.3 million fingerprints through this fingerprint image exchange system.

These initiatives have not only driven down the time required to process security clearance investigations; they have resulted in processing efficiencies that have contained the cost of conducting these investigations. Recently, we announced that the processing efficiencies introduced this year offset the increases we anticipate in contractor and labor costs. Consequently, there will be no price increase for OPM investigative products in FY 2010.

Focus on Quality

While OPM has been aggressive in our efforts to meet the timeliness goals set forth by the Intelligence Reform Act, we remain equally dedicated to providing quality products to our customer agencies. In FY 2010, OPM will put in place two additional methods of obtaining feedback from our customers on the quality of the investigations we conduct.

The performance subcommittee of the Performance Accountability Council is finalizing a data gathering tool to provide agencies another avenue to report on the quality of specific background investigations. This process has been tested with the Department of Defense (DOD),

Department of Energy, and Department of Homeland Security, and the results of that test are being analyzed to further refine the process.

We are also implementing a "Quality Hotline" to allow agency adjudicators to discuss their questions or concerns with experienced case analysts at FISD, who, in turn, will report directly to FISD's Associate Director. OPM will use the information collected through the feedback methods to identify training opportunities for investigative and adjudicative staff.

These new initiatives supplement our extensive Quality Assurance program that continues to identify quality deficiencies and agency satisfaction with our products and services.

Future Reform Initiatives and OPM's Transformation Plan

OPM is fully engaged in support of a transformed process for making hiring and clearance determinations, leveraging modern tools and technologies while providing the quality of information needed to make these determinations. The framework for this process, identified by reports from the team in April and December 2008, calls for alignment of suitability and security clearance processes to the extent practicable, enabling the application of consistent standards and the reciprocal recognition of investigations. Much of the work of reform is being carried out through efforts to move beyond confinements of legacy systems and permit greater information sharing between Executive branch stakeholders. OPM continues to work with its partners on the Joint Reform Team (JRT) to bring the transformed process to maturity while adopting those elements of the process that can be migrated into the day-to-day operations that support agency needs and missions.

We support the reform goal of marshaling policy, procedures, and tools in a way that prevents unnecessary investigation requests.

- We have been engaged with the ODNI and DOD to continue enhancements to migrate the Clearance Verification System to become the Central Verification System, enhancing information sharing and reciprocity opportunities.
- We are working to bring the benefits of access to the verification system to new user types to support agencies in Personal Identity Verification (PIV) credentialing.
- We are working with the stakeholder community to identify potential enhancement to the verification system to permit greater reciprocity.
- We are developing a web-based automated tool to assist agencies in identifying the appropriate level of investigation.

We are developing the next generation eApplication for security clearance investigations, building from our current electronic system (e-QIP).

- In the near term, we have been working with DOD to migrate to full e-QIP capability, so the DOD users can enjoy the benefits of a streamlined, automated request process that supports mission-specific requirements.
- We are enhancing two-way electronic communication capabilities of the current system.

- Together with our reform partners, we have been identifying expanded quality controls via validation codes to ensure the questionnaire is accurately completed prior to submission. We anticipate the majority of these validation enhancements will be available to users in the second quarter of FY 2010.
- We are working with our JRT partners to increase the number of agencies able to submit electronic fingerprints.
- We are developing instructions and system requirements documents that will enable agencies to utilize electronic signatures from capture pads when submitting necessary signature pages with investigation requests.

We will continue to support ongoing opportunities to leverage automation in the adjudication phase of the end-to-end process to assist case flagging and analysis.

- As part of our EPIC transformation, we will enhance electronic delivery of investigation results by delivering documents in machine-readable format.
- We are working with stakeholders to streamline existing processes for flagging investigations to meet electronic adjudication needs.

In support of the goals of the Performance Accountability Council, we are developing training to meet certification requirements for investigators and security clearance adjudicators being established by the Training Subcommittee. These training standards are being developed for the Executive Branch agencies to support a consistent quality expectation that bolsters reciprocity.

Continued Commitment

I am extremely proud of the progress that my team has made eliminating the backlog of background investigations, meeting stringent timeliness goals, and sustaining a focus on quality. We are committed to continuing our collaborative work with the ODNI and DOD to create a roadmap for future enhancements that support our collective goals for quality, timeliness, efficiency, and privacy protection.

By integrating current technology with updated standards and proven information collection techniques, we will continue to protect national security without imposing excessive delays for those who have signed on to serve our Government. And we are equally committed to balancing the Government's need to collect sensitive information for adjudication with individuals' right to privacy regarding background information that is irrelevant to a security clearance determination.

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