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M: Would everyone please take your seat? Okay. Good morning. We're going to get started. Please take your seat. Meredith, would you close the door, please? {Right?}, okay. All right. (overlapping dialogue; inaudible) Okay, let's call this meeting to order.

MARK BRADLEY: All right.

M: Over to you, Mr. Chair.

MARK BRADLEY: Okay, [well?], welcome everybody. Good morning. Welcome to the 59th meeting of the NISPPAC. This is a public meeting. It's audio recorded. As you know, we make a transcript of the meeting, so it is critical when you speak that you identify yourselves, you know, whether you're industry or government. And so, our folks who are transcribing this will know who's speaking. So, when we sit down to make the transcript, we'll be able to make a coherent one and actually one that's accurate. For those of you here in the room, please be mindful, we have people on the phone through teleconferencing capability. Microphones around the table can be repositioned in front of anyone who wants to speak so that everyone can hear. If we don't use a microphone, others in the room and on the phone are not able to hear what you're going to say. [Four?] microphone right in the middle there is available for you all on the back benches if you want to come up and speak. Presenters can use the podium in front of the room, which is over there. We've got a bunch of those today. I think we're slated today for two and a half hours. So, we will try to move this as quickly as we can. Before speaking, please identify yourself, as I said, each time. And again, I know some of you quite well and I even recognize your voices. But others can't, so, again, it may sound tiresome but please identify yourselves.

All right, now I'd like to welcome our newest NISPPAC members and express our appreciation for outgoing members. However, first, I'd like to recognize Michelle Sutphin, our NISPPAC industry spokesman, all right? So, this is it for you, huh?

MICHELLE SUTPHIN: This is it. (laughter)

MARK BRADLEY: Well --

MICHELLE SUTPHIN: [Yes?!] (laughter)

MARK BRADLEY: -- we would like to give you a token of our appreciation for your outstanding --

MICHELLE SUTPHIN: Oh!

MARK BRADLEY: -- service.

MICHELLE SUTPHIN: Thank you! (applause)

MARK BRADLEY: I -- it's -- when I think of Michelle, I think of -- couple things. First, a consummate professional and such a nice person. And she's such a delight to work with. And I would say she's represented industry's interest quite well. She's been vocal but always a gentle lady in doing it, which I, of course, appreciate, being a Southerner.

(laughter) So, she's a class act and she's going to be a loss. But knowing the industry as I do, you all will be able to ably replace her, although not completely 'cause no one can.

F: [Mark, can you read the plaque?]

MARK BRADLEY: I -- oh.

F: (inaudible)

MARK BRADLEY: What's that? (overlapping dialogue; inaudible) I would. Let me get my glasses on. (laughter) "[Information security?] oversight office, outstanding service

award presented to Michelle J. Sutphin, ISP out of BAE Systems, Inc., for unwavering dedication, commitment, leadership, and support of the National Industrial Security Program Policy Advisory Committee as the industry member spokesman, 2014 to 2018.

MICHELLE SUTPHIN: Thank you [very?] --

MARK BRADLEY: So, again, (applause) we're looking forward to your continued participation, [and you're?] not getting away (laughter) (inaudible)

MICHELLE SUTPHIN: I'm moving over to NDIA.

MARK BRADLEY: All right, well, we'll find you.

M: (inaudible)

MICHELLE SUTPHIN: Our newest [govern?]- member is to my left, [Heather McMahon?], primary member of the Department of Defense. She's replacing Ben Richardson.

HEATHER McMAHON: Exactly.

MARK BRADLEY: Yeah. I've worked a little bit with Heather so far. Again, she's a real delight and not only very, very smart but also very attentive. So, please reach out to hear if you have any questions. I think you'll be quite pleased with our replacement here. Other outgoing members are Patricia Stokes, primary member of the Army. Is she here?

M: Not yet.

MARK BRADLEY: Not yet, okay.

M: Not yet.

MARK BRADLEY: All right. We actually started on time for once, so maybe [not?] --

F: (inaudible)

MARK BRADLEY: (laughs) We have Martin Strones, Strones Enterprises, going out on September 30th. We welcome you and thank you for your willingness to participate in this committee. Is he -- [Greg?], is he joining or is he leaving?

CRAIG: No, he's -- is right over there.

MARK BRADLEY: Okay, I'm sorry, Martin.

