

Statement for the Record

Formation of the National Background Investigations Bureau and Security Clearance Reforms



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Security Center**

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Introduction

Chairman Chaffetz, Ranking Member Cummings, Members of the Committee, thank you for inviting me to be a part of today's hearing on the formation of the National Background Investigations Bureau, or NBIB, and provide an update on substantive reforms of the security clearance investigation process. As the National Counterintelligence Executive and the Director of the National Counterintelligence and Security Center (NCSC), I have the privilege of working with some of the best and brightest security minds in the United States Government (USG). I am honored to share with you the progress we have made with respect to security clearance reform and raising awareness throughout the USG on the potential security threats resulting from multiple breaches and theft of Personally Identifiable Information (PII).

The Director of National Intelligence (DNI) is a principal member of the Performance Accountability Council (PAC), and I act on behalf of the DNI at the PAC. In leadership with the Office of Personnel Management (OPM) (Suitability Executive Agent), the Office of Management and Budget (OMB), Department of Defense (DoD) and other stakeholder agencies via the PAC, I am committed to this partnership with the NBIB, and will continue our holistic and collective approach toward successfully implementing new security clearance business processes. Additionally, we intend to extend our collective successes on behalf of Security Clearance Reform activities across the policy, program development, and implementation landscape, government-wide.

DNI's Role as the Security Executive Agent (SecEA)

In accordance with the Intelligence Reform and Terrorism Prevention Act and Executive Order (EO) 13467, the SecEA, is responsible for directing the oversight of investigations and determinations of eligibility for access to classified information or to hold a sensitive position, rendered by any Executive Branch department or agency. These authorities also give the DNI responsibilities to develop uniform and consistent policies and procedures to ensure the effective, efficient and timely completion of investigations and adjudications relative to these national security determinations.

Security Clearance Reform Efforts

The NCSC, on behalf of the SecEA, has been taking an inter-agency and enterprise-wide approach to Security Clearance Reform across the Executive Branch. Many issues we collectively face require working closely with OPM, OMB, DoD, and stakeholder agencies consisting of expertise in credentialing, suitability and security processes.

We have been working diligently to establish a policy framework and infrastructure for robust engagement on national security processes.

Some examples include:

- December 2012: OPM and ODNI joint issuance of the Federal Investigative Standards aligning suitability and security investigations across government, including

implementing Continuous Evaluation (CE) and reducing the secret-level periodic reinvestigation from 10 years to 5 years.

- October 2013: DNI issued Executive Correspondence on Validation of Personnel with Eligibility for Access to Classified Information, directing agencies to review and validate whether each employee or contractor requires eligibility for access to classified information, resulting in a reduction of clearance holders by approximately 18% across government from FY13 to FY15.
- October 2013: DNI issued Executive Correspondence on Periodic Reinvestigations, directing agencies to reduce the number of out-of-scope Periodic Reinvestigations by using a risk-based approach and prioritizing submissions.
- July 2014: OPM and ODNI jointly issued the Implementing Plan for the National Training Standards, standardizing investigator and adjudicator training across the USG.
- December 2014: DNI issued Executive Correspondence, Security Clearance Reciprocity Reporting Requirement, which announces the required collection of security clearance reciprocity metrics required by the FY 2014 Intelligence Authorization Act.
- January 2015: OPM and ODNI jointly issued Executive Correspondence, Approval of the Quality Assessment Standards for Background Investigations, to provide executive branch agencies guidance in assessing the quality of background investigations.
- June 2015: DNI issued Executive Correspondence, Implementation of CE, which provides executive branch agencies direction on the implementation of CE to support the more frequent vetting of personnel eligible for access to classified information or to hold a sensitive position.
- June 2015: OPM and ODNI issued their first joint regulation - 5 CFR 1400, Designation of National Security Positions which provides clarifying guidance to agencies on designating national security positions, standardizing processes across government.

Going forward, the ODNI, OPM, OMB and DoD will continue to provide active leadership in monitoring performance and identifying and driving continual improvements. These priorities include improving access to relevant information, especially state and local law enforcement records; implementing CE across the executive branch; improving risk management approaches to reduce vulnerabilities in our current processes, including reduction of the total number of clearance holders and the backlog of periodic reinvestigations; and improving enterprise operations, to include strengthening oversight and government-wide implementation efforts while effectively managing limited resources.

Counterintelligence & Security

The integration of CI & Security within NCSC enhances our capability to fulfill our responsibilities to protect national security information. Counterintelligence provides an in-depth analysis of potential foreign intelligence entity exploitation of data gained during multiple data theft incidents inclusive of PII. In response to this analysis, Security policies and procedures to mitigate or uncover vulnerabilities which may be leveraged to exploit personnel with access to sensitive information.

