National Industrial Security Program Policy Advisory Committee (NISPPAC)

Meeting Minutes

July 19, 2018

The NISPPAC held its 59th meeting on Thursday, July 19, 2018, at the National Archives and Records Administration (NARA), 700 Pennsylvania Avenue, NW, Washington, DC. Mark Bradley, Director, Information Security Oversight Office (ISOO), served as Chair. The minutes to this meeting were certified on September 7, 2018.

I. Welcome:
The Chair opened the meeting by welcoming everyone, and reminded participants that this was a public meeting and was being recorded. The Chair recognized Michelle Sutphin for her outstanding service as Industry spokesperson and presented her with a plaque. The Director also introduced Heather McMahon as the new NISPPAC DoD primary member replacing Ben Richardson. Finally, the Chair recognized that Industry member, Martin Strones will be leaving in November.

List of meeting attendees is provided (**Attachment 1**).

The Chair turned to Greg Pannoni, NISPPAC Designated Federal Official (DFO), to address administrative items and old business.

II. Administrative Items

Mr. Pannoni informed attendees that all of the participants should have received the presentations and handouts electronic format prior to the meeting and that the transcript, along with the minutes and presentations for this meeting, would be posted to the ISOO website. He also mentioned that Adam Huddleston would temporarily be serving as the new ISOO Point of Contact (POC) for the NISP (National Industrial Security Program). Mr. Bradley noted that the former ISOO NISP POC, Laura Aghdam is moving on to a new position with DSS (Defense Security Service), and thanked her for the crucial support she provided to the NISPPAC.

II. Old Business

Action Items from Previous Meetings
Mr. Pannoni addressed and provided updates to the NISPPAC action items from the March 14, 2018 meeting;

- DMDC (Defense Manpower Data Center) was to provide a list of the other executive branch, non-DoD agencies with access to DIS (Defense Information for Security). **STATUS:** OPEN. DMDC representative discussed this issue at the meeting and updates will be provided as agencies are added.

- Defense Information Systems Agency (DISA) to inquire on the releasability of the eAPP system Demo.
  STATUS: <u>CLOSED</u>. Demo is contained in the minutes to the last meeting.
- ISOO was to meet with the ODNI (Office of the Director of National Intelligence) on the need to coordinate with industry, prior to the release of new policy affecting industry (e.g the Security Executive Agent Directive (SEAD) documents).
  STATUS: <u>CLOSED</u>. ISOO met with Bill Evanina, the Director of the National Counterintelligence and Security Center on July 17, 2018, in which he agreed to meet with NISPPAC industry and discuss future coordination efforts.

IV. New Business

Change to the NISPPAC bylaws
NISPPAC Industry proposed a change to the bylaws. The proposal was for the spokesperson to be elected to a one-year term with the option for re-election each year up to the end of his or her four year term. The matter was taken to a vote, and it passed unanimously. ISOO has mailed the change to all members, both government and industry.

Mr. Pannoni also reminded attendees that membership in the NISPPAC is rotating, with every year, two members leave, and another two members are confirmed. He requested that industry submit nominations to ISOO by September 10, 2018.

V. Reports and Updates

ODNI report
Rob LoMurro, ODNI, provided an update on the National Interest Determination (NID) workshop which was held in May 2018. The workshop was designed for U.S. government members that handle NID processing, so that people could better understand the process. One major accomplishment from the conference is they produced a NID desktop reference, which includes everything that a person in the U.S. government would need to produce a NID.

Mr. Lo Murro also opined that another benefit of the workshop is the controlling agencies were able to meet and discuss processes to create a uniform system. Carla Peters Carr, industry, inquired if there is a desktop reference available for industry, and Mr. Lo Murro answered that they are evaluating that possibility.

Industry presentation
Ms. Sutphin provided an industry update (**Attachment 2**). She acknowledged that the terms of both Mr. Strones and herself would expire at the end of September 2018. She further stated that Tony Ingenito is the nomination chair and that he is in the process of collecting nominations from both MOU's (Memorandum of Understanding) and the NISPPAC members. There has been one change in the membership of the MOU's, with Rick Lawhorn replacing Mitch Lawrence as the NDIA representative.

Ms. Sutphin explained that industry is concentrating on the growing backlog of personnel security investigations. In addition, with DSS in transition, the NISPPAC representatives have

been continuously meeting with DSS in both core and focus groups. She also mentioned that DoD has produced a memo giving DSS oversight of CUI for the DIB (Defense Industrial Base). Ms. Sutphin expressed concern about small businesses and their ability to comply with the numerous policies and procedures, such as the National Institute of Standards and Technology (NIST) 101—11. NCMS (National Classification Management Society) provided a comprehensive whitepaper to DSS essentially highlighting some of these challenges.

In addition, Ms. Sutphin explained that the clearance working group has been working closely with all of the government agencies, including the transition to DISS (Defense Information System for Security). There had been a recent issue with eQUIP and there was some struggle to get employees into the system. This incident highlights the need for better communication. Furthermore, the eMASS transition is approaching and there will be a significant learning curve for learning the process.

Industry is still awaiting the release of both NISPOM Conforming Change 3 and a draft ISL (Industrial Security Letter) on SEADs 3 and 4. Ms. Sutphin also commented on the industrial based advisory committee referenced in the 2017 NDAA (National Defense Authorization Act). Industry is waiting for clarification on the committee members and the funding for this committee.

DoD update
Ms. McMahon provided the DoD update and noted that DoD requested that NISPPAC conduct some informal coordination on the proposed ISL. This is a follow-up to what was posted on the DSS website in March 2018. DSS will publish the ISL after final approval by the Office of the Under Secretary of Defense for Intelligence (OUSDI). She also explained that the new NISPOM rewrite is in coordination which will continue throughout the year. Upon reissuance, the new NISPOM will have a companion federal rule. Finally, she mentioned that DoD continues to plan for NISPOM Change 3 in order to incorporate SEAD 3 reporting requirements.

DSS update
Keith Minard began the DSS presentation by acknowledging the welcome addition of Ms. Aghdam to his team. He mentioned that on May 17, 2018, the OUSD(I) issued a memo, which assigned the responsibility for oversight of controlled unclassified information in the defense industrial base to the Director of DSS. Mr. Minard is the team lead for the CUI project, and he will be reaching out to key stakeholders, both in government and industry.

Next, Mr. Minard discussed the insider threat program. He stated DSS is continuing its work on developing the procedures for assessing the effectiveness of insider threat programs in industry. In August 2018, DSS is slated to finalize this processes for implementation in 2019. Mr. Minard stated DSS completed the first phase of DSS in Transition in March 2018.

Mr. Minard stated version 5.12.1 of the NCCS (National Contract Classification System) will be finalized in the next 30 days with the goal of 20-30,000 users. Kim Baugher, State, expressed concern about resources and Mr. Minard stated that they were looking at the resource requirements necessary to support the mission. Mr. Pannoni inquired about training and Mr.

Minard said that training is on the CDSE (Center for Development of Security Excellence) website.

Dennis Keith, Industry, encouraged that communication on NCCS be more widely dispersed so that industry is better informed. Bob Harney, Industry, inquired if there is going to be any integrated working group for the CSA's as to how this will be implemented and expressed a desire to develop a consistent plan to address issues.

Mr. Bradley interjected that there is a FACA (Federal Advisory Committee Act)-type committee similar to this, the SLTPS (State, Local, Tribal, and Private Sector Advisory Committee), and that Ron Ross from NIST is the main architect of the most significant part of the CUI for information systems controls. Mr. Ross would be speaking on the NIST 800-171 at the next SLTPS meeting and this would be a good opportunity to learn about the process for interested parties.

Defense Vetting Directorate (DVD) DSS Update
Patricia Stokes, DSS, who serves as the Director of the recently established DVD within DSS provided the next update. The Personnel Security Management Office for Industry, the Continuous Evaluation Program Management Office, Insider Threat for Industry, and the Defense Insider Threat Management Analytic Center (DITMAC) are part of this new directorate as will be the DoD CAF (Consolidated Adjudication Facility) this Fall.

She notified the attendees that on June 21st the Administration announced the background investigations program would be moving from the National Background Investigations Bureau (NBIB) to DoD. She informed the attendees that they are working a transfer plan with their NBIB partners, and the Administration is working on an Executive Order to enact the transfer responsibilities from NBIB to the DoD/DSS. DSS has also been working with the Performance Accountability Council (PAC) Program Management Office and the Executive Agents inidentifying backlog mitigation strategies and transformation initiatives associated with Trusted Workforce 2.0.

