NATIONAL DEFENSE INDUSTRIAL (NDIA) AND THE AEROSPACE INDUSTRIES ASSOCIATION (AIA)

MR. STEPHEN DEMARCO
INDUSTRY DIVISION CHIEF, ADJUDICATIONS DIRECTORATE

May 18, 2015
Agenda

• “...3 Years...”
  - Mission
  - Consolidation Overview
  - Transformation
  - Organization

• Adjudication Process Update
  - Key Components
    > Select Laws, Regulations, and Policies
    > Technology
    > Adjudicators
      o Hiring/Certification
      o Guidelines
    > Personnel Security Investigations
  - Current Process

• Metrics (How are we doing?)
  - Adjudications per year
  - OPM Oversight Report
  - Overall CAF Backlog Reduction
  - NISP Backlog

• Initiatives
• Website
• Questions
Happy Birthday!

“...3 years...”
Mission: To determine security clearance eligibility of non-Intelligence Agency DoD personnel occupying sensitive positions and/or requiring access to classified material including Sensitive Compartmented Information (SCI). These determinations involve all military service members, applicants, civilian employees, and consultants affiliated with the Department of Defense, to include DoD personnel at the White House and contractor personnel under the National Industrial Security Program (NISP). The DoD CAF also adjudicates security clearance eligibility for staff of the United States Senate and House of Representatives, the Congressional Budget Office, and the United States Capitol Police. Additionally, the DoD CAF renders favorable adjudicative determinations for employment suitability of DoD civilian employees and Common Access Card (CAC) or Fitness eligibility of non-cleared DoD contractors.

3 x Lines of Business:
- Execute Adjudicative Determinations
- Conduct Operational Support
- Mission Support

40 x Services

Customers
- ~95% of DoD
- ~75% of Federal government
- Supporting Worldwide:
  - ~43,000 Security Officers
  - ~4M Affiliated Personnel

As of: 28 FEB 15
May 2012 - The Deputy Secretary of Defense directed a complete consolidation of seven non-Intel Agency CAFs and DoD-wide favorable Suitability & HSPD-12 adjudications!

January 2013 - Last of the seven CAFs was transferred into the DoD CAF

February 2013 – Installation of the 1st Director, DoD CAF (Mr. Edward J. “Ned” Fish)

February 2013 – September 2013:
- Transition component support of former CAF’s to Washington Headquarters Service
- Integrate and transform DoD CAF operations with identified “best-practices”
- Prepare for assumption of new personnel security determination missions:
  - Suitability for Employment – Per Executive Order 13467

October 2013
- Successfully assumed HSPD-12/Suitability mission

FY 2015
- Adjudicating Fitness for non-cleared contractors
- Preparing for new missions of increased Tier 3 investigations and continuous evaluation

Key takeaway: The CAF is still young and in the process of normalizing operations
DoD CAF Organizational Structure

**Mission:**
Execute personnel security determinations up to SCI level eligibility, for non-Intelligence Agency DoD military, civilian, and contractor personnel

**Adjudications**
Dr. RB Peele
Executes adjudicative determinations for personnel security clearances, CAC credentials, Fitness, and Suitability for employment for ~95% of DoD

**Plans, Operations & Policy**
Dan Purtill
Conducts quantitative and qualitative reviews of adjudicative performance, develops plans, performs policy assessments, and provides organizational communications, records management oversight, training, and PSI validation and reconciliation

**Support**
Gary Coleman
Provides and/or coordinates for essential support requirements to include: Human Resources, Financial Management, Security, Acquisition and Facilities

As of Mar 2015
ADJUDICATIVE PROCESS UPDATE

Grant...

PSMO-I

Deny...

DOHA

Interim...

Due Process...

Revoke...

DSS

Suspend...

FSOs
ADJUDICATION PROCESS:  
KEY COMPONENTS

- **Policy/Law:**  
  e.g., IRTPA, EO’s, DoD Policy

- **Technology:**  
  e.g., JPAS, CATS, CVS

- **Certified Adjudicators:**  
  Personnel Security Specialist (080)

- **Personnel Security Investigations:**  
  e.g., NACLCs, NACIs, SSBIs, etc.
Select Laws, Regulations & Policies

Executive Orders
- E.O. 12829 “National Industrial Security Program”
- E.O. 12968 “Access to Classified Information”

Presidential Directives

Public Laws
- Public Law 108-458 “Intelligence Reform and Terrorism Prevention Act of 2004”

DNI issuances
- ICD 704 “Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information and other Controlled Access Program Information”
- ICPG 704.2 “Personnel Security Adjudicative Guidelines for Determining Eligibility for Access to Sensitive Compartmented Information and other Controlled Access Program Information”
- DNI Memorandum “Delegation of Authority for the DA&M to Determine SCI Eligibility at the DoD CAF”

