



OFFICE OF THE DIRECTOR OF NATIONAL



NATIONAL COUNTERINTELLIGENCE AND SECURITY

Advancing Counterintelligence and Security Excellence

Fiscal Year 2016 Annual Report on Security Clearance Determinations

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INTRODUCTION

The Intelligence Authorization Act (IAA) for Fiscal Year (FY) 2010¹ requires the President to submit an annual report on security clearance determinations to Congress. The IAA directs this report to include the number of United States Government (USG) employees who held a security clearance at each level as of 1 October of the preceding year, and the number of USG employees who were approved for a security clearance at each level during the preceding FY. Similar data pertaining to USG contractors is also required. Also, for each element of the Intelligence Community (IC), in-depth security clearance timeliness determination metrics are required. In response to these IAA requirements, the Office of the Director of National Intelligence (ODNI), National Counterintelligence and Security Center (NCSC) has prepared this *Fiscal Year 2016 Report on Security Clearance Determinations* consistent with the security clearance data requirements as outlined by the categories listed below.

Security Clearance Data Required by the FY 2010 IAA

Security Clearance Volume Levels for USG Employees and Contractors	Security Clearance Determination Processing Metrics for IC Agencies and Elements of the IC
<p>The number of individuals, categorized as government employees and contractors, who held and who were approved for a security clearance as of 1 October 2016; sorted by security clearance level.</p>	<ul style="list-style-type: none"> i. The time (in days) to process the shortest and longest security clearance determination made among 80% of security clearance determinations, and the time (in days) for the shortest and longest security clearance determination made among 90% of determinations. ii. The number of security clearance investigations as of 1 October of the preceding FY that were open for: <ul style="list-style-type: none"> o 4 months or less; o 4 – 8 months; o 8 – 12 months; and o more than 1 year. iii. Percentage of reviews during the preceding FY that resulted in a denial or revocation of a security clearance. iv. Percentage of investigations during the preceding FY that resulted in incomplete information. v. Percentage of investigations during the preceding FY that did not result in enough information to make an adverse decision. vi. The number of completed or pending security clearance determinations for government employees and contractors during the preceding FY that have taken longer than one year to complete; the agencies that investigated and adjudicated such determinations; and the cause of significant delays in such determinations.

¹ *The Intelligence Authorization Act for Fiscal Year 2010* (P.L. 111-259), Sec. 367, Security Clearances: Reports; Reciprocity.

EXECUTIVE SUMMARY

This report provides the current state of government security clearances. It is divided into two sections, “Security Clearance Volume for the Entire Federal Government” and “Security Clearance Performance for IC Agencies and Elements of the IC.” The first section reports the total volume of individuals who are eligible for access to classified information. It includes data for the number of individuals who have been briefed and are currently “in access” as well as those who are eligible but currently “not in access.” Both of these categories together decreased by four percent in FY 2016. This decrease appears to reflect continued efforts across the USG to review and validate whether an employee or contractor still requires access to classified information in accordance with Director of National Intelligence (DNI) guidance and further reinforced by Congressional requirements levied in the FY 2015 IAA. The majority of decreases resulted from the Department of Defense’s (DoD) continued implementation of Data Quality Initiatives (DQIs) that validated that the correct individuals have access to classified information within the DoD and ensured they were accurately reported in the Joint Personnel Adjudication System (JPAS). In addition to these efforts, there was also a reduction in new clearances due to: 1) the Office of Personnel Management’s (OPM) investigative backlog; and 2) the reduction in agency funding that impacted initiation of new security clearance requests.

