

REPORT OF
THE SECURITY CLEARANCE OVERSIGHT GROUP
CONSISTENT WITH
TITLE III OF THE INTELLIGENCE REFORM AND TERRORISM
PREVENTION ACT OF 2004



FEBRUARY 2008

Executive Summary

Federal agencies are currently making their security clearance determinations as quickly, end-to-end, as called for by the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). For the agencies whose clearance investigations are conducted by the Office of Personnel Management (OPM) (90% of the total):

	Average Age of <u>Top 80%: First Quarter, FY08</u>	
	<u>Goal</u> ¹	<u>Performance</u>
Initial Clearances	130 days	118 days, end-to-end
TS Reinvestigations	220 days	217 days, end-to-end

To achieve the December 2009, timeliness goal of 74 days (44 days faster than current performance), the security clearance community needs to complete the elimination of all backlogs, digitize more of its processes, and identify and implement additional process reforms.

Background

To increase attention to and accountability for the timeliness and continued quality of the investigations and adjudications required to grant security clearances, IRTPA requires each adjudicative agency to make a security clearance determination:

- By the end of calendar year 2006, on at least 80% of all initial applications in an average of 120 days or less: an average of 90 days or less to complete the investigation and an average of 30 days or less to complete the adjudication.
- By the end of calendar year 2009, on at least 90% of all initial applications in an average of 60 days or less, to the extent practicable: an average of 40 days or less to complete the investigation and an average of 20 days or less to complete the adjudication.

Prior to IRTPA’s first reporting period, the average time to conduct the required investigation for a Top Secret clearance was more than one year, and investigations for Secret/Confidential clearances averaged 5 to 6 months.

<i>Investigation Time Only Does not include adjudication time</i>		FY04	FY05	FY06
Initial Clearance Investigations	Average Days for Top Secret	392 days	347 days	286 days
	Average Days for Secret/Confidential	179 days	155 days	157 days
Reinvestigations for Top Secret	Average Days	579 days	482 days	418 days

Throughout FY06, Government agencies increased their investigative and adjudicative capacity and accountability for results. As a result, by IRTPA’s first reporting period in the First Quarter of FY07, agencies generally conducted 80% of the requests for initial clearances as called for,

¹ Initial: The 12/06 IRTPA goal of 90 days for the investigation, the self-imposed, better-than-12/06-IRTPA goal of 25 days for the adjudication, and 14 for the initial transmission of the application.
 Reinvestigation: 180 days for the investigation, 25 for the adjudication, and 14 for the initial transmission of the application

i.e., 90 days or less for investigations and 30 days or less for adjudications. This information was included in last year's February report to Congress

To improve on this performance, for the First Quarter of FY08 (December 2007), agencies established as their goals to conduct:

- 85% of initial clearance investigations in an average of 90 days or less,
- 80% of adjudications in an average of 25 days or less,
- 80% of initial clearances, end-to-end, in an average of 130 days or less, and
- 80% of reinvestigations, end-to-end, in an average of 220 days or less.

Performance (for agencies whose investigations are conducted by OPM)

For the First Quarter of FY 08, agencies supported by OPM granted:

- 80% of their Initial clearances, end-to-end, in an average of **118** days (**goal = 130** days)
- 80% of their Reinvestigations, end-to-end, in an average of **217** days (goal = 220 days)

First Quarter FY08	Investigations Completed by OPM		Adjudications Completed and Reported by Agencies		End-to-End Time for Adjudications Reported
	Total	Average Days for 80% ²	Total	Average Days for 80% ³	Average Days for 80% ⁴
INITIAL CLEARANCES					
All Agencies	158,971	60 days	128,232	30 days	118 days
DoD Industry	31,438	61 days	32,508	50 days	151 days
DoD Military/Civilian	114,233	59 days	86,632	25 days	104 days
Non-DoD	13,302	65 days	9,093	38 days	146 days
TOP SECRET REINVESTIGATIONS					
All Agencies	19,782	119 days	16,382	70 days	217 days
DoD Industry	8,052	114 days	5,079	139 days	267 days
DoD Military/Civilian	9,013	117 days	8,837	52 days	192 days
Non-DoD	2,717	141 days	2,466	31 days	213 days

For all of FY07 (details in Attachment 1):

- 80% of Initial clearances, end-to-end, took an average of 106 days.
- 80% of Top Secret Reinvestigations, end-to-end, took an average of 167 days.

² Investigations Timeliness for all investigations received after October 1, 2006 and closed during this period calculated from receipt of the full request for investigation to the completion of the investigation.

³ Adjudication Timeliness calculated for reported adjudication actions taken during this period from date the investigation was completed through the effective date of the adjudication action and does not include adjudication of investigations scheduled before October 1, 2006. This includes an average of 4 to 6, but up to 15, days in mail and handling between OPM and the adjudicating agency.

⁴ End-to-End Timeliness calculated for the reported adjudication actions taken during this period, from the date the subject completed his/her Standard Form Questionnaire to the effective date of the adjudication action.

OPM has significantly increased its investigative capacity the past two years, significantly improving the timeliness of its investigations.