DCMO issuances
- DoD 5400.11-R “Department of Defense Privacy Program”
- DoD 5200.27 “Acquisition of Information Concerning Persons and Organizations not Affiliated with the Department of Defense”
- DA&M Memorandum “Delegation of Authority for the Director of the DoD CAF, Including Determination of SCI Eligibility”
- DoDD 5400.11 “DoD Privacy Program”
- DA&M Memorandum “Safeguarding Against and Responding to the Breach of Personally Identifiable Information (PII)”
- DA&M Memorandum “Supplemental Implementation Guidance for DoD CAF Favorable Suitability and HSPD-12 Adjudications”

USD(I) issuances
- DoDI 5200.02 “DoD Personnel Security Program (PSP)”
- DoD 5200.2-R “Department of Defense Personnel Security Program”
- DoD 5220.22-M “National Industrial Security Program Operating Manual (NISPOM)”
- DoDD 5205.16 “DoD Insider Threat Program”
- DoDD 5240.06 “Counterintelligence Awareness and Reporting (CIAR)”
- DoDI 5200.46 “DoD Investigative and Adjudicative Guidance for Issuing the Common Access Card (CAC)”
- DoDI 5220.22 “National Industrial Security Program”
- DoDI 5145.03 “Oversight of the DoD Personnel Security Programs”
- DoD 5220.6 “Defense Industrial Personnel Security Clearance Review Program”

USD(P&R) issuances
- DoDD 1000.25 “DoD Personnel Identity Protection (PIP) Program”
- DoDI 1000.13 “Identification (ID) Cards for Members of the Uniformed Services, Their Dependents, and Other Eligible Individuals”
- DoDI 1400.25, Volume 731 “DoD Civilian Personnel Management System: Suitability and Fitness Adjudication for Civilian Employees”

* There are over 62 laws, regulations and policies relevant to the DoD CAF’s operations and existence
**Clearance Adjudication Tracking System (CATS)** -- Case management system, tracking decision-making.

- **Projected CAF Rollout for CATS 4.1:**
  - WHS/Navy - 7/17/2015
  - ARMY - 8/7/2015
  - Air Force - 8/28/2015
  - Industry - 9/18/2015

**Joint Personnel Adjudication System (JPAS)** -- is the system of record for the DoD Personnel Eligibility and Access Database.

**Clearance Verification System** -- OPM authoritative database for recording HSPD-12 and Suitability determinations.

**Key Communication via Information Technology:**

- **Research, Recertify, and Upgrade Investigations (RRU's)** -- JPAS application used by DoD activities to request information from, or report information to, the DoD CAF regarding an individual's security clearance eligibility.

- **Incident Reports** -- JPAS application used by DoD activities to report information to the DoD CAF regarding behavior that may warrant further CEP action.

- **Continued Evaluation Program (CEP)** -- Once the initial favorable eligibility determination has been made, the individual falls under the Continuous Evaluation Program—the continual assessment of an individual for retention of a security clearance or continuing assignment to sensitive duties.
Adjudicators

✓ Employs "whole person" concept
  • Unfavorable information, favorable information, and circumstances are all considered
  • Nature and seriousness of conduct
  • Circumstances surrounding the action
  • Frequency and recency of the conduct
  • Age of individual
  • Voluntary nature of participation
  • Presence/absence of other mitigating factors such as:
    - Rehabilitation
    - Remorse
    - Acceptance of Responsibility
✓ Trained/certified:
  • Evaluate PSIs and other relevant information (Incident Reports, etc.) to determine eligibility to occupy national security sensitive positions and/or access to classified information
  • Apply the "Adjudicative Guidelines for Determining Eligibility for Access to Classified Information" approved by the President and issued by the NSC on 29 DEC 05

Adjudicators must determine loyalty, trustworthiness and reliability and decide if it is in the best interest of National Security to grant an individual clearance eligibility
Avg. time to certify is now 10 months rather than 18
Est. 95% of new adjudicators certified NLT 2QFY16
Adjudicator development continues for several years
Adjudicative ("Adjudicator’s") Guidelines:

1. Allegiance to the United States
2. Foreign Influence
3. Foreign Preference
4. Sexual Behavior
5. Personal Conduct
6. Financial Considerations
7. Alcohol Consumption
8. Drug Involvement
9. Psychological Conditions
10. Criminal Conduct
11. Handling Protected Information
12. Outside Activities
13. Use of Information Technology Systems

For each guideline there are disqualifying conditions and mitigating factors.
Issue resolution, grant, deny, and revoke eligibility for contractors, military, and civilian personnel.

