We know what’s at stake.

Michelle J. Sutphin, ISP
Vice President, Security, P&S Sector, BAE Systems
NISPPAC Industry Spokesperson
Michelle.Sutphin@baesystems.com

Updated: 5/11/2018
Intro to the NISP

- National Industrial Security Program established by Executive Order 12829 on January 6, 1993
  - The purpose of this program is to safeguard classified information that may be released or has been released to current, prospective, or former contractors, licensees, or grantees of United States agencies.
  - A quick video of the history of the NISP can be found [here](#).
- As part of this EO, the NISP Policy Advisory Committee (NISPPAC) was also formed
  - Comprised of both Government and industry representatives, is responsible for recommending changes in industrial security policy through modifications to Executive Order 12829, its implementing directives, and the National Industrial Security Program Operating Manual.
### NISPPAC Members

#### GOVERNMENT
- **Mark Bradley**, Chair ISOO
- **Michael Mahony**, CIA
- **Fred Gortler**, DSS
- **David M. Lowy**, Air Force
- **Patricia Stokes**, Army
- **Thomas Predmore**, Commerce
- **Carrie Wibben**, DOD
- **Marc Brooks**, Energy
- **Steven Lynch**, DHS
- **Anna Harrison**, DOJ
- **Mark Livingston**, Navy
- **Kimberly Baughner**, DOS
- **Zudayyah L. Taylor-Dunn**, NASA
- **Amy Davis**, NSA
- **Denis Brady**, NRC
- **Valerie Kerben**, ODNI

#### INDUSTRY
- **Michelle Sutphin**, Spokesperson BAE Systems
- **Dennis Keith**, Harris Corporation
- **Quinton Wilkes**, L3 Technologies
- **Kirk Poulsen**, Leidos
- **Dan McGarvey**, Alion S &T
- **Dennis Arriaga**, SRI International
- **Bob Harney**, Northrop Grumman
- **Martin Strones**, Strones Enterprises

#### MOU
- **Steve Kipp**, AIA
- **Bob Lilje**, ASIS
- **Brian Mackey**, CSSWG
- **Shawn Daley**, FFRDC/UARC
- **Kathy Pherson**, INSA
- **Marc Ryan**, ISWG
- **Aprille Abbott**, NCMS
- **Mitch Lawrence**, NDIA
- **Matt Hollandsworth**, PSC

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**Katie Timmons**, Industry Coordinator* ViaSat
NDAA 2017 Section 1647

- Formation of an “Advisory Committee on Industrial Security and Industrial Base Policy” and will terminate on September 20, 2022.
- They will review and assess:
  - (A) the national industrial security program for cleared facilities and the protection of the information and networking systems of cleared defense contractors;
  - (B) policies and practices relating to physical security and installation access at installations of the Department of Defense;
  - (C) information security and cyber defense policies, practices, and reporting relating to the unclassified information and networking systems of defense contractors;
  - (D) policies, practices, regulations, and reporting relating to industrial base issues; and
  - (E) any other matters the Secretary determines to be appropriate;
- 5 government and 5 non-government entities
- Charter filed April 30, 2017
DEFENSE POLICY ADVISORY COMMITTEE ON TECHNOLOGY

The Secretary of Defense shall form a committee of senior executives from United States firms in the national technology and industrial base to meet with the Secretary, the Secretaries of the military departments, and members of the Joint Chiefs of Staff to exchange information, including, as appropriate, classified information, on technology threats to the national security of the United States and on the emerging technologies from the national technology and industrial base that may become available to counter such threats in a timely manner.

The defense policy advisory committee on technology...shall meet...at least once annually in each of fiscal years 2018 through 2022.
32 CFR 2004: NISP Implementing Regulation Update

- Released May 7, 2018
NISPOM CC2

- NISPOM Conforming Change 2 was published May 18, 2016
- The DSS ISL for NISPOM CC2 published May 25, 2016
- During 2017, the DSS focus on Insider Threat programs will be on BASIC compliance. They will want to validate that we have a program, the ITPSO is designated and that we are conducting the required training.
- To date, there has been an 8% increase in incident reports!
- DSS will be looking for industry’s input on how they will start to assess effectiveness through the NISPPAC Insider Threat Working Group.
NISPOM Re-Write

- Full re-write is currently underway
- Different format and also a full review for revisions
- Coordination between government and industry took place at the NISPPAC level
- Over 80 industry participants reviewed and provided comments to the NISPPAC
- Final meeting took place October 19, 2017
The Clearance Process - *What is Going on?*

Let’s start at the beginning, a very good place to start...
The Clearance Process

Industry
------------
SUBMIT

Defense Security Service
(PSMO-I Division)
------------------
REVIEW

OPM
(NBIB Division)
-------------
INVESTIGATE

DOD Central Adjudication Facility
-----------------------------
ADJUDICATE

Defense Office of Hearings and Appeals
----------------------------------
HEARING/APPEAL

UN-FAVORABLE

FAVORABLE

INDUSTRY
----------
INDOCTRINATE
OPM Transformation – How Did We Get Here?

