

STATEMENT BY
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BEFORE THE
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL
WORKFORCE, AND THE DISTRICT OF COLUMBIA,
SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS

NOVEMBER 16, 2010

Senator Akaka, Senator Voinovich, Members of the Subcommittee, thank you for the opportunity to testify before you today regarding the Department of Defense's commitment to and progress in reforming the personnel security clearance process.

As the Deputy Chief Management Officer (DCMO), I am Deputy Secretary Lynn's primary agent for improving cross-cutting management of the Department's business activities. Each day, my team and I work to integrate strategic planning activities for the Department's business operations, execute a performance management framework to hold people accountable for results, oversee the Department's investments in defense business systems, and improve enterprise-wide business processes. Secretary Gates and Deputy Secretary Lynn have both clearly articulated the pressing need for reforms that include: driving a proactive financial management strategy that focuses on information that we use the most; the development of a new, more adaptable Information Technology (IT) acquisition process that will deliver capability faster and is more in line with industry's model; and a reformed civilian hiring process that will allow the Department to hire people with appropriate experience and skills in a timely manner. Overall, the Department of Defense's overarching management agenda is focused on creating an effective, agile, and innovative business environment that is fiscally responsible.

With those same ends in mind, the Department has invested a significant amount of attention and energy on the improvement of personnel security clearance processes, both within the Department and also as part of an integrated federal reform effort. As this subcommittee is well aware, the Government Accountability Office (GAO) placed the Department of Defense Security Clearance Program on its high risk list in 2005 due to timeliness issues which included extensive backlogs and significant delays in the clearance process. Each year since then, the Department has taken proactive steps and made incremental improvements. This includes direct leadership engagement, sufficient resources to resolve the risk, a corrective action plan, the presence of a program to monitor and independently validate the effectiveness and sustainability of corrective actions and the ability to demonstrate the implementation of corrective measures. This written testimony highlights the activities we have undertaken to improve security

clearance cycle times and institute proactive management and accountability, as well as describes the actions the Department has taken to address all of GAO's High Risk List removal criteria.

To specifically address the issue of timeliness of investigations, DoD partnered with its primary Investigative Service Provider, the Office of Personnel Management (OPM), and has made remarkable progress. As a point of reference, using the 2004 Intelligence Reform and Terrorism Prevention Act measurement of the fastest 80 percent for the combined investigations and adjudications of clearances, DoD military and civilian clearances averaged 155 days in FY2006 and industry clearances averaged 196 days. The IRTPA required all agencies to complete 90 percent of their security clearances in an average of 60 days by December 2009; 40 days for investigation and 20 days for adjudication. DoD exceeded the 20-day adjudication requirement by 7 days. Since then, DoD has continued to improve. As of the fourth quarter of FY2010, 90 percent of the investigations and adjudications for DoD were completed in an average of 47 days.

This remarkable performance is attributable to several activities. The first came from OPM and its ability to significantly reduce the amount of time needed to conduct the investigation portion of the clearance process. OPM's proactive processing steps, coupled with DoD's improved clearance forecasting capability, enabled effective workload balancing for both investigations and adjudications. In fact, as of September 2010, OPM reported that DoD's projections are now within two percent of its actual requirements. Another notable improvement contributing to cycle time reduction was the transition away from hard copy, paper reports of investigation to electronic transmission and receipt of these documents. This collaborative effort between DoD and OPM resulted in the Department receiving approximately 570,000 of its 590,000 initial investigations in FY2010 via electronic delivery, eliminating the need to deploy trucks to deliver these investigative packages. This process improvement alone is estimated to have eliminated up to 15 days of processing, packaging, mail and irradiation time for each clearance package moved between DoD and OPM.

The next significant improvement came from the Department's development and deployment of the Case Adjudication Tracking System (CATS); which is comprised of four components: electronic receipt of completed reports of investigation; paperless workflow management; automated reporting of decisions to OPM's Central Verification System; and "e"Adjudication. Through this system, the Department made over 73,000 fully automated SECRET clearance adjudicative decisions in FY2010. This reformed process reduced processing time on those cases to mere minutes and was a factor in reducing overall adjudication time from an average of 71 days for the third Quarter of FY2009 to an average of 9 days for the fourth quarter of FY2010.

Our timeliness measures also include a deliberate focus on policies and process associated with quality. Specifically, DoD established clear policy regarding the conditions under which adjudicative decisions can be made when investigations do not have all of the components outlined in national level policy. DoD's policy also stipulates the documentation that is required and the annotations that must become part of the adjudicative records when such an action is taken. Additionally, the Department has initiated an information technology solution called RAISE (Rapid Assessment of Incomplete Security Evaluations) to assist with measuring investigative quality. RAISE capability coupled with a policy that requires the identification and documentation of cases that do not meet the National Standard for Security Investigations, provides an audit trail for investigative quality.

As previously mentioned, DoD's policy ensures proper documentation of all adjudicative decisions. In addition to establishing clear policy on the minimum standards for adjudicative rationale documentation, the Department developed an electronic tool called RADAR (Review of Adjudication Documentation Accuracy and Rationales). These adjudication assessments are conducted by an independent DoD component that reports directly to the Under Secretary of Defense for Intelligence (USD(I)). To date, the Department has conducted RADAR reviews on 452 cases. By the end of this calendar year, DoD will have completed its quality assessments of the clearance determinations conducted at all of our adjudication facilities and will be able to report statistically relevant information

during the second quarter of FY2011. Although we do not yet have a statistically relevant sample of adjudicative determinations and corresponding documentation, initial indications are that we are within 10 percent of reaching our stated goal for quality of 90 percent by December 2010 for completeness of adjudicative documentation. This is a substantial improvement over DoD's baseline assessment of 68 percent in 2008.

In addition to policy and information technology improvements, training also plays a key role in ensuring quality and consistency. To that end, the Department enhanced its formal adjudicator training program by requiring that every adjudicator obtain professional certification. In addition to the two current levels of formal classroom training for journeyman and senior adjudicators, the certification program assesses the performance of our adjudicators based on their ability to meet specific skill standards and proficiency capabilities through a combination of proctored examinations, supervisory reviews, continuous evaluations and education to maintain certification. It is worth noting that the Department's program is the basis for the currently proposed national level program for security adjudicator training and certification. For quality, consistency and reciprocity reasons, we also committed to attain professional certification for 50 percent of our adjudicators by December 2010 and 90 percent of our adjudicators by December 2011. We are on track to meet those goals.

In summary, I believe the Department has taken all the necessary steps to warrant removal from GAO's High Risk List for personnel security clearances. Throughout the organization, we have demonstrated significant leadership engagement in security clearance reform; provided sufficient resources across the enterprise to resolve the risk; developed and are executing a structured, robust corrective action plan with vigorous oversight from both the Under Secretary of Defense for Intelligence and the Performance Accountability Council. Lastly, our demonstrated and sustained performance that exceeds the requirements set by both the IRTPA and the PAC is evidence of our ability to demonstrate the implementation of corrective measures. The decades-old backlog of investigations, which as recently as October 2006 stood at almost 100,000 cases, has been eliminated.

While we continue to refine our processes and measures and recognize that there is more work to be done. We look forward to continuing our partnership with the Joint Reform Team and appreciate GAO's ongoing interest in this issue, as well as the tremendous support we've received from this Subcommittee.

Thank you for the opportunity to discuss this important issue with you. I look forward to your questions.