<i>Investigation Time Only Does not include adjudication time</i>		FY04 (All Closed)	FY05 (All Closed)	FY06 (All Closed)	FY07 (All Closed)	Processing Time for Requests Received in FY07
Initial Clearance Investigations	Average Days for Top Secret	392 days	347 days	286 days	222 days	111 days
	Average Days for Secret/Confidential	179 days	155 days	157 days	142 days	86 days
Reinvestigations for Top Secret	Average Days	579 days	482 days	418 days	289 days	144 days

Additionally OPM completed 180,000 (26%) more investigations than it received in FY07. OPM subsequently reduced the number of pending clearance investigations more than 180 days old, to a level that reasonably reflects the number that may be delayed at any given time due to the types of developing issues that require extensive additional investigation or delays in obtaining third-party information.

	<u>Pending Investigations > 180 days Old</u>	
	<u>10/1/06</u>	<u>1/26/08</u>
Initial Top Secret	27,000	8,000
Initial Secret/Confidential	72,000	14,000
TS Reinvestigations	<u>39,000</u>	<u>20,000</u>
Total	137,000	42,000

As a result of OPM's significant increase in capacity and the increased flow of completed investigations to the adjudicators, some agencies served by OPM are now experiencing backlogs in their adjudication process.

	<u>Pending Adjudications > 45 days old</u>	<u>Monthly Adjudication Equivalent</u>
DOD	76,000	1.4 months
DOE	3,300	2.4 months
DOJ	1,200	2.6 months

As these agencies reduce these backlogs, the timeliness of their adjudications will deteriorate some in the next few months, but should return to desired levels by the Third Quarter of FY08.

Performance (for the Intelligence Community, the Department of State (State), and the Department of Homeland Security (DHS))

The Intelligence Community and those agencies with a delegation to conduct their own investigations and adjudications are also meeting the IRTPA timeliness requirements.

	<u>FY07 End-to-End Timeliness</u>	
	<u>SSBIs</u>	<u>Reinvestigations</u>
Goal for top 85%	130 days	
Goal for top 80%		220 Days
CIA	124	161
DIA	62	
FBI	107	139
NRO	35	99
NSA	94	
State	67	80
DHS (partial)	94	

Industry Feedback

A working group of government and Industry representatives was created last year to monitor Industry clearance timeliness and provide feedback and recommendations on possible process improvements. This working group reports that defense contractors remain concerned about the timeliness of their clearances. Their perception of the current status is that:

- 80% of all industrial clearance requests were not acted upon within an average of 120 days during FY07, and
- Adjudication times are lengthening.

They recommend that DoD work more closely with Industry to:

- Frequently review investigation, adjudication and end-to-end timeliness, and the size of and age of the pending investigation and adjudication “backlog”
- Seriously consider working group suggestions, including e-Adjudication

Status of Initiatives (Supporting Improved Performance)

Investigation capacity at OPM

As planned and needed to reduce its backlog of investigations, OPM has increased investigative staff from 7,819 in March 2005, to 9,421 in January 2008.

Availability of Federal Records: FBI

The FBI is delivering 83% of the records requested within 30 days, on average, slightly below the goal of 90% within 30 days. The number of requests over 30 days old is 53,000, versus a goal of 11,000, 10% of the average monthly submission level.

Availability of Federal Records: Other

State Passport records are now obtained electronically, in an average of 10 days.

Air Force and Army records are also obtained electronically. Navy and Marine records recently became available electronically.

20% of state law enforcement records are now obtained electronically.

Reciprocity

Standards for reciprocal recognition of security clearances were promulgated and adopted in 2005 and 2006, and definitions related to exceptions to reciprocity were adopted in November of 2007. Described below is the current reform (R&D) effort to improve the security clearance process, including elements which may facilitate full reciprocal recognition of security clearances.

Use of e-QIP

The non-DoD agencies are electronically transmitting 95% of their applications to OPM via what is known as e-QIP, reducing transmission time and the incidence of incomplete applications. DoD has increased its civilian and military employees' use of e-QIP, but is below its goal of 100% usage.

	<u>e-QIP Usage</u> <u>First Quarter, FY08</u>
All Agencies	83%.
DoD Military/Civilian	77%
DoD Industry	100%
Non-DoD Agencies	95%

Electronic file transfer

The capability to electronically transmit investigation files to the adjudicators has been developed by OPM and adopted by the Army and the Department of Transportation (DOT). Twelve additional agencies are planning for possible implementation in 2008.

Transformation (R&D) Efforts

The Office of the Director of National Intelligence (ODNI), DoD, and OPM, with coordination by OMB, are engaged in a Joint Security and Suitability Reform effort to transform the security clearance process and improve performance beyond that made possible with increased capacity and greater accountability, to the extent practicable. The team has created a blueprint for a transformed clearance process, and is working to identify opportunities to align this vision with common elements of the Federal employment suitability process, thus improving efficiency and effectiveness. The joint team is exploring opportunities to improve policy, practice, and enabling information technology. Where new concepts are being considered, proof-of-concept activities are under way to validate them. Areas of focus include:

- Means to ensure valid, prioritized requirements are put into the clearance pipeline, linked to the resources needed to process them;
- Means to improve processing through: error reduction in submissions; additional information collection via a more interactive electronic application, use of automated data sources; and a more robust subject interview;
- Application of modern data collection methods through broader use of both Government and commercial data sources;
- Application of a focused field investigation model that leverages improved data collection via the application and automated record checks and focuses field investigation on any remaining essential elements.
- Design and implementation of an enterprise, end-to-end automated system to enable altogether different approaches to all elements of the clearance process.