The second section reports a variety of data associated with clearance performance for the IC. The FY 2016 report expands the data collection for this section to include three additional IC elements: Department of Energy – Office of Intelligence and Counterintelligence (DOE), Department of Homeland Security – Office of Intelligence and Analysis (DHS), and Department of the Treasury – Office of Intelligence and Analysis (Treasury). Processing times for the longest cases increased in most agencies. In addition, there were generally more cases pending over four months than in the previous years. The IC again cited an increased demand for investigative resources to address the periodic reinvestigation backlog and delays with OPM’s investigative products as major contributors to the challenges they faced in FY 2016. Although most of the IC agencies reflected in this report have delegated authority to conduct their own background investigations, in FY 2016, they often augmented their capabilities by utilizing services and products provided by OPM’s Federal Investigative Service.² As a result, they were also negatively impacted by external events, including the loss of a major USG contract investigative service provider.

METHODOLOGY

In order to report security clearance volume levels, NCSC’s Special Security Directorate (SSD) compiled, processed, and analyzed data from the three security clearance record repositories and ensured no duplicity: ODNI’s Scattered Castles (SC), DoD’s JPAS, and OPM’s Central Verification System (CVS). To fulfill specific reporting requirements of the FY 2010 IAA that are not captured in these repositories, NCSC/SSD issued a special data call to IC agencies as well as the other elements of the IC. Further details regarding this data call are explained below in the section entitled, “Security Clearance Performance for IC Agencies and Elements of the IC.”

² OPM’s Federal Investigative Service was subsumed by the National Background Investigations Bureau (NBIB), also organizationally under OPM, which was officially established on 1 October 2016.

SECURITY CLEARANCE VOLUME FOR THE ENTIRE FEDERAL GOVERNMENT

The FY 2010 IAA requires the number of individuals who held or were approved to hold a security clearance, as of 1 October 2016, to be calculated and categorized by personnel type (government employees, contractors, or other³) and security clearance level.

Table 1, *Number of Security Clearances*, provides the number of individuals in these categories for both FY 2015 and FY 2016. As in previous reports, the table reflects the total number of individuals “in access” (**Table 1.1**), those eligible, but currently “not in access” (**Table 1.2**), and the total number of individuals eligible to hold a security clearance whether or not in access (**Table 1.3**).

- **Table 1.1, *Eligible (In access)***, refers to individuals who were investigated and adjudicated favorably and also were briefed into access to classified information. As of 1 October 2016, there were 2,840,053 individuals eligible and in access, which was 25,349 fewer individuals than were in access on 1 October 2015 (a decrease of 0.9 percent).
- **Table 1.2, *Eligible (Not in access)***, reflects that there were 1,240,675 individuals eligible but not in access, which was 142,976 fewer individuals in this category as compared to 1 October 2015 (a decrease of 10.3 percent). Individuals, such as those supporting the military, may be determined eligible due to the sensitivity of their positions and the potential need for immediate access to classified information, but may not have actual access to classified information until the need arises.
- **Table 1.3, *Total Eligibility***, indicates that on 1 October 2016, there were 4,080,728 individuals found eligible to hold a clearance, which is a decrease of 168,325 individuals (4 percent) since 1 October 2015. Total Eligibility refers to individuals who were investigated and adjudicated favorably and had access to classified information as well as those who were favorably adjudicated but did not have access to classified information.

³ The “government” category includes all government employees and military personnel. The “contractor” category includes all industry employees, independent contractors, and consultants. The “other” category is predominantly comprised of the number of cleared government and contractor personnel reported in CVS, which does not have an employee type field.

Table 1: Number of Security Clearances

Table 1.1: Eligible (In Access)				
	As of 10/1/15:		As of 10/1/16:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	1,644,724	1,220,678	1,632,889	1,207,164
Total:	2,865,402		2,840,053	

Table 1.2: Eligible (Not in Access)				
	As of 10/1/15:		As of 10/1/16:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	1,240,846	142,805	1,118,239	122,436
Total:	1,383,651		1,240,675	

Table 1.3: Total Eligibility				
	As of 10/1/15:		As of 10/1/16:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	2,885,570	1,363,483	2,751,128	1,329,600
Total:	4,249,053		4,080,726	

As noted above, the decrease from FY 2015 to FY 2016 appears to reflect agencies’ continuing efforts to respond to DNI guidance directing Agency Heads to review and validate whether or not employees or contractors still required eligibility for access to classified information. During this reporting period, DoD had the most significant impact on the reduction as a result of continued implementation of several DQIs that resulted in reductions to the eligible population; particularly in the “not in access” category. In addition to these efforts, there was also a reduction in new clearances due to OPM’s investigative backlog as well as reductions in agency funding, impacting initiation of new national security clearance investigations.

