



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

**TESTIMONY OF
BETH F. COBERT
ACTING DIRECTOR
U.S. OFFICE OF PERSONNEL MANAGEMENT**

before the

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

on

“Security Clearance Reform: The Performance Accountability Council’s Path Forward”

February 25, 2016

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee:

Thank you for the opportunity to testify before you today about ongoing developments in how the Federal Government conducts background investigations. Last year, in light of increasing cybersecurity threats and incidents, the 13-agency Suitability and Security Clearance Performance Accountability Council (PAC) initiated an inter-agency Suitability and Security Review (the ‘Review’) that sought the advice of experts within and outside government to seek ways to best secure the sensitive data collected as part of background investigation processes and modernize this critical governmental function so that its governance, workforce and business processes meet higher performance standards. The inter-agency group was tasked with developing additional enhancements to further secure Federal information and strengthen the systems supporting background investigation processes, as well as with re-examining reforms.

The Review’s recommendations not only followed this recent inter-agency effort, but are also informed by the work conducted in the 120 Day Review and its resulting Report following the tragic events at the Washington, DC Navy Yard. The questions contemplated in the Review’s recommendations have been considered carefully, in great detail, and are, in my view, a strong step forward. The Review’s recommendations further strengthen existing reform activities, including the issuance and implementation of new training standards for investigators and adjudicators; the implementation of new investigative standards; and the development and

**Testimony of Beth F. Cobert, Acting Director
U.S. Office of Personnel Management**

February 25, 2016

issuance of Federal standards for assessing the quality of national security and suitability background investigations government-wide.

As a result of the Administration's continued examination of possible reforms to background investigation processes, the Review concluded that there was a need to make further reforms to the background investigation function that would build upon the efforts already underway. In January of this year, the Administration announced a framework for strategic and structural changes to modernize and fundamentally strengthen how the Federal Government performs background investigations. OPM has and will work closely with our interagency partners on this effort that is so critical to the integrity of the Federal workforce and our Nation's security. In conjunction with this effort, the Office of Personnel Management (OPM) will stand up a new government-wide service provider for background investigations, the National Background Investigations Bureau (NBIB), which will be housed within OPM.

Pursuant to that strategy, the Department of Defense (DOD), with its unique national security perspective, will design, build, secure, and operate the NBIB's investigative IT systems in coordination with the NBIB. As part of developing the timeline for transition, we are working along with DOD to establish an initial schedule to sunset the OPM IT systems currently supporting background investigations.

The NBIB will concentrate solely on its mission to provide effective, efficient, and secure background investigations for the Federal Government. The NBIB will receive dedicated support in key areas including acquisition and privacy – and we will focus on bringing in additional talent with national security expertise as we do so. The NBIB will have a dedicated senior privacy official to advance privacy-by-design as the new entity is stood up and new IT systems are developed. The head of the NBIB will be a Presidential appointee and will be elevated to become a full member of the PAC, allowing us to synchronize both the policy and operational functions related to background investigations.

OPM plays an important role in conducting background investigations for the vast majority of the Federal Government. Currently, OPM's Federal Investigative Services (FIS) conducts investigations for over 100 Federal agencies – approximately 95 percent of the total background investigations government-wide – including more than 600,000 national security investigations and 400,000 investigations related to suitability, fitness, or credentialing each year. The NBIB will assume this mission and absorb the investigative functions of FIS and add important new capabilities. The NBIB leadership will be headquartered in Washington D.C., which will facilitate smooth and efficient coordination with interagency partners.

This represents significant change because it will modernize the Federal Government's security clearance and background investigation processes; leverage DOD's significant IT, national security and cybersecurity expertise; fully align the head of the NBIB as a Presidential appointee

**Testimony of Beth F. Cobert, Acting Director
U.S. Office of Personnel Management**

February 25, 2016

and full member of the PAC; and provide the needed operational flexibility and dedicated support structures for specialized skills while also maximizing OPM's organizational structure for generalized administrative support.

To begin the implementation phase of these reforms, we are establishing a transition team to oversee and manage this transition. This team, composed of personnel from PAC member agencies, will be established by mid-March and will be responsible for creating a comprehensive implementation group to support standing up the NBIB that works closely with FIS leadership to ensure minimal disruption for agencies that rely on us to perform background investigations. Our goal is to have the NBIB's initial operating capability officially established with a new organizational design and leader by October 2016, though implementation work will remain to be done after this date. The transition team will focus on five main areas of work: Business Process Analysis and Reengineering; Resource Management; Information Technology and Cybersecurity; Mission Support; and Change Management.