CRAIG: This is his last --

MARK BRADLEY: Oh, yeah, [leaving?], right, [right?]. I'm using a teleprompter here, you know? (laughter) So -- yeah. All right. Now, beginning with the table, I'd like each person to introduce himself or herself and then we will have those on the phone, provide introductions. We'd like to ask those on the phone to follow up with an email to Robert Tringali -- where's Robert? He just left, okay, yeah.

F: (inaudible)

MARK BRADLEY: Okay, yeah. Yeah, at Robert.Tringali@nara.gov. Greg Pannoni will address administrative items after we have the introductions. So, I'm Mark Bradley, director of ISOO and the chair.

MICHELLE SUTPHIN: Michelle Sutphin, industry and BAE Systems.

GREG PANNONI: Greg Pannoni, ISOO and the designated federal officer for the meeting.

KEITH MINARD: Keith Minard, Defense Security Service.

GEORGE LADNER: George Ladner, CIA.

STEVEN LYNCH: Steve Lynch, DHS.

DAVID LOWRY: David Lowry, Air Force.

MARK PEKRUL: Mark Pekrul, NBIB.

DENNIS ARRIAGA: Dennis Arriaga, industry.

ZUDAYYAH TAYLOR-DUNN: Zudayyah Taylor-Dunn, NASA.

R.J. MOLLY: [R.J. Molly?] ISOO and (inaudible)

M: (inaudible)

M: (inaudible)

HEATHER: Heather (inaudible) [DSS?].

PATRICK HOGAN: Patrick Hogan, DSS.

XAVIER F. SKALMAN: [Xavier F. Skalman, Knight?].

KIRK HUNTINGTON: [Kirk Huntington?], CIA.

NICK OLASSIK: [Nick Olassik, personal security professional?].

COREY BLUNT: [Corey Blunt?] (inaudible)

MIKE WALLER: Mike [Waller?], NBIB.

COLLETTE KHAJEHALI: Collette Khajehali, NBIB.

ARTHUR FARLEY: [Arthur Farley, NBIB?].

DON ETNEY: [Don Etney, DSS?].

ALLYSON RENZELLA: [Allyson Renzella?], DSS.

M: (inaudible) [safety is here?].

QUINTON WILKES: Quinton Wilkes, industry.

M: [I'm good?].

DORIANNA RICE: Dorianna Rice with Justice.

DENNIS KEITH: Dennis Keith, [industrial?].

SHIRLEY BROWN: Shirley Brown, NSA.

DAVID McGARVEY: [David McGarvey], industry.

JIM: Jim (inaudible)

BOB HARNEY: Bob Hardy, industry.

KIM BAUGHER: Kim Baugher, State Department.

MARTIN STRONES: Marty Strones with industry.

VALERIE KERBEN: Valerie Kerben, ODNI.

HEATHER McMAHON: Heather McMahan, DoD.

MARK BRADLEY: Now, let's start back here.

TONY INGENITO: Tony Ingenito, industry.

CARLA PETERS-CARR: Carla Peters (inaudible)

VICKI FRANCIS: Vicki Francis, ODNI.

SHARON DONDLINGER: Sharon Dondlinger, Air Force.

LATITIA FELUS: Latitia Felus, DHS.

LISA GEARHART: Lisa Gearhart DSS.

STEPHANIE ROOSTER: Stephanie [Rooster?], industry (inaudible) industry.

MARC RYAN: Marc Ryan, industry.

RICK LONGHORN: Rick [Longhorn?], industry.

SEAN DALEY: Sean Bailey, industry.

STEVE KIPP: Steve Kipp, industry.

LAUREN KERRIDGE: Lauren [Kerridge?], DSS.

NOEL MATCHETT: Noel Matchett industry.

STEVE CICIRELLI: Steve Cicirelli, industry.

MARY EDINGTON: Mary Edington, industry.

F: (inaudible) ISOO.

DEVIN CASEY: Devin Casey, ISOO.

ANDER GATE: [Ander Gate?], industry.

DIANNE COFT-HARE: [Dianne Coft-Hare?], DHS.

EVAN COREN: Evan Coren, ISOO

VALERIE TAN: Valerie [Tan?], DSS.

CHRISTOPHER FORREST: Chris Forrest, DSS.

RIKA LANDA: [Rika Landa?], industry.

ROB SILIKATE: [Rob Silikate, industry?].

RICHARD WEAVER: Dick Weaver, industry.

SHERYL STEM: [Sheryl Stem?], industry.