NBIB update
Mark Pekrul began the NBIB update by mentioning that the number of federal and contractor investigators has increased 46.1% since the start of NBIB with the number at 8,538. He stated that the NBIB has been participating in hubbing exercises in which they work directly with customers to arrange to use their facilities when scheduling interviews. He stated that the effort has been very successful with the Air Force and Navy.

Mr. Pekrul further explained that NBIB has been participating in the process of surging, in which agents are sent from one area of the country to another where there is the greatest work demand. Jim Onusko, also of NBIB, is working an initiative, the Trusted Information Provider Initiative (TIP), in which the idea is to use information previously gathered by the employer to avoid redundancy. Within 30-60 days, they would like to initiate a pilot with the TIP. In addition, Mr. Pekrul mentioned that they have added a new page to the NBIB website dedicated to industry. Finally, Mr. Pekrul advised that there are 700,900 investigations in the inventory, of which nearly 497,000 are from DoD and 127,000 are industry cases.

ODNI Update

Valerie Kerben, ODNI, gave an update on security policy stating that SEAD 7 is still in review and that the interagency formal process with the advisory group has been completed and it has since gone to OMB. SEAD 8 focuses on temporary interim eligibility and after coordination with the security executive agencies, it will be sent to OMB for formal interagency coordination.

National Information System for Security (NISS) Update

Lauren Firich, DSS, provided an update on the NISS which is the replacement for the Industrial Security Facilities Database and Electronic Facility Clearance. She noted that DSS has been successful in resolving NISS application and data migration to help NISS reach full operational capacity. There have been some connectivity issues and there is a limitation with the current testing environment. She advised that in August 2018, they plan to provide additional guidance regarding Facility Clearance sponsorship processing and reporting change conditions.

Defense Information System for Security (DISS) Update

Sandra Langley, DMDC, advised that they began e-delivery in support of industry in the DISS and they are completing provisioning industry in three phases. The first two phases have been largely completed. The biggest challenge has been that the security management offices did not have an active account manager in the Joint Personnel Adjudication System.

CUI Update (Attachment 3)

Mr. Bradley stated that Patrick Viscuso, former Associate Director in ISOO has retired. Devin Casey, ISOO, provided an update on the implementation of the CUI program. He stated that in the ISOO annual report, there is a section on the CUI program with its current status on implementation. He mentioned that the NIST 800-171A, a guide for assessing security controls was just published. In addition, the CUI staff is currently working on a Federal Acquisition Regulation (FAR) clause to address the implementation of CUI in the contracting environment. He added that agencies will have the opportunity to comment on the FAR clause before publication.

Clearance Working Group Update

Ms. Aghdam provided an update on the clearance working group, and mentioned the items discussed during the June 19 2018 working group meeting, including updates on the NISS and DISS deployment.

ODNI Update (Attachment 4)

Olga Delgado, ODNI, delivered a presentation which provided an overview of the security agent's metrics that have been collected. Data in the slides reflected security clearance timeliness on contractor cases. Ms. Delgado provided a snapshot of the methodology used to calculate timeliness. The slides identified industry submission, investigation, and adjudicative timelines.

PSMO-I DSS Update (Attachment 5)

Heather Green provided an update on the PSMO -I metrics for clearance initiation and submission timelines. She mentioned the budget challenges which have resulted in the inventory being in the 21,000 range. Furthermore, she added that DSS has processed approximately 56,000 determinations this year, maintaining an average of 35 days for interim determination timeliness.

DoD CAF Update (Attachment 6)
Steve DeMarco, DSS, provided an update on the industry portfolio within the CAF and noted that the inventory has stayed relatively consistent throughout the fiscal year with an average of about 350 cases a month. He expressed concern in the transition to DISS over the anticipated growth in the inventory as well as the backlogs due to system limitation. The CAF has instilled mitigation strategies to address this concern by deploying different resources to address certain workloads and confront the growth in both inventory and backlogs going into the next fiscal year.

Mr. Pannoni inquired how much the use of automation e-adjudication can assist in the process. Mr. DeMarco replied that CAF is engaging ODNI, OUSD(I), and the working groups to revisit the business rules in order to refine them.

Defense Office of Hearings and Appeals (DOHA) Update
Perry Russell Hunter, DOHA, advised that the implementation of DISS will not affect the due process cases for industry, because DOHA is working directly with the CAF to ensure that no cases are missed due to issues with DISS. He added that the CAF has been successful in getting the industrial case workload down to a normal inventory. He stated that the number of industrial statements of reasons currently in legal review is 172. He added that DOHA currently has approximately 1100 open industrial cases, which is well within normal working parameters.

Finally, Mr. Russell-Hunter observed that industry has not received the same results on e-adjudications as have been achieved for military cases because the industry contractor population is older and have more information in their backgrounds that can prevent e-adjudications. He mentioned that Ned Fish, Director of the DoD CAF, has recommended that the stakeholders make e-adjudication business rules more robust so that the DoD CAF can clear more cases through e-adjudication and focus more resources on cases which require issue resolution, and that he, too, supports this improvement of the e-adjudication business rules.

Insider Threat Working Group
Mr. Pannoni mentioned that the vulnerabilities of insiders along with information systems have been the two biggest challenges. The Insider Threat working group has not met because it is awaiting the DSS implementation of Phase 2 assessments of insider threat programs. He declared that the group should meet before the next NISPPAC meeting in November 2018. Steve Kipp, industry, inquired about the criteria for this group, and Mr. Pannoni said that is one of the first things they will discuss. Mr. Minard added that they have developed principles around these requirements. Dennis Arriaga, industry, inquired if these new requirements would be implemented in 2019, and that is one of the items that are being discussed by the group. Mr. Pannoni advised that he wanted to bring all the Cognizant Security Agencies into the discussion. He referred to the workshop conducted by ODNI for government members, and would like to

move forward with something similar for industry. In addition, he is going to poll the NISPPAC members regarding the working group.

Mr. Pannoni also stated that the 32CFR, Part 2004, the NISP policy implementing directive was published in May 2018. He concluded by saying that he would like to track data on the CSAs, not just DoD in their processing of NIDs. Ms. Sutphin requested that Industry receive a debrief of that working group meeting that happened with the government members.

Zudayyah Taylor-Dunn, NASA, inquired if there were plans for non-DoD agencies to be included in the policy rewrite. Valerie Heil, DoD, replied that they are presently in the legal sufficiency review process. She did offer to informally illustrate how to try to update the DoD policy to incorporate 32CFR Part 2004.

Keith Minard, DSS Update (Attachment 7)

Mr. Minard, provided a briefing on behalf of Karl Hellman, DSS on the NISA WG. He observed that the Risk Management Framework process continues to mature. Version 1.3 of the DSS process manual became effective June 1, 2018 and included two major updates: the 90 day submission window for RMF pages and better definitions of responsibilities. He mentioned that some companies have been receiving notices to de-establish their ATOs. He will follow up on this issue.

Mr. Minard also stated that DSS is experiencing problems with eMASS in regard to access to the training. Beginning August 1, industry can register for access to the DISA eMASS Knowledge Service and Training site. Beginning in September, eMASS will be used for all new system approval requests. Mr. Kipp inquired about industry-specific training and Mr. Pannoni inquired if there is going to be flexibility if things are not worked out by October 1, 2018. Mr. Minard said he would get back to ISOO about this question.

New Business
The Director opened the floor to new questions/issues. Dorianna Rice, DOJ, brought up an issue on behalf of the DOJ Department Security Officer. She said that DOJ has identified a gap regarding SCFR.1400, with regard to the new definition of national security position, and how to apply this definition to the contractor population. She continued that DOJ is trying to designate all their correct contract classifications. Mr. Pannoni inquired as to the scope of the problem, and Ms. Rice replied they have had two DD 254's returned from DSS and the impact was 500 people.

VII. Closing Remarks and Adjournment
The Chair asked for additional questions and Mr. Minard reminded the audience that the CDSE system platform, Stepp is transitioning to a new one, USA Learning, and that CDSE will send emails regarding the transfer. The Chair announced the remaining date for the 2018 NISPPAC meeting as November 15th, 2018 to be held at the National Archives Building in Washington DC. The chair adjourned the meeting.

SUMMARY OF ACTION ITEMS

- Industry to meet with DSS to see if they can get more clarity to some of the consultant and security services issue so they can continue to support the small businesses.
- DSS and ISOO to discuss the directors and secretaries of federal executive branch agencies responsible to implement CUI.
- NBIB (Mark Pekrul) was to provide information on the companies that are going to participate in a pilot program.
- The Insider Threat Group is going to meet before the next NISPPAC meeting of November 15.
- ISOO (Greg. Pannoni), was going to poll the NISPPAC members to discuss ways to improve the insider threat program.
- Industry (Michelle Sutphin) requested a debrief from ISOO (Greg Pannoni) on the meeting held with CSA's on the processing of NIDs.
- DSS (Keith Minard) will follow up with eMASS access to training and inquire as to why some companies have been receiving notices that de-establish their ATO's.
- ISOO (Greg Pannoni) inquired if the obstacle is the sponsorship for the eMASS training, and if so, who is the sponsorship for the training. DSS (Keith Minard) will investigate this.

