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Statement for the Record

Open Hearing on Security Clearance Reform

SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS



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Chairman Carper, Ranking Member Coburn, and distinguished Members of the Committee, thank you for the invitation to provide information on the government's practices and procedures regarding security clearances and background investigations. My statement will address the role of the Director of National Intelligence (DNI), as Security Executive Agent, his authorities and responsibilities for oversight of the security clearance process across government, areas in need of attention in the current process, and initiatives underway to address those areas.

The DNI's Role in the Security Clearance Process

Pursuant to Executive Order 13467, the DNI, as the Security Executive Agent, is responsible for the development and oversight of effective, efficient, uniform policies and procedures governing the timely conduct of investigations and adjudications for eligibility for access to classified information or eligibility to hold a sensitive position. The Security Executive Agent also serves as the final authority to designate agencies to conduct background investigations and determine eligibility for access to classified information, and ensures reciprocal recognition of investigations and adjudication determinations among agencies.

You requested we comment on the eligibility for logical and physical access to sensitive facilities. We defer to Director OPM, as the Suitability Executive Agent, who is responsible for developing and implementing policies and procedures relating to determinations of eligibility for logical and physical access to Federal systems and facilities.

The Relationship Between Background Checks and the Security Clearance Process

A background check is an essential component of the security clearance process. It is required prior to making a determination for eligibility for access to classified information or

eligibility to occupy a sensitive position. The 1997 Federal Investigative Standards, as amended in 2004, are the current standards used to conduct background investigations. The scope of the background investigation is dependent upon the level of security clearance required. A SECRET clearance includes national agency, local agency and credit checks. An interview with the individual being considered for the clearance is conducted if necessary to resolve issues resulting from the required checks. A TOP SECRET clearance requires the above checks as well as interviews of the individual being considered for the clearance, and his or her references, co-workers, supervisors, neighbors, and other individuals. Regardless of the type of clearance involved, identified issues must be fully investigated and resolved prior to any adjudication.

The ODNI's Standards and Policies for Adjudicating Security Clearance Applications

The Adjudicative Guidelines issued by the White House in 2005, currently serve as the government-wide guide for most eligibility decisions. The DNI has issued separate Adjudicative Guidelines for Sensitive Compartmented Information (SCI) and Special Access Program access. Adjudicative decisions are made by utilizing the whole-person concept, which is the careful weighing of available, reliable information about the person, past and present, favorable and unfavorable.

Areas of the Security Clearance Process in Need of Attention and Potential Solutions

Recently, two highly publicized and critical events involving individuals with clearances have further emphasized the importance of a robust security clearance program. The Committee specifically requested that we comment on the adequacy of the security clearance investigation of Aaron Alexis. A preliminary review of information made available to ODNI indicates the

work conducted during the investigation was commensurate with current investigative standards for Secret clearances.

This tragic event, as well as the Snowden incident, highlights areas in need of attention in the current security clearance process. Under the direction of the Performance Accountability Council, the ODNI, in collaboration with OMB, OPM, DoD and other federal partners, has been leading security clearance reform efforts for several years. Although these efforts are still a work in progress, when mature, they will mitigate adjudicative gaps and enhance the nation's security posture.

One critical element for a robust security clearance process is to establish an effective capability to assess an individual's continuing eligibility on a more frequent basis. Under current policies and practices, an individual's continued eligibility for access to classified information relies heavily on a periodic reinvestigation; essentially a background investigation and adjudication conducted every five years for Top Secret clearances or every ten years for Secret clearances. The time interval between periodic reinvestigations leaves the U.S. Government potentially uninformed as to behavior that poses a security or counterintelligence risk.

Continuous Evaluation (CE) is a tool that will assist in closing this information gap. Per Executive Order 13467 and the revised Federal Investigative Standards signed in 2012, CE allows for a review at any time of an individual with eligibility or access to classified information, or in a sensitive position, to ensure that the individual continues to meet the requirements for eligibility.

