



Security and Suitability Process Reform

Initial Report
April 30, 2008

Provided By Joint Security and
Suitability Reform Team



DEPUTY DIRECTOR
FOR MANAGEMENT

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Security and Suitability Process Reform Executive Summary

April 30, 2008

The Honorable George W. Bush
President of the United States
Washington, DC

Dear President Bush:

This report responds to your February 5, 2008 request for an initial reform proposal to achieve the goal of making hiring and clearing decisions more quickly, effectively and efficiently. The actions in the attached plan are the product of collaborative efforts by the Office of the Director of National Intelligence, the Department of Defense, the Office of Personnel Management, the Office of the Assistant to the President for National Security Affairs and the Office of Management and Budget to modernize and streamline these processes government-wide. Additional reform actions will be identified and proposed in the coming months, as warranted by continuing efforts to validate improvement opportunities consistent with the process design discussed below.

Based on our analysis, we conclude that we are now ready to adopt and pursue implementation of a process design whereby:

- More relevant information is collected and validated at the beginning of the process, using the application, automated record checks, and subject interview.
- Automation is used to make the process faster, reduce manual activity and leverage additional data sources.
- Field investigative activity is focused to collect and validate targeted information.
- Risk decisions rely on modern analytic methods rather than practices that avoid risk.
- Relevant data is better used for subsequent hiring or clearing decisions, reducing duplication of requests and ensuring consistent quality and standards.
- Continuous evaluation techniques replace periodic reinvestigations, utilizing more frequent automated database checks to identify security relevant issues among already cleared personnel, permitting targeted resolution of cases as issues arise.

An Executive Branch governance structure is needed to ensure processes that enable hiring and clearing decisions are effectively coordinated. This structure will drive implementation of the reform effort, ensure accountability, and sustain reform momentum, particularly through the upcoming transition to a new administration. This structure will be formalized in an Executive Order for your signature no later than June 30, 2008.

To achieve the capabilities of this design, the following near term actions will be initiated immediately:

- Developing the next-generation application that collects more relevant applicant information at the beginning of the process.
- Initiating use of automated adjudication of “clean” SECRET case files to significantly free-up human resources to focus on more complex cases.
- Developing automated record check capabilities for use in initial cases as well as to enable implementation of continuous evaluation as the replacement for today’s periodic reinvestigations.
- Developing an information technology strategy to enable these improvements government-wide.

Although much work remains to be done, reform efforts have already made significant progress in improving process timeliness. In 2005, investigation and adjudication processes that support initial security decisions required an average of 162 days, as measured in accordance with the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). After significantly increasing investigative and adjudicative capacity, and placing emphasis on Agency accountability, these processes resulted in a 30% decrease with an average of 112 days now required. The reforms proposed here and in subsequent months, when fully implemented, are projected to enable us to make such decisions in 60 days, as called for by the IRTPA.

These actions, in concert with forthcoming implementation plans, will allow us to operate efficiently to meet the nation’s needs. Updates will be provided to you in the coming months as additional reforms are validated, cost-benefit analysis is completed and funding made available. We appreciate your direction and attention, as they are essential to driving the implementation of this reform effort.

Sincerely,



Clay Johnson

INTRODUCTION

In his February 5th, 2008 memorandum “Security Clearances” the President defined the challenges associated with the United States Government’s personnel security processes as follows:

“...long-standing practices used in clearing individuals and contractors to work for the Government pose challenges to the speed with which people can begin work or move from one role to another. Specifically, the processes for determining eligibility for access to classified information, determining suitability for Federal employment, determining eligibility to work on a Federal contract, and granting access to Federally-controlled facilities and information systems rely on very similar background data, yet the processes for collecting and analyzing that data are not sufficiently coordinated to allow an individual to efficiently move between agencies and positions of Government interest covered by one or more of these processes.”