MITCH KANEFSKY: Mitch Kanefsky, industry.

STEVE DEMARCO: Steve Demarco, DoD (inaudible).

BILL DAVIDSON: Bill Davidson, industry.

BOB: Bob (inaudible)

AMY BROWN: Amy Brown, NSA.

OLGA DELGADO: Olga Delgado, ODNI.

F: (inaudible) [SDA?].

KATIE TIMMONS: [Katie Timmons?], industry.

VALERIE HEIL: Valerie Heil, DoD.

MARK BRADLEY: Okay, is that it? Everybody here in the room's been identified, right?

Okay. Those on the phone, please?

MARK LIVINGSTON: Mark Livingston, Department of the Navy

DENNIS BRADY:

Dennis Brady, Nuclear Regulatory Commission.

DIANE RAINER: [Diane Rainer?], industry.

DEBRA HOMER: [Debra Homer?], DOE.

DOROTHY FISHER: [Dorothy Fisher?], industry.

STEPHANIE RAM: [Stephanie Ram?], industry.

LARRY MUSSENDEN: Larry [Mussenden?], industry.

LIZ FAN: [Liz Fan?], industry.

INDIA DAYSON: India Dayson, DoD.

TERRI COX: [Terri Cox?], FAA.

JOCELYN YEN: [Jocelyn Yen?], Government Accountability Office.

LINDY KISER: Linday Kiser (inaudible)

JOEY EVNACHO: Joey Evancho, FAA.

MARK BRADLEY: Anyone else? Again, for you all on the phone, if you would, again, email your specifics to Robert Tringali we'd be most grateful. Right, Greg, you want to take it away and talk about the -- some administrative.

GREG PANNONI: For those standing, I can see a chair there, but there are a few more chairs outside if you want. We can arrange for that. Okay, well, just a couple of things -- [so?] the handouts for all of the members and anyone who RSVP'd the invitation, you did -- you should have received an electronic version of all the handouts for today's presentations along with the final minutes and the official transcript of the last meeting. And we intend to have those available within 30 days for this meeting on the ISOO website. And just for your information, the meeting announcements are posted in the Federal register. So, that's it on the administrative items. I'm going to move into the action items from the last meeting.

MARK BRADLEY: Greg, one thing. I was remiss -- we're also losing one more person, dear to the ISOO family. Laura is moving on to DSS. So, she's been just critical to our being able to run this meeting in a professional way. So, Laura? (applause) [Sir?]

GREG PANNONI: And I second that. And Adam Huddleston, who's in the room, will be filling in at least for the time being until we sort things out. So, you have Adam, you have myself, and the rest of the ISOO staff should you have any questions. And back to action items from the last meeting, there were three. The first was DMDC was to provide a list of the other executive branch, non-DoD agencies with access to DISS, and DMDC rep is here today and they will address that later in the meeting. Next was DISA was going to inquire on the releasability of the [EAPP?] system demo. That action is closed. The demo was and is contained in the minutes from the last meeting. And last, ISOO was to meet with the ODNI on the need to coordinate industry with industry prior to the release of things like the SEADS and other policy memos that the ODNI has either complete authority for or substantial involvement and authority for. We held that meeting this past Tuesday. Very productive meeting. The outcome of the meeting is that the head of the NCSE, Bill Evanina has agreed to meet with -- up to the eight NISPPAC industry representatives at the choosing of NISPPAC industry and we have already started the planning for that meeting. We hope to have it in August, where we will continue discussions on that same topic. So, I thought that was a productive --

F: Excellent, thank you.

GREG PANNONI: -- effort.

F: That was [great?].

GREG PANNONI: Sure. We also have NISPPAC -- moving on to bylaws and the updates, NISPPAC industry has proposed a change to the bylaws. It's a very brief change. We did email the change to all the members, both government and industry, so you should have it. This concerns the NISPPAC industry spokesperson. And specifically, the proposal is that the spokesperson be elected for a one-year term with the option for reelection each year up to the end of his or her four-year term as an industry members. So, what I'll do is I'm going to turn to Ms. Sutphin, Michelle, if she has anything to add. And then, if any of the members have any questions -- and then, if not, and there's the -- otherwise, no unresolvable issues, we'll ask the chair to take a vote on this matter.

MICHELLE SUTPHIN: I --

GREG PANNONI: Did you have anything?

MICHELLE SUTPHIN: I have nothing to add.