CE, as envisioned in the reformed security clearance process, includes automated records checks of commercial databases, government databases, and other information lawfully

available. Manual checks are inefficient and resource intensive. The CE initiative currently under development will enable us to more reliably determine an individual's eligibility to hold a security clearance or sensitive position on an ongoing basis. The DNI's CE tool must provide an enterprise-wide solution that will ensure timely sharing of relevant information across security elements of the federal government, as appropriate. A number of pilot studies have been initiated to assess the feasibility of select automated records checks and the utility of publicly available electronic information, to include social media sites, in the personnel security process. Although these pilots have identified actionable information, they indicate that retrieving, analyzing, and processing the data is likely to be resource intensive. More research is required to assess resource impacts and determine the most effective method to utilize publicly available electronic information while protecting the privacy and civil liberties of those individuals being evaluated.

In addition to supporting security clearance determinations, robust CE initiatives will also support and inform Insider Threat Programs. Damage assessments regarding individuals involved in unauthorized disclosures of classified information or acts of workplace violence have uncovered information that was not discovered during the existing security clearance process. Timely knowledge of such information might have prompted a security review or increased monitoring of the individual. We must build an enterprise-wide CE program that will promote the sharing of trustworthiness, eligibility and risk data within and across agencies to ensure that information is readily available for analysis and action.

Consistency in the quality of investigations and adjudications is another area in need of attention. The revised Federal Investigative Standards will provide clear guidance on issue

identification and resolution. They will also create an aligned system for consistent assessment of suitability, fitness, or eligibility for access to classified information for federal employment or to perform work under a federal contract. The standards will be implemented through a phased approach beginning in 2014 and continuing through 2017. In addition, the ODNI, OPM and DOD are co-chairing a working group to develop common standards and metrics for evaluating quality and comprehensiveness of background investigations. Furthermore, the ODNI has hosted a working group to refine the Adjudicative Guidelines. Recommendations regarding these guidelines are in the policy development phase.

Another initiative supporting a more robust security clearance process was the development of the National Training Standards, which were approved in August 2012 by the DNI and Director of OPM. These training standards create uniform training criteria for background investigators, national security adjudicators, and suitability adjudicators. Personnel mobility makes the application of uniform standards for conducting a background investigation and rendering an eligibility determination essential. The training standards and the revised investigative standards complement each other and when both begin implementation in 2014, will result in a more robust security clearance process that support security clearance reciprocity.

As a final note, OMB, the ODNI, and OPM are engaged in two further initiatives that will enhance security clearance processing. We are currently revising 5 Code of Federal Regulation 732, which will be reissued as 1400, to provide clarifying guidance to departments and agencies when designating national security sensitive positions. Guidance from the reissued regulation will be used to update OPM's Position Designation Tool. This will assist departments and agencies in determining position sensitivity and the type of security clearance processing

that will be required for each position. ODNI is also working with OMB and OPM to revise the Standard Form 86, *Questionnaire for National Security Positions*. This form is completed by individuals requiring security clearances and is the starting point for a background investigation. It is imperative that we collect accurate information pertinent to today's security and counterintelligence concerns.

The DNI's Role in the President's Directive for Inter-Agency Review of the Clearance

Process

In accordance with the President's directive, OMB is conducting a review of security and suitability processes. In support of that effort, the DNI, as Security Executive Agent, will work in coordination with the OPM, DoD, and other agencies to review the policies, processes, and procedures related to the initiation, investigation, and adjudication of background investigations for personnel security, suitability for employment, and fitness to perform work on a contract.

Closing

Over the last five years, significant strides have been made in improving the security clearance process, particularly in the terms of timeliness and aligned national policies that provide the framework for consistency across government. I want to emphasize the DNI's resolve to lead the initiatives discussed today and to continue the collaborative efforts established with OMB, DoD, OPM and our other federal partners. I thank you for the opportunity to update the committee at this time and ODNI looks forward to working with you on these matters.