

***NORTHROP GRUMMAN***

*Electronic Systems*

# Impact to Industry

## An Industry Perspective of the Current Clearance Crisis

Presentation to the 2<sup>nd</sup> Annual  
Women In Defense  
National Conference

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DEFINING THE FUTURE

FROM UNDERSEA TO OUTER SPACE TO CYBERSPACE



# Impact To Industry

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## Industry is in the unenviable role of depending on the kindness of strangers...

In the DoD Community, DSS held the charter of clearance office for contractors. The agreement was simple – the DoD 441 agreement allowed the contractor to submit clearances to DISCO for processing if the need was justified and a contract number for a classified contract was provided

Yet as the CCMS system faltered and clearance processing stalled, Legislators added additional requirements to an already dysfunctional system.

- The Smith Amendment
- The Nanny Checks
- Boy Scout Leader Investigations

The continuing disintegration of the CCMS system allowed clearances submitted to go into limbo or be overwritten and lost, and then came September 11<sup>th</sup> 2001...

## Impact To Industry

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**The Attacks of September 11<sup>th</sup> And The Wars in Afghanistan and Iraq Enabled the Emergency Portions of the Executive Order To Be Engaged for Military and Intel Organizations...**

### **But Not For Contractors**

At a time when our country and customers needed the defense industrial base the most, the waivers for full Initial and PR investigations, the ability to grant access to special programs while the investigation was out of scope, the crossover without another full investigation was deemed to be too much risk for the contractor community ... while common in USG.

## **Impact to Industry**

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**Until Agencies Determine An Acceptable Level of Risk and Practice Risk Management**

**Until All Agencies Trust a Common Clearance Process**

**There Will Be No Reciprocity For Personnel Clearances**

## Impact to Industry

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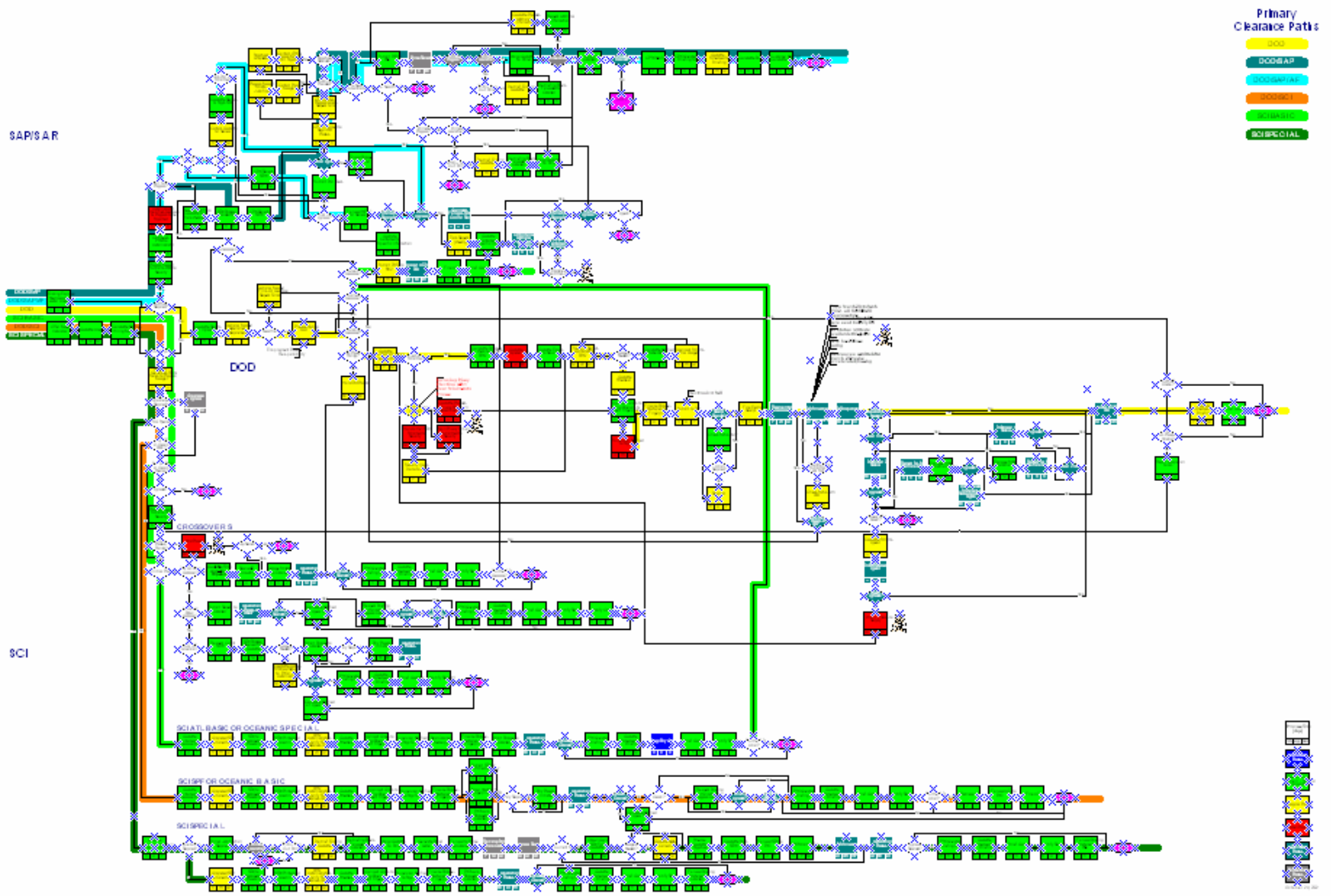
**There are currently Six (6) pathways to obtain a security clearance and/or program access in my organization. Some organizations have more or less**