GREG PANNONI: Okay, does anyone have any questions, concerns about the change? With there being no, I will --

MARK BRADLEY: Yep.

GREG PANNONI: -- ask the chair to seek a vote of the members.

MARK BRADLEY: Let's seek a vote. Let's go, [okay?].

GREG PANNONI: Show of hands --

MARK BRADLEY: Two, three --

GREG PANNONI: -- members?

MARK BRADLEY: -- four --

GREG PANNONI: We need two-thirds.

MARK BRADLEY: -- five, six -- it's, like -- it's unanimous to me.

F: Yeah.

MARK BRADLEY: Yeah.

GREG PANNONI: Okay.

MARK BRADLEY: Yeah, thank you.

GREG PANNONI: That's being passed. Thank you. That -- oh, just one other item. I know industry is aware of this but would the membership, as you go -- there's a rotating membership among industry, so every year we have two members coming off, two members coming on. We're about at that point. So, we would ask that industry submit to ISOO by September 10th, Monday, September 10th the names of the two nominees that you propose for the chair and that way we can vet those for the various things like whether or not they're a federal-registered lobbyist, get the approval of the CEO, that sort of thing. And you know this, so we'll send you an email confirming that date. And that's it. Thank you. Back to you, Mr. Chair.

MARK BRADLEY: All right, we're going to go to our reports and updates. First one will be summary of the National Interest Determination NID conference. Rob Lomurro, office of the DNI. Thank you.

ROB LOMURRO: Good morning, my name is Rob Lomurro and thank you for the invitation to come and provide this quick summary of the National Interest Determination workshop that we recently held. Understand that the NIDs have been a -- item of intention for some time. The United States government wants to be responsive and all the controlling agencies decided to get together, so we have NCSC, DSS, DOE, NSA, and ISOO with us. We held a workshop for U.S. government members who would touch on and handle NID processing and went through an entire workshop to make -- put

everybody on the same page, to make sure that we could try to refine our processes and that all the people who are working at it knew what those processes were and had the means to execute that in a more efficient fashion.

One of the things that we -- that was a takeaway from the conference, for which we had basically 32 departments and agencies, over 140 representatives from contracting, acquisitions, personnel security personnel were in attendance and it was a very good conference. Sorry, workshop. One of the things that we did and produced was this National Interest Determination desktop reference. This has everything in it that a person in the U.S. government who is working on NIDs needs to produce a National Interest Determination. It has every regulation that relates to National Interest Determinations. It has forms, it has a checklist. If you need to know if you need a NID or not -- that would expedite the process. You have the different templates that we put together so that they would know exactly how to fill out a NID request. All this is -- as well as contact information. All this was designed so that -- often times, there is changeover in an office and you get new people come in who have absolutely no idea what a NID is, never mind how to put together a proper package. And that inability to put together a complete and precise package is one of the things that delays everything. So, we always have to go back and clarify issues. And obviously, on the timeline, that just drags things out. So, with this handbook, we've designed it so that a new person coming in could literally sit down with this handbook, go through it, and be able to complete a National Interest Determination package accurately and then submit it to us. And that helps it flow through the entire system.

The other benefit of this workshop was that all the controlling agencies were able to get together and iron out our processes, refine everything so that, internally, we have a coherent, uniform system. And so, hopefully, with the National Interest Determinations as we go forward, things will go much more smoothly for the entire process and that'll benefit the U.S. government because we get the work done that we need to as well as industry because it executes a lot faster. Anybody have any questions? Thank you so much.

MARK BRADLEY: Thank --

M: (inaudible) [question?].

ROB LOMURRO: I'm sorry, yes.

CARLA PETERS: Is the copy available to industry?

MARK BRADLEY: Could you identify yourself, please?

CARLA PETERS: I'm sorry?

MARK BRADLEY: Identify yourself, please?

CARLA PETERS: Oh, I'm sorry. My name is Carla Peters, industry. Is a copy of that desktop reference available to industry?

ROB LOMURRO: We're currently deciding on that. So, this is currently available for -- obviously for U.S. government consumption. We're evaluating what things -- if this is acceptable to put out to basically everybody that -- everybody's use, so any other questions? No? Thank you so much.

MARK BRADLEY: Thank you, yes. Right, industry presentation, Michelle?