2013

- June: OPM Reveals USIS Investigation as a Result of Edward Snowden
- September: WNY Shooting
- October: PAC 120 Day Review

2014

- February: Suitability and Security Processes Report to the President
- June: USIS Breach and Contract Termination
- August: Backlog hits 190,000
- September: Keypoint Breach

2015

- April: OPM Breach Detected
- July: PAC 90 Day Review
- July: OPM Investigation Fees Increase
- October: Tier 3 Replaces NACLC

2016

- January: NBIB Creation Announced
- February: Backlog Hits 507,000
- March: PSMO-I Starts Metering Cases Due to Lack of Funds
- August: NAC Required for Interim Secrets
- October: NBIB Launched/Tier 5 Replaces SSBI
- December: NDAA 2017 Passed

2017

- January: NBIB Creation Announced
- February: Backlog Reaches 700,000
- October: House Hearing on DOD Clearances
- November: NDAA 2018 Authorizes Transfer of Clearances to DOD

2018

- January: GAO Adds Clearance Process to High Risk List
- March: Senate Intel Hearing on Clearances
- May/June: EO re: Investigations
- October: DSS to Start Secret PRs
Feeding the Meter at PSMO-I

![Graph showing inventory levels and milestone labels with dates and inventory numbers.]
It’s Nice to Have a Goal…

Initial Secret and Top Secret

**IRTPA (2004)**
- **Initiate**: 14 Days
- **Investigate**: 40 Days
- **Adjudicate**: 20 Days

**PAC (2008)**
- **Initiate**: 14 Days
- **Investigate**: 40 Days
- **Adjudicate**: 20 Days
- **Periodic Reinvestigations**
  - **Initiate**: 15 Days
  - **Investigate**: 150 Days
  - **Adjudicate**: 30 Days

**PAC/SecEA (2012)**
- **Initiate**: 15 Days
- **Investigate**: 150 Days
- **Adjudicate**: 30 Days

**Initial Secret**
- **Initiate**: 14 Days
- **Investigate**: 40 Days
- **Adjudicate**: 20 Days

**Initial Top Secret**
- **Initiate**: 14 Days
- **Investigate**: 60 Days
- **Adjudicate**: 20 Days

**Periodic Reinvestigations**
- **Initiate**: 15 Days
- **Investigate**: 150 Days
- **Adjudicate**: 30 Days
Initial Top Secrets: 163 days to 533 days
Initial Secret & Confidential: 92 days to 220 days
Top Secret PRs: 272 days to 617 days

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjudicate (DOD CAF)</th>
<th>Investigate (OPM)</th>
<th>Initiate (DSS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>27</td>
<td>232</td>
<td>13</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>63</td>
<td>242</td>
<td>14</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>66</td>
<td>260</td>
<td>15</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>80</td>
<td>279</td>
<td>18</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>49</td>
<td>310</td>
<td>18</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>52</td>
<td>352</td>
<td>22</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>95</td>
<td>411</td>
<td>29</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>114</td>
<td>449</td>
<td>29</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>70</td>
<td>505</td>
<td>33</td>
</tr>
</tbody>
</table>
### Secret PRs: 68 days to 220 days

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjudicate (DOD CAF)</th>
<th>Investigate (OPM)</th>
<th>Initiate (DSS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>5</td>
<td>50</td>
<td>13</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>3</td>
<td>73</td>
<td>17</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>3</td>
<td>87</td>
<td>23</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>9</td>
<td>116</td>
<td>42</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>13</td>
<td>126</td>
<td>56</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>23</td>
<td>127</td>
<td>71</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>9</td>
<td>149</td>
<td>81</td>
</tr>
<tr>
<td>Q4 2017</td>
<td>11</td>
<td>149</td>
<td>83</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>12</td>
<td>131</td>
<td>76</td>
</tr>
</tbody>
</table>
Industry Metrics (DoD Only)
As of April 30, 2018

At the start of April 2018, NBIB had 122,254 pending investigations for Industry customers.

NBIB scheduled 20,216 new Industry investigations between 1-30 April.

Between 1-30 April, NBIB closed 21,488 investigations.

Between 1-30 April, 1,213 other investigations were either discontinued or canceled.

... ending the period through April 30 with a total of 119,769 pending investigations yielding a net decrease of 2,485 investigations.¹

NBIB kicked off the first Industry Hub on April 30, 2018 in Orlando, FL in partnership with Lockheed Martin.

Established Trusted Information Provider working group with iWorks and other Industry partners. Determines how information already in the hands of an organization could be used to accelerate the investigative process.