Attachments:
1. Attendee List
2. Briefing: NISPPAC Industry
3. Briefing: Controlled Unclassified Information
4. Briefing: ODNI Security Performance Metrics
5. Briefing: DSS Personnel Security Management Office for Industry
6. Briefing: DoD Central Adjudication Facility
7. Briefing: DSS RMF

Attachment 1

First Name	Last Name	Organization	Designation
Mark	Bradley	Information Security Oversight Office	**Chair**
Greg	Pannoni	Information Security Oversight Office	**Designate Federal Official**
Laura	Aghdam	Information Security Oversight Office	**NISPPAC PM** **Member**
Aprille	Abbott	MOU Representative	
Jim	Anderson	Army	Attendee
Dennis	Arriaga	MOU Representative	Attendee
Kimberly	Baugher	Department of State	**Member**
Jon	Bennett	Defense Security Service	Attendee
Eric	Blackburn	Army Research Laboratory	Attendee
Corey	Blunt		Attendee
Dennis	Brady	Nuclear Regulatory Commission	**Member**
Amy	Brown	National Security Agency	Attendee
Shirley	Brown	National Security Agency	Attendee
Devin	Casey	Information Security Oversight Office	Attendee/Presenter
Steve	Cicirelli	Industry	Attendee
Evan	Coren	Information Security Oversight Office	Attendee
Terri	Cox	Federal Aviation Administration	Attendee
Shawn	Daley	MOU Representative	Attendee

Bill	Davidson	Industry	Attendee
India	Dayson	Defense Security Service	Attendee
Olga	Delgado	Office of the Director of National Intelligence	Attendee/Presenter
Steve	Demarco	Dept. of Defense Consolidated Adjudications Facility	**Member**/Presenter
Sharon	Dondlinger	Air Force	**Alternate**
Mary	Edington	Industry	Attendee
James	Ervin	Department of Homeland Security	**Alternate**
Don	Etney	Defense Security Service	Attendee
Joseph	Evancho	Federal Aviation Agency	Attendee
Mike	Faller	National Background Investigations Bureau	Attendee
Arthur	Farley	National Background Investigations Bureau	Attendee
Letitia	Felus	Department of Homeland Security	Attendee
Lauren	Firich	Defense Security Service	
Dorothy	Fisher	Industry	
Christopher	Forrest	Defense Security Service	
Vicky	Francis	Office of the Director of National Intelligence	Attendee
Heather	Green	Defense Security Service	Attendee/Presenter
Jim	Harris	Industry	Attendee
Bob	Harney	Industry	**Member**
Patrick	Hogan	Defense Security Service	Attendee
Deborah	Homer	Department of Energy	Attendee

Adam	Huddleston	Information Security Oversight Office	**NISPPAC POC**
Kirk	Huntington	Central Intelligence Agency	Attendee
Tony	Ingenito	Industry	Attendee
Mitchell	Kanefsky	Industry	Attendee
Dennis	Keith	Industry	**Member**
Valerie	Kerben	Office of the Director of National Intelligence	**Member**
Collette	Khajehali	National Background Investigations Bureau	Attendee
Anthony	King	Industry	Attendee
Steve	Kipp	MOU Representative	
Wendy	Kiser		Attendee
Fred "Cory"	Klein	Industry	Attendee
Carolina	Klink	Information Security Oversight Office	**NISPPAC Support**
George	Ladner	Central Intelligence Agency	**Alternate**
Nick	Levasseur	Industry	Attendee
Bob	Lilje	MOU Representative	Attendee
Mark	Livingston	Department of the Navy	Attendee
Rob	Lomurro	Office of the Director of National Intelligence	Attendee
Rick	Longhorn	Industry	Attendee
David	Lowy	Air Force	**Member**
Steven	Lynch	Department of Homeland Security	**Member**

Noel	Matchett	Industry	Attendee
Arthur	McCarthy	National Background Investigations Bureau	Attendee
Daniel	McGarvey	Industry	**Member**
Amanda	McGlone	Under Secretary of Defense for Intelligence	Attendee
Donna	McLeod	National Background Investigations Bureau	Attendee/Presenter
Heater	McMahon	Under Secretary of Defense for Intelligence	**Member/**Presenter
Keith	Minard	Defense Security Service	**Alternate/**Presenter
Leonard	Moss	Industry	Attendee
Larry	Mussenden	Industry	Attendee
Nick	Olassik	Industry	Attendee
Norm	Pashoian	Industry	Attendee
Mark	Pekrul	National Background Investigations Bureau	Attendee/Presenter
Carla	Peters-Carr	Industry	Attendee
Dianne	Rainer	Industry	Attendee
Allyson	Renzella	Defense Security Service	Attendee
Dorianna	Rice	Department of Justice	
Stephanie	Riester	Industry	Attendee
Mark	Rockwell	Industry	Attendee
Perry	Russell-Hunter	Defense Office of Hearings and Appeals	Attendee/Presenter
Mark	Ryan	Industry	Attendee
Xavier	Skalman		Attendee
Patricia	Stokes	Defense Security Service	Attendee/Presenter
Cheryl	Stone	Industry	Attendee
Martin	Strones	Industry	Attendee
Michelle	Sutphin	Industry Spokesperson	**Member/**Presenter
Dianne	Taft-Moore	Defense Security Service	Attendee
Zudayyah	Taylor-Dunn	NASA	**Member**

Katharine	Timmons	Industry	Attendee
Robert	Tringali	Information Security Oversight Office	**NISPPAC POC**
Meredith	Wagner	Information Security Oversight Office	Attendee
Faye	Waldren	Office of the Director of National Intelligence	Attendee
Kim	Walter	State Department	Attendee
Richard	Weaver	Industry	Attendee
Quinton	Wilkes	Industry	**Member**
Alegra	Woodard	Information Security Oversight Office	Attendee
Jocelyn	Yen	Government Accountability Office	**Attendee**

Attachment 2

Industry NISPPAC Update

Agenda

- **Current NISPPAC/MOU Membership**

- **Impacts of Policy Changes**

NISPPAC Industry Members

Members	Company	Term Expires
Michelle Sutphin	BAE Systems	2018
Martin Strones	Strones Enterprises	2018
Dennis Keith	Harris Corp	2019
Quinton Wilkes	L3 Communications	2019
Robert Harney	Northrop Grumman	2020
Kirk Poulsen	Palisade Consulting	2020
Dennis Arriaga	SRI International	2021
Dan McGarvey	Alion Science and Technology	2021

National Industrial Security Program
Industry MOU Members

	Chairperson
AIA	Steve Kipp
ASIS	Bob Lilje
CSSWG	Brian Mackey
FFRDC/UARC	Shawn Daley
INSA	Kathy Pherson
ISWG	Marc Ryan
NCMS	Aprille Abbott
NDIA	Rick Lawhorn*
PSC	Matt Hollandsworth

Impacts of Policy Changes - Overview

- **Industry and government have encountered vast amounts of security policy and procedural changes in the past two years and do not anticipate this slowing.**

- **The growing backlog of personnel security investigations and long lead time for meaningful reform to take hold will place national security at risk as both the USG and industry struggle to deliver responsive solutions from a tightening cleared labor market.**

- **Industry will be responsive to new initiatives, preferably if included in preparatory phases and where intended outcomes are clearly communicated.**

New Business: DSS in Transition

- **NISPPAC has been participating on a Core Group and a Focus Group in order to partner with DSS on formulating a new methodology.**

- **We are committed to the mission but concerned about lack of resources or training for implementation on the part of both government and industry.**

- **We are concerned about variances in implementation from one field office to the next.**

- **We are concerned that smaller companies without key technologies will not be seen or reviewed for several iterations.**

- **We are still unclear as to the coordination with the GCA's and are concerned about the impacts of introducing vulnerability information to the GCA outside the scope of a contract.**

Activity	Asset ID	Business Processes	12x13	TSP	Rating
Comprehensive Security Review	Yes	Yes	Yes	Yes	No
Targeted Security Reviews	Yes	Yes	Yes	No	Yes
Enhanced SVAs	Introduce	Introduce	Introduce	No	Yes
Meaningful Engagements	No	No	No	No	No
Enhanced SVAs	Introduce	Introduce	Introduce	No	Yes
Meaningful Engagements	No	No	No	No	No

New Business: DSS and CUI

- **Industry is standing ready to learn about the implementation of DSS' oversight of CUI for the DIB.**

- **We are interested in how CUI governance will be distinguished from NISP governance and how this added duty will impact DSS' ability to remain responsive.**

- **Industry is prepared to interface and work with DSS on suggestions for implementation.**

New Business: NDAA 2018

Clearance Reform

- **NDAA 2018, Section 938: DOD Investigations transition from NBIB to DSS**
  - **Will require DSS to conduct all DOD investigations not later than October 1, 2020**
  - **Will transition the DOD CAF to DSS**
  - **Will transition the Personnel Security Assurance Division of the DMDC to DSS**

- **Looking forward to learning more about the NBIB/DSS transition.**

June 21, 2018

Colleagues,

The announcement by the Administration regarding the alignment of background investigations is of great importance to our organizations. It is our aim to keep you well informed as this effort progresses, so we want to provide you with additional information today.

