

STATEMENT BY

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BEFORE THE

SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE
FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA,

OPEN HEARING ON SECURITY CLEARANCE REFORM

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Chairman Akaka, Senator Johnson, and Members of the Subcommittee, thank you for the opportunity to testify today regarding the Department of Defense's role in, and continued commitment to, reforming the personnel security clearance process.

Since co-founding the Joint Reform Team five years ago, DoD, working with the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), and the Office of the Director of National Intelligence (DNI), has made significant improvements to its Department-wide personnel security clearance program. I appreciate the opportunity to share with you a number of important developments that have taken place since I last testified before this committee on this subject in November 2010. Working together, we have achieved major improvements in the timeliness of Federal background investigations and adjudications, and reduced duplication and waste through both technology enhancements and the streamlining of policy and processes. Perhaps most importantly, we established a key governance body – the Performance Accountability Council – that effectively bridges agency divides, ensures we sustain our progress and strives for even greater efficiencies for the future. Our efforts have resulted in timeliness that far exceeds goals set by Congress in the Intelligence Reform and Terrorism Prevention Act of 2004, a superior security clearance quality program, and information technology systems that enhance Department-wide capabilities and are being studied for implementation by other government agencies. Recognizing these strides, the Government Accountability Office (GAO) removed the DoD Personnel Security Clearance Process, from its High Risk List a year ago. This marked the first time that GAO has removed a DoD High Risk Area since the inception of the High Risk List in 1990.

I applaud the significant contributions that my colleagues across the interagency have made to this effort and also want to sincerely thank this subcommittee for the leadership and encouragement that you have provided over the years. Your sustained attention to this matter has been invaluable in ensuring our continued improvement. Senator Akaka, I especially want to thank you for your personal engagement on this issue and your efforts to work across the aisle to drive improvements - with Senator Voinovich, while he was here - and now with Senator Johnson.

Importance of the Personnel Security Clearance Process

A high quality and timely Personnel Security Clearance Process is important to the Department for a number of reasons. First, a high quality investigation and adjudication process for granting security clearances is a key line of defense in the safeguarding of classified materials. Second, a timely process is important because delays in processing security clearances can cause delays in placing qualified individuals

in the cleared positions that need them to accomplish our many missions. In some cases, delays may result in highly qualified applicants withdrawing themselves from consideration for positions and the government losing out on these potential key contributors to our workforce. These delays are also detrimental in that they increase the cost of and reduce the productivity of our contracted workforce. Additionally, delays can be an enormous personal inconvenience for our service members and civilian employees as lengthy wait times degrade their personal quality of life as well as their ability to participate in all aspects of their professional lives.

Role of the Performance Accountability Council

The Suitability and Security Clearance Performance Accountability Council (PAC) was chartered to ensure the goals of reform are sustained across the federal government. Established in June 2008 as part of Executive Order 13467, “Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information,” the PAC is chaired by OMB’s Deputy Director for Management and includes, but is not limited to, senior leaders of the executive branch agencies you see seated here today.

The advances DoD has made thus far in security clearance processing, timeliness and quality would not have been achieved without the dedication and top-down direction from the PAC. The PAC’s focus on performance, quality, technological improvement, and standardization of key practices in investigation and adjudication has guided the Department’s achievements I describe to you today. As the federal government’s largest customer of investigations, we have worked vigorously with our partners OPM and ODNI to ensure new standards and practices in investigation and adjudication not only meet our needs for quality and timeliness, but also reflect the goal of modernizing long-outdated, cold war era formulas and provide data relevant to the norms and behaviors of a 21st century workforce. Not content to be a demanding customer, we have scoured our internal processes and standards for conducting adjudications and raised our game, vying for best-in-government timelines, while fortifying underlying quality assurance programs with improved guidance and enterprise wide technological tools. These results represent the progress possible when an agency commits to goals informed by interagency priorities and collaboration. It has been an honor to serve as the vice-chair of the PAC, and to play a role in helping to reform not only the Department’s performance, but government wide clearance processes. This subcommittee, in particular, has been a champion of the PAC’s work, and I am grateful for your continued emphasis on its effectiveness in realizing the benefits of reform.

Next, I'd like to discuss some specific initiatives the Department has executed in response to the priorities for clearance reform.

Timeliness Improvements

The Intelligence Reform and Terrorism Prevention Act of 2004 directs agencies to conduct adjudicative determinations in no more than 20 days. At the end of the second quarter of FY12, the average timeliness for the fastest 90% of DoD's adjudication of initial confidential, Secret, and Top Secret investigations was down to a fleet 7 days. DoD's success in improving adjudication timeliness is due in large part to the development and deployment of an electronic adjudication (e-Adjudication) capability through the DoD's Case Adjudication Tracking System (CATS). CATS was developed initially by the Army and has since been deployed across all DoD components.