MICHELLE SUTPHIN: Thank you very much. I really appreciate the award. Part of me is wondering if you gave it to me so I'll start crying and not talk today. (laughter)

MARK BRADLEY: Well --

MICHELLE SUTPHIN: But thank you very much. It's been quite the pleasure doing this for the past four years. I am looking forward to moving on but I'm going to miss this greatly. And, Laura, too. Industry's going to miss you a lot as far as the ISOO NISPPAC side but we are looking forward to working with you on the DSS side, so congratulations to you. (laughter)

MARK BRADLEY: Down the I-5.

MICHELLE SUTPHIN: Okay, so we're going to talk about just our normal stuff: the NISPPAC membership and then we're going to talk about the impacts of policy changes. As Greg had stated -- sorry, next slide. As Greg had stated, we do have two members going off. That will be myself and Marty. We are -- I believe our term ends at the end of September. So, Tony Ingenito is the industry nomination chair. He is in the process of collecting nominations from both MOUs and the NISPPAC members. If you haven't gotten your nomination into him, please get it in by next week and then we will start the internal voting process to get ISOO the two names.

Next slide, please? We do have one change in terms of the industry MOU representation. Mitch Lawrence has gone off. His terms was over with NDIA and Rick Longhorn has stepped up. Rick, can you just raise your hand, please? And then, I will be assisting Rick as the vice-chair of NDA in my new role. So, you haven't gotten rid of me yet.

Next slide, please. Overall, we are still just concentrating on the vast amount of both security policy and procedural changes that have happened both in the past two years and we are sure in the next two years, as well. We are still concentrating on the growing backlog of personnel security investigations and we got a really great brief from Tricia Stokes yesterday from the [DoD?], so thank you very much for updating us on that. We look forward to seeing the reform continue in that area. We also have been made aware that DSS is going to be taking on eight new mission sets, or I should say eight -- a total of eight mission sets. And so, we are going to be looking at that change coming up, as well.

Next slide. With DSS in transition, the NISPPAC representation has continuously been meeting with DSS in both core groups and focus groups. We have been communicating with them, they have been communicating with us. We understand this process is ever-changing. We got a brief yesterday during the DSS stakeholder meeting concerning the four companies that had a pilot. I think right now, one of our biggest areas that we are focusing on is if in the future we are going to be cited for non-NISP citations and if security becomes an added arm to the acquisitions. We just want to ensure that citations can't be ambiguous, especially when they're tied to contract compliance. So, we're really going to be looking forward to seeing how we are going to be cited, both in the NISP and both -- outside the NISP but going forward with DSS in transition.

Next slide? The memo that has come out of the DoD giving DSS oversight over CUI for the DIB is of great interest to not only be NISP participation but all of the companies within the DIB that could be outside of the NISP. We're going to be interested in how

CUI governance will be distinguished from NISP governance with the NISP companies, and then also outside of the NISP how DSS will be taking over the new additional scope of the companies that will be added that are outside of the 13,000 CDCs.

Next slide, please? Again, as I stated, in the DSS stakeholder meeting yesterday, it was a very good update by Tricia. We definitely are going to be looking at how the reform with the investigations will be taking place. I think one of our biggest concerns that was highlighted yesterday is if T3Rs and T5Rs will be delayed or put on hold. We just want to ensure that there's going to be full reciprocity with both the SOP and IC communities in terms of that.

Next slide, please? This is a topic that we introduced last meeting. And this is -- regards to small business and how they are going to be complying with all of the new policies and procedures that are changing for them. This is hard enough for large companies but the smaller companies having to handle insider threat NIST 101-71, RMF, DSS in transition coupled with the clearance delays and adhering to all the CUI requirements, it is a bit of a struggle for these small companies. They often look to security consultants and both -- and also companies that provide security services. So, NCMS provided a comprehensive whitepaper to DSS essentially highlighting some of these challenges. DSS did review that whitepaper. They came back to us with some very specific questions. The onus is on industry right now to get back to them with answers to those questions. And then, we will be looking forward to a meeting together with DSS to see if we can get some more -- some clarity to some of the consultants and security services

companies so they can continue to support the small businesses because we don't want to see the small businesses leave the NISP.