For several months, DSS and NBIB have been working closely to execute the legislative mandate to move responsibility for the DoD-related portion of NBIB's background investigations mission to DSS. Upon further review, the Administration has indicated its intent to keep the background investigative program intact and under a single organizational banner. It has further determined that the program will be housed under DoD. As a result, we will focus our efforts on planning and executing an orderly and timely transfer of mission, personnel, resources, and assets from NBIB to DoD.

It is important for everyone to understand that with the consolidation of this mission in DoD, we collectively have an unprecedented opportunity to modernize and reform background investigations across the Federal Government. A strong NBIB-DoD team is our best combination for success. Our goals are to ensure this transfer is seamless and transparent, and to avoid interruptions to our missions or impact to our customers. Ongoing work to enhance capabilities and effect policy changes will not be interrupted by this transfer. We remain dedicated to providing the best service to our customers and our nation.

This will be a collaborative process and require coordination to prepare all staff for the integration of NBIB with DSS. Though the effective date is yet to be determined, we have already established working groups that will work in earnest to accomplish this transfer quickly and efficiently. We understand the importance of open and transparent communication with all NBIB and DSS personnel, and will provide you frequent updates and future opportunities to get answers to the questions you will have as we progress. We are planning to visit a number of field locations for both agencies to discuss the transfer in more detail. We look forward to the conversation.

Looking Toward the Future!

Charles S. Phalen, Jr.
Director
National Background Investigations Bureau

Daniel E. Payne
Director
Defense Security Service

New Business: Small Business

- **Small businesses starting to discuss terminating FCLs due to complexities with RMF, Insider Threat implementation and now DSS in Transition.**

- **Higher scrutiny on the use of Security Consultants and Security Service Providers means there is a concern that there will be a gap regarding being able to support small CDCs in their pursuit of NISP compliance.**

- **Concern over supply chain dwindling as well as foreign entities purchasing these small businesses as they relinquish their FCLs.**

- **NCMS Security Consultant Working Group submitted a White Paper to DSS for review and comment.**
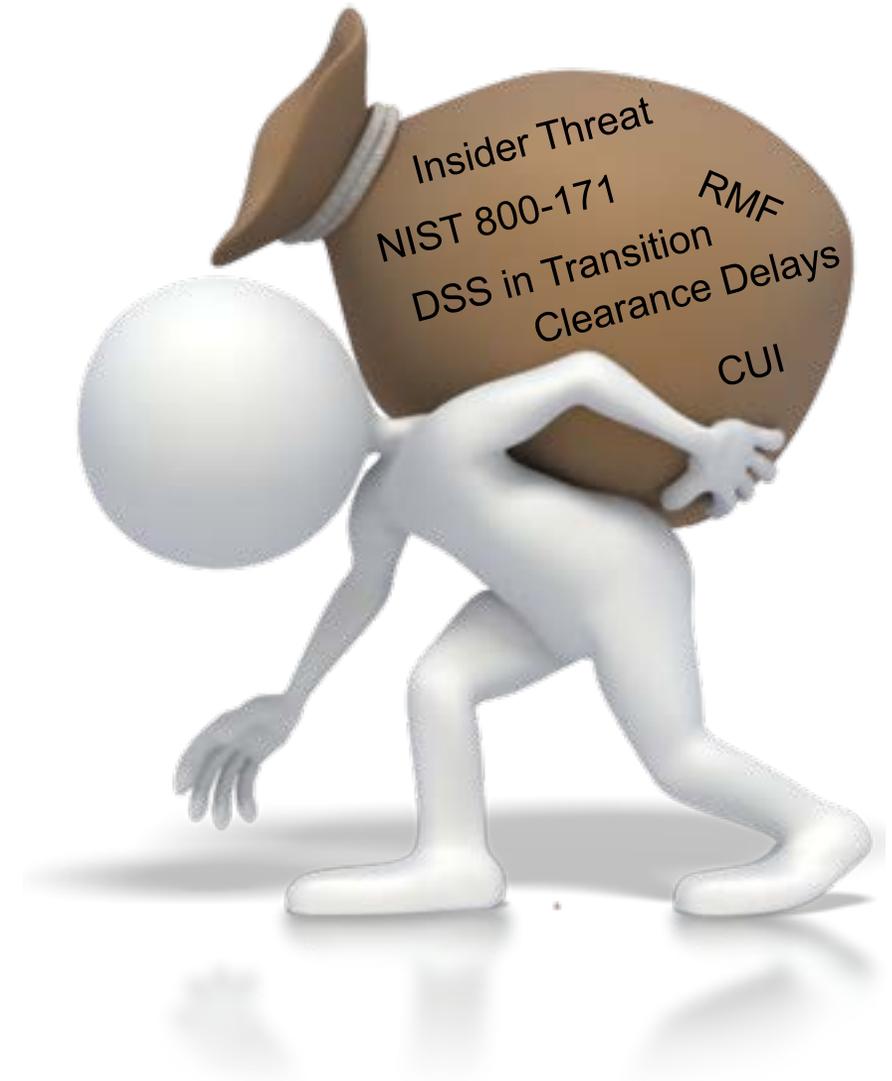
New Business: Systems

- **NISS: Awaiting functional final release of system and plan for the industry transition.**
- **DISS: Still concern regarding roll-out and lack of available training for both industry and government. Concern regarding timely provisioning of user accounts and increasing call volumes/wait times of DMDC help desk. *How many users with current accounts?***
- **NCCS: Still awaiting information regarding a help desk for industry to call with questions.**
- **eAPP: Awaiting go live date and transition plan.**
- **eQIP: New website and design was released without proper communication to industry. FSOs were not prepared to support the influx of employee questions.**

Old Business: SEADs

- **Industry is still awaiting implementation information regarding travel reporting under SEAD 3. Reporting foreign travel for all suitability, collateral, SAP and SCI individuals may adversely impact both government and industry, especially if the reporting mechanisms vary per customer.**

- **Draft ISL SEAD 3 and 4 verbiage has been reviewed by industry and suggestions have been submitted.**

- **Industry is aware SEADs 7 and 8 drafts are under coordination and have requested the ability to provide input. We are still awaiting an answer.**
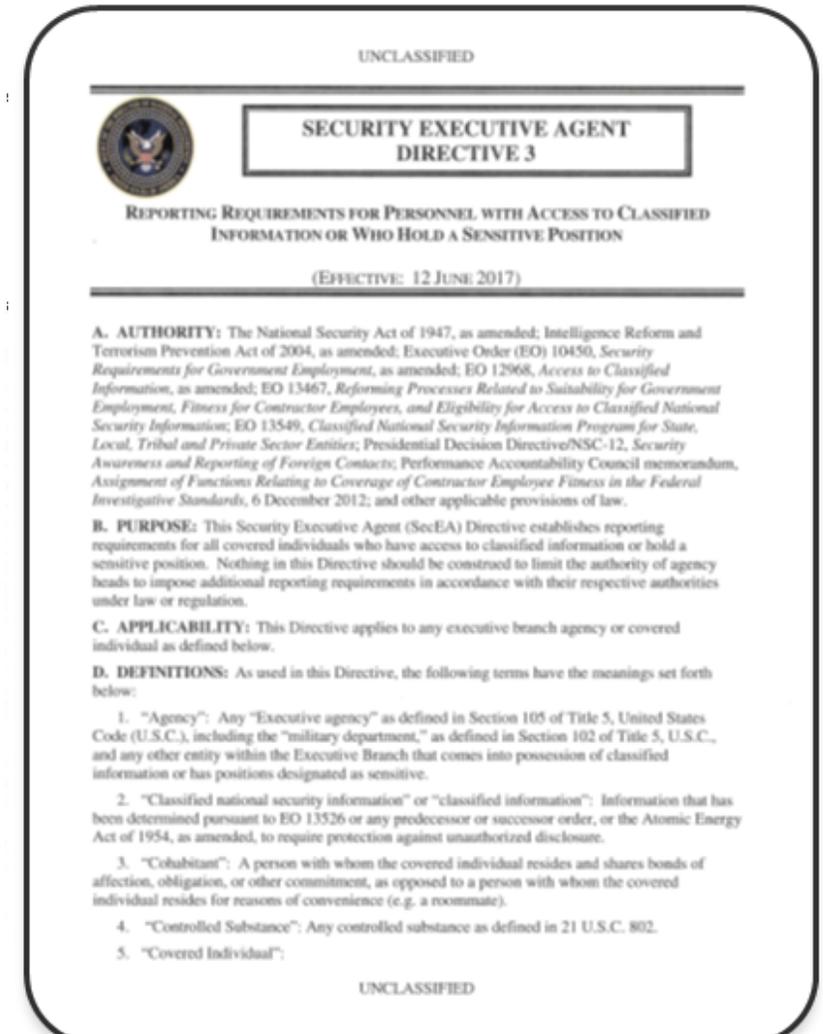
Old Business: Legislation Watch