The following aspects of the OPM Investigation are key focus areas during scoping reviews:

- Agency Use Block (Access/Eligibility Level)
- CCT (check for all required scoping items)
- SF-86 or SF-85P
  - Dual Citizenship/Foreign Passport
  - Foreign family members, contacts, travel, conferences, and contact with foreign government
  - Mental Health Treatment
  - Criminal History/Drug Use
  - Alcohol Treatment
  - Financial Issues
  - Subject Interview
    - Verify or expand on information from the SF-86
    - Address discrepancies
    - Issue resolution
  - Credit Bureau Report
  - INS Check
WHY INVESTIGATIONS MAY BE RETURNED TO OPM

✓ OPM is committed to ensuring PSI meet investigative standards
✓ OPM and DOD CAF communicate to address incomplete investigations
✓ DoD CAF has 3 common actions for incomplete investigations
  • Request For Action – Correspondence to Security Rep
  • REOPEN request to OPM
  • RSI request to OPM

✓ Missing Scope Items are sometimes required to be returned to OPM. The top five circumstances include:
  • Subject Interview not completed
  • Frozen Credit Bureau Report
  • IRS Records/ Financial Records/Trustee Reports - Missing
  • Medical Evaluations - Incomplete
  • FINCEN Report - Missing
General Example of Current Process

Investigation Requested via JPAS/E-QIP

OPM Conducts Investigation

Case Received by CATS

Cases pass through E-ADJUDICATION

Favorable Determination Updated in CATS/JPAS

CATS distributes cases directly to DoD CAF adjudicators

DoD CAF Adjudicator reviews investigation

Favorable Determination Updated in CATS/JPAS

Subject can Appeal (DOHA/PSAB)

Eligibility Denied / Revoked

Response Favorable?

Due Process

Determinantion?

Adjudicator forwards information request to security manager

Response Favorable?

Refrain

SOR drafted and forwarded to Subject

Favorable Determination Updated in CATS/JPAS (Favorable, Secret, or TS/SCI)

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Response Favorable?
METRICS

(How are we doing?)
DoDCAF Production
Adjudicative Determinations Per Year

- Slight FY15 increase (<1%) from CE Pilots & Component efforts to eliminate Overdue PR’s
- While DoD downsizing continues, CAF workload has not decreased
# OPM Oversight report for Mar 15

## Summary

- DoD remains compliant with IRTPA mandates
- #2 of 23 Federal Departments
- Timelines have increased as backlogs are reduced

## Agency Specific Timelines

<table>
<thead>
<tr>
<th>Agency</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>All Agencies</td>
<td>95 days</td>
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<tr>
<td>Defense</td>
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<td>Army</td>
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<td>Education</td>
<td>180 days</td>
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<td>NSF</td>
<td>118 days</td>
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## DoD CAF Specific Adjudication Timelines:

- Initial (All Types) – Adjudicated in **14** of **20** days
- SSBI-PRs – Adjudicated in **30** of **30** days

## Industry Specific Timelines:

- Initial (All Types) – Adjudicated in **25** of **20** days
- SSBI-PRs – Adjudicated in **34** of **30** days
Backlog Reduction

- **Progress** -13,960 (-50.3%) since consolidation in early 2013

- **Outlook** – Overall backlog to be eliminated in FY16 without considering:
  - CE implementation (post-FY15 pilots)
  - New FIS (10- to 5-year periodicity) implementation

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**Backlog Definition:**
- Cases pending adjudication > 20 days (IRTPA)
- Cases waiting 2nd review > 30 days
- “Suspense” cases > 15 days past due

- Anticipate ~ 20% reduction (for 2 months) from CATS v4 deployment/training

- Continued use of Overtime resulting in VERY positive impact of +6 -7% production
• **Good news:**
  - Significant progress....backlog reduced ~ 83%!!
  - Now represents only 1.34% of annual NISP workload

• **Bad news:**
  - Bulk of backlog burden now to DoHA “legal sufficiency” review
  - Team effort to eliminate likely to continue well into 2016

### NISP Backlog

<table>
<thead>
<tr>
<th>Month</th>
<th>NISP Backlog</th>
<th>Annual NISP Receipt</th>
<th>Backlog % of Total NISP</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 13</td>
<td>14,702</td>
<td>13,515</td>
<td>8.1%</td>
</tr>
<tr>
<td>April 15</td>
<td>2,426</td>
<td>6,033</td>
<td>1.34%</td>
</tr>
<tr>
<td></td>
<td>-12,276</td>
<td>~ 180,000</td>
<td></td>
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INITIATIVES

NEW
Initiatives

- **eAdjudication (eADJ)**
  - Sustainment of capability as eADJ for NACLCS ends and Tier 3 is implemented
  - Expand capability to Tier 1

- **Transfer of 4th Estate SCI Adjudications from DIA CAF to DoD CAF:**
  - Component coordination near complete
  - MOA negotiation on-going
  - Implementation NLT 1 OCT 15 remains very realistic
  - Communications Plan to 4th Estate Customers – Under joint DIA/DoD CAF development

- **Common Correspondence:**
  - The 2nd of DoD CAF standardized adjudicator letters (SOR, LOD, reconsideration, etc) to be implemented (4th Qrt 2015)
  - Look and feel is different but content remains the same
  - WHS OGC is leading the effort
We are proud to announce the release of our new Department of Defense Consolidated Adjudications Facility Public Website. It has been crafted to reflect what our customers would like to see, but also builds upon the foundation of the DoD CAF which is the tradition of excellence established by the seven former component CAFs in making adjudicative determinations.

You will notice streamlined menus, simple navigation and access to the information you need, any time of day.

DoD CAF
Bldg. 600, 10th Street, FGGM

QUESTIONS???