NATIONAL INDUSTRIAL SECURITY PROGRAM
POLICY ADVISORY COMMITTEE (NISPPAC)

SUMMARY MINUTES OF THE MEETING

The NISPPAC held its 36th meeting on Wednesday, July 21, 2010, at 10:00 a.m., at the National Archives Building, 700 Pennsylvania Avenue, NW, Washington, DC. William J. Bosanko, Director, Information Security Oversight Office (ISOO), chaired the meeting, which was open to the public. The following minutes were finalized and certified on October 15, 2010.

The following members/observers were present:

- William J. Bosanko (Chairman)
- Ryan McCausland (Department of the Air Force)
- Lisa Gearhart (Department of the Army)
- George Ladner (Central Intelligence Agency)
- Stanley Sims (Department of Defense)
- Gina Otto (Office of the Director of National Intelligence)
- Drew Winneberger (Defense Security Service)
- Richard Donovan (Department of Energy)
- Janice Gibbs (Department of Justice)

- Peter Ambrose (National Aeronautics & Space Administration)
- Sean Carney (Department of the Navy)
- Kimberly Baugher (Department of State)
- Chris Beals (Industry)
- Scott Conway (Industry)
- Shawn Daley (Industry)
- Richard Lee Engel (Industry)
- Frederick Riccardi (Industry)
- Marshall Sanders (Industry)
- William Marosy (Office of Personnel Management) – Observer

I. Welcome, Introductions, and Administrative Matters

The Chairman greeted the membership and called the meeting to order at 10:00 a.m. After introductions, the Chairman stated that the minutes from the March 24, 2010, meeting were finalized and certified on July 13, 2010, and that copies have been provided in the meeting packages. The Chairman commented on the article in the Washington Post entitled "Top Secret America" and reminded the members to be mindful of information releases and follow public disclosure procedures.

II. Old Business

The Chairman requested that Greg Pannoni, Designated Federal Officer, ISOO, review NISPPAC actions from the last meeting. Mr. Pannoni noted that the revised NISPPAC Bylaws and the update to 32 C.F.R. Part 2004, which includes guidance on National Interest Determinations, have been posted on the ISOO website. He also welcomed comments regarding the latter's effectiveness. Finally, he thanked Government members for coordinating the concurrence of their agencies' nominations of NISPPAC representatives with their designated Senior Agency Official.   The Chairman thanked Mr. Pannoni for his review and update and moved the discussion to the working group updates.

III. Working Group Updates

A) Personnel Security Clearance (PCL) Working Group Report

The Chairman thanked the members of the PCL Working Group for their continued effort in the implementation of systems and the issuance of guidance that have improved the security clearance investigation and adjudication process. He indicated that he would review the need for reports of PCL data at all three NISPPAC meetings in the coming year given the recent relative stability of the process.

William Marosy, Office of Personnel Management (OPM), and Kathleen Branch, Defense Security Service (DSS), presented the PCL Working Group report (appendix 1). Mr. Marosy provided the PCL Working Group data for the fastest 90 percent of all Secret and Top Secret initial investigations for the second quarter of fiscal year 2010. He noted that there were minor reductions in each stage–initiation, investigation, adjudication–and that overall timeliness was averaging 80 days. He continued, reporting that for Top Secret Periodic Reinvestigations, the average timeliness was 132 days. Mr. Marosy then yielded to questions. Frederick Riccardi, Industry, inquired if the fluctuations in adjudicative times were due to the identification of more issues to adjudicate rather than from a queuing issue. Mr. Marosy stated that he would examine the case metrics to determine the cause of the fluctuations.

The Chairman thanked Mr. Marosy for his presentation and introduced Ms. Branch, who explained that Helmut Hawkins, DSS, would present metrics (appendix t 2) on behalf of the Defense Industrial Security Clearance Office (DISCO). Mr. Hawkins noted that the adjudicative inventory of total cases pending was approximately 38,600 as of the end of May. There were 11,068 cases pending at DISCO and the remaining approximately 27,500 cases were at OPM. Mr. Hawkins responded to Mr. Riccardi's question regarding increases in pending adjudications, attributing them to three factors: (1) an increase in throughput of cases; (2) an increase in investigations originating from overseas; and (3) an increase in the adjudicative timeline caused by trained adjudicators being diverted from case processing to train new employees who have been hired as part of the realignment of DISCO, which was prompted by the Base Relocation and Closure Commission recommendations. Mr. Hawkins then provided data on the rejection rates from both OPM and DSS. He noted that the majority of the rejections at DISCO resulted from incomplete forms received from smaller companies and that the DSS Academy was developing training to help these companies better understand the process. Lee Engel, Industry, asked if it was specifically the incomplete forms that were causing these rejections, and Mr. Hawkins answered in the affirmative.

The Chairman thanked Mr. Hawkins for his presentation. The Chairman voiced support for a recommendation that came from the working group to initiate an ad-hoc working group to review the scope and causes of case rejections and the issues with incomplete forms and fingerprint cards. The Chairman indicated that there should be two meetings of the PCL working group specifically devoted to gathering, considering and reporting statistical updates, thus allowing one or more meetings to focus on other special issues such as this. The Chairman then solicited the membership's interest in contributing to an

ad hoc working group to address these issues and instructed them to contact Mr. Pannoni if they wanted to participate. Mr. Marosy stated that the data would still be provided to the working group to assist in addressing any specific issues.

B) Certification and Accreditation (C&A) Working Group Report

The Chairman introduced Michael Farley, DSS who presented the C&A Working Group Report (appendix 3). Mr. Farley indicated that, through on-site inspections and reviews of system security plans, DSS accredits information systems to ensure that they have appropriate security controls in place to minimize risk. Mr. Farley noted that over the past year (June 2009-May 2010) it took an average of 33 days for an information system to receive an Interim Approval to Operate (IATO) and that over time that average has been reduced while also addressing resource and staffing shortfalls. A staffing shortfall has resulted in an 18-day queue before the initial review of a system security plan begins. Mr. Farley provided metrics for the previous three months (April–June 2010), which indicated the average time for awarding an IATO was 27 days, which is better than the DSS goal of 30 days. Continuing, he presented metrics on system security plans, noting that approximately 31 percent of the plans submitted required some type of a change prior to the awarding of an IATO, though normally these changes did not affect the granting of the IATO. The Chairman asked Mr. Farley whether there was a process to address these common issues and errors observed in these plans. Mr. Farley responded that cultural differences and constant changes in the Office of the Designated Approving Authority (ODAA) processes could impact smaller companies who tend to use older templates to generate new plans.

Shawn Daley, Industry, asked if the rejection data was available by region. Organized in this manner, the data can be used to educate Information System Security Managers (ISSM) on the errors to help them correct frequently occurring errors. Mr. Farley responded that redesigning the metrics to capture data in a certain way will assist in the plan submission and education process and indicated that there is an ongoing effort to educate Industry on how to avoid common errors and pitfalls in system security plans.

Chris Beals, Industry, asked if error rates can be measured by the category of company in order to see if smaller companies are committing the majority of the errors. If so, educational efforts can be targeted at the type of companies affected. Mr. Farley responded that he would have to check with DSS headquarters to see if the data is captured by this category. Mitch Lawrence, Industry, commented that it would be beneficial to have the data by category. He also wanted confirmation that the metrics were based on Secret Internet Routing Protocol Network (SIPRNET) connectivity. Mr. Farley responded that this was all included in the metrics with a priority on SIPRNET connectivity. Mr. Farley continued his presentation, reviewing the on-site validation metrics that provide the number of system plans that require corrections during an on-site review. He noted that these metrics reflected improvement, with only 16 percent of the system plans having errors, vice the 32 to 33 percent of plans previously having errors. Finally, he concluded with the metrics for the major items covered during an on-site review: auditing, session controls, configuration management, and physical controls. Marshall Sanders, Industry, recommended that there be a similar focus on rejection rates

for the ODAA process that is being conducted by the PCL working group. The Chairman agreed that increased focus and partnership would be welcomed.

Mr. Engel surfaced a previously raised issue regarding the sanitization of systems after a data spill and inquired as to whether implementing a prior recommendation to address data spills in a system security plan would speed up the sanitization process. Both the Chairman and Mr. Farley responded that this approach has not gained any traction and they did not know whether it was addressed by the working group. Scott Conway, Industry, asked if the metrics show the number of IATOs expiring and the throughput from IATO to Approval to Operate (ATO). Mr. Farley responded that there has not been much discussion on the follow-on process with regard to expiring IATOs. Sean Carney, Department of the Navy, asked whether DSS Industrial Security Representatives (IS Rep) were inspecting systems after they were brought online. Mr. Farley responded that IS Reps were trained on basic system layouts and configurations under a C&A reviewer program. However, since many of the DSS Information System Professionals (ISP) have less than a year of experience in the field, they cannot teach the IS Reps until they are fully trained themselves. So, the process is currently on hold at least in the Capital Region.

Timothy McQuiggan, Industry, asked whether it was in the best interest of both Government and Industry to have companies self-certify their systems. Mr. Farley responded that self-certifications are efficient but agreed that more resources are needed to inspect the systems. He stated that once self-certification authority/permission is given it is difficult to undo the damage when abused, and that is why DSS applies the protocols to ISSM's conservatively. Further, it was discussed that a self-certification checklist needs to be created to provide uniformity in the items that must be reviewed during the certification. Mr. Farley agreed that this would benefit Industry and that a more in-depth look at the specific matrix data for self-certification is necessary. He also reminded members that all self-certification programs are required to be validated by the ISP. The Chairman stressed that there needs to be a shift in focus from the metrics recorded in receiving an IATO to a whole-process review that ends with the granting of an ATO and includes self-certification issues. Mr. Sanders requested information on the percentage of ISSMs that have self-certification authority. Discussion proceeded with regard to specific issues regarding self-certification and system plans. The Chairman thanked Mr. Farley and all the working group members for their continued work and remarked on how there has been a definite improvement in the C&A process since the group was formed.

IV. New Business

A) Recent Changes in National Policy

The Chairman stated that Executive Order (E.O.) 13526 "Classified National Security Information," became fully effective on June 27, 2010, and that the new implementing directive for E.O. 13526 was published and effective on June 25, 2010. He noted that ISOO implementation efforts would be geared towards identifying policy and direction that requires change; updates and changes would be issued through a series of ISOO notices. The Chairman invited members to reach out to him, Mr. Pannoni, or David Best, ISOO, for further clarification and then stressed that, for Industry members, the

implementation of E.O. 13526 would be through the National Industrial Security Program Operating Manual (NISPOM) and other directives. The Chairman also noted that an E.O. governing access to classified national security information by State, Local, Tribal, and Private Sector (SLTPS) entities was being coordinated through the White House. He stressed that the Department of Defense (DoD) was included in the SLTPS drafting process to ensure that the program did not conflict with the purview of the NISP or the NISPPAC. Stanley Sims, DoD, affirmed that, during the SLTPS drafting process, the pertinent authorities were preserved. Regarding Controlled Unclassified Information (CUI), the Chairman indicated that a draft CUI policy was in final coordination but he could not comment on when it would be issued.

The Chairman noted that the DSS Academy was seeking volunteers to beta test a new course on the C&A process and asked Industry members who were interested to contact Mr. Best for details on enrolling. The Chairman raised two final items under New Business: initial security clearance briefings and the use of Standard Form (SF) 328, "Certificate Pertaining to Foreign Interests." He stated that the process of initial security clearance briefings needed to be reviewed to ensure that the briefings can be provided in the field and not only at a headquarters element. Regarding the SF-328, the Chairman stated that the form continues to be used to report data for a purpose that is not consistent with its approved use. He stated that if the data on the form is required for use in a different venue, then the form's usage should be revisited.