Next slide, please. In terms of all of the new systems that are going to be coming down the pike, the clearance working group has been working very closely with all of the government agencies. I don't want to go into detail on every single one of the systems. I know we'll be getting highlights about that later on today. I will highlight, though, we are continuing to look into the transition to DISS. We did speak briefly yesterday about the timely transitioning of user accounts and ensuring that the -- all the correct users can get accounts before we go completely live and it becomes the system of record. Also, with E-QIP, there was a change last -- in the last two weeks. It did throw our FSOs for a little bit of a surprise. We were not aware that that change was coming and we had to scramble a little bit to help our employees on how to get into the system. And in the process, the process was broken and we could not properly submit SF-86s. So, we did just want to highlight that we would like better communication when there is a major change such as that. We also have EMASS transition coming up and we understand that there is going to be a significant learning curve in order to get everybody up to speed by October 1. And we are also discussing that in detail and we highlighted that yesterday in our meeting, as well.

Next slide? We are still awaiting the implementation of both NISPOM-conforming change three as well as the draft ISL seeds three and four. We've been communicating back and forth and providing our input on both of those seeds. That has been going very

well. And, as Greg said, we have been requesting to be in the process during the creation of the seeds, at the very least just to be notified during draft stages of what potential changes could be coming into the seeds. I very much appreciate the fact that we're going to be meeting with Mr. Evanina next month to talk about that topic.

Next slide? And then, finally, just the legislation watch. We are aware that the advisory committee on industrial security, industrial-based policy was put into the 2017 NDAA. I understand that the charter was filed in 2017. We are waiting -- more clarification on the committee members and funding for this and also the defense policy advisory committee on technology that is also supposed to be involving industry, we are looking forward to seeing how that committee is going to be comprised and when that will officially begin, as well. And I believe that is everything I have. Does anybody have any questions for industry? Thank you.

MARK BRADLEY: No? Okay. Heather McMahon, director -- counterintelligence and operations in the office of the undersecretary of defense for intelligence -- to give the update from DoD as the NISP executive agent.

HEATHER McMAHON: Thank you, sir.

MARK BRADLEY: Ma'am, you're welcome.

HEATHER McMAHON: Hello, everyone. I appreciate the warm welcome and I also appreciate this opportunity to serve with this NISP board on our common business. I have several DoD updates to share. Some of them are rather specific. (laughs) I'll start with a very specific one. First, the industrial security letter, the draft, which was reference to ODNI security executive agent directive seed four, which was guidance to

cleared industry on the disposition of foreign passports that belong to cleared employees and those passports that were retained by contractors in accordance with DoD directions or decisions made under former adjudicative guidelines. We recently requested that NISPPAC conduct some informal coordination on the proposed industrial security letter on this subject. This is a follow-up to what was posted on the DSS website back in March. This draft ISL explains that cleared contractors in the future will not be asked by the DoD CAF to retain or destroy foreign passports or identity cards routinely as a means of mitigating security concerns for individuals who maintain dual citizenship with other countries. In order to implement this seed, the cleared contractors who have in the past retained the cleared employee's foreign passport or identity card based on these instructions are to return that document as soon as possible to the cleared employee. The ISL also states that the facility security officers should brief the employee that the use of these passports to leave or enter the country would be an incident report. Defense Security Service will publish the ISL after final approval by the OUSDI.

Next, on the status of the NISPOM rewrite and reissuance, our internal coordination of the NISPOM rewrite has now begun and will continue throughout the calendar year. We will coordinate this draft with other NISP cognizant security agencies since they have to obviously concur based on the EO12829. Barring any unforeseen circumstances, the NISPOM rewrite and reissuance will also have a companion federal rule, obviously, since it impacts the public. The federal rule process is a separate process overseen by the Office of Management and Budget. And that process will include a public comment

period. So, that process continues. Thanks a lot for your continued advice and assistance as we work through your comments on the draft. Thank you.

On the status of NISPOM change three with seed three, which decided [there?] was reporting requirements, expanded reporting requirements, we do continue to plan for a NISPOM change three to incorporate seed three reporting requirements. We appreciate your feedback on the informal draft, on the ISL, which you provided back in April this year. Based on your comments and related DoD implementation discussions, we're not yet ready to indicate when the change and the companion ISL will be published. But we definitely will request NISPPAC informal comments once we have another draft ready for sharing. As a reminder, when the ISL is signed, cleared industry would have six months after the publication of NISPOM change three to implement its requirements.

My last update is on DoD's study on funding options for personnel security clearance investigations for contractor personnel. As we've been briefing over the past year or so, DoD is continuing to study this issue. We've made a -- no decisions. And obviously, as we come close to any decisions or changes, we would be coordinating that fulsomely with the NISPPAC. So, are there any questions?