Table 2, Number of Security Clearance Approvals, presents the number of individuals approved

⁴ The IC agencies and elements that provided information for this report include: Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), National Security Agency (NSA), Federal Bureau of Investigation (FBI), Department of State (DoS), DOE, DHS, and Treasury.

⁵ CIA also processes security clearances for ODNI employees and contractors.

for a security clearance during the FY by clearance level. Variations in data collection fields in the repositories currently limit the ability to collect precise data. For instance, a query of the security clearance determination *approvals* recorded in some repositories cannot distinguish between initial clearance and periodic reinvestigation approvals. As a result, the number of approvals represents a combination of approvals for initial clearances and for reinvestigations of existing clearances. Within this category, however, there has been a 6.9 percent reduction in the number of security clearances approved since FY 2015.

Table 2: Number of Security Clearance Approvals

	In FY 2015:		As of 10/1/16:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	408,262	230,417	366,948	227,946
Total:	638,679		594,894	

SECURITY CLEARANCE PERFORMANCE FOR IC AGENCIES AND ELEMENTS OF THE IC

To collect information responsive to FY 2010 IAA requirements set forth in items “i” through “vi” below, ODNI issued a special data call to all agencies and elements of the IC (hereafter referred to as “IC agencies”).^{4,5} Some agencies reported that collecting this information would be a manual, resource-intensive process that was not currently viable. Accordingly, the data reflected below does not include input from these agencies.

- i. The time in days to process the shortest and longest security clearance determination made among 80% and 90% of security clearance determinations.**

Table 3, *Processing Timeliness*, provides the total number of days required to process the shortest and longest security clearance cases (from initiation to adjudicative decision) for the fastest 80 percent of cases and for the fastest 90 percent of cases.

Table 3: Processing Timeliness

Agency	80 th Percentile				90 th Percentile			
	Top Secret		Secret/Confidential		Top Secret		Secret/Confidential	
	Longest	Shortest	Longest	Shortest	Longest	Shortest	Longest	Shortest
Agency #1	522	464	DNP	DNP	522	464	DNP	DNP
Agency #2	120	1	DNP	DNP	190	1	DNP	DNP
Agency #3	238	1	151	1	228	1	197	1
Agency #4	445	39	193	25	489	39	226	25
Agency #5	247	19	153	8	328	19	204	8
Agency #6	230	61	DNP	DNP	270	61	DNP	DNP
Agency #7	236	1	152	1	337	1	206	1
Agency #8	159	42	DNP	DNP	273	42	DNP	DNP
Agency #9	188	14	DNP	DNP	292	14	DNP	DNP
Agency #10	217	34	DNP	DNP	447	37	DNP	DNP

DNP = Does Not Perform

Increased attention to conducting reinvestigations amplified the demand for background investigations (BIs). Unfortunately, the loss of a major BI vendor in 2014 and a reduced supply of available contract investigators negatively impacted the ability to meet this demand. IC agencies reported that BI vendors and agency staff investigators were still unable to meet the demand for BIs, resulting in overdue BIs that have ultimately caused clearance timelines to increase. In addition, the demand for certified polygraph examiners also increased throughout the IC. IC agencies reported that the National Center for Credibility Assessment (NCCA) did not offer enough training classes to provide the number of certified examiners necessary to meet polygraph requirements. As a result, agencies have had to enhance benefits to attract and compete for the reduced pool of certified examiners.⁶

In addition, Agency #2 indicated that most IC employees join the agency with Top Secret (TS) clearances that are accepted through reciprocity from other agencies. Therefore, they have only two TS initial cases to report for FY 2016. Both of these cases were submitted to OPM in May of 2015 and are pending due to OPM's investigative backlog.