This report is the product of collaborative efforts by the Office of the Director of National Intelligence, the Department of Defense, the Office of Personnel Management, the Office of the Assistant to the President for National Security Affairs and the Office of Management and Budget to modernize and streamline these processes government-wide. It was developed under the guidance of these Senior Executive Reform Champions:

J. Michael McConnell, Director of National Intelligence

Linda M. Springer, Director, Office of Personnel Management

Clay Johnson III, Deputy Director for Management, Office of Management and Budget

James R. Clapper, Under Secretary of Defense (Intelligence)

This report details the design of a transformed hiring and clearing process, identifies current actions to achieve near-term implementation of designed process capabilities, and outlines those areas for which further study and validation are needed.

Notes to the reader:

Throughout this report, and unless otherwise noted, all actions described will be taken by members of the Joint Security and Suitability Reform Team, referred hereafter as the Joint Reform Team. This team is composed of representatives from the Department of Defense (DOD), the Office of Management and Budget (OMB), the Office of the Director of National Intelligence (ODNI), and the Office of Personnel Management (OPM).

The challenges described by the President cover broad topic areas that are not easily labeled. For the convenience of the reader, the term “hiring and clearing” will be used in this report to cover the scope of the effort, including all of the determinations included in the President’s statement above.

BACKGROUND

As a result of actions taken in response to the Intelligence Reform and Terrorism Prevention Act of 2004, the timeliness of clearance investigations and determinations has improved significantly. This was achieved primarily through significant increases in investigative and adjudicative capacity and greater accountability in the performance of these processes. Recognizing that these measures may not prove sufficient to meet or exceed future goals of reform, the Joint Reform Team created a transformed process to make hiring and clearing decisions more quickly, effectively and efficiently.

The Joint Reform Team consulted with government and industry subject matter experts and researched, demonstrated and validated the many changes inherent in the design. The Team evaluated the policy, process and technology aspects of the reform effort. The results of research and demonstration activities are documented in a technical appendix to this report, which is available upon request.*

Key features of the design include:

- More relevant information is collected and validated at the beginning of the process, using the application, automated record checks, and subject interview.
- Automation is used to make the process faster, reduce manual activity and leverage additional data sources.
- Field investigative activity is focused to collect and validate targeted information.
- Risk decisions rely on modern analytic tools rather than practices that avoid risk.
- Relevant data is better used for subsequent hiring or clearing decisions, reducing duplication of requests and ensuring consistent quality and standards.
- Continuous evaluation techniques replace periodic reinvestigations, utilizing more frequent automated database checks to identify security relevant issues among already cleared personnel, permitting targeted resolution of cases as issues arise.

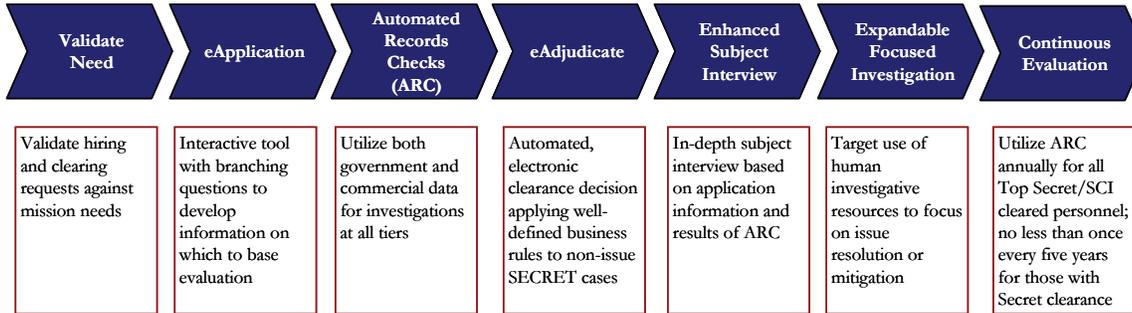
These concepts along with other major parts of the process design are described in more detail in the sections that follow.