DENNIS KEITH: [What?] --

HEATHER McMAHON: Oh (overlapping dialogue; inaudible)

DENNIS KEITH: -- industry. Do you have a -- estimated time when that study or conclusion or -- might be reached about the funding decisions?

HEATHER McMAHON: Yeah, we have no timeline.

DENNIS KEITH: Okay.

HEATHER McMAHON: So, it -- I would say it's not anytime near.

DENNIS KEITH: Okay.

HEATHER McMAHON: So, yeah.

DENNIS KEITH: Thank you.

MARK BRADLEY: Anyone else for Heather? Okay.

M: Thanks.

MARK BRADLEY: We'll now hear from Keith Minard, DSS -- give us -- update on your many initiatives in addition to taking Laura away from us now. (laughter)

KEITH MINARD: So, that's the first thing. Laura's actually coming over to my office to work policy at DSS, so it'd be -- a great addition to our team over there and build some of our strength, especially move along to some new capabilities, reference -- my office supports the -- will support the designated federal official for the committee as it starts up. So, it's a great benefit to us. Also, thanks to Rob Lomurro for the NID workshop. That was a good opportunity to bring the right people together, talk about NIDs.

So, you've heard about a lot of things and we talked about the industry stakeholders meeting this -- yesterday, also. On May 17th, the USDI issued a memo, assigned responsibility, oversight of controlled unclassified information and the defense industrial base to the director DSS. What that requires to do is, first of all, look at initial report and plan [what it take?] to operationalize this capability and requirements. What I like to focus on with the NISPPAC and the NIS members is that the mission set is not the national (inaudible) program but the defense industrial base. In the [12,000 -- 213,000?]

estimates we run [on the NIS?], the defense industrial base runs about 100,000 companies. So, this oversight would potentially review 18 categories of CUI with about 108 in the registry. So, it's a very broad mission set that we have to identify capabilities to oversee and implement. Some of the things we have to look at is reduce redundancies, streamline processes, and make recommendations. So, it's kind of interesting, I was actually designated as a team lead for this, so I'll be running that process over the next few months filing this report, which is due in November. We're going to be reaching out with strategic key stakeholders along the way, both government and industry. And there are a broad range of offices that we have to talk to about CUI plan-- so, as we reach out, we'll make sure the right communities are engaged.

So, that's CUI. Insider threat, the industrial operations team continues to finalize preparation for developing the processes and procedures for the effectiveness of insider threat programs in industry. I'll always caveat that from May 2016 when we were at AIA, NDIA, and the NISPOM came out and the movement that industry did to implement the core requirements of industry was, like, phenomenal, okay? So, you moved a long way. Now it's time to actually get down to the point we're actually going how well does the program work? IO's been developing the principles that'll be overseeing this process, working with industry and working groups and other stakeholders. Next month, our processes will continue for more engagement to finalize those processes for implementation in 2019. DSS in Transition, the first phase of implementation, involving four facilities, was concluded in March. There's an evaluation of that process ongoing as we move into phase two, which is eight facilities. Once these

are done in early August, additional process [will be, like, yeah?] for the next evolution. As many of you heard, it went from four -- it goes to eight, 16, and 32 and 64 to build capabilities. This last spring, DSS personnel were trained in two training events, one on the West Coast and one in Florida to build the capabilities, to understand the process for the entire workforce across DSS to better enable the process. Information on DSS and transition can be found on our website.

One of the things I'll hit really quickly is Michelle talked about the NCMS whitepaper. We've reached out for additional information but actually, as we looked at the whitepaper, small business, and the impacts for some of the requirements, we've actually identified some additional areas that we're looking into. Can't talk about them right now 'cause we're working with our partners on there to get some buy-in agreement. But we think there's some other options we have to actually expand on that white paper and make sure that we looked for capabilities to support small business across the national (inaudible) security program.

So, last thing I have is actually NCCS -- thanks to NCMS for letting us have a helpdesk in the sessions we had. It was very beneficial to the community. We were allowed to work a lot of issues with industry. We have testing going on right now for version 5.12.1. It'll update the 254 to the current version as well as add additional features. And then, we'll have a workshop scheduled here, probably in the next 30 days to finalize things for that version. The message that we had with industry at NCMS was if you're a larger company, look at organizational structure and maybe start that process early. If

you're a smaller company with a single or a couple cage codes, when your customers start using it, you can get into the system. It helps layout so you're not logging in every 30 days. We understand there's some challenges as we go along with NCCS rollout. We're working through those processes and issues as we go. I've got a new action officer for about the last four months that took over for Lisa. That's working NCM-- I mean NCCS. We did -- thank you to the services that met with us on June 28th to talk about implementation. It was a good opportunity to learn what their issues were as far as implementation. While the system has been rolled out and it has a capability, you know, we're looking to getting 20, 30,000 people in the system. So, that's the slow roll on a lot of this. And we want to make sure that we -- as we move into the system, it has the right capabilities and provides the right services. And that's all I have, subject to questions.