- ii. **The number of pending security clearance investigations as of 1 October 2016 that have remained pending for: four months or less; between four months and eight months; between eight months and one year; and for more than one year.**

⁶ The ODNI and NCCA leadership have partnered to assess and address these challenges to achieve programmatic health. The ODNI will continue to closely engage and monitor this situation.

Table 4, *Age Pending*, provides the number of pending security clearance investigations by length of time and by agency.

Table 4: Age Pending

Agency	Top Secret Initial Security Clearance Investigations			
	0 to 4 Months	4 to 8 Months	8 to 12 Months	Over 12 Months
Agency #1	1	0	0	2
Agency #2	24	17	1	0
Agency #3	1,264	339	80	40
Agency #4	687	450	75	0
Agency #5	998	241	34	11
Agency #6	371	740	953	4
Agency #7	1,233	217	40	31
Agency #8	0	0	3	1
Agency #9	485	38	115	268
Agency #10	111	0	0	7

The total number of initial cases pending for more than four months has increased from 2,526 in FY 2015 to 3,707 in FY 2016.

iii. The percentage of reviews during the preceding FY that resulted in a denial or revocation of a security clearance.

Table 5, *Denials and Revocations*, reflects the percentage of denials (resulting from adjudications of initial cases) and revocations (resulting from adjudications of periodic reinvestigations or other revocations for cause).

Table 5: Denials and Revocations

Agency	FY 2016	
	Denials	Revocations
Agency #1	0.0%	0.0%
Agency #2	6.1%	0.0%
Agency #3	0.0%	2.3%
Agency #4	2.5%	1.1%
Agency #5	0.2%	0.2%
Agency #6	0.3%	0.1%
Agency #7	6.6%	0.4%
Agency #8	0.0%	0.0%
Agency #9	3.1%	1.3%
Agency #10	0.0%	0.8%

The difference in the percentage of denials and revocations among agencies can be attributed to different processes employed by those agencies. For example, some agencies may discontinue security processing due to automatic disqualifiers found during a suitability for employment review before the case reaches the security clearance adjudication phase. These cases are cancelled by Human Resources before security clearance determinations are rendered and are not, therefore, categorized as security clearance denials. Other IC agencies consider all relevant information in their security clearance adjudicative process. These IC agencies render security clearance denials based upon the totality of the information contained in the case files, which results in a higher percentage of denials.

iv. The percentage of investigations during the preceding FY that resulted in incomplete information.

Most IC agencies reported an inability to track this data until the deployment of the Quality Assessment Reporting Tool (QART), which was after the collection date for this report (1 October 2016). Agency #5 reported that it started tracking this data in the last month of the FY. During that month, 93 investigations were checked for quality assurance and zero were assessed as “Incomplete.” Agency #4 reported that 2.8 percent of investigations during FY 2016 were assessed as “Incomplete.”

- v. **The percentage of investigations during the preceding FY that did not result in enough information to make a decision on potentially adverse information.**

As noted above, most IC agencies reported an inability to track this data until the deployment of QART, which was after the collection date for this report (1 October 2016). Agency #4 reported 0.9 percent and Agency #6 reported 53.2 percent of investigations during FY 2016 were assessed as “Insufficient.”

- vi. **The number of completed or pending security clearance determinations for government employees and contractors during the preceding FY that have taken longer than one year to complete; the agencies that investigated and adjudicated such determinations; and the cause of significant delays in such determinations.**

Table 6, *Delays More Than One Year for Government Cases*, shows the number of security clearance determinations for USG employees that required more than one year to complete.