Partnering with Lockheed Martin to pilot a video teleconferencing (VTC) solution, where NBIB is conducting ~137 VTC interviews between April 30 – June 1.

4 mission-critical cases prioritized between October 1 and present.¹

2 prioritized cases closed in an average of 60.5 days.¹

Increased number of pending cases by 3% between October 1 – April 1²

<table>
<thead>
<tr>
<th>Aging of Current Investigations³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cases Aged 0-60 Days</td>
</tr>
<tr>
<td>22,454</td>
</tr>
<tr>
<td>Total Cases Aged 61-90 Days</td>
</tr>
<tr>
<td>11,240</td>
</tr>
<tr>
<td>Total Cases Aged 91-120 Days</td>
</tr>
<tr>
<td>7,326</td>
</tr>
<tr>
<td>Total Cases Aged &gt;120 Days</td>
</tr>
<tr>
<td>78,795</td>
</tr>
</tbody>
</table>

Data is as of the 18th of the month.

Closed 135,153 cases between October 1 – Present¹

Inventory Distribution by Case Type¹

<table>
<thead>
<tr>
<th>Other¹</th>
<th>T1</th>
<th>T2</th>
<th>T3</th>
<th>T4</th>
<th>T5</th>
<th>T6</th>
<th>T7</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,044</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>21</td>
<td>22</td>
<td>84</td>
</tr>
<tr>
<td>0</td>
<td>26</td>
<td>21</td>
<td>22</td>
<td>84</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Monthly Metrics¹

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Investigations (Scheduled)</td>
<td>118,644</td>
<td>115,716</td>
<td>116,369</td>
<td>119,858</td>
<td>119,958</td>
<td>121,676</td>
<td>122,254</td>
</tr>
<tr>
<td>Closed Investigations</td>
<td>19,162</td>
<td>19,967</td>
<td>20,511</td>
<td>19,404</td>
<td>22,206</td>
<td>21,914</td>
<td>20,216</td>
</tr>
<tr>
<td>Discontinued/Canceled</td>
<td>1,497</td>
<td>1,092</td>
<td>1,034</td>
<td>1,036</td>
<td>1,076</td>
<td>866</td>
<td>2,123</td>
</tr>
<tr>
<td>End of Month Total</td>
<td>115,558</td>
<td>116,488</td>
<td>115,635</td>
<td>119,324</td>
<td>121,564</td>
<td>122,440</td>
<td>119,759</td>
</tr>
</tbody>
</table>

¹ Data Extracted April 30, 2018 and is as of that date; data subject to monthly change.
² Data extracted April 30, 2018 and is as of that date; data subject to monthly change.
³ Other Case Types: RCI, SIC, DC, etc.

Disclaimer: Percentual information is based on data provided as of the date only.
Distribution of Industry Cases

<table>
<thead>
<tr>
<th>Top Industry Locations</th>
<th>Pending Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC Area</td>
<td>97,924</td>
</tr>
<tr>
<td>El Segundo/ LA County</td>
<td>16,223</td>
</tr>
<tr>
<td>San Diego</td>
<td>15,737</td>
</tr>
<tr>
<td>Fort Worth/ Irving</td>
<td>12,313</td>
</tr>
<tr>
<td>Newport News</td>
<td>8,103</td>
</tr>
<tr>
<td>Orlando</td>
<td>7,694</td>
</tr>
<tr>
<td>Huntsville</td>
<td>7,669</td>
</tr>
<tr>
<td>Tucson</td>
<td>5,495</td>
</tr>
<tr>
<td>Palmdale</td>
<td>3,017</td>
</tr>
<tr>
<td>Greenville</td>
<td>1,289</td>
</tr>
</tbody>
</table>
Industry Workload Management
Clearances Don’t Expire!

- OUSD(I) Memo signed 12/7/2016: Personnel Security Clearances in Industry
  - “Personnel security clearances do not expire...An individual with current eligibility in JPAS should not be denied access based on an out-of-scope investigation, unless DOD is aware of relevant derogatory information related to an individual’s continued eligibility for access. However, when the system of record flags an individual as having current adverse information, and eligibility is still valid, access may continue.”
The Move from Five to Six

- **OUSD(I) Memo signed 1/17/2017: Extension of Periodic Reinvestigation Timelines to Address the Background Investigation Backlog**

  - Tier 3 PRs (SECRET) will continue to be initiated 10 years after the date of the previous investigation.
  - Tier 5 PRs (TOP SECRET) will temporarily be initiated six years after the date of the previous investigation rather than five years.