* Please send written requests to: dni-ssc-help@ugov.gov



PROCESS DESIGN

The transformed process depicted below is composed of steps common to all hiring and clearing decisions. By managing the hiring and clearing process from an enterprise end-to-end perspective, we will be able to design, coordinate, and implement policies and standards that enable effective and efficient hiring and clearing decisions. In addition, we will apply process improvement principles to establish performance metrics for each step to more rapidly identify bottlenecks that negatively impact overall case processing timelines.



Validate Need

This stage focuses on optimizing policy, procedures, and tools before investigations are requested. This design provides a predictable, consistent process whereby managers only submit individuals to the hiring and clearing process as needed.

Benefits of Validate Need: Actively managing the investigation request and approval process will reduce duplicative hiring and clearing requests, streamline the reciprocity process, and support workload forecasting to help prevent backlogs. Improvements to the investigation request process reduce unnecessary investigative activity and support accurate budgets and billing for investigations.

Electronic Application

The electronic application (eApplication) is a dynamic, interactive, web-based tool that guides users in providing biographic details required by the hiring and clearing process. The eApplication is intuitive in nature and interactive as it guides individuals in providing biographic details, declarations, clarifications, and mitigating factors for self-reported security relevant information. Completion of this application will form an electronic security case file. The eApplication allows data to be captured earlier in the process to enable more productive investigative and adjudicative dialogue.

An eApplication that employs the latest technologies (including electronic finger printing, on-demand instruction, and quality controls) also permits the use of automated decision rules and cross-referencing with external databases.

Benefits of eApplication: Initial processing time is reduced through use of improved technology. It also enhances self-reporting of relevant issues and reduces overall case processing times by increasing accuracy of data provided.



Automated Records Checks

The Automated Records Checks (ARC) is a key aspect of the design. ARC will access relevant information available through government and commercial databases. These additional sources of information will verify identity and afford access to timely, robust and ever-expanding sets of data that are relevant to hiring and clearing decisions. The ARC will be accomplished rapidly and early in the process.

ARC may also be a viable replacement for some traditional field investigative activity when it can reliably identify issues that would be further pursued for expanded focused investigation. ARC will also be used after granting a clearance to validate an individual's continued eligibility for access to classified national security information (see Continuous Evaluation).

Benefits of Automated Record Checks: Within an end-to-end electronic system, ARC provides cost and time efficiencies compared with manual investigative activities to gather valuable information. ARC can help identify issue information faster and support both electronic adjudication and continuous evaluation of cleared personnel.

Electronic Adjudication and Granting Secret Clearances

Electronic Adjudication (eAdjudication) is a viable technical means to automatically, electronically grant clearances in cases with no issues by applying computer coded business rules to the adjudicative decision process. An automated process for such cases that qualify will dramatically improve timeliness, ensure consistency and quality in the decision making process, and free up human resources to focus on issues that need attention.

Requests for SECRET clearances comprise approximately three-quarters of the total volume of clearance requests annually, one quarter of which are cases with no issues. Reliably identifying "clean cases" enables automated hiring and clearing decisions. Rapid eAdjudication allows agency adjudicators to concentrate on cases for which issues have been identified.

Benefits of eAdjudication: Automation combined with appropriate business rules improves consistency in identifying clean cases. Overall adjudication cycle times are lowered and agency adjudicators are focused on the cases that need the most attention.

Enhanced Subject Interview

An Enhanced Subject Interview (ESI) is an in-depth discussion between an interviewer and the subject to ensure a full understanding of the applicant's information, potential issues and mitigating factors. Research indicates that subject interviews, along with self-reported data on the application, provide the primary sources of information relevant to hiring and clearing decisions. The interview protocols for ESIs are structured around what subjects self-report in the eApplication and the results of ARC.