Creation of Committees

- **NDAA 2017 Section 1647: Formation of an "Advisory Committee on Industrial Security and Industrial Base Policy"**
  - **Charter filed April 30, 2017**
  - **Awaiting more clarification on committee members and funding**
- **NDAA 2018 Section 805: Formation of an "Defense Policy Advisory Committee on Technology"**
  - **Committee comprised of Industry and Government to share technology threat information**
  - **Will meet at least annually from 2018 to 2022**

Attachment 3

- The CUI Annual Report
- CUI Implementation and FAR Timeline
- Proposed FAR and the Existing DFAR 252.204-7012

Website
archives.gov/cui

CUI BLOG
isoo.blogs.archives.gov

Attachment 4

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

INDUSTRY PERFORMANCE METRICS & OTHER SecEA INITIATIVES
NCSC/Special Security Directorate

L E A D I N G   I N T E L L I G E N C E   I N T E G R A T I O N

Briefing to NISPPAC
19 July 2018

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

LEADING INTELLIGENCE INTEGRATION

Performance Accountability Council (PAC)
Security Clearance Methodology

- Data on the following slides reflects security clearance timeliness performance on contractor cases. DoD Industry data is provided by OPM and IC contractor data is provided by the following IC agencies: CIA, DIA, FBI, NGA, NRO, NSA and Department of State.

STARTED 9 | **DAYS** 2 07 | **FINISHED** 7
PHASE: INVESTIGATION
MET GOAL 2 OF 7

- Timeliness data is being provided to report the length of time contractor cases are taking - not contractor performance.
- As shown in the diagram, 'Pre/Post' casework is not considered in the PAC Timeliness Methodology.
- Unless otherwise specified, Initial Secret data is a combination of legacy investigative types and Tier 3 investigations.

Pre-submission Coordination
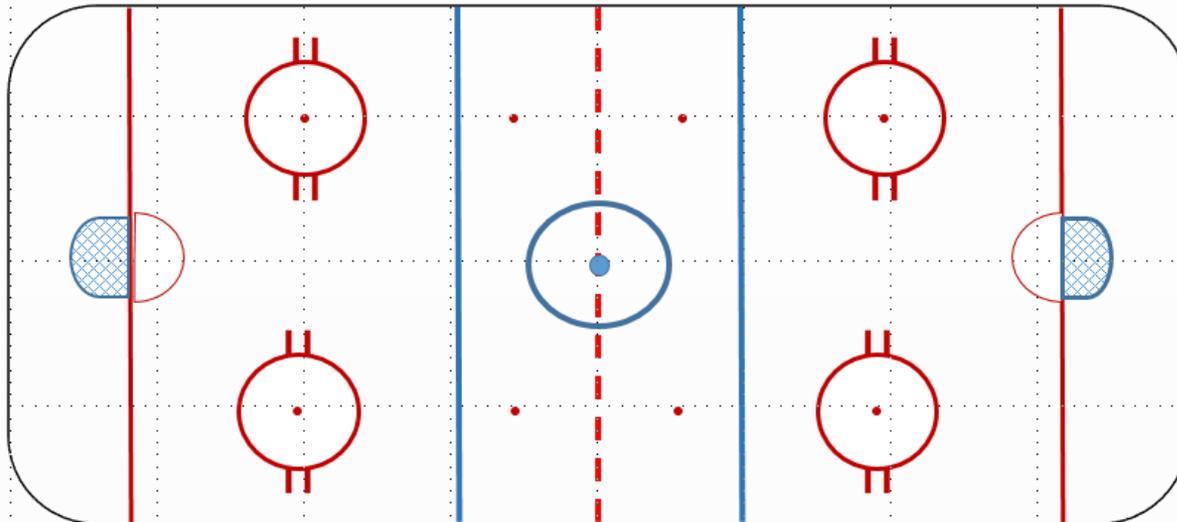
Post-decision Coordination

Timeliness Methodology Evolution

IRTPA (2004)

Initial Secret and Top Secret

Adjudicate (20 Days)

PAC (2008)

Initial Secret and Top Secret

Initiate (14 Days) → Investigate (40 Days) → Adjudicate (20 Days)

Periodic Reinvestigations

Initiate (15 Days) → Investigate (150 Days) → Adjudicate (30 Days)

PAC/SecEA (2012)

Initial Secret

Initiate (14 Days) → Investigate (40 Days) → Adjudicate (20 Days)

Initial Top Secret

Initiate (14 Days) → Investigate (80 Days) → Adjudicate (20 Days)

Periodic Reinvestigations

Initiate (15 Days) → Investigate (150 Days) → Adjudicate (30 Days)

Pre-submission Coordination

Post-decision Employment Coordination

Timeliness Performance Metrics for IC/DSS
Industry Personnel Submission, Investigation & Adjudication* Time

Average Days of Fastest 90% of Reported Clearance Decisions Made
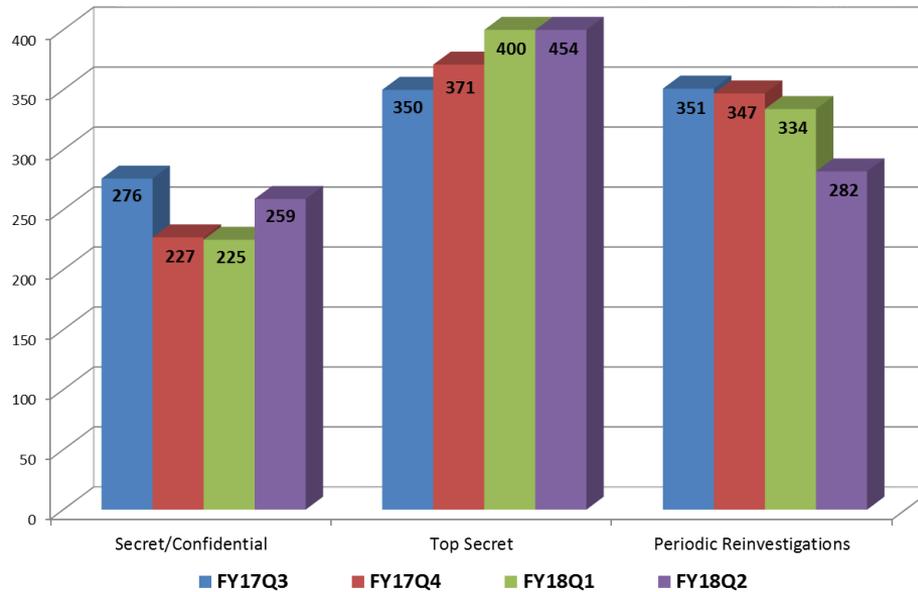
	Secret/ Confidential	Top Secret	Periodic Reinvestigations
Adjudication actions taken – 3rd Q FY17	10,851	4,616	11,998
Adjudication actions taken – 4th Q FY17	14,729	4,450	11,433
Adjudication actions taken – 1st Q FY18	14,424	4,972	13,578
Adjudication actions taken – 2nd Q FY18	13,900	6,388	17,077

*The adjudication timeliness includes collateral adjudication and SCI, if conducted concurrently.