Table 6: Delays More Than One Year for Government Cases

Agency	FY 2016	
	Over One Year	
	Pending	Completed
Agency #1	2	0
Agency #2	0	26
Agency #3	47	225
Agency #4	0	2
Agency #5	55	128
Agency #6	1	16
Agency #7	198	157
Agency #8	1	1
Agency #9	101	49
Agency #10	611	741

Some IC agencies reiterated that NCCA’s inability to meet training requirements contributed to an increase in the number of cases taking longer periods of time when a polygraph examination was required. Additionally, Agency #1 reported that it conducted a suitability for employment review and adjudication for their USG population that may have further delayed its TS cases.

Table 7, *Delays More Than One Year for Contractor Cases*, shows the number of security clearance determinations for contractors that required more than one year to complete.

Table 7: Delays More Than One Year for Contractor Cases

Agency	Contractor Cases	
	Over One Year	
	Pending	Completed
Agency #1	0	0
Agency #2	0	0
Agency #3	0	0
Agency #4	40	630
Agency #5	4	22
Agency #6	1	111
Agency #7	342	336
Agency #8	2	0
Agency #9	281	105
Agency #10	DNP	DNP

DNP = Does Not Perform

Some DoD IC agencies only have delegated investigative authority over their civilian employees, and therefore can only report the overall timeliness for that population. These DoD IC agencies only conduct adjudications of contractors who already have a TS clearance for access to Sensitive Compartmented Information. Additionally, some IC agencies reported receiving a large group of backlogged cases from their contract investigative staff to adjudicate just prior to the end of FY 2016.

Some IC agencies cannot report detailed information, either for their entire population (due to the technical limitations of their current database of record) or for their contractor population for the reasons cited in the previous section. This report reflects all instances of significant adjudicative events noted as causes for delay. For IC agencies that can report detailed information, “multiple issues” was cited as the cause for significant delay in 915 (49 percent) of cases. Even excluding data from newly reporting IC agencies, there is a slight increase from FY 2015. As in FY 2015, “foreign influence” was again reported as the most common single reason for delay, and “financial considerations” was the second most common reason for delay.

CONCLUSION

In FY 2016, the number of individuals eligible for a security clearance *declined* slightly by four percent across both the “in access” and “not in access” populations. The majority of the decreases appear to reflect agencies’ continued response to DNI guidance. The most notable decrease during this reporting period resulted from DoD’s successful implementation of DQIs, as noted above. As these combined data integrity efforts reach a natural conclusion, the resulting decreases are likely to be less impactful each year.

Looking ahead, there are major efforts underway that may impact the USG cleared population. Efforts of agencies to comply with Title 5, Code of Federal Regulations Part 1400,

⁷The classified annex to accompany the *Intelligence Authorization Act for Fiscal Year 2015* (P.L. 113-293).

Designation of National Security Positions in the Competitive Service, and Related Matters, may impact the number of sensitive positions and the number of personnel who are eligible for access to classified information. Additionally, ongoing agency efforts to comply with DNI guidance and Congressional requirements to validate that each government employee and government contractor deemed eligible for access to classified information continues to require such eligibility, is also expected to impact the total number of USG cleared personnel. It is impossible to predict how or to what extent these concurrent efforts may offset each other. In complying with all efforts, the USG will be headed toward an appropriate number of cleared personnel based on agency mission. A slight increase or decrease should be viewed as a corrective measure that provides a more accurate picture of the cleared population.

The IC continues to face resource challenges associated with competing requirements of reducing the periodic reinvestigation backlog and meeting timeliness goals for initial security clearance processing. In addition, IC agencies are still negatively impacted by the limited number of background investigators available as well as the OPM investigative backlog. In FY 2016, the reduction of capacity at NCCA also impacted IC agencies, and may continue to do so in the future if corrective measures do not proceed in earnest. The IC also faces timeliness challenges in clearing individuals with unique or critical skills (such as highly desirable language abilities) who often have significant foreign associations that may take additional time to investigate and adjudicate. The ODNI, in partnership with the Office of Management and Budget, OPM, NBIB, and DoD, is committed to addressing these challenges while driving executive branch improvements in the timeliness, quality, and consistency of investigative and adjudicative processes.



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