- December 22: 2017: The temporary change in periodicity from five to six years for T5Rs will remain in effect until notified otherwise. **Facility Security Officers should continue to submit T5Rs at the six year periodicity mark.** Previously established exceptions will remain in effect. This will result in T5Rs continuing to be within the seven year reciprocity guidelines.
SAPs Get on Board

- DOD SAPCO signed 2/10/2017: Temporary Periodicity and Clearance Submission Implementation Guidance for Special Access Programs
  - Tier 3: A SECRET SAP requires a minimum of a final SECRET clearance based on an investigation within 6 years.
  - Tier 5: A TOP SECRET SAP requires a final TOP SECRET clearance based on an investigation within 6 years.
- CSSWG coordinating with SAPCO on revision to memo.
Air Force Gets Involved

- Air Force has over 90,000 backlogged investigations.
- Creating NBIB Hubs at Air Force installations to schedule and interview personnel.
Current State as of March 14, 2018:
- 700,000 cases in queue
- 230,000 are T3, 107,000 are T5
- 65,000 are industry
- Receive ~50,000 cases a week and close ~53,000 cases a week = 4.13 years to work the backlog at this rate

NBIB Coordinating with Industry on ideas to lessen the backlog
- Industry to host “hubs”
- ITIP (Industry Trusted Information Provider) Pilot
I’ve Laughed, I’ve Cried, Where’s the Happy Ending?

- To return back to a steady state, NBIB:
  - Hired 600 investigators since 2016 for a total of 7,200.
  - Increased contractor workforce to 4 companies for a total of 1,091 contract investigators.
  - Is streamlining the interview process to include telephone interviews.
  - Is creating a new system called NBIS which will track individuals background information throughout their entire career (government, industry, military).
  - Is converting eQIP to eAPP which will ask more questions up front to eliminate the need for investigators to track down information (ex: pulling a credit report on the spot and asking questions for resolution).
  - Is placing investigators at hubs in both government and industry to work through high volumes of cases.
  - Charlie Phalen is hopeful for 15-20% drop in cases by the end of the FY 2018.
  - “Trusted Workforce 2.0” will launch at ODNI. The goal is “to bring together leadership across government to approach ‘transformative’ changes to the security clearance process with a ‘clean slate’.
- Charlie Phalen’s Congressional Testimony can be read [here](#).
NDAA 2018, Section 938: Splitting the Baby
(Signed!)

- the Secretary shall, in consultation with the Director of the Office of Personnel Management, provide for a phased transition from the conduct of such investigations by the National Background Investigations Bureau (NBIB) of the Office of Personnel Management to the conduct of such investigations by the Defense Security Service...not later than October 1, 2020...

- This will include DSS taking over:
  - All DOD clearance and suitability investigations (in addition to the current Continuous Evaluation mission for the DOD)
  - The DOD CAF

- Four Phases:
  - Phase 1: October 2018: All T3Rs for DOD
  - Phase 2: T3s for DOD
  - Phase 3: T5s and T5Rs for DOD
  - Phase 4: All cases in all of government? Executive Order to be released at the end of May/beginning of June which could change all of the above.
Not later than 180 days after the date of the enactment of this Act, the Director of National Intelligence...shall submit to the congressional intelligence committees a report that includes the following:

- An assessment of whether [the SF86] should be revised to account for the prospect of a holder of a security clearance becoming an insider threat.
- Recommendations to improve the background investigation process.
- A review of whether the schedule for processing security clearances included in section 3001 of the Intelligence Reform and Terrorism Prevention Act of 2004 should be modified.
- Evaluation of Splitting the Background Investigation Function
- A policy and implementation plan for agencies and departments of the United States Government, as a part of the security clearance process, to accept automated records checks
- A policy and implementation plan for sharing information between and among agencies or departments of the United States and private entities that is relevant to decisions about granting or renewing security clearances.
HR 3210: SECRET Act of 2017
(Passed House, Passed Senate)

- **Securely Expediting Clearances Through Reporting Transparency Act of 2017**
  - Requires NBIB to report on the backlog of security clearance investigations.
  - The NBIB must report on the process for conducting and adjudicating security clearance investigations for personnel in the Executive Office of the President.
  - The NBIB must report on the duplicative costs of implementing a plan for the Defense Security Service to conduct, after October 1, 2017, security investigations for Department of Defense (DOD) personnel whose investigations are adjudicated by DOD's Consolidated Adjudication Facility.
The Study will:

- Examine the feasibility of charging cleared contractors a fee-for-service, creating a working capital fund or using an industrial funding fee (IFF) from DoD acquisitions to DSS to fund contractor personnel security clearance investigations. It will include analysis of the impact on overall contract costs.
- Take into account prior personnel security clearance investigation cost studies from the past 20 years.

- 29 small, medium and large cleared companies to be interviewed as part of the Study. NISPPAC industry representatives have submitted a white paper with our position.
Security Executive Agent Directives (SEADs)

- **SEAD 1: SECEA Authorities and Responsibilities**
  - Establishes the DNI as the Security Executive Agent for all policies concerning investigations, adjudications and ability to maintain eligibility.

- **SEAD 2: Use of Polygraphs**
  - Outlines procedures surrounding usage of polygraphs.