Surveys show a 18-24 month delay in obtaining a final Secret or Top Secret Clearance thru the DSS/OPM system

Even the most productive Intel process is now bogged down in lengthy reviews of sponsorships to ensure they are not being used as a clearance mill for other customer efforts



## Electronic Systems Security Clearance/Access Process



## Impact to Industry

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**In 2000 Industry conducted a survey of Contractors utilizing the DSS system and showed that there was an impact of nearly a quarter of a Billion dollars to industry.**

**Today the delays are longer and the requests are heavier as Industry processes employees to meet the needs of our customers on the battlefield as well as in the factory**

## Impact to Industry

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### **A new employee never cleared with a clean background has two methods for clearances..**

His employer can opt to use him only for Secret level collateral work – he will obtain an Interim Secret through DISCO in a matter of weeks and go to work ... but he can't be considered for anything higher – such as a special access program until his investigation is adjudicated – 18 mos

If he is needed for a special access program and the customer conducts its own investigation and adjudication – the investigation and adjudication may be completed in six months but there is a one year wait for the polygraph that will allow him to be put to work ..

*Note: until that special customer investigation is completed the employee is not cleared – there is no Interim granted and the employee cannot charge a classified contract for the six months*



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**An employer with an immediate need for cleared and accessed employees only has one option ... steal them**

Candidate with a good Single Scope Background Investigation ( dated within 4.5 years) and a current access to the right special customer will receive an offer of a minimum 20% increase – often 35-40% if the candidate has a full scope poly and special technical skills ... these increases will be hidden in signing bonuses and special compensation packages as well as a significant salary increase.

***This practice makes total sense to the service community who work on lower margins than design, development and manufacturing contracts and need the body warm, breathing and cleared to start charging immediately – they may be losing thousands of dollars a day by not filling that position***

## Impact to Industry

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**Industry Case I** – cleared and special accessed employees embedded with their government customer have their R&R delayed because of lack of cleared employees to send in as a substitute

**Industry Case II** – Government employee retires and moves to Industry – Friday he was accessed to the program but Monday he is not – as a contractor, customer must review his investigation and adjudicate – delay of weeks/months

**Industry Case III** – Retired USG employee moves to industry but his agency did not conduct the standard PR because of retirement date – he cannot be accessed to the special program and now needs a full re-investigation before access to same programs he worked as USG.

***In all cases, their Company had to go find someone currently working in another organization with the right tickets and steal them away***

## Impact to Industry

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### New Contract Impact

Customers now requiring contractors to tell them where they will find the cleared/access people to work the program and identify them

Some customers requiring employee to agree to support the program for a minimum of one year before processing for investigation for special access

Customers monitor attrition from Intel programs, particularly those with SCI access and full scope polys, can affect award fee and sponsorship for new clearance/access processing

# Impact to Industry

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## Good News

- *JPAS* database is an exceptional new tool – has improved the information on contractor clearances threefold – allows contractors to transfer/sponsor cleared personnel in real time and determine eligibility for special programs
- Beta testing on *ACES* and *Phased Periodic Reinvestigation* programs going forward – will be the answer in the elimination of the dreaded 5 year update that negatively impacts contractors
- Reciprocity Working Group working towards single approved investigation/adjudication criteria for contractors to establish trust between agencies
- Military Special Access Programs adopting USAF Tiering System
- Beta testing of *e-QIP* for contractors will eventually eliminate the trucking of tens of thousands of clearance packages weekly between Columbus OH and Boyer PA and then re-imputing into OPM software

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## Bad News

- Government unwilling to manage risk on 5 year reinvestigations – people are already vetted – plan would waiver the PR to allow the system to catch up
- Investigative Resources do not meet volume requirements, OPM and DSS estimate 8,000 investigators required to meet today's volume – only 5,000 available in these agencies
- FBI database cannot communicate with other agencies – adds huge delay to clearance process while vetting agencies wait for the FBI check - needs additional funding and direction to communicate with others
- Congress continues to add additional groups that require FBI background investigation while other commercial resources would be faster and cheaper.. i.e TSA
- Several major localities cannot provide local agency checks in a timely manner to OPM .. i.e. Los Angeles
- ACES and Phased PR systems not sufficiently robust to carry the full volume needed to make an impact



## Impact to Industry

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### What The Future Brings

- Industry does not foresee an end to this nightmare for another two years
- Appointment of the NID will create ownership of the various processes but the learning curve is steep
- Legislative efforts will be less than productive because you cannot legislate performance
- There are so many factors outside of their control impacting the ability of OPM to process a clearance in a timely manner that they carry major handicaps going into the fray

## Impact to Industry

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### What The Future Brings

Statistical tracking by DSS and their customers indicates there is a bubble of new re-investigations coming due in 2005-2006

With the crash of CCMS – only small numbers of periodic reinvestigations were completed in 1998, 1999 and 2001 – But a big push to get those re-investigations completed in early 2001 now creates a bubble of re-investigations in the Contractor and Military communities that come due in the next six to ten months pushing additional volume into an already taxed system

## Impact to Industry

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### Industry's Recommendations

- Delay all PRs for one year to allow the system to catch up on Initial Investigations
- Bring in all investigators under the NID and share the load to use all available resources
- Fund the *ACES* and *Phased PR* programs so they are ready for prime time and turn them on for USG *and* contractors
- Fund the upgrades of USG databases that feed into the OPM process to avoid further delays
- **Force agencies to practice Risk Management instead of Risk Avoidance to help us help them**

## Impact to Industry

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### Industry's Recommendations

If Government can establish a process that delivers a quality clearance within the parameters agreed upon by all parties within the performance time period (90 days Secret/ 120 days TS) – All other issues go away

***We all need a process that is trusted by all parties and then we will have full reciprocity by them***