

Report on the Defense Counterintelligence and Security Agency's Personnel Vetting Mission

**IN RESPONSE TO H.R. 2500, THE U.S. HOUSE OF REPRESENTATIVES-PASSED
FISCAL YEAR 2020 NDAA**

DEFENSE COUNTERINTELLIGENCE AND SECURITY AGENCY

June 2020



In response to H.R. 2500, the U.S. House of Representatives-passed Fiscal Year (FY) 2020 National Defense Authorization Act (NDAA), the Secretary of Defense is required to submit a report to the congressional defense committees no later than 180 days after the enactment of the Act. This report is to provide the scope of both the investigative and adjudicative backlog, how cases are disposed of (whether adjudicated or otherwise disposed of), current staffing at the Defense Counterintelligence and Security Agency (DCSA), and what reforms are being put in place to reduce these backlogs while ensuring a high-quality security clearance process. DCSA is submitting this report on behalf of the Secretary of Defense.

Scope of DCSA's Investigative Inventory

DCSA is the largest investigative service provider (ISP) for the U.S. Government and conducts roughly 95 percent of all background investigations for the Executive Branch. In April 2019, the President of the United States signed Executive Order 13869, which directed the transfer of the Federal government's primary background investigations mission from the U.S. Office of Personnel Management (OPM) to the Department of Defense (DoD). This transfer of mission reflects the Administration's commitment to reforming the personnel security enterprise and was successfully completed on October 1, 2019.

DCSA's current investigative inventory stands at 188,000 cases and represents a stable state inventory, which is defined as submitted workload that can be completed within established timeliness objectives. DCSA's current inventory levels represent a major achievement as the investigative inventory stood at 725,000 cases as recently as April 2018, which was the peak of the then investigative backlog. DCSA, continuing the execution of the OPM National Background Investigations Bureau's (NBIB) backlog mitigation plan, continued to reduce case inventory in the midst of a major merger of OPM NBIB, the Defense Security Service (DSS), and the DoD Consolidated Adjudications Facility (DoD CAF), which now comprise DCSA. Despite this period of significant change, DCSA remained focused on its role as an ISP, successfully met the needs of its customers, and continued to execute its mission.

As of May 2020, DCSA continues to make progress. Through managing a stable state inventory, DCSA has also achieved improved timeliness for case completions. For example, on May 11, 2020, DCSA began meeting timeliness goals for initial Top Secret investigations of 80 days as defined by the Security Executive Agent, the Director of National Intelligence. For the first time since FY 2014, Quarter 3, DCSA is meeting this crucial timeliness milestone.

Scope of DCSA's DoD Consolidated Adjudications Facility (DoD CAF) Inventory

The DoD CAF, now an element within DCSA, adjudicates investigations on behalf of the Secretary of Defense for DoD Components, and as part of DoD's National Industrial Security Program (NISP) responsibilities for cleared industry, which constitute roughly 75 percent of all adjudications across the Federal government. There are also 100 plus other departments and

agencies that remain responsible for making their own adjudicative determinations, pursuant to Executive Order 12968.

Under the Intelligence Reform and Terrorism Prevention Act (IRPTA) adjudication timeliness goals, the DoD CAF estimates a stable state inventory between 60-80K actionable determinations. As of May 21, 2020, the DoD CAF reported approximately 76,000 actionable determinations in their inventory, which as highlighted above, represents a stable state inventory. This reflects a major inventory reduction achievement as the DoD CAF's adjudication inventory stood at 202,000 actionable determinations in February 2019. Of these 80,000 actionable determinations, nearly 32,000 are attributed to a completed background investigation (78 percent are initial security clearance cases and 22 percent are periodic reinvestigations). The remaining actions in inventory (approximately 42,000) are ongoing security management functions (e.g., customer service requests, incident reports, and Continuous Evaluation (CE) alerts). DCSA's prioritized inventory reduction efforts at the DoD CAF were executed through increased use of civilian personnel overtime, a series of targeted Lean Six Sigma efficiency studies, and the implementation of various information technology (IT) solutions.

