Statement of

Mr. Stephen Lewis
Deputy Director for Personnel, Industrial and Physical Security Policy
Counterintelligence & Security Directorate
Office of Under Secretary of Defense for Intelligence

before the
House Committee on Oversight and Government Reform
on

February 11, 2014

Good Afternoon

Chairman Issa, Ranking Member Cummings, and distinguished Members of the Committee – I appreciate the opportunity to appear before you today to address the practices and procedures in the Department of Defense regarding the security clearance process. I am Steve Lewis, Deputy Director for Personnel, Industrial and Physical Security Policy in the Office of the Under Secretary of Defense for Intelligence, and I am here today on behalf of Under Secretary, Michael Vickers.

The Under Secretary of Defense for Intelligence (USDI) is the Principal Staff Assistant to the Secretary and Deputy Secretary for security matters. In addition, the USDI is the senior official for DoD's personnel security program and has the primary responsibility for providing and approving guidance, oversight,

and development for policy and procedures governing civilian, military, and industrial base personnel security programs within DoD.

In order to address the Department's personnel security policies and practices, I believe it is important to first identify the national level policy framework. Executive Order (E.O.) 13467 designates the Director of National Intelligence (DNI) as the Security Executive Agent with the responsibility to develop uniform policies and procedures to ensure effective completion of investigations and determinations of eligibility, for access to classified information or to hold National Security Positions, as well as reciprocal acceptance of those determinations. In addition, E.O. 13467 designates the Director of the Office of Personnel Management (OPM), as the Suitability Executive Agent, with responsibility for developing and implementing uniform and consistent policies and procedures regarding investigations and adjudications, relating to determinations of suitability and eligibility for logical and physical access to Federal Government installations and information systems. Finally, E.O. 13467 creates a Performance Accountability Council, chaired by the Deputy Director for Management, Office of Management and Budget, and including the DNI and the Director OPM, with the responsibility to ensure alignment of suitability, security, and, as appropriate, contractor employee fitness investigative and adjudicative processes.

With regard to the oversight roles and responsibilities within the DoD, the heads of DoD Components are responsible for establishing and overseeing implementation of procedures to ensure prompt reporting of significant derogatory information, unfavorable administrative actions, and adverse actions related to its personnel, to appropriate officials within their component and, as applicable, to the DoD Consolidated Adjudication Facility. This responsibility applies to military service members, DoD civilians, and embedded contractor personnel.

Under the National Industrial Security Program (NISP), cleared contractors are required to report adverse information coming to their attention regarding their cleared employees. In addition, the Defense Security Service (DSS) is responsible for conducting oversight of companies cleared to perform on classified contracts for DoD and 26 other federal departments and agencies that use DoD industrial security services.

The Department has worked very hard to create improvements that produced greater efficiencies and effectiveness in the phases of initiating and adjudicating background investigations. As a result, in 2011, the Government Accountability Office removed the DoD's personnel security clearance program from the high risk list.

We have used multiple initiatives to review and confirm (1) the quality of the investigative products we receive, (2) the quality of our adjudications, and (3)

the accuracy and completeness of the documentation of adjudicative rationale in support of appropriate oversight and reciprocity. In addition, we have implemented a certification process for DoD personnel security adjudicators.

In May, 2012, the Deputy Secretary of Defense directed the consolidation of all adjudicative functions and resources (except for DoD Intelligence Agencies) at Fort Meade, Maryland, under the direction, command, and control of the Director of Administration and Management (DA&M). This decision was made in order to maximize the efficiencies realized by the collocation of the various Centralized Adjudications Facilities (CAFs) under the 2005 round of Base Realignment and Closure (BRAC). Effective October 1st, the DoD CAF has also been tasked to adjudicate background investigations which serve as the basis for the issuance of Common Access Cards (CACs) used for physical access to DoD installations and access to DoD information systems.

I thank you for your time, and look forward to answering your questions.