As of 6/08/2018

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE
LEADING INTELLIGENCE INTEGRATION

IC and DoD Industry – Secret Clearances

Average Days of Fastest 90% of Reported Clearance Decisions Made
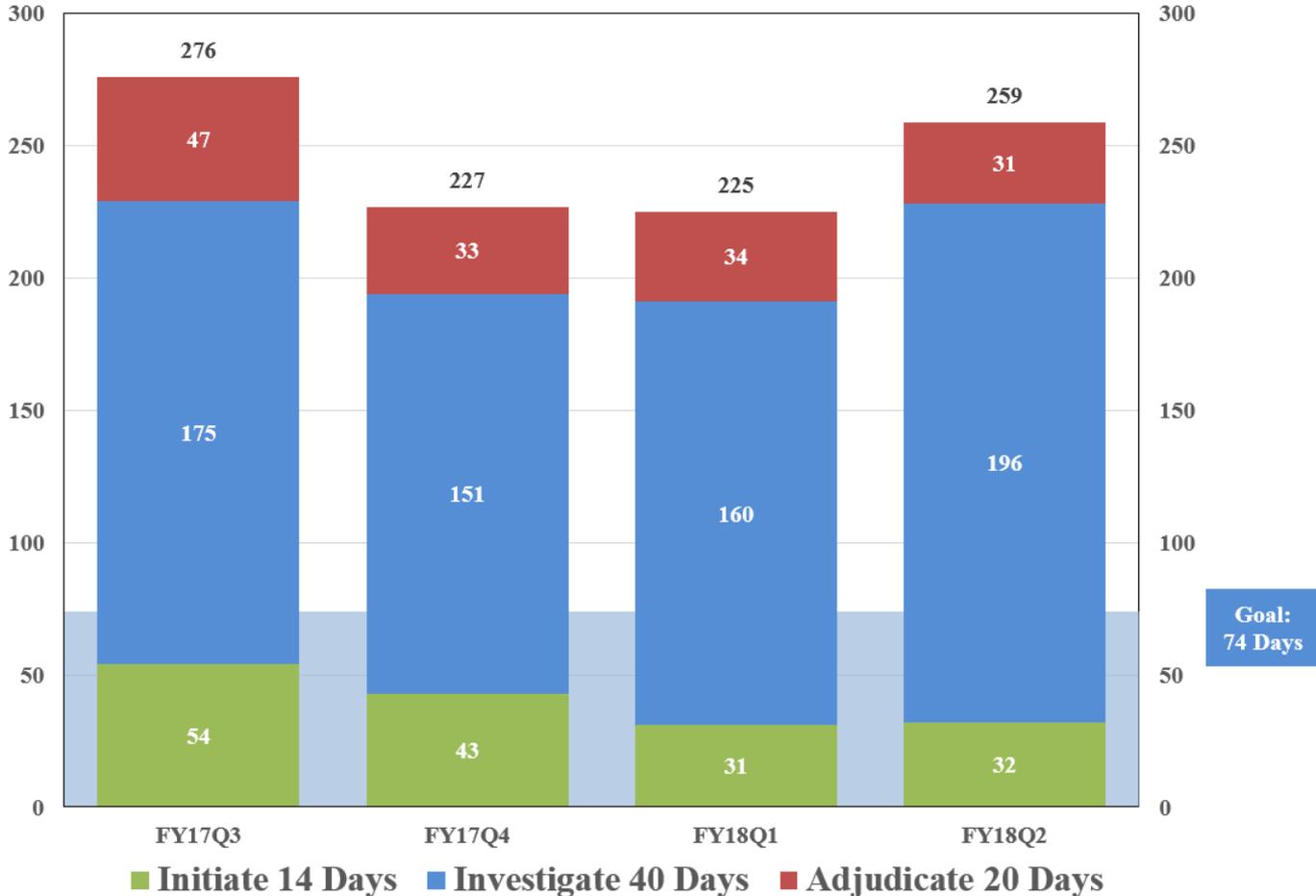
As of 6/08/2018

IC and DoD Industry - Top Secret Clearances
SSBI and Tier 5

Average Days of Fastest 90% of Reported Clearance Decisions Made

	FY17Q3	FY17Q4	FY18Q1	FY18Q2
Total	350	371	400	454
Adjudicate 20 Days	27	27	25	33
Investigate 80 Days	292	310	336	382
Initiate 14 Days	31	34	39	39

Goal: 114 Days

■ **Initiate 14 Days**   ■ **Investigate 80 Days**   ■ **Adjudicate 20 Days**
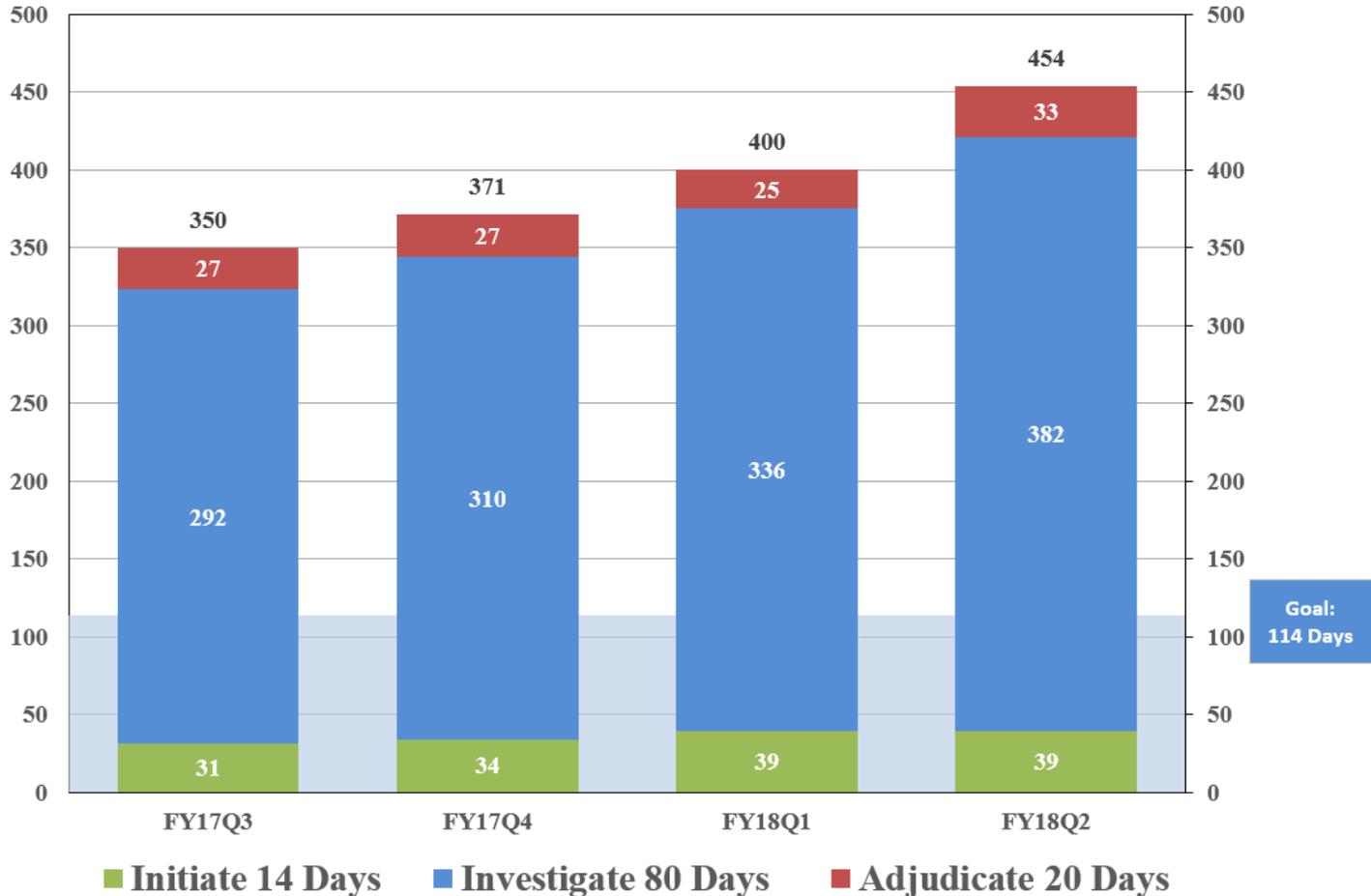
As of 6/08/2018

IC and DoD Industry - Periodic Reinvestigations SSBI-PR's and Tier 5R

Average Days of Fastest 90% of Reported Clearance Decisions Made

	FY17Q3	FY17Q4	FY18Q1	FY18Q2
Total	351	347	334	282
Adjudicate 30 Days	58	54	36	35
Investigate 150 Days	246	234	236	193
Initiate 15 Days	47	59	62	54