Benefits of Enhanced Subject Interview: Informed by more relevant data collected by eApplication and ARC, ESIs will develop deeper insight into subjects' character, interests, vulnerabilities and demeanor, as well as document mitigating factors and rehabilitation, as appropriate. ESI will also identify areas on which subsequent field investigation can be better focused.

Expandable Focused Investigation

An Expandable Focused Investigation (EFI) is an in-depth field investigation of potential issues as reported by the subject or found through ARC. This approach is an alternative to a checklist-type manual investigation of all personal information.

EFI focuses investigative field leads on issues identified but not resolved by information previously collected. By analyzing case facts that have been reported in the eApplication, ARC, or the ESI, the adjudicator can select appropriate field leads to pursue. Discontinuing the practice of routinely pursuing all leads results in increased process efficiency and potential reduction in resources necessary to perform ESI. Potential resource savings can either be used to support other stages of the transformed process or realized as lower cost.

Benefits of *Expandable Focused Investigation*: Costs are reduced and timeliness is improved by eliminating known non-productive investigative activity. Investigative resources are then able to focus appropriately on the issues that need them most.

Continuous Evaluation

Continuous Evaluation (CE) includes scheduled updates of a subject's eApplication information, as well as an ARC. CE will ascertain on a more frequent basis whether an eligible employee with access to classified information continues to meet the requirements for access, rather than waiting 5, 10 or 15 years between initial eligibility and subsequent eligibility determinations.

Updated eApplication information and ARC are the primary sources of information for CE, however focused investigations and enhanced subject interviews will augment the CE process when issues are identified. Records checks will be conducted on the entire TOP SECRET population annually, while the SECRET group will be evaluated on a once every five year cycle. Additional evaluations may be conducted as issues arise or periodically across the cleared population for quality assurance purposes.

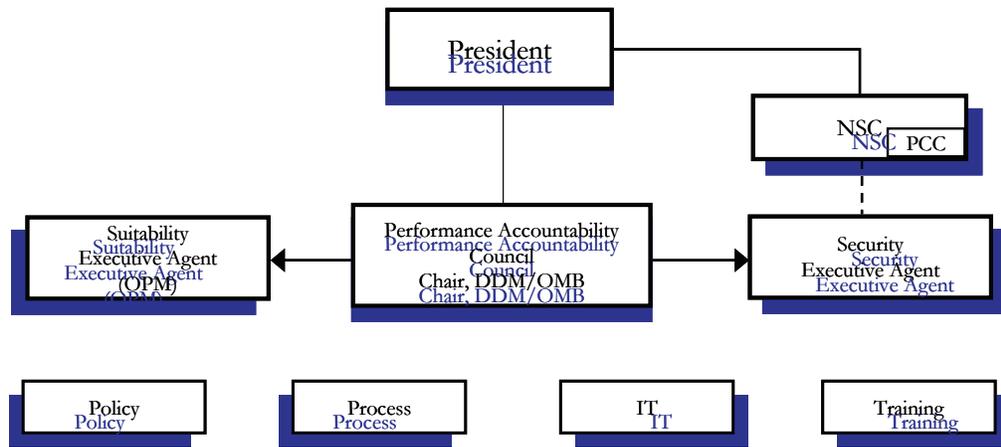
Benefits of *Continuous Evaluation*: CE applies risk management techniques throughout the clearance lifecycle. It quickly identifies potential security risks more frequently following the initial investigation. Performing CE in lieu of traditional periodic reinvestigations is expected to reduce cost and improve investigation timeliness and quality.

PRIMARY NEAR-TERM ACTIONS

The Joint Reform Team is taking immediate action to methodically, but rapidly achieve specific needs and capabilities of the design.

Governance: The responsibilities for processes that enable hiring and clearing decisions are currently spread among distinct oversight and operating entities. An Executive Branch governance structure is needed to ensure these processes are effectively coordinated. The governance structure will be formalized in an Executive Order for the President’s signature no later than June 30, 2008, and initially implemented not later than July 2008.