As part of our interagency reform efforts, the DNI issued eAdjudication business rules for adjudicating non-issue National Agency Checks with Local Agency Checks and Credit Checks (NACLIC). The NACLIC is the investigation conducted on all military accessions personnel who do not require access to Top Secret classified information and all contractor personnel requiring access to Secret classified information. Between April 2011 and March 2012, 228,285 NACLIC investigations were processed through e-Adjudication. Of these, 98,655 or 24% were able to be completed with no manual processing required in the course of adjudication, allowing our adjudicators to spend their time more effectively and efficiently on cases of greater complexity and potential risk.

CATS is gaining users in other federal agencies. The Department of Energy has adopted CATS for e-Adjudication of its clearance cases and the Social Security administration is scheduled to deploy CATS e-adjudication capability in FY13. Business rules have been approved and are being piloted within the Department for application of e-Adjudication to additional investigation types.

DoD Investigative and Adjudicative Quality Improvements

In November 2009, the Office of the Under Secretary of Defense (Intelligence) established a program called the Review of Adjudicative Documentation Accuracy and Rationales (RADAR). RADAR is DoD's assessment tool for measuring the quality of adjudicative documentation within DoD's non-Intelligence Community Central Adjudication Facilities (CAFs). In our most recent assessment, DoD exceeded its 90% compliance benchmark with 92% of adjudications evaluated meeting documentation standards.

In March 2010, Senators Akaka and Voinovich, the Chairman and then-ranking member of this subcommittee, directed GAO to develop quality measures for clearance investigations and adjudications and suggested that OMB, OPM, DoD, and DNI do the same. The subcommittee was rightly concerned that our gains in timeliness of security clearances should not be at the expense of investigative and adjudicative quality. In response to the Committee's suggestion, the DoD committed to three adjudication quality benchmarks: (1) quality of adjudicative determinations; (2) percent of adjudications reviewed and approved by certified adjudicators; and (3) percent of certified adjudicators.

GAO recommended that DoD issue guidance clarifying when adjudicators may use incomplete investigative reports as a basis for granting clearances. In March 2010, DoD established guidance for adjudicating investigations with missing or incomplete information. Later that year, DoD deployed the Rapid Assessment of Incomplete Security Evaluations (RAISE) electronic tool to assess personnel security investigation quality. RAISE is administered through CATS and, using a random sample method, flags cases to be rated and identifies investigations with missing or incomplete information. RAISE has been deployed at each of the DoD non-Intelligence Community (IC) CAFs and is being considered as a basis for standardizing investigative quality across the federal government.

To promote quality through comprehensive and standardized training of adjudicators, the DoD initiated an Adjudicator Certification Program (ACP) in July of 2010. This program became fully operational in September 2010, and DoD adjudication facilities were given two years to implement and comply with certification requirements for all personnel. As of this month, 81% of adjudicators are certified and the DoD is on target to achieve 90% certification by September 15, 2012.

Challenges for the Future

Opportunities within the reform program are many, none more compelling than the need to ensure the Executive Branch is continuing to align processes and reduce duplicative technology and investments where possible. Under Secretary Panetta's leadership, DoD continues to emphasize reducing duplication, overhead, and excess spending. Personnel across the Department are tasked with streamlining activities, instilling a culture of savings and accountability, and identifying and executing savings. These values are shared across the Federal Government.

Continuing our efforts to utilize technology also deserves our sustained support. As I have detailed, the Department has leveraged enterprise tools (eAdjudication, CATS and RAISE) to improve its internal operations, and regularly seeks to partner externally

to move closer to the vision of end-to-end automation. The PAC recognizes this as an area of future promise and is committed to identifying the next, best steps to advance our technological capabilities.

Conclusion

While much has been achieved, it remains critically important that Members of this Committee, DoD, DNI, OPM, OMB and GAO continue to collaborate on ways to deliver greater efficiencies and cost-effectiveness in background investigations and adjudications. Our sustained commitment to working together leaves me confident that we will be able to take on the challenges that lie ahead.

I want to close by again thanking you, Chairman Akaka, and this subcommittee for your attention to, and oversight of, security clearance reform over the years. Your commitment to the highest values of interagency cooperation and utmost consideration for our taxpayers, war fighters, industry partners, and civil servants has resulted in dramatic progress in our government's ability to better deliver security clearances to the people who need them without compromising national security. It is upon this foundation of success that we will strive for even greater gains in the future.