Goal: 195 Days

■ Initiate 15 Days ■ Investigate 150 Days ■ Adjudicate 30 Days

As of 6/08/2018

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

LEADING INTELLIGENCE INTEGRATION
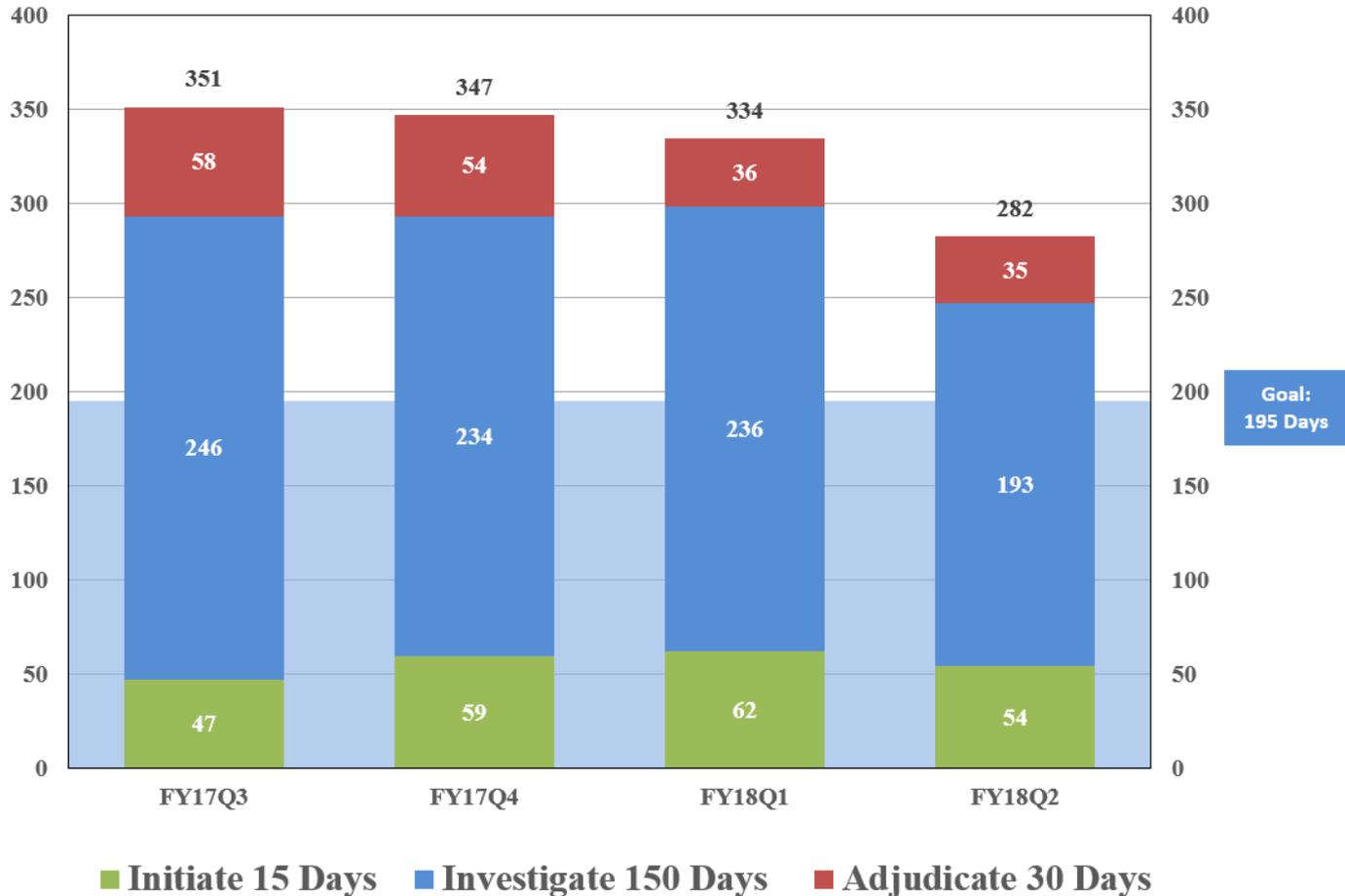
Questions?

Email: SecEA @dni.gov

Attachment 5

July 19, 2018

NISPPAC Briefing

Heather Green, Director, Personnel Security Management Office (PSMO)

e-QIP & Interim Determinations Metrics

Industry Initiate/Submission Clearance Timeliness

Investigation Type

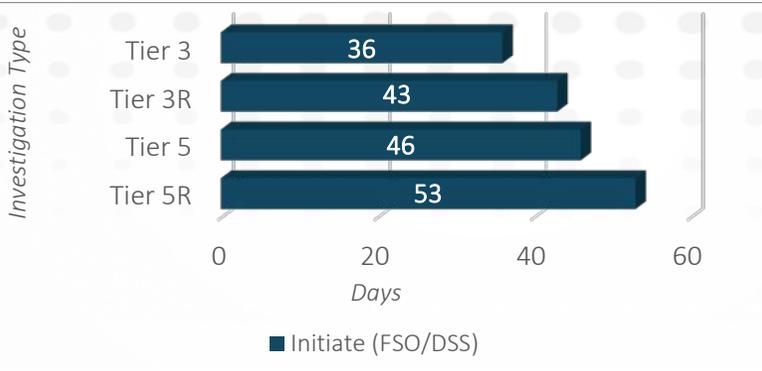| Tier 3 | 36 |
Tier 3R	43
Tier 5	46
Tier 5R	53

Days

0   20   40   60

■ Initiate (FSO/DSS)

Common PSMO-I e-QIP Reject Reasons

- Financial information 11%
- HSPD-12 requests 14%
- Spouse SSN 15%
- Employment verification 15%
- Cohab SSN 20%
- Signature pages not received, contains errors, or wrong subject 25%
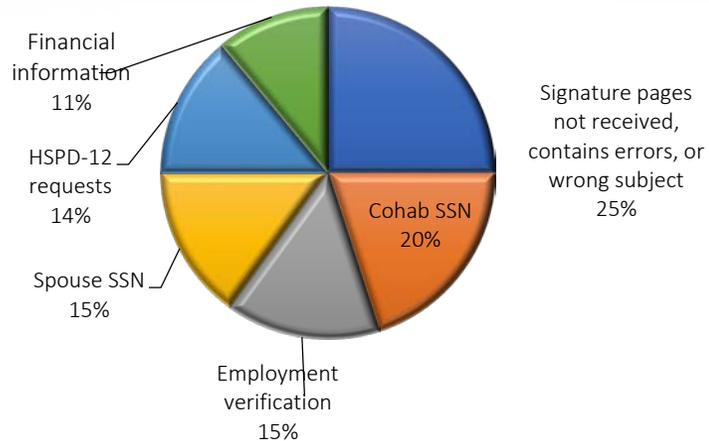
Annual e-QIP Submissions **220,000**

Current Inventory **21,214**

56,000

Interims Processed Weekly **1,400**

Average 35 days

12%

Reminders:

⭐ Conduct thorough review for accuracy and completeness

⭐ Submit e-fingerprints prior to e-QIP submission

⭐ Use click to sign for all forms associated with e-QIP

Attachment 6

Department of Defense
Consolidated Adjudications Facility
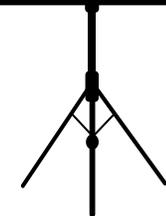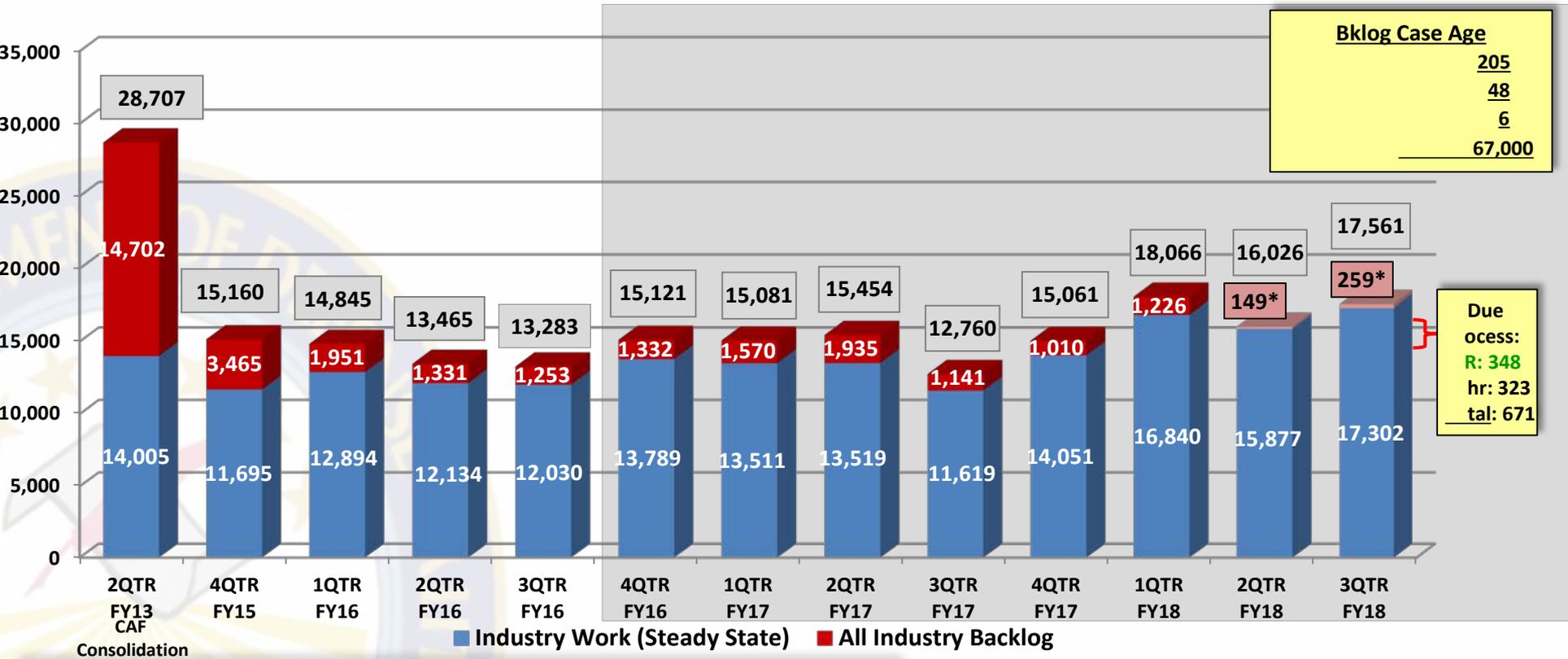