Performance Accountability Council: The Council, chaired by OMB’s Deputy Director for Management, is accountable to the President to achieve the goals of reform. The Council is responsible for driving implementation of the reform effort, ensuring accountability by Agencies and Departments, and sustaining reform momentum, particularly through the upcoming transition to a new administration. It will ensure the Executive Agents for Suitability and Security align their respective processes.



Suitability Executive Agent (OPM): The new Executive Order affirms OPM’s role as the “Suitability Executive Agent” consistent with its statutory and regulatory authorities over the Federal government’s workforce.

Security Executive Agent: This is a new role, which will be designated in the new Executive Order, and will consolidate security clearance responsibilities that are currently spread out among diverse members of the security community.

The Council Chair will assign responsibility for specific Executive Branch level initiatives required of the reform effort. Such initiatives include development of alignment policy, process improvement, information technology, as well as training standards and curriculum.

Next-generation application: A near term goal is to develop the next-generation electronic application (eApplication) which will provide additional functionality beyond those of the existing tool and integrate it with other elements of end-to-end information technology. To obtain these near-term goals, we expect that additional standardized branching questions and quality control checks will be finalized and agreed to by participating agencies this calendar year, along with development of the supporting tool. A complete project plan, including means to process electronic attachments, signatures and fingerprints, will be finalized this year as requirements and system capabilities are identified and analyzed.



Clean Case eAdjudication: Joint Reform Team activities identified portions of the SECRET case workload that could be more quickly processed through application of eAdjudication's automated decision support capabilities. The Joint Reform Team will submit revisions to government policy as needed to authorize eAdjudication in order to take advantage of this process improvement opportunity. With such policy in place, implementation of eAdjudication on SECRET clean cases can be achieved within this calendar year for agencies that are currently able to process electronic reports of investigation. To have continuous assurance of the reliability of the approach, implementation of eAdjudication will coincide with establishment of a long-term program for manual quality control checks of eAdjudicated cases. Additionally, the feasibility of eAdjudication for other than SECRET cases will be subject to further study.

Develop Automated Records Checks Capability: Joint Reform Team activities demonstrated the potential of replacing some traditional investigative elements with ARC, at two distinct points in the hiring and clearing process. First, ARC may replace some costly and time consuming field leads in SECRET cases and as an important element in the first 72 hours of a TOP SECRET investigation. Second, ARC conducted annually on the TOP SECRET-cleared population and within a five-year period for the SECRET-cleared population, not only may provide a cost-effective form of continuous evaluation, but also a rapid and reliable means to evaluate trusted insiders. Research findings to date warrant further validation of ARC capabilities as part of the enterprise information technology strategy. Such development activity includes investments to move existing DoD systems from test and development to an operational environment, to enhance existing OPM capabilities, and to augment those capabilities with access to additional databases as needed. For example, current government and commercial databases that are not currently part of ARC should be added to expand the amount of information available. Lastly, developing ARC capabilities for initial use will enable further testing on other populations and types of investigations.

Develop Enterprise Information Technology Strategy: Central to achieving the goals of this reform initiative is the design, development, testing and implementation of end-to-end information technology. Joint Reform Team efforts to date focused on identifying IT systems and processes currently in use across the U.S. Government and the improvements needed to fully support a transformed end-to-end system. A multitude of systems are in use across the U.S. Government providing similar functionality but with limited interoperability. These systems are designed primarily to track hardcopy case file information; paperless processes are minimal and end-to-end electronic capability does not exist. Other near-term information technology activity will focus on conducting an end-to-end technology demonstration to determine need and requirements for information technology investments to achieve transformation. Results of the end-to-end demonstration are expected by the end of the fiscal year. They will inform a long-term information technology strategy that highlights the benefits of an enterprise-wide approach and establishes a transition strategy for the use of new or improved systems.