The NBIB will leverage existing expertise, resources, and processes for providing government-wide services as it is launched. OPM is establishing an internal transition team as well, which will work closely with the interagency team. And there are other steps OPM is taking to push forward progress in the near term. We are on our way to awarding a new background investigations fieldwork contract, on which we worked on closely with our interagency partners including DOD. Throughout these efforts, we will provide continuity of service to our customer agencies providing quality background investigative services.

In close coordination with our agency partners, OPM continues to make progress on strengthening our cybersecurity posture. For example, OPM has implemented the enforcement of Personal Identity Verification cards for two-factor authentication for network access. OPM has increased the number of scans that allow us to review the entire OPM network for signs of compromise. OPM has worked with our interagency partners to patch critical vulnerabilities, tighten policies and practices for privileged users, and conduct reviews of our high value asset systems. Finally, OPM has hired a new Acting Chief Information Security Officer, four new SES-level employees, and four new senior IT program managers to further strengthen the senior IT team, as well as a new senior cyber and information technology advisor to support the ongoing response to recent incidents, complete development of OPM's plan to reduce the risk of future incidents, and recommend further improvements to secure OPM's IT. These steps build on efforts the Administration has taken through the 30-day Cybersecurity Sprint and the release of both the Cybersecurity Strategy and Implementation Plan and the Cybersecurity National Action Plan to increase our cybersecurity capabilities and protect systems and data government-wide.

Supporting the implementation of the NBIB and aiding its success will be a core focus for the PAC. The PAC will monitor the NBIB's performance in order to identify, propose, and help drive enterprise-level process enhancements. The PAC will make recommendations for changes

**Testimony of Beth F. Cobert, Acting Director
U.S. Office of Personnel Management**

February 25, 2016

to Executive Branch-wide guidance and authorities to resolve overlaps or close policy gaps where they may exist and facilitate data-driven, transparent policy-making processes. The PAC and the Performance Improvement Council will also develop, implement, and continuously re-evaluate and revise outcome-based metrics that help measure the effectiveness of the vetting processes (e.g., security, investigative and adjudicative quality, cost, timeliness, reciprocity, customer service, and other performance characteristics).

The establishment of the NBIB continues this Administration's efforts to improve how the Federal Government performs background investigations to protect American citizens and some of our Nation's most sensitive information and facilities. In partnership with the Director of National Intelligence (DNI), we have established a five-year reinvestigation requirement for all individuals in positions of public trust, as well as those with a security clearance, regardless of the level of access, and reduced the number of individuals with active security clearances. In addition, we support the DNI's efforts launching programs to continuously evaluate personnel with security clearances to determine whether they continue to meet the requirements for eligibility; and developed recommendations to enhance information sharing from State, local, and Federal law enforcement entities when conducting background investigations.

On behalf of OPM, I am proud to be a part of this most recent effort by the Administration, and I look forward to working with my colleagues on this panel and with this Congress in a bipartisan, productive fashion for the benefit of the American people. I am happy to answer any questions you may have.



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
1900 E STREET NW, WASHINGTON, DC 20415

BIOGRAPHY

Beth F. Cobert

President Obama appointed Beth F. Cobert as Acting Director of the Office of Personnel Management on July 10, 2015. She comes to OPM from the Office of Management and Budget (OMB), where she served as the Deputy Director for Management and the U.S. Chief Performance Officer since October 2013.

At OMB, she led the efforts to drive the President's Management Agenda to make government more effective and efficient so it can deliver better, faster, and smarter services to citizens and businesses.

She oversaw the government's performance, procurement, and financial management offices, as well as the Office of the Chief Information Officer. Under Cobert's leadership, the Administration made progress on efforts to improve the management of Federal information technology (IT) spending, to modernize and improve citizen-facing services through teams like the U.S. Digital Service, and to reduce the Federal Real Property footprint.

She also led OMB's work on the People and Culture Pillar of the President's Management Agenda—including initiatives to improve employee engagement within agencies, enhance the Senior Executive Service (SES), and recruit and retain a talented and diverse Federal workforce.

Before joining the Federal government, Cobert worked for nearly 30 years at McKinsey & Company as a Director and Senior Partner. During her tenure, she worked on key strategic, operational, and organizational issues across a range of sectors, including financial services, health care, legal services, real estate, telecommunications, and philanthropy. She led major projects to improve performance through process streamlining, enhanced customer service, improved use of technology, more effective marketing programs, and strengthened organizational effectiveness.



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
1900 E STREET NW, WASHINGTON, DC 20415

Over the course of her career, she led McKinsey's initiatives on recruitment, training, development, performance evaluation, and retirement services and championed efforts to support the advancement of women into leadership positions.

Cobert also previously served as a board member and chair of the United Way of the Bay Area and as a member of the Stanford Graduate School of Business Advisory Council. Cobert received a bachelor's degree in economics from Princeton University and a master's degree in business administration from Stanford University. She and her husband, Adam Cloth, have two children.