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B) DoD Update

Mr. Sims, DoD, initiated the DoD update, noting that there have been numerous changes to a variety of documents that govern national security policy, to include the NISPOM. Commenting that it is very time consuming to coordinate all of these policies and changes, he requested the patience of the NISPPAC members with the NISPOM revision process and noted that, while not all of the suggestions from Industry may be accepted, DoD would provide feedback on all comments and recommendations it received. Stephen Lewis, DoD, continued the update, covering two topics: the process for Industrial Security Letters (ISL) and the NISPOM revision. He explained that an ISL is a DoD interpretation of the NISPOM issued by DSS to the contractor community and outlined the process for NISPPAC membership to comment on ISLs in order to minimize conflicts in interpretation between Government and Industry. While this process affects timeliness in the release of the guidance, the benefit of the cooperation is far greater. He continued to discuss the NISPOM revisions and reminded members that the deadline for comments was Friday, July 23, 2010. As the process moves forward, DoD will form working groups, composed of NISPPAC members or their designees, to discuss the proposed revisions. Once the working group process is completed, a formal coordination period would begin with the Federal Register and public coordination and the government coordination process. Finally, Mr. Sims asked members to review comments they plan to submit to ensure that only critical items are included rather than minutiae that would detract from the revision process. The Chairman thanked both Mr. Lewis and Mr. Sims for their update.

C) Combined Industry Presentation

The Chairman introduced Mr. Conway who provided the Industry presentation (appendix 4). The Chairman noted that nomination letters must be received for the replacements for Mr. Engel and Mr. Jarvie, whose terms are ending September 2010. Mr. Conway stated that Industry was actively working on the nominations for new members. He discussed changes regarding industries represented in the Memorandum of Understanding (MOU) organizations. Additionally, he recognized the success of the NISPPAC, specifically noting the work done by the Foreign Ownership, Control, and Influence Working Group. Mr. Conway continued, addressing Industry's support and noted that progress was being made on information sharing, cyber threat reporting, and briefings on the Joint Personnel Adjudication System and Public Key Infrastructure to provide Industry a better perspective on the new security requirements that must be implemented. Mr. Conway summarized the current work on policy documents and provided the Chairman with Industry comments on the NISPOM update and the issues within the document of concern to Industry. Finally, Mr. Conway provided Industry's list of concerns and watch items, specifically the NISPOM, CUI reform, Cyber security requirements across the Defense Industrial Base, and the Defense Federal Acquisition Regulation (DFAR) clause. Mr. Lewis commented that the general rule on the effective date for implementation of a revised NISPOM is six months and indicated that the DFAR clause is being actively reviewed.

V. General Open Forum/Discussion

No items discussed.

VI. Closing Remarks and Adjournment

The Chairman stated that the next two NISPPAC meetings are scheduled for Wednesday, November, 17, 2010, and Wednesday, March 16, 2011, from 10:00 a.m. to 12:00 p.m. There has been discussion of a NISPPAC meeting being held in conjunction with the National Classification Management Society (NCMS) Annual Training Seminar. The Chairman stated that, if coordination with the NCMS was successful, the NISPPAC meeting at the NCMS seminar would be Monday, June 20, 2011, in New Orleans, Louisiana. He stated that there will be an outreach to members if this were confirmed. The Chairman expressed his sincere thanks to everyone, and the meeting was adjourned at 11:35 a.m.

Summary of Action Items

A) The Personnel Security Clearance (PCL) Working Group will form an ad-hoc working group to review case rejection rates due to incomplete forms and fingerprint cards. The working group will recommend target issues to be addressed by the PCL working group or another ad-hoc working group.

B) NISPPAC support staff will coordinate with the NCMS regarding the hosting of a NISPPAC meeting in conjunction with the annual NCMS seminar in New Orleans, Louisiana, on Monday June 20, 2011.

C) The Certification & Accreditation (C&A) Working Group will review the cause and scope of rejections of IATOs as well as the processes relevant to the awarding of an ATO and self-certification and will recommend target issues to be addressed by the C&A working group or another ad-hoc working group.

D) Industry will nominate new representatives to replace Mr. Jarvie and Mr. Engle on the NISPPAC for appointment prior to the next NISPPAC meeting.

Appendix 1- OPM PCL Presentation
Appendix 2- DISCO PCL Presentation
Appendix 3- ISFO C&A Presentation
Appendix 4- Combined Industry Presentation

Appendix 1-OPM-PCL Presentation

Timeliness Performance Metrics for DoD's Industry Personnel Submission, Investigation & Adjudication* Time

Average Days of Fastest 90% of Reported Clearance Decisions Made During the 1st & 2nd Qtr FY10
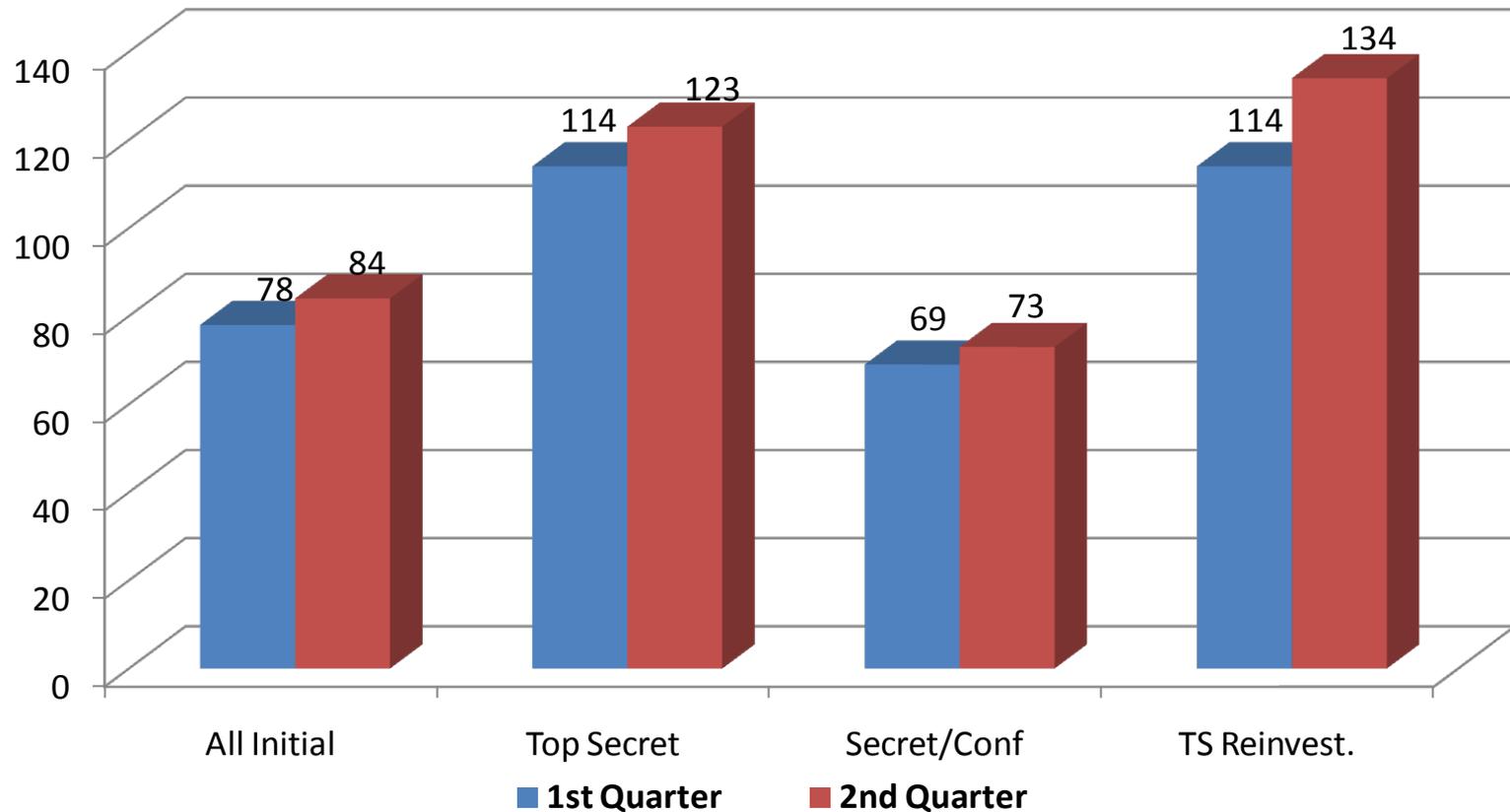
	All Initial	Top Secret	Secret/ Confidential	Top Secret Reinvestigations
Adjudication actions taken – 1st Q FY10	31,439	6,709	24,730	5,360
Adjudication actions taken – 2nd Q FY10	23,143	5,210	17,933	4,611

*The adjudication timelines include collateral adjudication by DISCO and SCI adjudication by other DoD adjudication facilities

1

Data reflective of reported adjudicative decisions as of April 5, 2010

Industry's Average Timeliness Trends for 90%
Initial Top Secret and <u>All</u> Secret/Confidential Security Clearance Decisions

Average Days for Fastest 90%

Legend: ■ Initiation ▢ DSS Processing Time ■ Investigation ■ Adjudication
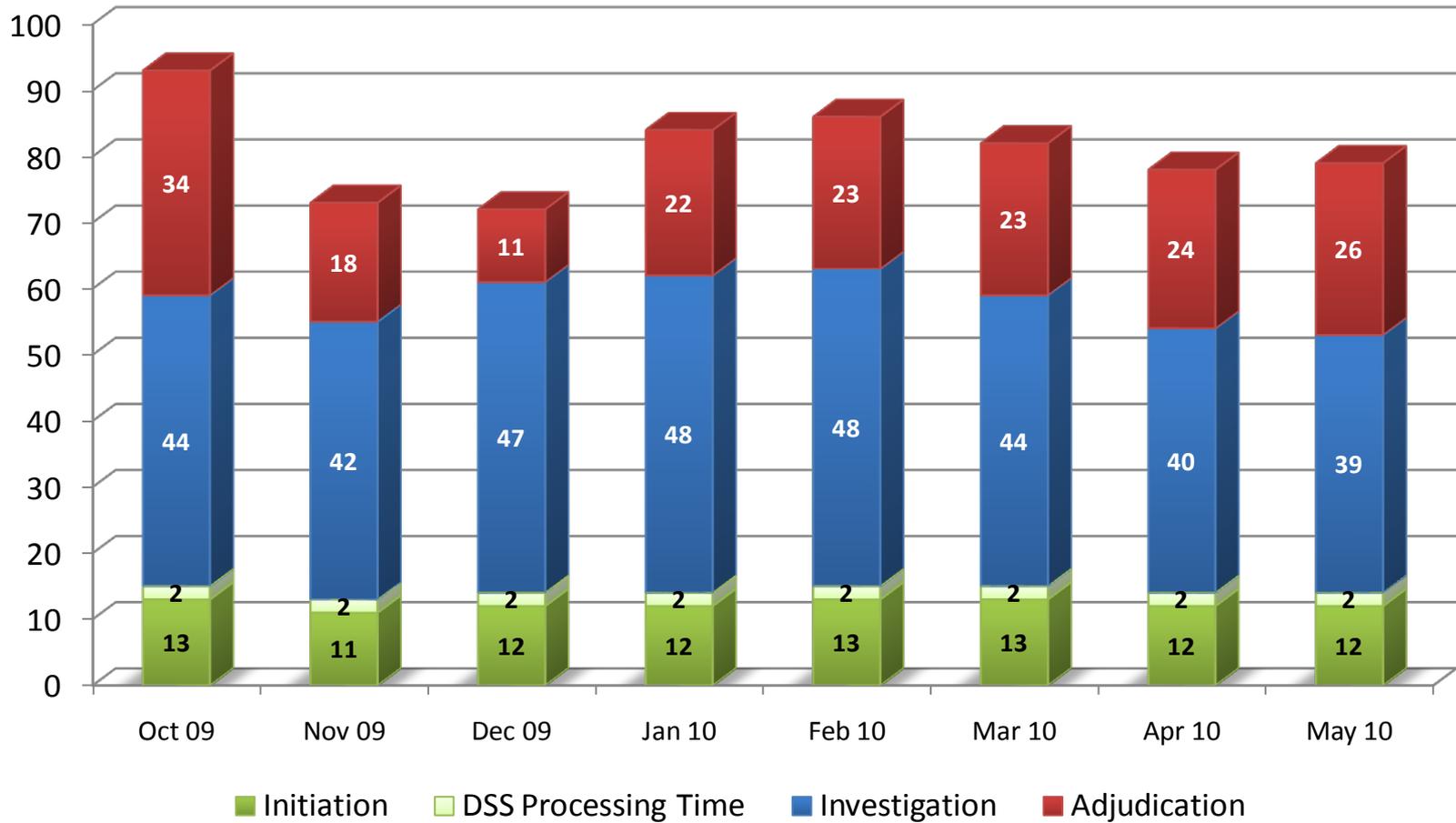
	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10
100% of Reported Adjudications	9,352	12,738	9,350	7,604	6,560	8,953	8,245	7,903
Average Days for fastest 90%	93 days	73 days	72 days	84 days	86 days	82 days	78 days	79 days