- **SEAD 5: Social Media usage in Investigations and Adjudications**
  - Effective May 12, 2016.
  - Allows agencies to use PUBLICALLY AVAILABLE information from social media to include in investigations and adjudications.

- **SEAD 6: Continuous Evaluation**
  - Effective January 12, 2018

- **SEAD 7: Reciprocity (IN DRAFT)**

- **SEAD 8: Interim Clearances (IN DRAFT)**

All covered persons are to report “CI Concerns” on any other covered person. Previously was limited to only those within an organization. Change raises possible legal and other concerns.

“Failure to comply with reporting requirements...may result in administrative action that includes, but is not limited to revocation of national security eligibility.”

Pre-approval for foreign travel will be required for collateral clearance holders once it is incorporated into the new NISPOM. This will impose a new and large burden on industry and CSAs to handle the influx of reports that this will now generate.

DNI SEAD 3 TOOLKIT is online.

Collateral under the NISP will not have to comply until incorporated into NISPOM Conforming Change 3 and resulting ISL.

Other CSAs will issue their own implementation guidance.
SEAD 4: Adjudicative Guidelines

- Signed December 10, 2016 – Implementation June 8, 2017
- Same 13 Guidelines as before. Requires all adjudicative agencies to use ONE STANDARD.
- Incorporates the Bond Amendment which states:
  - You are prohibited from a clearance if you are actively using illegal drugs or are addicted to drugs.
  - You cannot obtain an SCI, SAP or access to RD if you have been convicted of a crime in the US and have served in prison longer than a year, are mentally incompetent or received a dishonorable discharge.
- Passports will no longer need to be relinquished/destroyed for cases adjudicated after June 8th.
- Adverse information reporting will NOT need to take place if a foreign passport is used to enter/leave a foreign country. It WILL need to take place if they use the foreign passport to enter/leave the US.
- ISL is currently under review.
Pilots underway for both Government and Industry: 1,100,000 CE cases tested by end of 2017.
- 308,000 cases are industry.
- 8% of cases are triggering an alert. Alerts are scored as Low-Med-High. Low get adjudicated right away, Med have an adverse submitted, and High will necessitate an immediate call to the FSO.
- 74% of hits are financial, 18% are criminal
- Privacy Act concerns as industry is not able to know the reasons for CE flags on their own employees

There is a possibility that CE will eventually replace the need for PRs.

OUSD(I) Memo dated 12/19/2016: DSS will be responsible for the CE mission.

NBIB Memo dated 2/3/2017: Offering agencies a CE SAC (Continuous Evaluation Special Agreement Check) for $45. Agencies will be responsible for adjudication.

SEAD-6: Continuous Evaluation signed January 12, 2018 with implementation TBD.


B. PURPOSE: This security executive agent (SEAD) explicitly identifies policy and requirements for the continuous evaluation (CE) of critical individuals identified by the OUSD(I)) to ensure continued eligibility for access to classified information or eligibility to hold a sensitive position.

C. APPLICABILITY: This Directive applies to any executive branch agency, authorized administrative agency, authorized investigative agency, and non-personal employees as defined below.

1. "Agency": Any "executive agency" as defined in section 105 of Title 5, United States Code (U.S.C.), including the military departments, as defined in Section 102 of Title 10, U.S.C., and any other entity within the executive branch that comes into possession of classified information in their positions designated as sensitive.

2. "Authorized administrative agency": An agency authorized by law, executive order, or by the SEAD to determine if access to classified information is in accordance with Title 19, as amended, or eligibility to hold a sensitive position.

3. "Authorized investigative agency": An agency authorized by law, executive order, or by the SEAD to conduct a background investigation of individuals who are proposed for access to classified information or eligibility to hold a sensitive position as defined in 1923, as amended, or eligibility to hold an eligible position.

4. "Classified national security information": Information of a sensitive nature or "classified information": Information that has been determined, pursuant to Title 10, as sensitive, to require protection against unauthorized disclosure.
NISPPAC Requesting Ability to View Drafts

PLEASE, SIR. MIGHT WE SEE THE SEADS?
The new SF86 went live August 27, 2017. Changes include:

- Section 7: Changes to phone numbers
- Section 11: Landlord information
- Section 12: Links to help find school addresses
- Section 13: Employment information changes
- Section 17, 19, 20: Civil marriages and civil unions
- Section 20: Official government travel clarification
- Section 21: Mental Health Revisions
- Section 23: Will clarify that drug use while legal in states still needs to be disclosed as it is against federal law: "The following questions pertain to the illegal use of drugs or controlled substances or drug or controlled substance activity in accordance with Federal laws, even though permissible under state laws." Why? Because...
Just Say No?
September 2012, James Clapper issued a memo stating “an applicants decision to seek mental health care should NOT, in and of itself, adversely impact that individual’s ability to obtain or maintain a national security position.”