- Means to increase attention on the already-cleared population through Continuous Evaluation. Utilizing the automated records checks more frequently than the current full reinvestigation model, so as to identify behaviors that may indicate security risk.
- Ensuring that the common elements of suitability and security clearance processes are made and kept more efficient and effective by aligning standards and capabilities for investigation and adjudication.

On February 5, 2008, the President issued a Memorandum to all agencies supporting an aggressive reform effort. An initial proposal for reform is to be presented to the President by April 30, 2008, followed promptly by any additional proposals the team believes are necessary. Results from many of the demonstration projects will yield recommendations for this initial proposal, while others will provide further opportunities in the summer and fall of 2008.

Priority Challenges/Opportunities

Transformation (R&D) effort

The security clearance community believes that current and future increases in investigative and adjudicative capacity and accountability may not be sufficient to provide 90% of initial security clearances in 74 days, end-to-end, by December 2009, to the extent practicable, as called for by IRTPA. Hence, by September 2008, there is a need to identify, validate and plan for implementation changes to the process that, in addition to the significant process improvements to date, will make it possible for agencies to accomplish the ambitious goal.

DoD reorganization of Industry adjudication process

In the First Quarter of FY08, DoD took 25 days longer to adjudicate an Industry security clearance case (20% to 25% of all government clearances) than a DoD Military/Civilian case. DoD is working aggressively to streamline the Industry process to bring Industry adjudication timeliness in line with its other adjudications by the Fourth Quarter of FY08. In this regard DoD will be reporting significantly more timely Industry adjudications for the January just ended.

Electronic delivery of completed investigations

Electronic delivery of completed investigations to adjudicators has the potential of improving adjudication timeliness two ways: fewer (estimated to be 4) days transmission time for all files and the potential for e-Adjudication of “clean” files, which are estimated to be about 30% of the total. OPM has developed the transmission capability and the Army and DOT are receiving files electronically now. The challenge/opportunity now is to have more agencies set up to receive files electronically and to develop the e-Adjudication capability.

Goals for 2008, in light of December 2009 goals

Federal agencies are working to provide 90% of initial security clearances in 74⁵ days, end-to-end, by December 2009, to the extent practicable. Currently (First Quarter, FY08), agencies produce 80% of their initial clearances in 118 days.

⁵ This is the IRTPA goal of 40 days for the investigation and 20 days for the adjudication, plus 14 days for the initial transmission of the application.

In pursuit of this goal, for September 2008, agencies are holding themselves accountable for providing 90% of the initial security clearances, end-to-end, in 105⁶ days. (versus 80% in 106 days currently)

- 90% of initial investigations within an average of 65 days (vs. 80% in 67 days now).
- 90% of initial adjudications within an average of 25 days (vs. 80% in 28 days now).

Agencies are holding themselves accountable for providing 90% of their TS reinvestigations, end-to-end, within an average of 195⁶ days (versus 80% in 217 days currently), by September 2008.

- 90% of investigations within an average of 150 days.
- 90% of adjudications within an average of 30 days.

For September 2008, agencies are holding themselves accountable for providing initial security clearances to 90% of Industry employees in the same time it takes to provide them to non-Industry employees. Initial adjudications by DoD are targeted to be conducted within 25 days, down from 48 days currently.

Backlogs will be at acceptable levels:

- Initial clearance investigations at OPM extended in process over 140 days to be less than 14,000.
- Adjudications extended in process over 45 days to be less than 10% of the average monthly submission level.
- FBI record retrieval backlog to be less than 10% of the average monthly submission level.

Supporting these performance targets, Federal agencies are setting as their September 2008 goal:

- 95% e-QIP usage
- 90% of TS initial investigations < 90 days; 90% of S/C initial investigations < 65 days
- 90% of FBI file retrievals within an average of 30 days
- 40% of investigation files transmitted electronically (10 agencies)
- DoD reorganization of Industry adjudication process
- Validation (or invalidation) and formal commitment to:
 - Revised applications and interview
 - Expanded use of automated record checks
 - e-Adjudication
 - Continuous evaluation
 - Aligned standards and data gathering for suitability and clearances

Additionally we will:

- Develop separate end-to-end goals for Top Secret and Secret/Confidential, as their importance and degree of difficulty are so different.
- Increase and improve communication between DoD and the Industry working group to ensure that Industry perceptions equal reality.

These goals and timeframes are aggressive, but consistent with the high level of commitment by all Federal agencies to “fix” the security clearance process.

⁶ The sum of the targeted investigation and adjudication time, plus 14 days for the initial transmission of the application.