JULY 19, 2018

NISPPAC

INDUSTRIAL CASES PENDING ADJUDICATION

Bar chart titled with legend: Industry Work (Steady State) (blue), All Industry Backlog (red).

Quarter	Total	Backlog	Steady State
2QTR FY13 CAF Consolidation	28,707	14,702	14,005
4QTR FY15	15,160	3,465	11,695
1QTR FY16	14,845	1,951	12,894
2QTR FY16	13,465	1,331	12,134
3QTR FY16	13,283	1,253	12,030
4QTR FY16	15,121	1,332	13,789
1QTR FY17	15,081	1,570	13,511
2QTR FY17	15,454	1,935	13,519
3QTR FY17	12,760	1,141	11,619
4QTR FY17	15,061	1,010	14,051
1QTR FY18	18,066	1,226	16,840
2QTR FY18	16,026	149*	15,877
3QTR FY18	17,561	259*	17,302

Bklog Case Age

205
48
6
67,000

Due ocess:
R: 348
hr: 323
tal: 671

- **Legacy Backlog in adjudications is ending… for now**
- **~350 Legal Sufficiency Review (LSR) cases are at a steady state**
- **NISP Portfolio at the DoD CAF is the <u>healthiest of all portfolios</u>**
- **A backlog resurgence is likely in the near future as:**
  - DISS has been deployed to Industry in June-18
  - NBIB and DSS surge pushing cases to a single DoD CAF

NOTE: Re-baselined starting Q4 FY16;
Now includes <u>all</u> NISP cases to include Legacy 4th Estate TS/SCI

*Re-baselined Backlog w/ Post-DISS Definition:
- 90% of the newest Unassigned Cases Exceeding IRTPA timelines - Cases waiting 2nd review > 60 days - Cases waiting SME consult review > 60 days
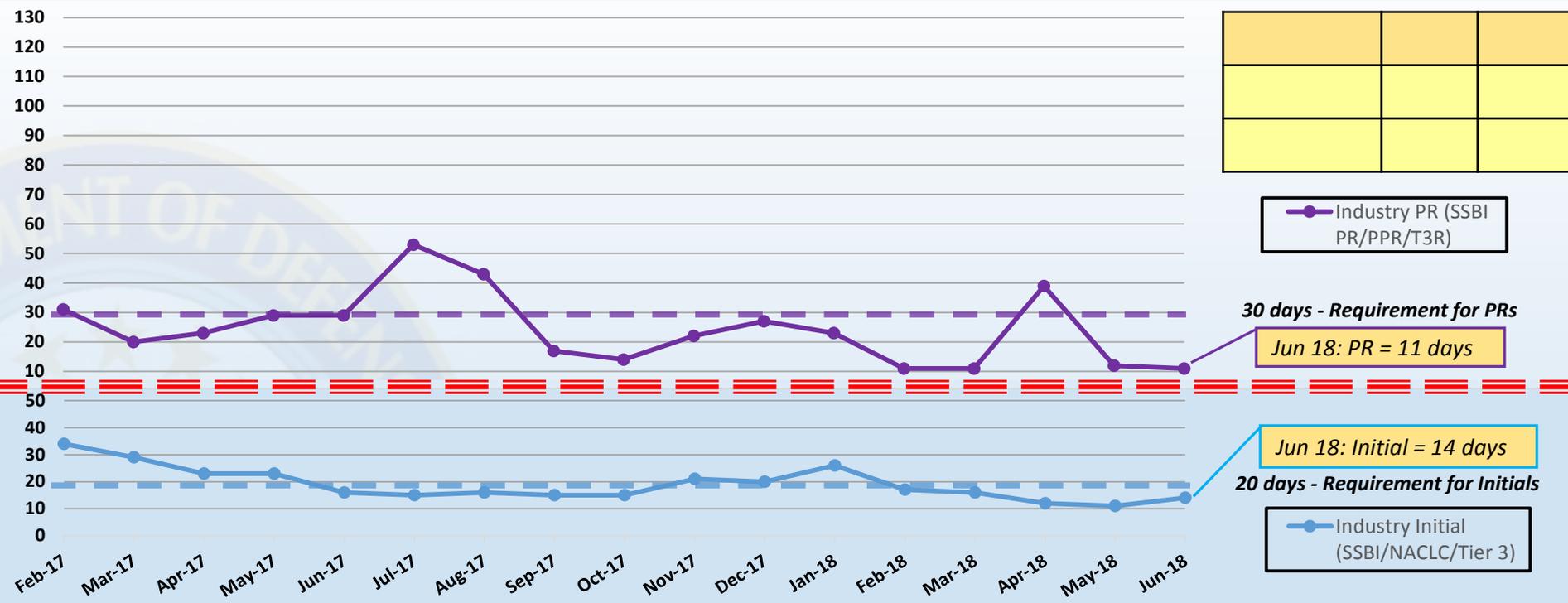
OPR: Metrics Team | Slide Revised: 30 June 18

INDUSTRY
Intelligence Reform and Terrorism Prevention Act Performance
(Based on OPM Reporting from Feb 17 – Jun 18)

30 days - Requirement for PRs

Jun 18: PR = 11 days

Jun 18: Initial = 14 days

20 days - Requirement for Initials

Legend: Industry PR (SSBI PR/PPR/T3R)

Legend: Industry Initial (SSBI/NACLC/Tier 3)

- **Industry deployed DISS in late June 2018, continue to expect timeliness to:**
  - **+ Fluctuate as CAF continues to resolve case assignment issues**
  - **+ Rise for 2-3 months post-deployment as CAF/PSMO-I/FSO's consolidate PERSEC OPS on this new system**
- **CAF timeliness for Industry adjudications remains at very acceptable level....for now**

* Separated non-DoD CAF cases and data applicable to other elements of the DoD (e.g. DIA, NSA, & NGA)

OPR: Metrics Team
Slide Revised: 11 Jul 2018

KEY TAKEAWAYS

- NISP portfolio at DoD CAF remains relatively healthy and steady

- CAF Assessment on-going subsequent to the late-June 2018 deployment of DISS to support all NISP cases

- June 25 - DISS deployment for Industry and FSO's

- July 7 - DMDC rendered DISCO CATS users to "Read Only"

- Ensure all necessary Industrial Security DISS users have their accounts provisioned

- CAF, in conjunction with DSS & USDI, continues to focus on being properly postured for any/all future workload surges

Department of Defense
Consolidated Adjudications Facility

QUESTIONS???

Attachment 7

DSS NISP Authorization Office Update

- **Risk Management Framework (RMF) Process Continues to Mature**

DSS Assessment and Authorization Process Manual (DAAPM) Version 1.3 was was released and became effective on June 4, 2018. The intent of the update is to

DSS NISP Authorization Office Update

- **Transition to eMASS**

Beginning July 1, 2018, cleared industry can be sponsored for access to DISA DISA computer based eMASS training. This training is a prerequisite for obtaining an obtaining an eMASS account. A job aid specific to Industry has been created and created and posted. This job aid walks through each step required for training training access.

Beginning August 1, 2018 cleared industry can registrar for an eMASS account by