A new memorandum was signed by Clapper on November 16, 2016 and was implemented July 2017.


Significantly revises the questions surrounding mental health by asking if the person has:

- Been declared mentally incompetent by a court or administrative agency
- Been ordered to consult with a mental health professional by a court or administrative agency
- Been hospitalized for a mental health condition (includes PTSD!)
- Been diagnosed by a physician or other health professional with specifically listed diagnoses
- A mental health or other health condition that substantially adversely affects judgment, reliability or trustworthiness
Initiative started by DSS in July of 2015 that will continue through 2017.

Purpose is to get a better understanding of the supply chain and the threats/risks to the Cleared Defense Contractors.

Survey is MANDATORY & will take considerable effort – 40+ pages of responses needed that will involve contracts, legal, finance, supply chain and security.

Large MFOs will be able to coordinate directly with commerce to determine best way to answer.

The Facility Security Officer should be notified via mail.

More info here.
# Commerce/DSS Critical Facilities Survey

## SCPOE OF ASSESSMENT

The U.S. Department of Commerce, Bureau of Industry and Security (BIS), Office of Technology Evaluation (OTE), in coordination with the U.S. Department of Defense (DOD), Defense Security Service (DSS), is conducting a survey and assessment of organizations responsible for the research, design, engineering, development, manufacture, test, and integration of defense and high-technology products, components, and related services. The resulting data will provide a baseline understanding of the structure and interdependencies of organizations that participate in DOD acquisition programs and their associated supply chains. This survey will cover all operations at respondents’ locations, including but not limited to the DSS-designated areas. This effort will also assist DSS in its mission to provide security oversight and education on behalf of the DOD and other U.S. Government departments and agencies.

## RESPONSE TO THE SURVEY IS RESTRICTED LAW

A response to this survey is required by law (50 U.S.C. App. Sec. 2155). Failure to respond can result in a maximum fine of $10,000, imprisonment of up to one year, or both. Information furnished hereunder is deemed confidential and will not be published or disclosed except in accordance with Section 705 of the Defense Production Act of 1950, as amended (50 U.S.C App. Sec. 2155). Section 705 prohibits the publication or disclosure of this information unless the President determines that its withholding is contrary to the national defense. Information will not be shared with any non-government entity, other than in aggregate form. The information will be protected to the appropriate extent from disclosure under the Freedom of Information Act (FOIA), should it be the subject of a FOIA request.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number.

## BURDEN ESTIMATE AND REQUEST FOR COMMENT

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information to BIS Information Collection Officer, Room 6883, Bureau of Industry and Security, U.S. Department of Commerce, Washington, D.C. 20230, and to the Office of Management and Budget, Paperwork Reduction Project (OMB Control No. 0970-0119), Washington, D.C. 20503.

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### Section A: Product/Service List

<table>
<thead>
<tr>
<th>Type of Product/Service</th>
<th>Description</th>
<th>Primary End Use</th>
<th>Export Controlled</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Electronics</td>
<td>[Details]</td>
<td>[Details]</td>
<td>[Details]</td>
</tr>
<tr>
<td>B: Manufacturing Equipment and Accessories</td>
<td>[Details]</td>
<td>[Details]</td>
<td>[Details]</td>
</tr>
</tbody>
</table>

## Comments

[Business Confidential - Per Section 705(b) of the Defense Production Act]
DiT: DSS in Transition

1. Prioritization
   - Major Input: Prioritized Technologies / NIPF Priorities / All-Source
   - Also: F(TVI) Assessments Technology Trends Report On The Ground Understanding

2. Assets
   - Commerce Study
   - "Shoe Leather" (ISR/GSSP)

3. TVI Analysis & Review
   - Points of Contact
     - V1
     - V2
     - V3
     - V4
     - 12x13 Matrix + NISPOM
     - F1
     - F2
     - F3
     - F4
   - Review: TVI Review
     - V1
     - V2
     - V3
     - V4
     - F1
     - F2
     - F3
     - F4
   - Continuously walk through 12x13 matrix to tailor assessment of facility

4. Tailored Security Program
   - Collaboratively developed with DSS, Facility, and PMs to define countermeasures
     - Validate Countermeasure Implementation & Value
     - Assess Effectiveness
     - Use MOEs for Continuous Improvement

Future Inputs
- Data Generated Feeds
- Future Prioritization

Plan for Allocating Resources
- Improve opportunity to identify threat or vulnerability
- New Entrant or Changed Conditions
- *FCS to Sustain Asset List

Current Inputs
- Prioritized Technologies / NIPF Priorities / All-Source
- F(TVI) Assessments Technology Trends Report On The Ground Understanding
- DSS Director Strategic Guidance
- Past SVAs
- Business Analysis
DiT as of September 2017

Security Baseline
• Looks to Industry to identify assets
• Includes security controls currently implemented by Industry
• Provides for DSS review and establishes foundation for Tailored Security Program