Industry's Average Timeliness Trends for 90% Initial Top Secret Security Clearance Decisions

Average Days for Fastest 90%

Legend: ■ Initiation ■ DSS Processing Time ■ Investigation ■ Adjudication
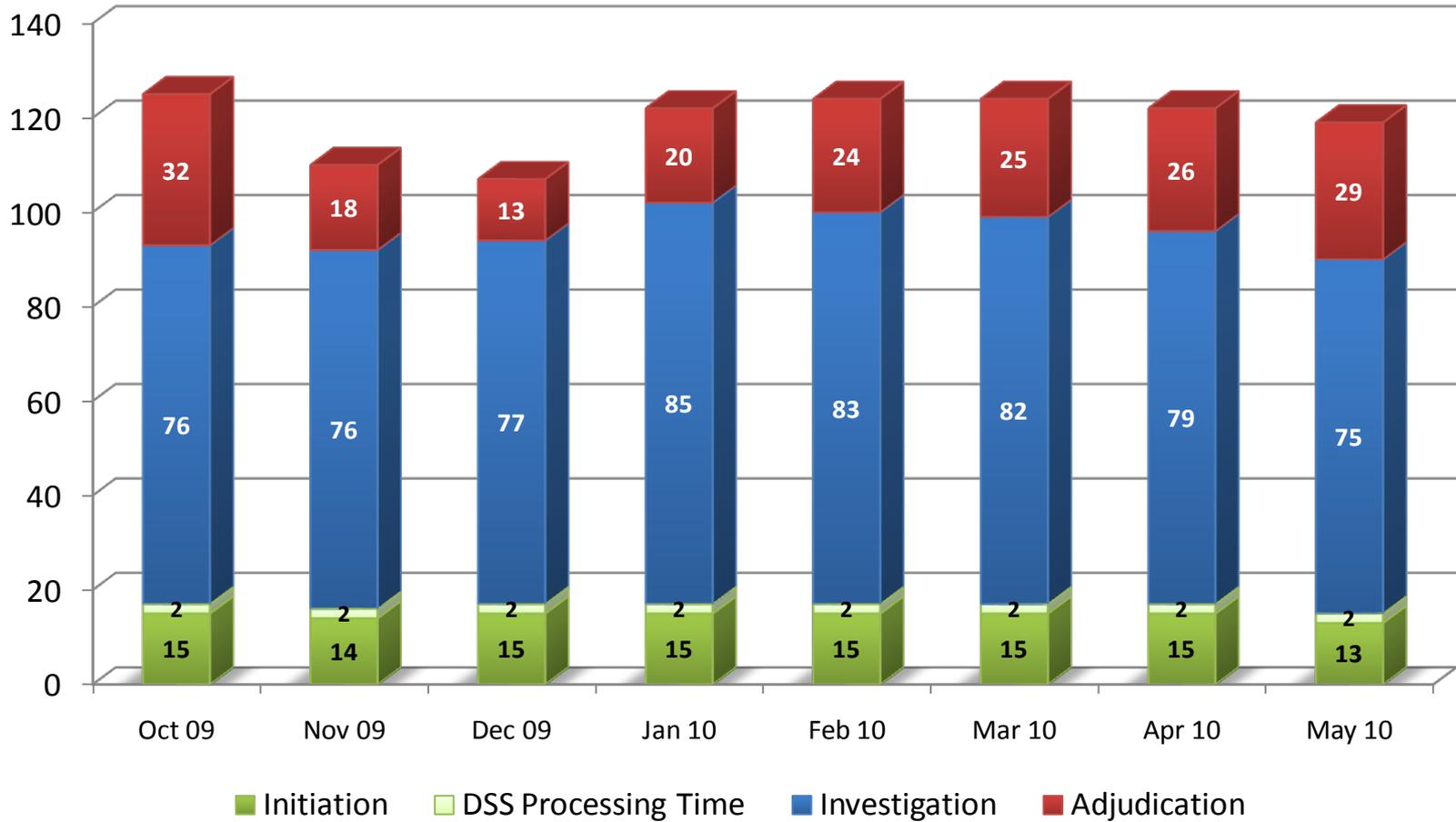
	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10
100% of Reported Adjudications	2,225	2,454	2,028	1,641	1,537	2,030	1,575	1,825
Average Days for fastest 90%	125 days	110 days	107 days	122 days	124 days	124 days	122 days	119 days

3

Industry's Average Timeliness Trends for 90% Secret/Confidential Security Clearance Decisions

Average Days for Fastest 90%

Chart data (Average Days for Fastest 90%):

Category	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10
Adjudication	34	17	11	22	23	22	23	25
Investigation	35	35	39	38	38	34	32	30
DSS Processing Time	2	2	2	2	2	2	2	2
Initiation	12	11	11	12	12	12	11	11

Legend: ■ Initiation ☐ DSS Processing Time ■ Investigation ■ Adjudication
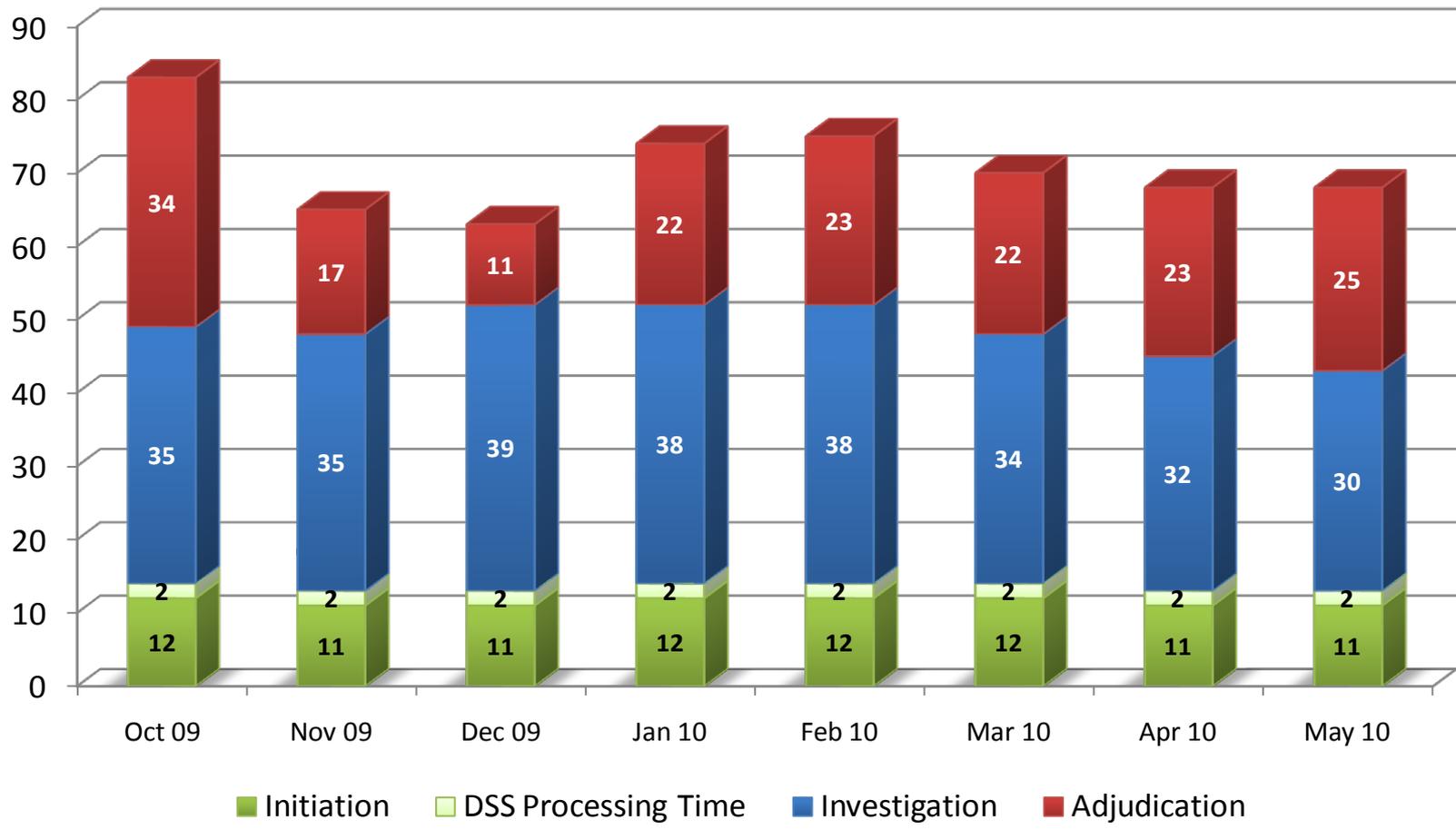
	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10
100% of Reported Adjudications	7,127	10,284	7,322	5,963	5,023	6,923	6,670	6,078
Average Days for fastest 90%	83 days	65 days	63 days	74 days	75 days	70 days	68 days	68 days