SUBORDINATE ACTIONS AND AREAS FOR FURTHER STUDY

To support the primary near term actions, there are additional activities and areas requiring further validation to achieve the transformed process design. These subordinate actions and ongoing studies will help us determine the efficacy of the proof of concept, and provide opportunities to develop new business practices that improve performance. Specific activities that will be defined and scheduled going forward can be addressed in terms of three general categories: Policy, Process and Technology.

POLICY: Most of the changes necessary to support the transformed process can be accomplished under authorities that exist today. Existing Executive Order language does not impede the transformed process; however, new Executive Order language is needed to establish a new governance structure for aligning and sustaining the reform of the hiring and clearing processes. Current legislation does not impede the transformed process; however, long-term legislative changes may be identified in the future.

Specific policy related activities underway or planned include:

CY08

- Clarify government policy regarding continuous evaluation of cleared population
- Draft and submit Executive Order to ensure fitness reciprocity and reinvestigation of individuals in public trust positions
- Modify the Standard Form 86 to permit research as routine use, incorporate branching questions and support continuous evaluation of cleared individuals more often than every 5, 10, or 15 years.
- Revise policy and procedures, if necessary, to use ARC in lieu of traditional field leads
- Develop strategy to ensure that standard and criminal record checks are conducted to mitigate gaps in automated record systems, whether Federal, State or Local
- Identify proposed revisions to investigative standards, as needed
- Develop draft business rules for end-to-end IT system

PROCESS: The amount of manual labor imbedded in the current process must be streamlined to support and sustain transformation. Leveraging available tools and technologies will enable more efficient and effective practices for making hiring and clearing decisions.

Specific process related activities underway or planned include:

CY08

- Continue development of a simplified position designation system to identify risk and sensitivity levels of Federal positions to support streamlined investigative process and reciprocity
- Analyze data on application submission errors to identify quality controls needed in eApplication

- Continue to assess reliability of ARC in flagging issue cases for additional investigation types (TOP SECRET, Periodic Reinvestigations) and in United States Government populations beyond those tested to date.
- Develop implementation strategy detailing practical application of ESIs and EFI; evaluate phased initial Single Scope Background Investigation as possible interim step
- Corroborate effectiveness of issue case flagging strategies on additional set of sample cases with adverse determinations
- Develop Federal strategy on improving the accessibility of Federal investigative records

CY09

- To support reciprocity, continue with government efforts to develop standardized training and certification for security professionals (adjudicators, investigators, case analysts)

TECHNOLOGY: Applying 21st century technology using an enterprise-wide approach will result in an end-to-end automated system required for all components and operations of the personnel security and suitability community. These technologies will enable more cost-effective and timely case management and information sharing.

Specific technology related activities underway or planned include:

CY08

- Continue development of a single-search automated interface for verification of existing investigations, eligibility, and access to reduce duplication and facilitate reciprocity
- Conduct end-to-end IT demonstration on a select population to validate feasibility and effectiveness of envisioned process
- Design and begin implementing an automated solution to validate investigations requested, investigations conducted, and costs billed by investigation service providers and to provide a sound basis for investigation projections
- Begin to expand capabilities for electronic case file delivery from OPM to all adjudication facilities

CY09

- Continue to procure and deploy world-wide electronic fingerprint stations and link with Enterprise Information Technology Strategy.
- Develop initial operating capability for ARC for Federal use

CONCLUSION

While many reform activities have been undertaken and completed, there is still much work to be done to achieve our goal of making hiring and clearing decisions more quickly, effectively and efficiently. While implementing near-term actions, the Joint Reform Team also continues to perform research and analysis to identify and validate additional actions needed to achieve reform.

The Joint Reform Team, its Senior Executive Champions, and its leaders and members remain grateful for the opportunity to contribute to this critical effort. We are deeply committed to the reform goal, and to identifying and traveling the path to achieve it. As our ongoing activities bring results, we will make additional proposals for implementation.