Security Review
• Focuses on protection of assets identified in the Security Baseline
• Assesses facility security posture, considers threats, and identifies vulnerabilities
• Results in Summary Report and POA&M to develop the Tailored Security Program

Tailored Security Program (TSP)
• Builds on Security Baseline, Summary Report, POA&M, and recommendations developed during TSP
• Documents effectiveness of security controls
• Applies countermeasures to TSP based on threat

Continuous Monitoring
• Establishes recurring reviews of TSPs by DSS and Industry
• Provides recommendations from DSS based on changing threat environment
• Ensures security controls documented in TSP are still effective
## DiT Implementation: Engagement Types

<table>
<thead>
<tr>
<th>Security Oversight Line of Effort</th>
<th>NISPOM</th>
<th>Asset ID</th>
<th>Security Baseline</th>
<th>Use of 12 x 13</th>
<th>TSP</th>
<th>Rating</th>
<th># of Facilities in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DiT (Comprehensive Security Review)</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>60</td>
</tr>
<tr>
<td><strong>Targeted Security Review</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>75</td>
</tr>
<tr>
<td><strong>Enhanced SVA</strong></td>
<td>Yes</td>
<td>Some</td>
<td>Introduction Only</td>
<td>Introduction Only</td>
<td>No</td>
<td>Yes</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>“Meaningful” Engagement</strong></td>
<td>Some</td>
<td>No</td>
<td>No</td>
<td>Some</td>
<td>No</td>
<td>No</td>
<td>11,000</td>
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</table>
DSS System Updates: CURRENT STATE

- E-FCL: Electronic Facility Clearance
- eQIP: Electronic Questionnaire for Investigation Processing
- SWFT: Secure Web Fingerprint Transmission
- JPAS: Joint Personnel Adjudication System
- NCAISS: NISP Central Access Information Security System
- ISFD: Industrial Security Facilities Database
- OBMS: ODAA Business Management System
- STEPP: Security, Training, Education and Professionalization Portal

DMDC System
DSS System
OPM System
DSS System Updates: FUTURE STATE

**NISS** (replacing eFCL, ISFD)
- 12/2016: Fully operational
- 4/2018: 40 agencies online

**DISS** (replacing JPAS)
- 12/2016: Components
- Q2 2018: Industry Phase 1

**eMASS** (replacing OBMS)
- 4/2018: Industry

**STEPP**
- 10/5/2017: Soft Launch
- Full Deployment TBD

**NBIS?**

**eAPP** (replacing eQIP)
- 10/5/2017: Soft Launch
- Full Deployment TBD

**DMDC System**
- eAPP e-Application
- eMASS Enterprise Mission Assurance Support Service
- NISS National Industrial Security System
- NCCS National Contract Classification System
- OBMS ODAA Business Management System
- DISS Defense Information System for Security
- JVS Joint Verification System
- STEPP Security, Training, Education and Professionalization Portal

**OPM System**
Controlled Unclassified Information

- 13,500 Cleared facilities accessing classified vs ~300,000 facilities that access CUI
- Will attempt to categorize all SBU into two CUI Areas:
  - CUI Basic
  - CUI Specified
In Summary

UNCLASSIFIED

Federal Contract Information
FAR: 52.204-21

15 Controls

CUI
FAR in DRAFT: No Requirement Yet

NIST 800-171
109 Standards

 Covered Defense Information (CTI & all CUI)
DFARs Subrule 252.204-7012

NIST 800-171
110 Controls

DHS CUI
Protection Requirements??
Risk Management Framework (RMF)

- Implemented by NAO (NISP Authorization Office) – formerly ODAA
- Phase 1 (Standalones) started October 2016.
- Phase 2 started January 1, 2018 for all other systems.
- Moving from OBMS to eMASS not before September 2018.
- NIST 800-53 version 5 underway – DSS reviewing to see if the 3 new control families will affect RMF.
- Formerly 11,000 total accredited systems, there are now 9,000 accredited systems. One reason is small businesses are opting out of systems altogether.
1,126 ATOs from June 2017-Jan 2018

### June – Sept 2017

<table>
<thead>
<tr>
<th>Region</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Region</td>
<td>38</td>
<td>29</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td>Northern Region</td>
<td>73</td>
<td>37</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>Southern Region</td>
<td>25</td>
<td>32</td>
<td>24</td>
<td>69</td>
</tr>
<tr>
<td>Western Region</td>
<td>46</td>
<td>41</td>
<td>30</td>
<td>67</td>
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</table>

