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SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL
WORKFORCE, AND THE DISTRICT OF COLUMBIA
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PERSONNEL SECURITY CLEARANCE REFORM: SUSTAINING PROGRESS FOR THE
FUTURE

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Chairman Akaka, Ranking Member Johnson, 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, the status of implementing those reforms, and our goals for the coming year.

This Administration has made important advances in reforming the security clearance

process. There is still work to be done, but federal hires, military personnel, cleared contractors,

and those personnel requiring a reinvestigation have a more effective and expedient clearance

experience than they did just a few years ago. These reforms have saved money by reducing lost

work days and increasing productivity as employees wait less time to perform the full spectrum

of their jobs, ensuring that critical national security work is completed more efficiently. Today, I

would like to share some of our accomplishments and discuss our plan to sustain this progress.

Background and Progress

For many years, a backlog in the government's security clearance inventory caused

tremendous problems and significant expense. In 1994, a Department of Defense (DoD) and

Central Intelligence Agency (CIA) Joint Security Commission report noted that substantial delays in processing clearances resulted in tremendous unnecessary costs, primarily due to workers waiting to perform the jobs for which they were already hired. Over the next nine years, agencies made little progress addressing the longstanding coordination problems that compromised the timeliness and quality of the process involved in obtaining a security clearance.

Recognizing the breadth and depth of this problem, Congress took action. In 2004, the Intelligence Reform and Terrorism Prevention Act (IRTPA) challenged the Federal government to address these issues, and in 2005, the Government Accountability Office (GAO) placed DoD's Personnel Security Clearance Program on its high-risk list. IRTPA required all agencies to complete 90 percent of their security clearances in an average of 60 days by December 2009.

As a result of actions the Executive Branch has taken to meet the objectives of IRTPA, the speed of the average security clearance has increased dramatically. In 2005, the government-wide average for initial clearances was 265 days, and as recently as October 2006, the backlog of pending clearance investigations over 180 days old stood still at almost 100,000 cases. By December 2009, 90 percent of the government's initial clearances were completed within the IRTPA-required timeframe of 60 days. We have consistently met the IRTPA target since and the decades-old backlog of initial investigations is now gone.

Importantly, Executive Branch reform efforts have also extended beyond timeliness. In order to align suitability and security policies and practices, and to establish enterprise information technology standards to improve efficiency and reciprocity, Executive Order 13467 established the Suitability and Security Clearance Performance Accountability Council (PAC) in 2008 to be accountable to the President for reform goals. The Executive Order also further

consolidated oversight by designating the Director of the Office of Personnel Management (OPM) and the Director of National Intelligence (DNI) as the Suitability and Security Executive Agents, respectively.

The PAC has also aggressively taken on and met many reform challenges. In concert with the goal to increase the use of information technology in making the security and suitability clearance process more efficient, applicants are using an improved electronic questionnaire for National Security Positions, investigators have increased access to electronic record repositories, OPM investigations are transmitted electronically, and the PAC has completed several promising pilots on the effectiveness of automated record checks in support of revised federal investigative standards. The PAC is currently developing an implementation plan for a five-tiered investigative model that will streamline and facilitate greater reciprocity between suitability and security investigations and determinations. And perhaps most importantly, 90 percent of security clearance determinations last quarter were completed within 46 days, an 83 percent reduction from the 2005 level—exceeding the IRTPA timeliness standard.

This significant progress, and our ongoing efforts to sustain timeliness and ensure quality, led GAO to remove DoD's Personnel Security Clearance Program from its high-risk list last year. Such impressive results are attributable to the skill and dedication of the staff at the Defense Department and the agencies representing the security and suitability communities, our partnership with GAO, effective governance, and the leadership and persistent focus of Congress, and this subcommittee in particular, on these issues.

Sustaining Progress

We met IRTPA's timeliness goals by changing long-standing practices and committing necessary resources to the goals of reform. In order to sustain this progress, we are focused on amending the investigative and adjudicative standards to make identified efficiencies permanent and supporting them with further technology improvements. Today, I would like to emphasize our progress in several critical areas within the larger plan: aligning suitability and security processes and policies; leveraging information technology solutions to improve timeliness, quality, and reciprocity; and providing oversight of and assistance to agencies that are lagging behind in security clearance reform.

- Policy Alignment. We are aligning suitability and security policies and processes to limit redundancies in our investigative and adjudicative practices. To achieve this, we are modifying the regulatory and investigative standards, as well as the information collection forms, that underlie our clearance operations. For example, in August 2010, OPM and the Office of the Director of National Intelligence (ODNI) issued policy guidance to establish reciprocity between suitability determination and security clearance investigation levels. Furthermore, in August of 2011, ODNI issued a policy clarification to address discrepancies between the intelligence community and national investigation standards, and increase reciprocity between the two communities. In December 2011, OPM issued revisions to 5 CFR 731, establishing a five-year cycle of reinvestigations for persons occupying public trust positions, which aligned suitability and security clearance investigative and reinvestigation cycles. The revisions also established that separate investigations for the purpose of security clearance determinations or for holding sensitive positions are sufficient to meet that public trust reinvestigation requirement.