As a result of the Executive Agent shift from artificial time-based, periodic reinvestigations to more frequent, continuous vetting processes, the definition of "adjudicative inventory" is transforming and presenting a paradigm shift in the way adjudications have been traditionally perceived. Going forward, as the new wave of Trusted Workforce 2.0 policies are implemented, how DCSA measures case inventories will be redefined.

How Cases are Disposed

For the purposes of this request, DCSA interprets the statutory report language "how cases are disposed" to mean how cases are adjudicated – both completed adjudications and deferred adjudications for periodic reinvestigations, as described below. In early 2019, in order to better manage its inventory and prepare for an increased influx of investigative cases from OPM NBIB as it worked down its own inventory, the DoD CAF sought policy relief from the requirements under Executive Order 12968 from the Executive Agents for Security (the Director of National Intelligence) and Suitability and Credentialing (the Director of OPM). In February 2019, the Executive Agents issued Executive Correspondence with various policy measures pertaining to the Office of the Under Secretary of Defense for Intelligence (OUSD(I)). Authorization was granted to the DoD CAF to defer adjudications for periodic reinvestigations that posed low-to-no-risk in order to prioritize adjudications for initial background investigations and investigations with derogatory information. To mitigate any potential risk, these deferred cases were immediately enrolled in CE. The Executive Agent authorization for the DoD CAF to defer adjudications expired as of December 31, 2019, and the DoD CAF successfully met the Executive Agent mandate to adjudicate all deferred cases by this date. As of today, the DoD CAF does not possess any deferred adjudications and all closed cases have received a final determination. The DoD CAF is currently managing its case inventory satisfactorily and is meeting mandated timeliness goals.

DCSA's Staffing Levels

As of May 11, 2020, DCSA has 4,524 Federal employees onboard. Of those, 3,320 are identified within the DCSA Personnel Vetting mission. These numbers do not include the contract personnel that support DCSA Personnel Vetting functions and activities.

DCSA's Implementation of Security Clearance Reforms

DCSA is continuing to leverage OPM NBIB's backlog mitigation plan to maintain a stable state inventory. In March 2019, NBIB formalized and delivered the current action plan in response to the recommendations made in GAO-18-29: *Personnel Security Clearances: Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigation Backlog*. This formal plan included details regarding several measures that NBIB, now DCSA, has implemented to reduce the backlog to a "stable state" inventory.

Security and Suitability Executive Agent (EA) Executive Correspondences (EC) – The Security and Suitability Executive Agents jointly issued guidance intended to help reduce the background investigation inventory, including adjustments to the Federal Investigative Standards (FIS). DCSA has a significant role in implementing these EC measures.

Business Process Reengineering (BPR) – This effort supports NBIB's Backlog Mitigation Plan as well as the development of the National Background Investigation Services (NBIS), which is being developed as a Government-wide shared IT service. Successful implementation of the BPR and other initiatives helped accelerate the reduction of the case inventory.

Increasing the Investigative Workforce – NBIB increased the capacity of its investigative workforce to improve its ability to meet the workload demands for investigations, and DCSA continues to maintain a healthy capacity to continue to manage its workload.

Trusted Workforce 2.0 – DCSA is a member of the Trusted Workforce Executive Steering Group and is actively involved in the establishment of the Trusted Workforce 2.0 initiative. This collaborative risk management framework is designed to propose clarifications and adjustments to certain elements of the FIS to better use investigative resources and thus increase production, incorporate business transformation efficiencies, and streamline quality review processes.

In July 2019, GAO notified NBIB that they accepted the plan as a satisfactory response and closed its recommendations. DCSA continued to further execute its formal plan to eliminate the investigative backlog and to return to a stable state. This was achieved in late 2019 and, to-date, DCSA has maintained a stable state inventory.