Industry's Average Timeliness Trends for 90%
Top Secret Reinvestigation Security Clearance Decisions
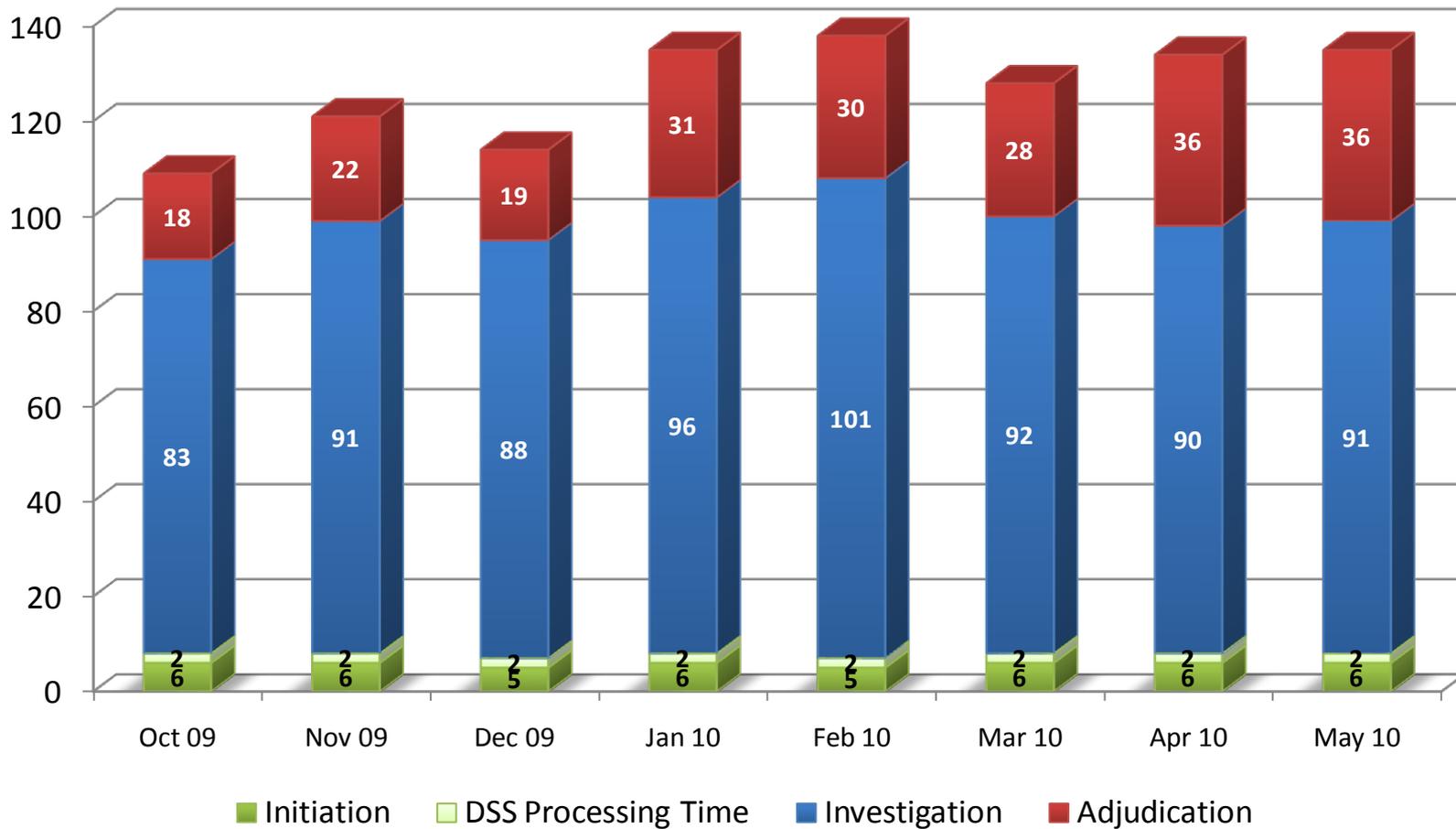
	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10
100% of Reported Adjudications	2,206	1,486	1,602	1,322	1,376	1,857	1,643	1,513
Average Days for fastest 90%	109 days	121 days	114 days	135 days	138 days	128 days	134 days	135 days

Appendix 2-DSS-PCL Presentation

DISCO
FY10 Adjudication Inventory
Initial Clearance Adjudications

FY10 DISCO Inventory
Initial Adjudications - Pending Inventory
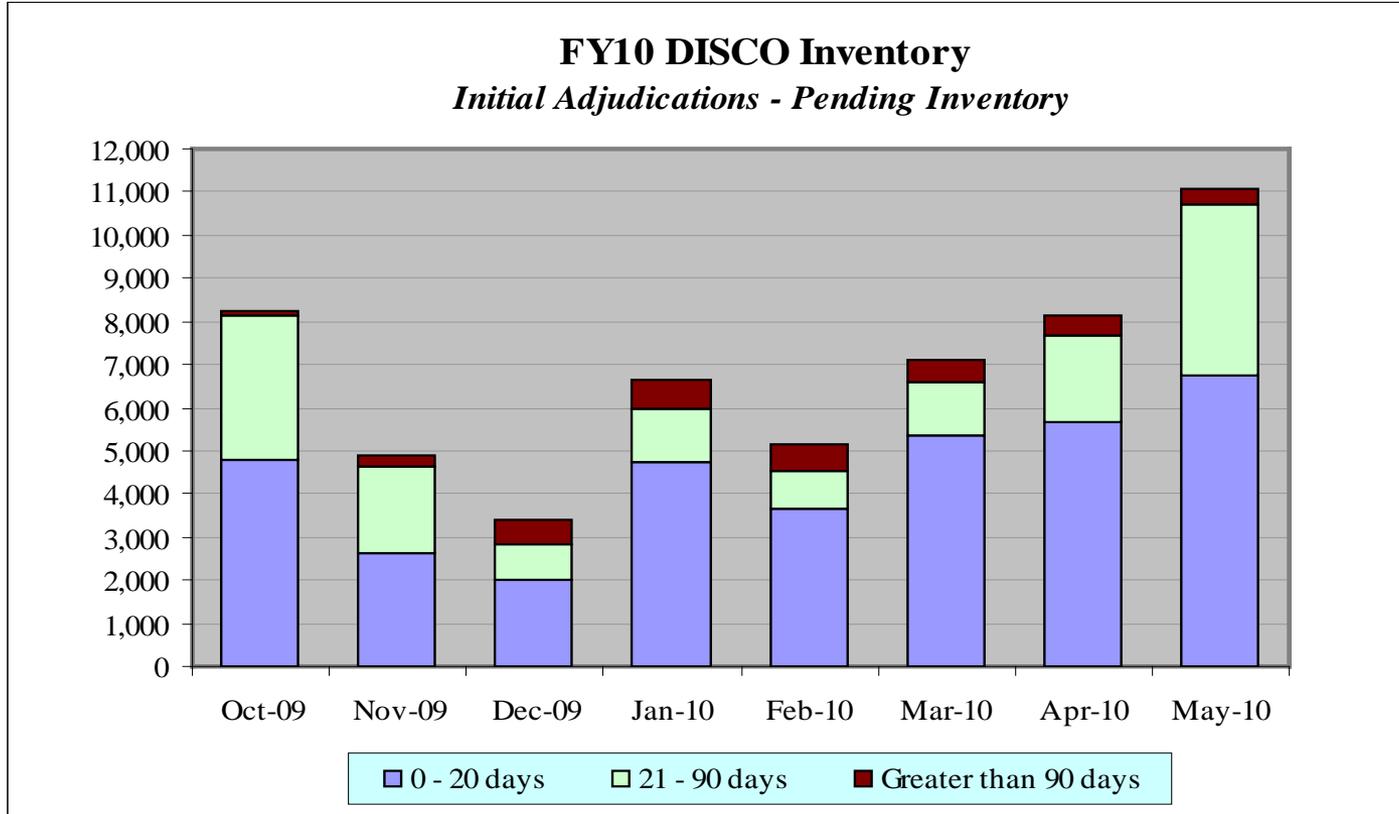
Category	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
0 - 20 days	4,797	2,650	2,002	4,752	3,656	5,331	5,642	6,759
21 - 90 days	3,349	1,987	840	1,238	890	1,247	2,012	3,935
Greater than 90 days	91	269	557	653	591	550	505	374
Grand Total	8,237	4,906	3,399	6,643	5,137	7,128	8,159	11,068

Source: JPAS and CATS

DISCO
FY10 Adjudication Inventory
Periodic Reinvestigation Adjudications

FY10 DISCO Inventory
Periodic Reinvestigation Adjudications - Pending Inventory
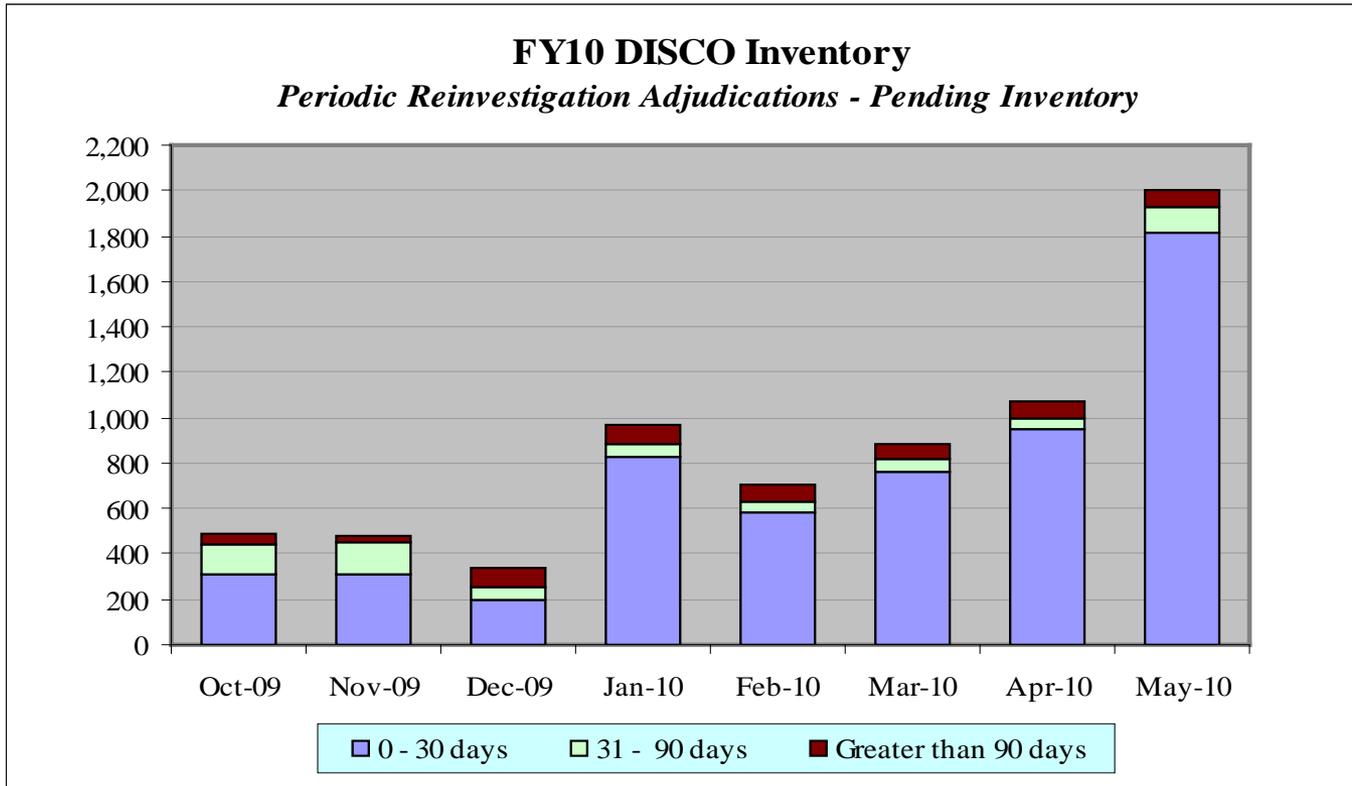
Category	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
0 - 30 days	308	312	201	831	586	761	946	1,812
31 - 90 days	133	135	54	53	47	56	55	113
Greater than 90 days	47	37	87	82	73	71	73	82
Grand Total	488	484	342	966	706	888	1,074	2,007

Source: JPAS and CATS

2

FY10 INDUSTRY CASES AT OPM

Investigation Inventory

Case Type	FY 08				FY 09				FY 10			Delta Q1 FY09 through May 2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	May	
NACLC	29,575	25,085	22,077	15,561	13,209	13,982	13,900	12,307	11,730	11,685	12,473	*-6%*
SSBI	14,110	8,796	7,404	6,720	6,626	6,687	6,944	6,561	6,782	7,012	6,793	*3%*
SSBI-PR	11,761	9,943	5,639	4,167	3,772	4,160	4,692	3,703	4,096	4,521	4,760	*26%*
Phased PR	7,711	7,749	6,734	6,408	5,430	2,771	2,476	2,640	3,158	3,629	3,562	*-34%*
Total Pending	63,157	51,573	41,854	32,856	29,037	27,600	28,012	25,211	25,766	26,847	27,588	*-5%*

Overall reduction of 5% for NACLC, SSBI, SBPR and Phased PR case types from 1Q FY09 to May FY10.