This alignment limited the number of investigations that individuals must undergo, but maintained continuous and up-to-date investigations for security and suitability.

- Technology Solutions. We are leveraging technology to improve timeliness and quality by converting the paper-based application processes for National Security Positions to the Electronic Questionnaires for Investigations Processing (e-QIP). This has reduced both the number of unnecessary questions that individuals are required to answer, as well as mitigating the submission of incomplete forms that would cause further delays. Notably, over 99% of clearance application submissions to OPM are now completed electronically. While this process began at OPM, the PAC is now replicating the e-QIP technology within the intelligence community. We also continue to improve reciprocity between security and suitability determinations through initiatives such as enhanced sharing of relevant investigatory data among Federal agencies. For example, OPM's Central Verification System and DoD's Joint Personnel Adjudication System are integrated through a single interface, allowing agencies to view previous security, suitability, and credentialing decisions as well as investigatory information when they are deciding whether to grant reciprocity for a previous clearance.

- Oversight and Assistance. In 2009, ODNI began issuing annual letters to agencies not meeting IRTPA's timeliness goals. These letters require that those agencies at most risk establish improvement plans to address their deficiencies. In July 2010, the Security Executive Agent's Oversight Team began visiting individual at-risk agencies to provide on-site, hands-on support. As a result of this oversight and assistance, I am happy to report that 12 of the 19 agencies that initially received letters from ODNI are now fully in compliance with the timeliness goals established under IRTPA. In 2010, OPM began

onsite evaluations of agencies' adoption of security and suitability process reforms, focusing on reciprocity, investigative and adjudicative timeliness, and automation. The 61 audits completed to date demonstrated that 23 agencies instituted appropriately reformed processes, and that 38 had more work to do. OPM helped those agencies develop corrective action plans, and is monitoring progress at six month intervals until full compliance is achieved. Since OPM began providing that assistance, 21 agencies have implemented stricter guidelines on investigation submission timeliness, 18 began working with OPM to update projections on a routine bases to improve compliance and accuracy, and 6 eliminated outdated designation processes and implemented OPM's automated Position Designation Tool.

Moving Forward

While the reform process has achieved many successes by aligning policies, leveraging technology, and providing appropriate oversight and assistance, work remains. Currently, we are finalizing revised Federal Investigative Standards. These standards will align investigations of individuals who require approval for obtaining logical and physical access, holding sensitive positions, and accessing classified information, with the separate determinations of employee suitability and contractor fitness. The standards will establish five tiers of successively higher levels of investigation and adjudications that will enable greater reciprocity of clearances among tiers of equal or lower risk level. OPM and ODNI expect to release these standards by the end of this summer.

In order to support this tiered investigative model, we also plan to issue revisions to 5CFR 732 in the near future, which will broaden positions that should be designated as national

security sensitive and update guidance regarding proper designation of national security positions. We also plan to issue revised adjudicative guidelines later this year.

Finally, we are also working to support these new policy standards with continued technology improvements. The PAC and the Executive Agents are leading and overseeing interagency working groups to establish government-wide application, investigation, and adjudication data standards. These data standards will bring the reform effort in line with the November 28, 2011 Presidential Memorandum on creating an efficient and cost effective framework for managing government records. They will enable even greater data sharing among suitability and security clearance reform partners, will facilitate improved case management, and pave the way for increased automation. Moving forward, our goals will focus on transitioning from increased electronic information sharing to greater automation, where appropriate.

In all of these efforts, we will rely on the continued efforts and partnership of the PAC, oversight of the Security and Suitability Executive Agents, cooperative leadership of Executive Branch agency heads, as well as the accountability brought to bear by GAO and this Subcommittee, to ensure that we stay on track and do not lose momentum.

Conclusion

As I've outlined here today, we have made significant progress on improving the suitability and security clearance processes. That said, work remains to sustain the progress and to realize continued efficiency improvements. This reform effort remains extremely important to me personally, as I have been involved in these improvements since 2008. They also remain a high priority for this Administration.

I would like to take a moment to thank you, Mr. Chairman, for your leadership. We will lose a key partner in your retirement, but we are proud to have accomplished so much and to have established this trajectory on your watch. We look forward to our continued work with your colleagues on the Subcommittee. I would also like to take a moment to thank the extraordinary leadership of the PAC— Ms. Elizabeth McGrath, the Deputy Chief Management Officer from the Department of Defense (and the Vice Chair of the PAC), Mr. John Berry, the Director of the Office of Personnel Management, and Mr. James Clapper, the Director of National Intelligence. They have been instrumental in this effort. With their assistance, as well as the continued support of this Subcommittee, I am confident we will continue to improve the timeliness, reciprocity, and quality of clearance decisions.

Once again, thank you for the opportunity to testify, and I look forward to answering your questions.