

COMBINED STATEMENT FOR THE RECORD

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Before the  
COMMITTEE ON ARMED SERVICES  
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
U.S. HOUSE OF REPRESENTATIVES  
on  
Security Clearance Processing Status  
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Chairwoman Hartzler, Ranking Member Moulton, and Subcommittee Members, thank you for the invitation to offer testimony on behalf of the Department of Defense (DoD) on the status of security clearance processing and our ongoing work to reform the Federal Vetting Enterprise.

Since our last update on February 27, 2018, the Department has continued to collaborate with our interagency partners to prepare for the transfer of the functions, personnel, and resources of the National Background Investigations Bureau (NBIB) mission to the Defense Security Service. It has been almost a year since Section 925 of the National Defense Authorization Act for Fiscal Year 2018 directed the transfer of responsibility for conducting background investigations for Department of Defense personnel from the Office of Personnel Management (OPM) to the Defense Security Service. At that time, the Department began work with the Office of the Director of National Intelligence (ODNI), OPM and the Office of Management and Budget to execute DoD's detailed implementation strategy required under Section 951 of the

National Defense Authorization Act for Fiscal Year 2017 and submitted to Congress in August 2017.

On June 21, 2018, the Administration announced that activities currently performed by NBIB would be consolidated with similar activities mandated to the Department of Defense. The Department supported the Administration's decision and immediately focused its efforts to collaborate with OPM and its Performance Accountability Council partners to develop a phased transition plan that would minimize impacts to NBIB's investigative capacity and ongoing efforts to reduce the background investigation inventory.

Also in June, the Director of National Intelligence, as the Security Executive Agent, and Director, OPM, as the Suitability and Credentialing Executive Agent, approved a set of measures to reduce the Federal Government's background investigation inventory in fiscal year 2018. These measures included options for increased application of automated records checks and continuous evaluation to offset time and manpower intensive field investigations. On July 31, 2018, the Department of Defense began executing these new measures on our SECRET and TOP SECRET level periodic reinvestigations. Implementation of these measures has reduced the flow of new periodic investigations to NBIB by approximately 40 percent, which has had a direct effect on backlog reduction. Overall, these new measures have helped reduce the inventory of DoD investigations by almost 18 percent over the past four months. Most significantly, the processing of these periodic reinvestigations within DoD represents the first step towards the transfer and transition of NBIB operations to the DSS, 26 months ahead of the statutory requirement to commence the transition by October 2020. We will build on this work in the coming months – continuing to focus on backlog reduction as we develop detailed plans for the transfer and transition.

Our progress to-date would not have been possible without the robust continuous evaluation and automated records checks capabilities built over the past three years, with strong Congressional support. Currently, the Department has 1.1 million personnel enrolled in the Continuous Evaluation program. We are planning to expand enrollment to encompass the entire population

eligible for access to classified information or to hold a sensitive position by fiscal Year 2021. This program has demonstrated clear and compelling benefits of ongoing and more frequent vetting of cleared personnel and, when expanded, will integrate with the DoD's insider threat and physical access programs to create a more comprehensive Continuous Vetting security architecture. These methods, which significantly decrease the risk associated with periodic reinvestigations that have traditionally been conducted every five or ten years, have shown convincing results for early detection of security risks and provide the basis for new approaches to modernize the vetting enterprise.

Another critical enabler are the National Background Investigative Services (NBIS), the end-to-end, enterprise IT shared service solutions for vetting across the U.S. Government. With your support we accelerated fielding of NBIS to align with execution of the new backlog mitigation measures in late July. The NBIS program executive office has fully adopted Agile Development methodology and will continue to deploy NBIS updates in parallel with changes made to the background investigation process. By optimizing our investments and streamlining service delivery, we can achieve significant cost savings and cost avoidance, while more effectively driving system efficiency.

The Defense Security Service has done a remarkable job implementing the new measures while simultaneously posturing for the NBIB mission transfer, all the while maintaining focus on their oversight and execution of the National Industrial Security Program (NISP). The Defense Security Service has established the Defense Vetting Directorate, which consolidates functions of the DoD Insider Threat Management and Analysis Center, the Personnel Security Management Office for Industry, and DoD Continuous Evaluation. Over the summer, the Defense Security Service worked extensively with NBIB to develop a transfer plan to guide our actions realigning NBIB functions, personnel, and resources to the Department of Defense.

The Department of Defense is engaged in detailed planning to restructure the Defense Security Service to accommodate the new mission while safeguarding current core competencies. We

will soon establish a Personnel Vetting Transformation Office (PVTO) to develop detailed transfer plans and facilitate implementation. The PVTO will include personnel from other government agencies, including NBIB and OPM, as we work through the complex tasks to move people, resources, facilities, and infrastructure from one government agency to another. Concurrently, the PVTO will examine additional options for modernization and reform of the vetting enterprise, building on our current success.

With the prospective expansion of the scope of the DoD personnel vetting mission, we intend to look beyond the realm of incremental improvements and take full advantage of today's cutting-edge technology and innovations to alleviate the burdens of costly, time-intensive investigations. We acknowledge the key challenges ahead and are prepared to address any obstacles that arise including logistics, budget, human resources, and cultural issues. By working closely with the Performance Accountability Council and the Executive Agents, we intend to modernize our current vetting processes by integrating and aligning with partner missions such as Insider Threat, Counterintelligence and Human Resources, to improve information sharing and to meet the challenges of the evolving threat landscape and the dynamic changes in our workforce.

We will also continue to work very closely with the Executive Agents to streamline traditional labor-intensive processes that exist today, to continue to identify ways to economize field investigative work, and automate the process wherever possible. Long delays for background investigations can be eliminated by enhancing and largely replacing time intensive field work with the power of big data analytics, artificial intelligence, machine learning and publicly available social media data sources. We will use field investigations to fill gaps, not as the means to collect information that is more readily available through automated processes.

This work will be done hand-in-hand with the Performance Accountability Council as well as the Executive Agents, collaboratively developing alternative vetting procedures that will establish and sustain a Continuous Vetting process that can identify at-risk situations as they occur, and focus investigative and management intervention efforts ahead of a problem. These alternative investigative methodologies will be supplemented with automated prioritization tools and

integration with partner missions such as insider threat and physical security programs. We plan to implement modern alternative processes that are approved and vetted with no adverse impact on reciprocity.

DoD continues to actively engage with Congress, industry, and the think-tank community through security-focused forums and roundtable discussions that have resulted in excellent feedback essential to developing innovative and effective enterprise-wide solutions. We have developed new relationships and reinvigorated long-standing ties to ensure our partnership with industry avails of us the best practices. What we learn from the experience of the private sector helps us examine innovative methods for assessing risk in the workforce and crafting mitigation strategies to protect people, information, and programs from insider and outsider threats.

As we prepare for the phased implementation of our plan, the Department is well-postured to take bold steps, while maintaining cognizance over the risks associated with an endeavor of this magnitude. We are getting the right people on board - recruiting talent, adjusting organizational design, establishing the management structure, completing the IT infrastructure, and most importantly, embracing a new way of doing business. Simultaneously, we will need to keep the critically important National Industrial Security Program mission operating effectively while we adapt the Defense Security Service to its future state.

This is a very ambitious endeavor, but highly necessary in light of all the challenges faced in recent years. We must restore confidence in the background investigation process, eliminate long and costly delays, and fine-tune our vetting protocols to guard against compromises of national security information. Our plan is sound, we are steadily laying the groundwork for execution, and we have solid support across the government and with our industry partners. Thank you again for your interest in this most important topic. We would be happy to discuss these DoD initiatives in more detail and look forward to your questions.