

Opening Remarks

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Federal Programs and the Federal Workforce
and the
Subcommittee on Financial and Contracting Oversight

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Good Afternoon

Thank you very much, Chairman Tester, Chairman McCaskill and Members of the Committee, for inviting me to testify today. We appreciate the committee's continued interest in the efficiency and effectiveness of the personnel security clearance process. Because of your commitment to this critical function of our government and its ability to protect the national security, we have achieved major improvements over the last years and look forward to even more gains in the future.

I am Steve Lewis, Deputy Director, Security Policy and Oversight Directorate, Office of the Under Secretary of Defense for Intelligence (USD(I)). I am here today on behalf of the Under Secretary of Defense for Intelligence, Dr.

Michael Vickers. At this time, I would also like to introduce Mr. Stan Sims, Director, Defense Security Service, who is accompanying me today.

The Under Secretary of Defense for Intelligence is the Principal Staff Assistant to the Secretary and Deputy Secretary for security matters and is responsible for setting overall DoD policy to implement EO 13526, Classified National Security Information and EO 12968, Access to Classified Information.

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.

Executive Order 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 as well as reciprocal acceptance of those determinations.

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 protection of classified information and taking prompt and appropriate management action in cases of compromise of classified information. Such actions are required to focus on correcting or eliminating the conditions that caused, contributed to, or brought about the incident. This responsibility applies to military service members, DoD civilians and embedded contractor personnel.

Under the National Industrial Security Program (NISP), the Defense Security Service (DSS) is responsible for conducting oversight of companies cleared to perform on classified contracts for DoD and 26 other federal 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 the (1) quality of the investigative products we receive, (2) quality of our adjudications, and (3)

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).

You specifically asked for the costs of obtaining security clearances for the Department. As you are aware, OPM conducts the vast majority of DoD personnel security background investigations. In FY 2012, DoD paid OPM approximately \$753M for security clearance investigations. This includes \$471M for security clearance investigations for military service members, \$30M for DoD civilians, and \$252M for industry.

Thank you for your time. I am happy to take your questions.