Source: OPM Customer Support Group

FY10 REJECT RATE
Initial and Periodic Reinvestigation Requests

FY09/FY10 Reject Rate
As a Percent of Total DISCO Investigation Requests

Legend: OPM Reject Rate | DISCO Reject Rate | OPM Reject Goal - 5%
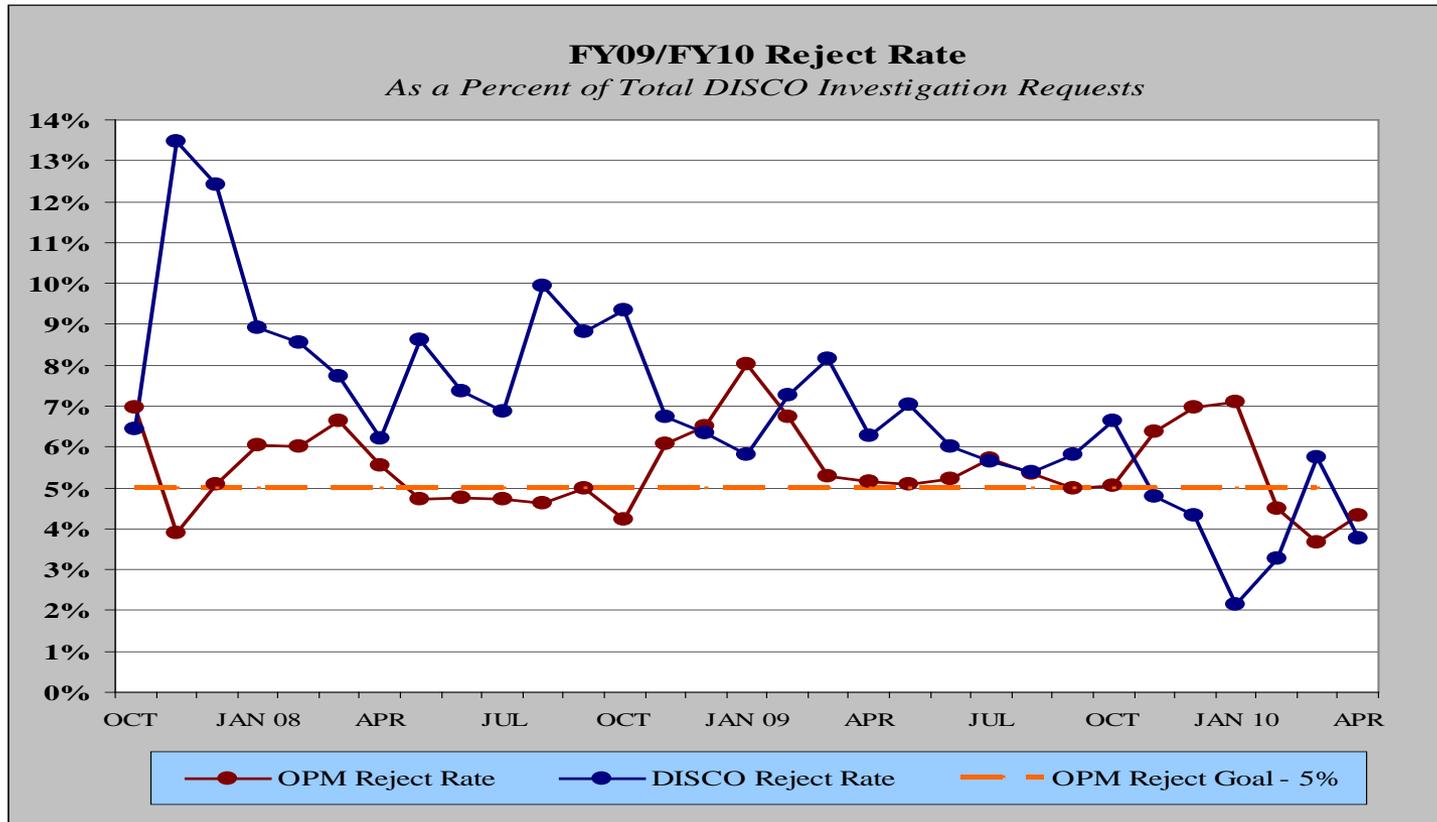
- **FY10 (close of April): DISCO received 88,951 investigation requests**
  - **Rejects –** A total of **9,129 (10.3%)** of incoming investigation requests rejected back to FSOs
    - DISCO rejected **4,364 (4.9%)** investigation requests to FSOs for re-submittal
    - OPM rejected **4,765 (5.4%)** investigation requests to DISCO (then to FSOs) for re-submittal
- **Note – Case rejection and re-submittal time is not reflected in timeliness.**
    - When a case is re-submitted, the timeline restarts for the PSI/PCL process.

4

Source: JPAS / OPM IRTPA Monthly Reports

FY10 REJECTS

DISCO Front-End Statistics
Facilities where rejects most often occur – October 09 through May 10

- Smaller Category D / Non-possessing Category E / NACLC
- *Percent of overall case rejections by facility category and case type*

Category	NACLC	SSBI	TSPR	Overall % by Category
A/AA	2%	3%	2%	2%
B	2%	3%	4%	2%
C	6%	9%	13%	8%
D	31%	28%	35%	31%
E	60%	57%	45%	57%
	100%	100%	100%	100%

Appendix 3- ISFO –C&A Presentation

Defense Security Service

Industrial Security Field Operations Office of the

Designated Approving Authority (ODAA)

July 2010

Defense Security Service

Overview
- Certification & Accreditation (C&A)
- C&A Metrics

Certification & Accreditation

- DSS is the Government entity responsible for approving cleared contractor information systems to process classified data.

- Ensures information system security controls are in place to limit the risk of compromising national security information.

- Provides a system to efficiently and effectively manage a certification and accreditation process.

- **Ensures adherence to national industrial security standards.**

# ODAA Improving Accreditation Timeliness and Consistency

ODAA Metrics for # Days to Process Plan Submissions
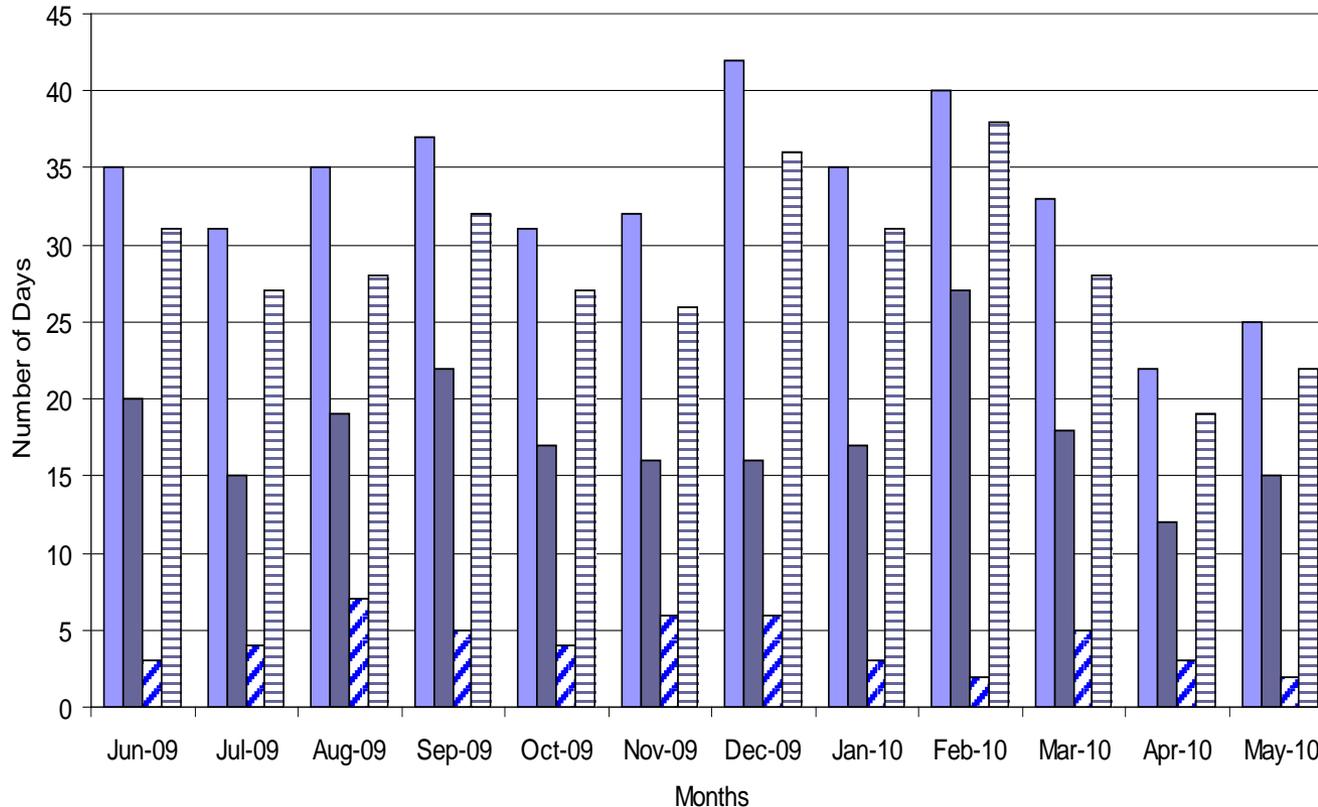
During the Past Year June 2009 – May 2010
- Average number of days to receive an IATO after receipt of a submission is 33 Days
- Average waiting time before a review process is initiated is 18 Days
- Average number of days for the review time to be completed is 29 Days
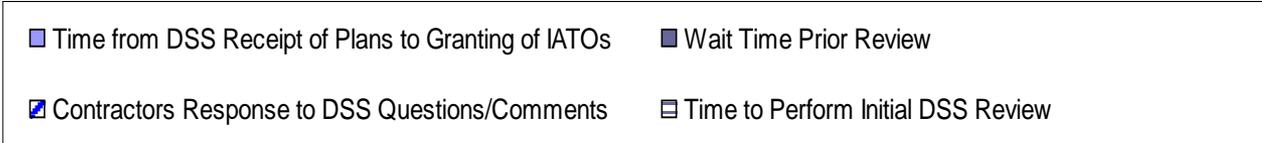
Legend:
- Time from DSS Receipt of Plans to Granting of IATOs
- Wait Time Prior Review
- Contractors Response to DSS Questions/Comments
- Time to Perform Initial DSS Review