### Oct 2017 – Jan 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Region</td>
<td>30</td>
<td>27</td>
<td>42</td>
<td>66</td>
</tr>
<tr>
<td>Northern Region</td>
<td>57</td>
<td>58</td>
<td>34</td>
<td>90</td>
</tr>
<tr>
<td>Southern Region</td>
<td>34</td>
<td>35</td>
<td>87</td>
<td>146</td>
</tr>
<tr>
<td>Western Region</td>
<td>91</td>
<td>91</td>
<td>117</td>
<td>121</td>
</tr>
</tbody>
</table>
Timelines of ATOs June 2017 – Jan 2018

Average Number of Days Per Region/Month

<table>
<thead>
<tr>
<th></th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
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</thead>
<tbody>
<tr>
<td>CR</td>
<td>10</td>
<td>19</td>
<td>8</td>
<td>17</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>NR</td>
<td>41</td>
<td>63</td>
<td>53</td>
<td>41</td>
<td>41</td>
<td>50</td>
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<td>SR</td>
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<td>58</td>
<td>51</td>
</tr>
<tr>
<td>WR</td>
<td>15</td>
<td>22</td>
<td>19</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>DSS</td>
<td>25</td>
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<td>26</td>
<td>26</td>
<td>29</td>
<td>35</td>
<td>50</td>
</tr>
</tbody>
</table>
Small Business in Crisis?

- How will this affect our supply chain?
- What will happen when DiT, CUI, & NIST 800-171 takes hold?
- We need better policies for consultants/security services companies to support these small companies.
In April 1990, President George Bush directed the National Security Council to explore the creation of a single, integrated industrial security program that might result in cost savings and improved security protection.

Recommendations from representatives from government and industry were invited to participate in an initiative intended to create an integrated security framework. This initiative led to the creation of Executive Order (EO) 12629, which established the National Industrial Security Program (NISP), a single, integrated, cohesive security program to protect classified information and to preserve our Nation’s economic and technological interests.

EO 12629 also established the National Industrial Security Program Policy Advisory Committee (NISPPAC). The NISPPAC is chaired by the Director of the Information Security Oversight Office (ISOO), who has the authority to appoint sixteen representatives from Executive Branch agencies and eight non-governmental members. The eight non-governmental members represent the approximately 13,000 cleared defense contractor organizations and serve four year terms.

This website serves as a way for industry to gain a better understanding of the non-governmental members involvement in order to help the community stay abreast of the ever-changing security posture.

To watch a short video on the history of the NISP, click here

Charter  |  Bylaws  |  Upcoming Public NISPPAC meeting
Industrial Security Timeline of Major Events

- **2010**
  - January: EO 13526: National Security Information
  - May: ICD 705 Signed
  - June: DISCO Shutdown
  - November: NISPOM CC1

- **2011**
  - January: CUI Registry Established
  - May: Bradley Manning
  - June: EO 13556: CUI
  - July: Edward Snowden
  - September: Washington Navy Yard Shooter
  - October: DFARS 252.204-7012 UCTI
  - November: SWFT Mandated ICD 731

- **2012**
  - January: SEAD 1
  - March: DOD CAF Established
  - May: USIS Hack

- **2013**
  - July: OBMS Deployed
  - September: SEAD 2 Keypoint Hack
  - October: First CE Pilot Clapper Memo on Drug Use
  - April: EO 13891: DNS as CSA
  - June: OPM Hack
  - October: NIST 800-171 PAC 90 Day Review

- **2014**
  - May: Tier 3 Replaces NACLC
  - June: NISPOM CC2

- **2015**
  - July: NAC Required for Interim Secrets

- **2016**
  - August: Harold Martin Arrested
Industrial Security Timeline of Major Events

- **2016**
  - September: 32 CFR 2002: CUI
  - October: NBIB Established
  - November: DFARS 205.204-7012
  - December: RMF Standsalone Tier 5 Replaces SSBI
  - December: DSS in Transition, Announced

- **2017**
  - January: NCCS Established
  - February: SEAD 3 & 4 Clearances Don’t Expire Memo
  - March: OUSD Tier 5 Memo
  - April: CE Transferred to DSS by DOD
  - May: SAPCO Tier 3 & 5 Memo
  - June: Advisory Committee on Industrial Security & Industrial Base Policy Formed
  - July: Reality Winner Arrested
  - August: Kevin Patrick Mallory Arrested
  - September: New SF86

- **2018**
  - September: Kaspersky Software Ban by DHS
  - October: New DD-254
  - November: RMF of LAN/WAN Flights
  - December: DISS Implementation Begins
  - January: SEAD 6
  - February: Jerry Chun Shing Lee Arrested
  - March: NISPOM CC3 & SEAD 3 ISL
  - April: SEAD 4 ISL
  - May: DISS Implementation Phase 1
  - June: Investigation EO
  - July: eFCL & ISFD Shutdown

- **2019**
  - September: eMASS Implementation
  - October: NISS Implementation
  - November: DISS Implementation Phase 2
  - December: CUI FAR
  - January: Final Phase
  - February: June

*Projected Dates Only—Subject to Change*