NCSC is actively reviewing all threats, including those related to data theft. Specific to the theft of PII over the past few years, NCSC initiated a comprehensive national counterintelligence

awareness campaign to educate those impacted by the breach, including current and former federal government employees and contractors on threats associated with the breach and to help them mitigate tactics foreign intelligence entities may use in exploiting their compromised PII. In September 2015, NCSC began releasing educational and awareness videos and materials via NCSC.gov, and actively reaching out to departments and agencies, covering such topics as Spear-phishing, Social Media Deception, and Human Targeting; and expects to release a fourth and final video on Travel Awareness in the month of March.

NCSC, leading the Intelligence Community, continues to provide enhanced awareness to individuals victimized via the breach and provide mitigation strategies to combat potential exploitation by foreign adversaries.

To date, the campaign has reached over 330 organizations to include: over 100 USG departments and agencies, private sector groups, and cleared industry. In addition to these groups, NCSC has provided briefings to well over 150 Senate and House staff on how to mitigate threats for themselves, their families, their members and constituents. Additionally, I or my staff have participated in over 15 briefings and hearings to multiple committees to address the CI and Security implications with respect to the theft of the PII.

We continue to explore every possible avenue for distribution of campaign materials, including partnering with DHS and the White House, press releases, social media, conferences, and numerous private sector speaking engagements.

Conclusion

NCSC, representing the entire Intelligence Community, remains committed to working with Congress to address any issues or concerns regarding the aftermath of the breach.

NCSC values our partnerships with OPM, OMB, DoD and the other PAC stakeholder agencies, and together, we will continue to take the necessary steps to enhance government-wide policies and procedures, and securing systems in the clearance process.

Once again, I would like to thank the Committee for the opportunity to provide an update on substantive reforms of the security clearance investigation process and to discuss our response to last year's OPM breach. We look forward to working with your Committee and the rest of Congress in the future on this process and I am happy to answer any questions you may have.



William "Bill" Evanina

National Counterintelligence Executive and Director of the National Counterintelligence and Security Center Office of the Director of National Intelligence

William "Bill" Evanina was appointed the 5th National Counterintelligence Executive (NCIX) on June 2, 2014. As the NCIX, he serves as the head of Counterintelligence (CI) for the U.S. Government and as the principal CI and Security advisor to the Director of National Intelligence.

Under his leadership, the National Counterintelligence and Security Center, produced *The 2015 National Threat Identification and Prioritization Assessment (NTIPA)*, the President's *National Counterintelligence Strategy of the United States of America 2016*, and is responsible for leading a number of high profile damage assessments. He serves as Chairperson of the National Counterintelligence Policy Board and the Allied Security and Counterintelligence Forum, a collaborative body consisting of senior CI and Security leaders from Australia, Canada, New Zealand, and the United Kingdom. In January 2015, Mr. Evanina had the honor of addressing NATO on the worldwide counterintelligence threats.

Mr. Evanina's federal career began in 1989 with the General Services Administration as a Project Manager in Philadelphia, PA. He began his FBI career in 1996 when he was assigned to the FBI's Newark Field Office investigating organized crime, violent crime matters, and served on an FBI SWAT unit for 10 years as both a member and supervisor.

Subsequent to 9/11, he was assigned to the Joint Terrorism Task Force (JTTF) and was responsible for investigating counterterrorism matters to include Flight 93, Amerithrax, and Daniel Pearl kidnapping and homicide investigations. During his time with the JTTF, Mr. Evanina was selected as a Supervisory Special Agent and received the FBI Director's Award for Excellence for his leadership in the investigation into convicted spy Leandro Argoncillo.

In 2006, Mr. Evanina was promoted to Senior Supervisory Special Agent of the FBI's Trenton, New Jersey Resident Agency. Following this assignment, he was selected to be the Assistant Section Chief of the Counterintelligence Division at the FBI Headquarters in 2009.

In 2010, Mr. Evanina served as Special Assistant in the FBI's National Security Branch where he oversaw policy formulation, training, and finances. In 2011, he was promoted to Assistant Special Agent in Charge of the FBI's Washington Field Office, where he led operations in both the Counterintelligence and Counterterrorism Divisions. In 2013, Mr. Evanina was appointed to the Senior Executive Service.

Prior to his selection as the NCIX, Mr. Evanina served as the chief of Central Intelligence Agency's Counterespionage Group where he led personnel from multiple Intelligence Community agencies in an effort to identify, prevent, and neutralize espionage related activities by foreign intelligence services.

Mr. Evanina was born and raised in Peckville, PA. He holds a Bachelor's Degree in Public Administration from Wilkes University in Wilkes Barre, PA, and a Master's Degree in Educational Leadership from Arcadia University in Philadelphia, PA. Mr. Evanina is married and has one child.