4

ODAA Improving Accreditation Timeliness and Consistency

ODAA Metrics for # Days to Process Plan Submissions
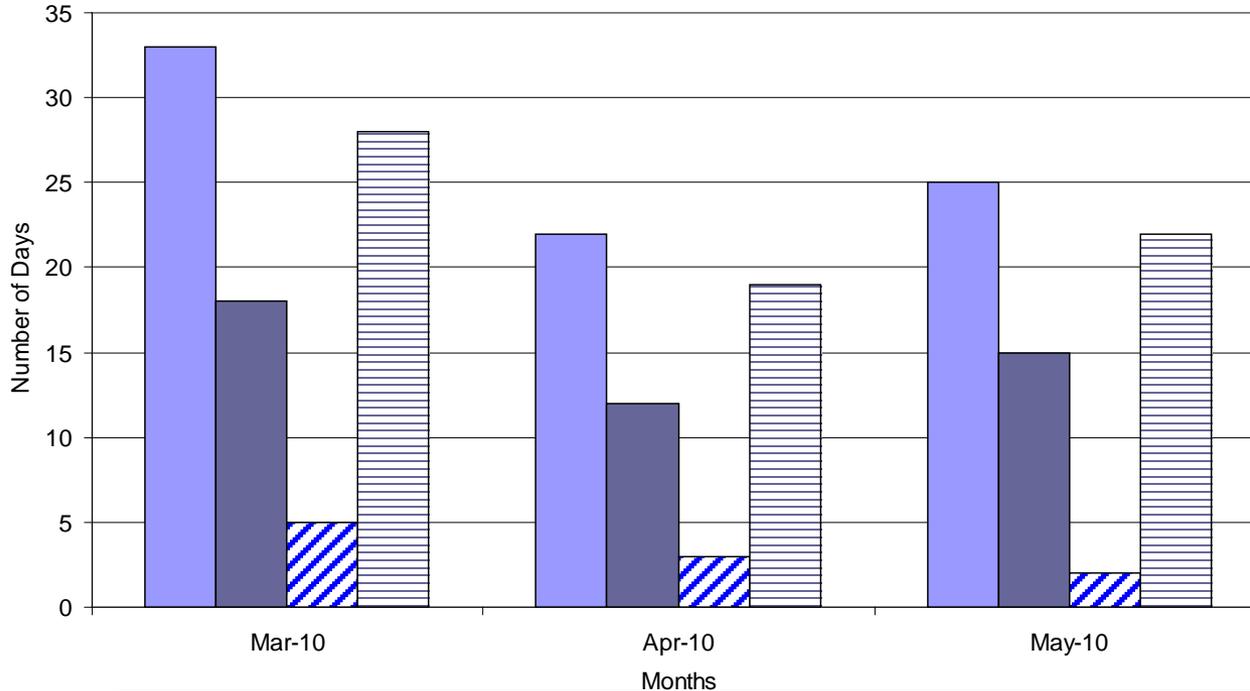
During the Past Three Months March 2010 – May 2010
• Average number of days to receive an IATO after receipt of a submission is 27 Days
• Average waiting time before a review process is initiated is 15 Days
• Average number of days for the review time to be completed is 23 Days
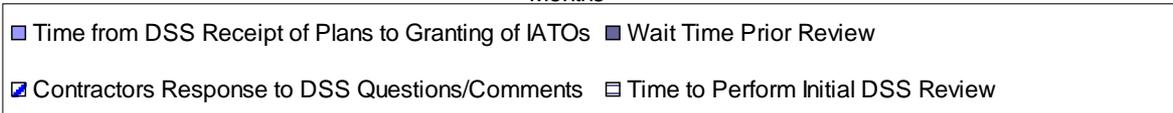
ODAA Metrics
Security Plan Reviews

Review Questions and/or Comments, Errors and Corrections Noted

Plans Required Some Changes

(bar chart: Y-axis "Percentage of Plans Requiring Changes" from 0.00% to 45.00%; X-axis "Months" from Jun-09 to May-10)
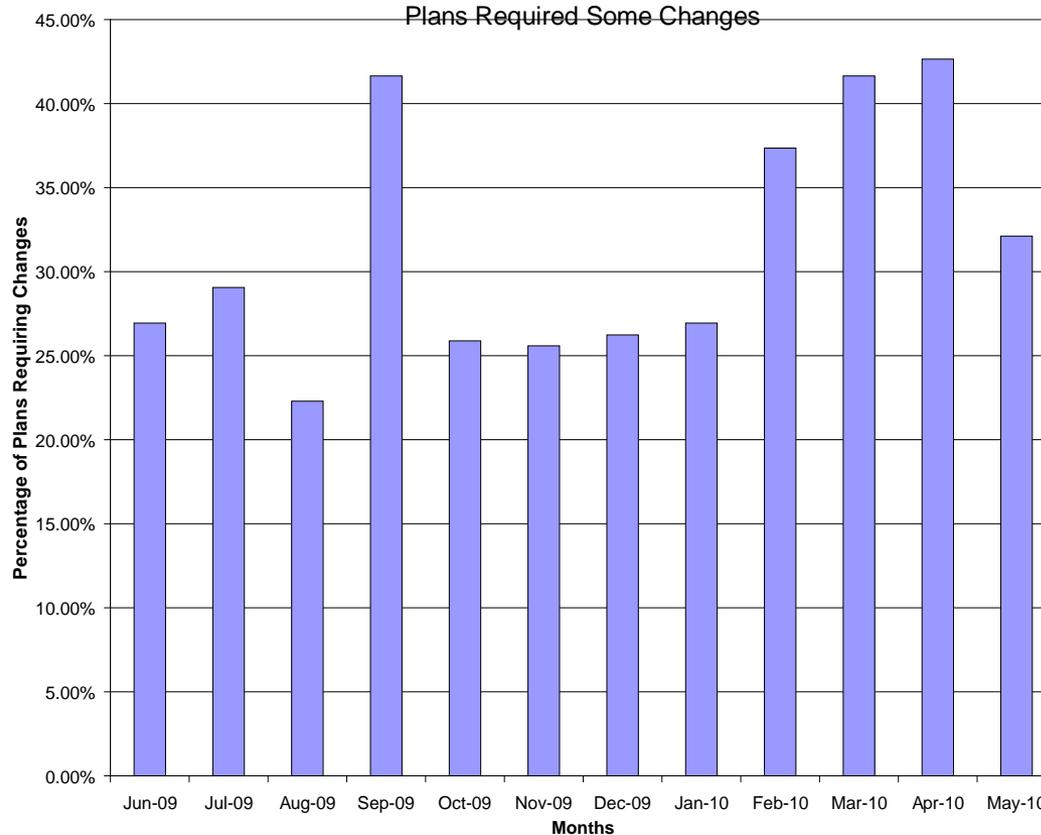
Of the 3186 plans received from June 09 – May 2010:

• On average 31.25% of all plans submitted required changes prior to the On-site Verification for ATO

ODAA Metrics
## Security Plan Reviews Common Errors
Part One
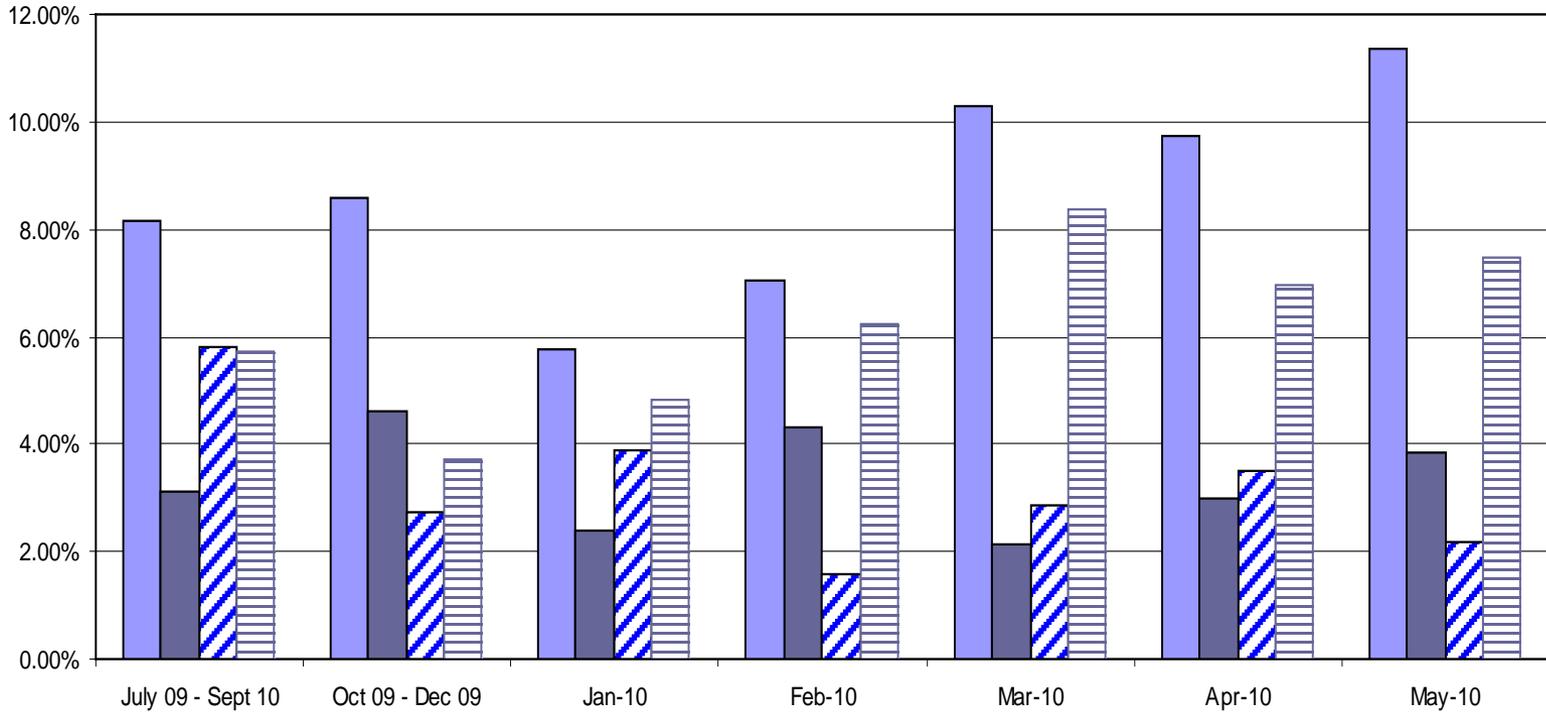
Legend:
- Plans Had Incomplete or Missing Attachments
- Plans Had Missing ISSM Certifications
- Plans Not Tailored to System
- Plans Had Inaccurate or Incomplete Configuration Diagram/System Description
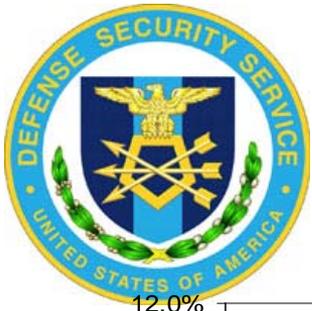
ODAA Metrics
Security Plan Reviews Common Errors
<u>Part Two</u>
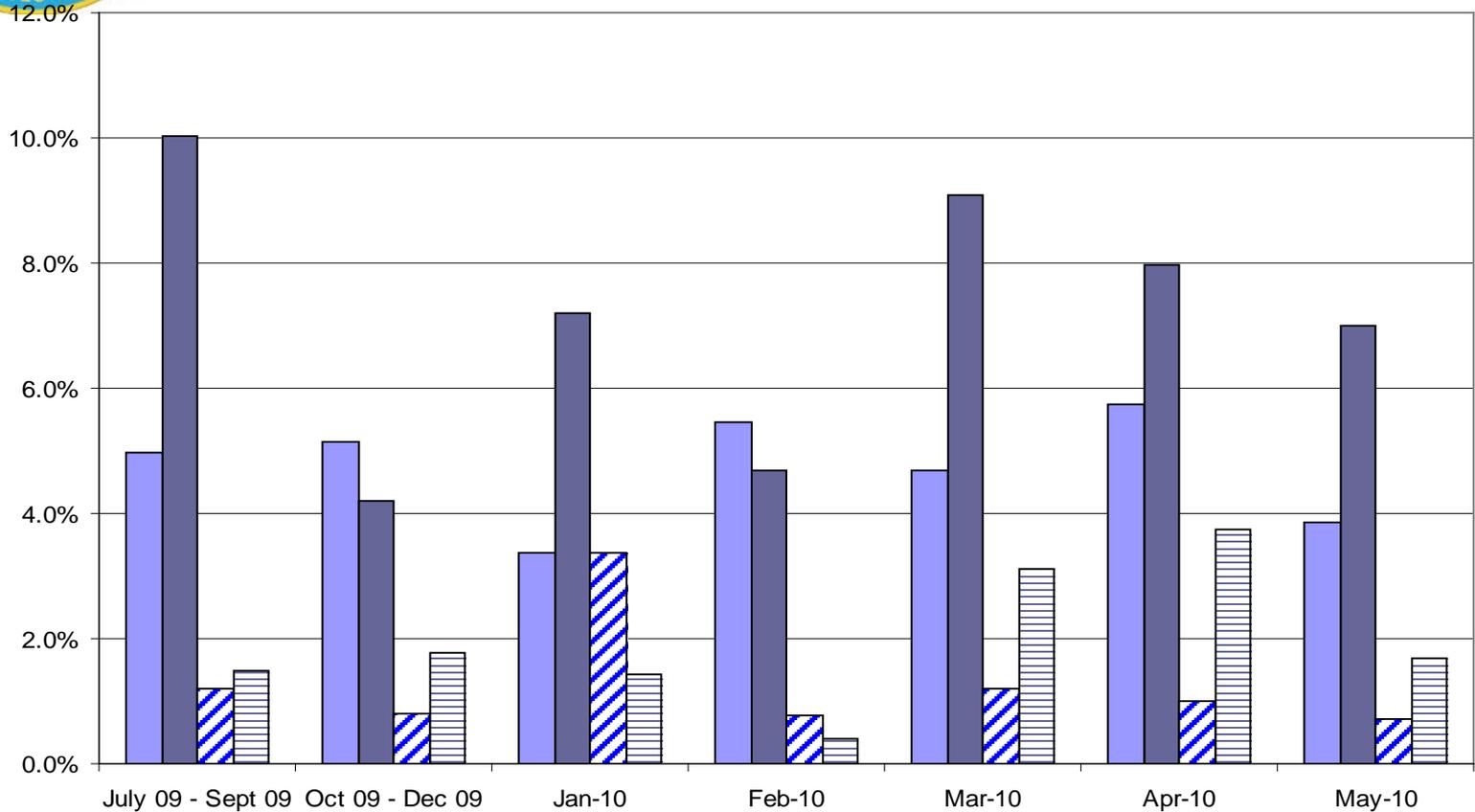
On-site Verification Stats (16% Required Some Level Modifications)

ODAA From June 09-May 10 Onsite Verification Metrics

#2
2, 276, 14%

#3
3, 54, 3%

1, 1704, 84%

#1
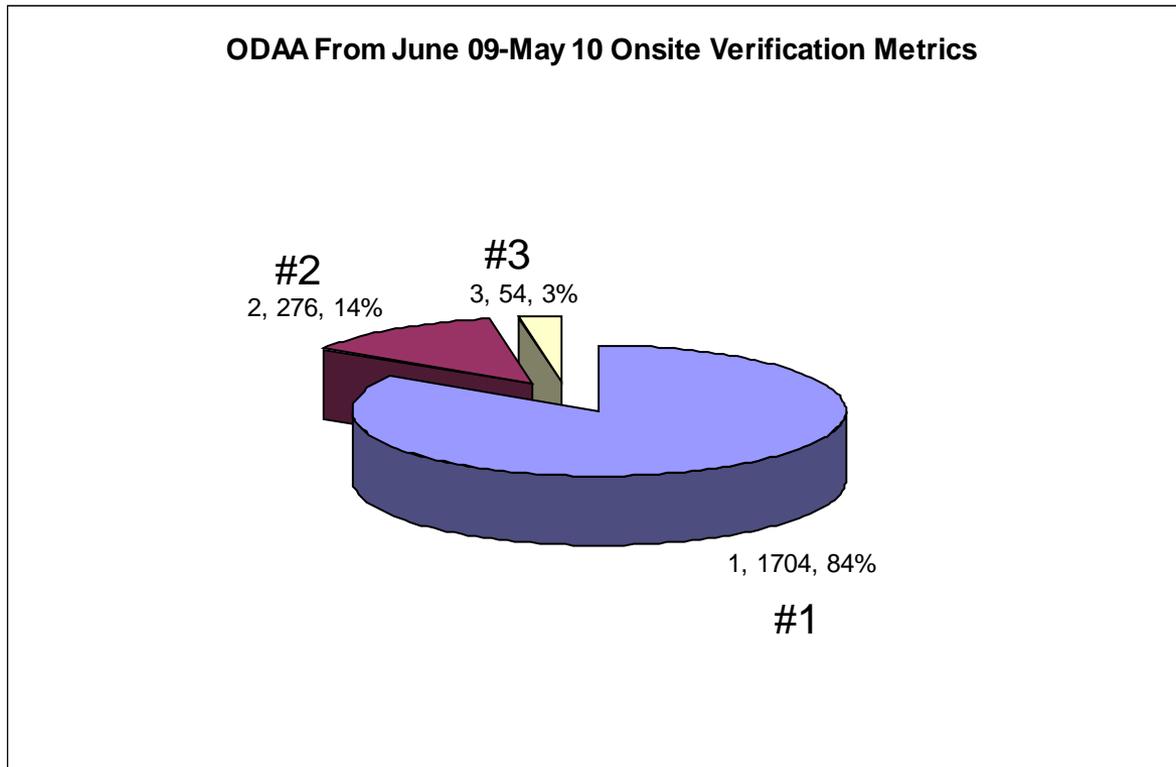
#1. No discrepancies discovered during on-site validation.

#2. Minor discrepancies noted and corrected during on-site validation.

#3. Significant discrepancies noted which could not be resolved during on-site validation.

ODAA Metrics
Onsite Plan Reviews Discrepancies
Part One
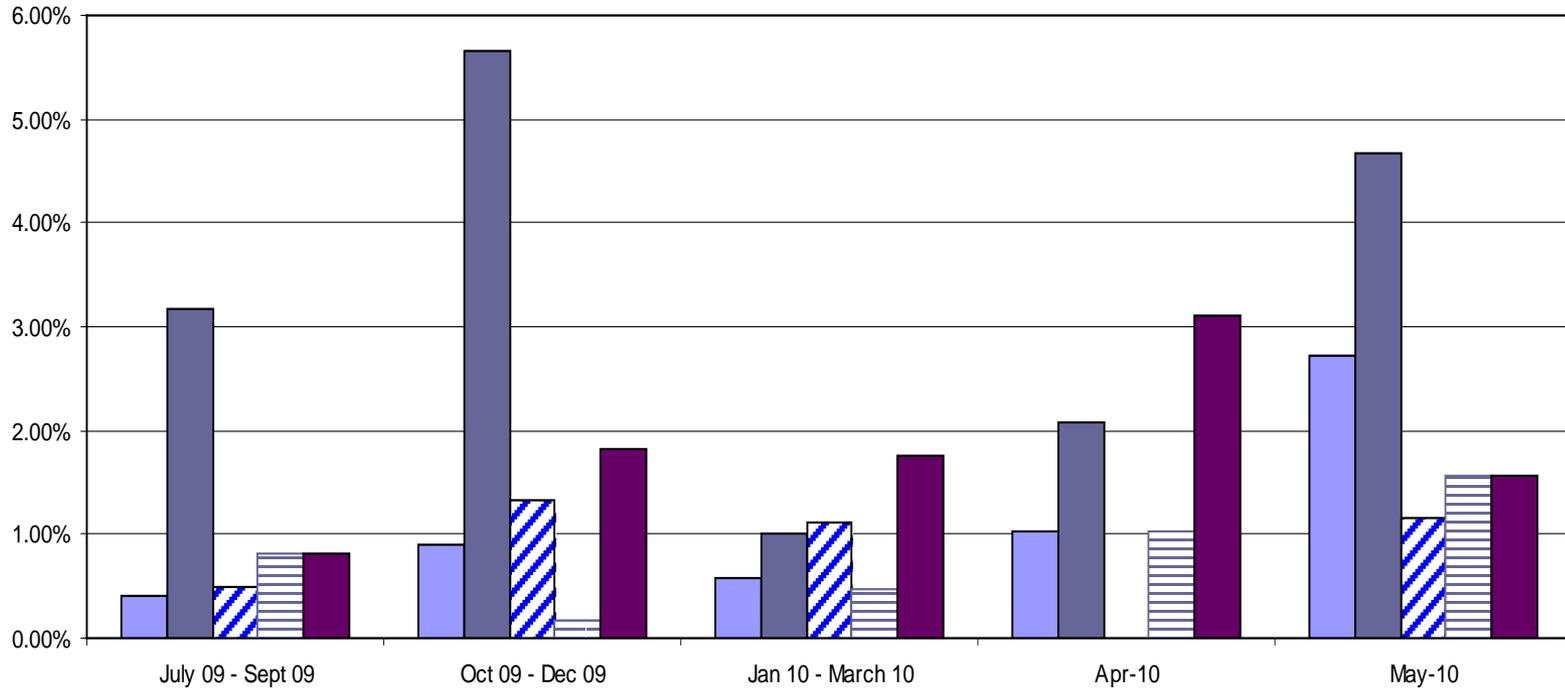
ODAA Metrics
Onsite Plan Reviews Discrepancies
Part Two
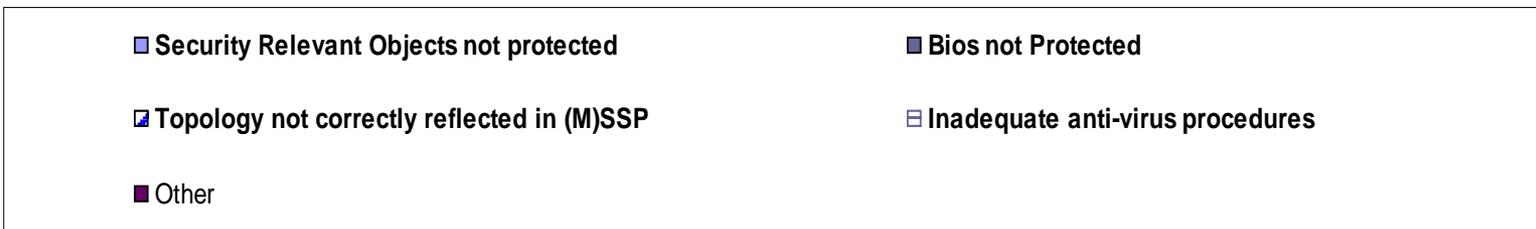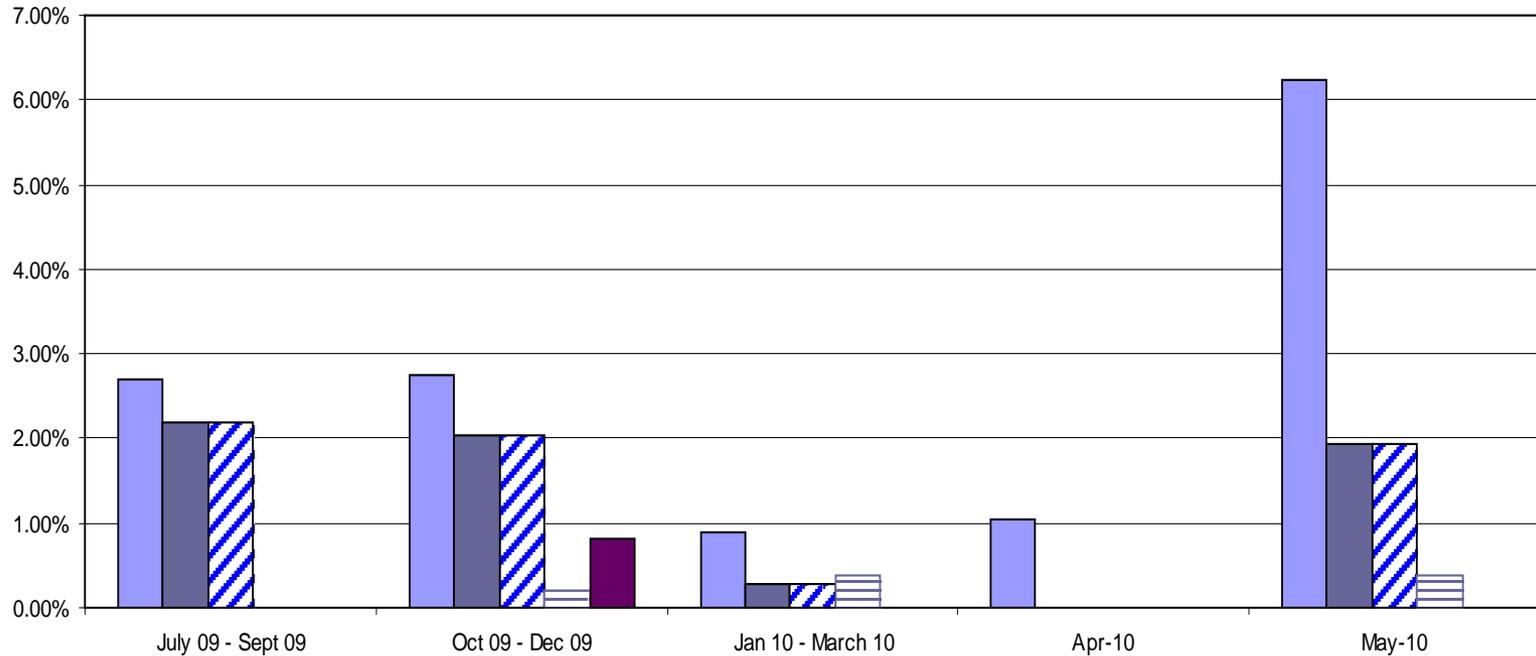
Appendix 4- Combined Industry Presentation

NATIONAL INDUSTRIAL SECURITY PROGRAM

POLICY ADVISORY COMMITTEE

(NISPPAC)

UPDATE

JULY 21, 2010

Outline
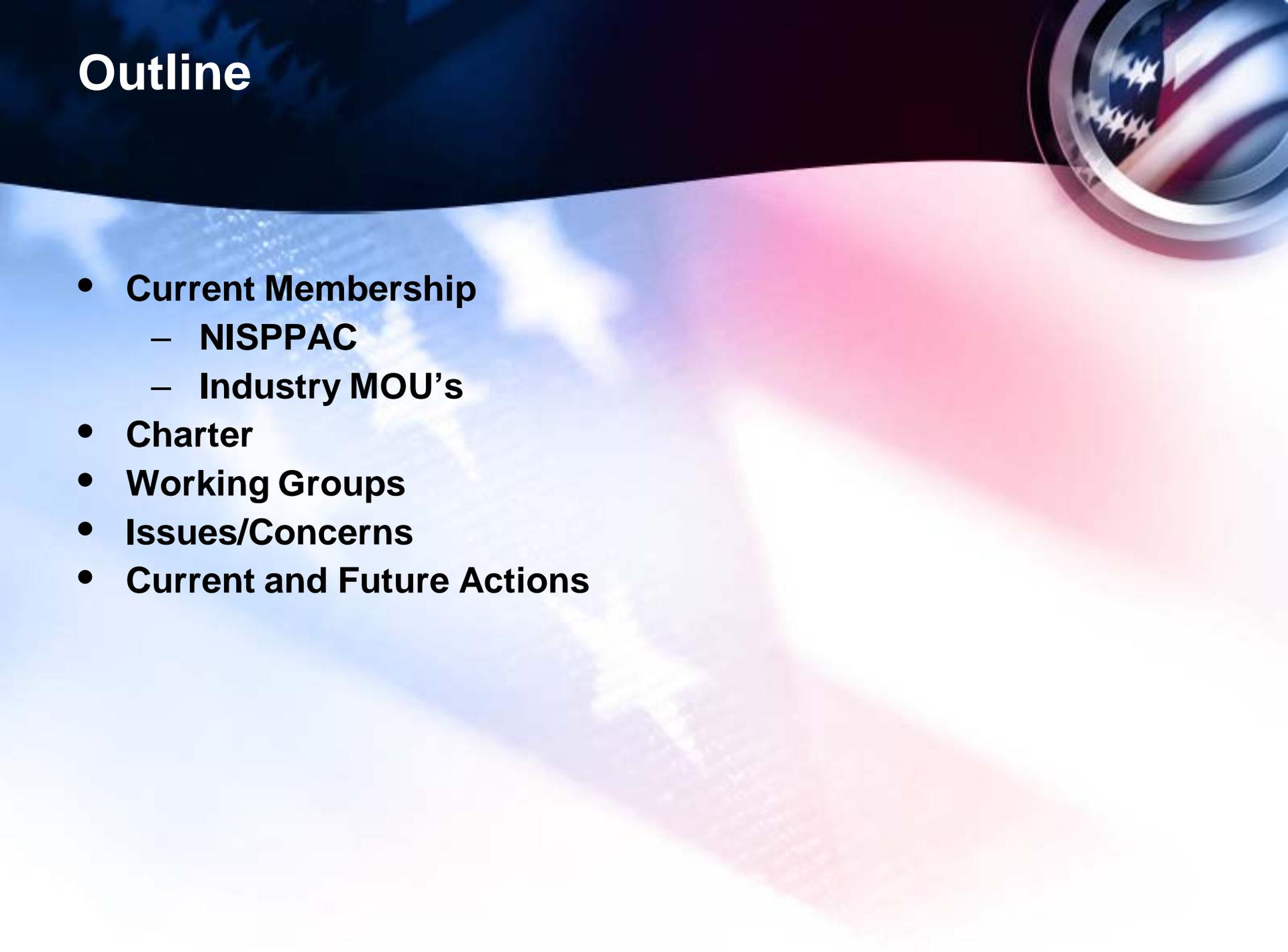
- **Current Membership**
  - **NISPPAC**
  - **Industry MOU's**
- **Charter**
- **Working Groups**
- **Issues/Concerns**
- **Current and Future Actions**

National Industrial Security Program Policy Advisory Committee Industry Members

Members	Company	Term Expires
Lee Engel	BAH	2010
Vince Jarvie	L-3	2010
Sheri Escobar	Sierra Nevada	2011
Chris Beals	Fluor Corporation	2011
Scott Conway	Northrop Grumman	2012
Marshall Sanders	SRA	2012
Frederick Ricardi	ManTech	2013
Shawn Daley	MIT Lincoln Laboratory	2013

Industry MOU Members

AIA   Vince Jarvie*

ASIS   Ed Halibozek

CSSWG   Randy Foster

ISWG   Mitch Lawrence

Tech America   Richard "Lee" Engel

NCMS   Tony Ingenito*

NDIA   Jim Halo*

* Changes since March NISPPAC

4

National Industrial Security Program Policy Advisory Committee

- **Charter**
  - **Provide advice to NISPPAC chairman on all matters concerning policies of the National Industrial Security Program**
  - **Recommend policy changes**
  - **Serve as forum to discuss National Security Policy**

- **Authority**
  - **Executive Order No. 12829, National Industrial Security Program**
  - **Subject to Federal Advisory Committee Act (FACA), the Freedom of Information Act (FOIA) and Government Sunshine Act**

National Industrial Security Program Policy Advisory Committee Working Groups

- **Personnel Security Clearance Processing**

- **Automated Information System Certification and Accreditation**

- **Foreign Ownership Control & Influence (FOCI) --- Complete**

Industry concerns: 15 May 2008/ 20 November 2008/ 07 April 2009/ 22 July 2009/ 8 October 2009/23 March 2010

- **Information Sharing - Threat**
- **Controlled Unclassified Information**
- **Foreign Ownership Control & Influence (FOCI) (Concluded through Partnership)**
- **Personnel Security Clearance Processing**
  - **Clearance Reform & JPAS Transition to PKI requirements**
- **Certification& Accreditation (C&A)**

DoD and Intelligence Community Policy/Regulatory Changes

- **Protecting National Security Information**

  - **National Industrial Security Program Operating Manual (NISPOM) Revision**

  - **New Draft Defense Federal Acquisition Regulation (DFAR) Supplement: Safeguarding Unclassified Information**

  - **Controlled Unclassified Information (CUI) Program Establishment**

  - **Executive Order No. 13526, Classified National Security Information Implementation**

NISPOM

- **National Industrial Security Program Operating Manual – revision status**
    - **June 2010 – Working Draft Provided Industry**
        - **Industry MOU's coordinated comments**
        - **Industry will provide ISOO results of data calls**
        - **Numerous items for consideration provided to USG**
        - **Industry working providing priorities in cover letter**
- **Industry has concerns with what implementation timeframe will be & potential cost impacts**

9

DoD and Intelligence Community Policy/Regulatory Changes: Watch Item

- Draft Defense Federal Acquisition Regulation Supplement: Safeguarding Unclassified Information (DFARs Case 2008-D028)

    - Establishes cyber security requirements across the Defense Industrial Base

    - Impact
        - Applies to all defense contractors
        - Creates two (2) tier protection scheme

- **Controlled Unclassified Information (CUI) Protection**
  - **White House issued memo/May 2008**
  - **Single cohesive protection program targeted**
  - **107 unique markings currently**
  - **Potential Impact:**
    - **Rules clarified and strengthened**

Thank You