Kim BAUGHER: I just have a question. With the expansion --

MARK BRADLEY: Identify yourself, please.

Kim BAUGHERr: I'm sorry. Hello, testing. With the expansion of [DIS's?] mandate, they -- all these mandates -- DIS in the past, their resources are not always caught up with their -- it just seems like you're taking on a lot. I'm just wondering who's looking at all the resources they're going to give to you to give you enough people to do all this stuff that you're going to be doing different from what you've done in the past, which is (inaudible)

KEITH MINARD: DSS or DISA?

Kim BAUGHER: You guys. DSS.

KEITH MINARD: Oh, us.

F: Yeah.

KEITH MINARD: [Okay, DIS?], okay.

F: DIS, yeah.

KEITH MINARD: So, we're looking at all the requirements and an example, CUI -- part of the plan -- initial report and plan that we had to develop is looking at the resource requirements necessary to support the effective operational mission as it says. And each of the things that DSS is taking on, those same procedures are occurring. A mission has to be identified in order to start the process to develop all the requirements.

F: I just hope you get enough resources to do it, that's all. [I just think?] --

KEITH MINARD: Kim will always [come to?] State Department, say, "Come on over!"
(laughter)

KIM BAUGHER: I did that a long time ago, remember? That was my previously life.
(laughter) (inaudible)

GREG PANNONI: Question. You mentioned --

MARK BRADLEY: Greg, identify yourself.

GREG PANNONI: Oh, I'm sorry, yes, Greg Pannoni, ISOO DFO.

MARK BRADLEY: Yeah. (laughs)

GREG PANNONI: You mentioned certain aspects of internal training for the DSS folks on the DSS in transition. Is there anything you can speak to in terms of plans or things that are already started in terms of coordinating training for industry regarding this process?

KEITH MINARD: So, if you go to the CESA website at [www -- at CDSE.edu](http://www.cdse.edu), there's actually a DIT toolkit that has information templates and tools and information for industry. Government can also go there for the applicable reference and get a better understanding of the process.

GREG PANNONI: Thanks.

KEITH MINARD: Thank you.

MARK BRADLEY: Anyone else have anything for Keith?

DENNIS KEITH: Dennis Keith, industry. As you proceed on your CUI journey, (laughter) I would just encourage, you know, that the communication that you've given us today and the communication that you gave us yesterday during the industry stakeholders' meeting - - that [there?] -- receive a broader audience for that 'cause there are a lot of questions within the industrial base about how you intend to proceed to build the plan. And so, some communication strategy about that might be appreciated.

KEITH MINARD: Well, once we completely establish our methodology and process and procedure [which I'm?], which I'm working on right now with my team, then we'll look at what we can communicate out through a strategic communication process. As I look at this, as you said, the broadness of CUI -- I see if there's a responsible party for this (inaudible) be the director of CUI, 'cause it's going to be a greased pig, you know? A lot of stuff is out there. It's really a broad program they're managing. I do understand from sitting in the NISP community environments that it's the complexity of the requirements that really creates some of the challenges.

MARK BRADLEY: Sir?

BOB HARNEY: Yeah, Bob Harney from industry. Continuing the CUI theme, popular today, as you all are working through it from the DoD end, what is the interface with, you know, kind of the rest of the community in that? 'Cause so much of this is a mishmash when you get into industry and all the variations to the theme. Is there going to be any kind of integrated working group as all of the CSAs look at how they're going to implement this across the board?

KEITH MINARD: So, what I would say is -- we need to separate CSAs, 'cause CSA implies NISP. So, the CUI -- we talked about the directors and secretaries of federal executive branch agencies responsible to implement CUI. That's some discussions we'll have to have with ISOO. As DoD implements and develops -- if it develops an implementation plan for DoD, how do we cross those barriers? Because we do understand that industry and the DIB also serves part of those hundreds of thousands that serve other federal executive branch agencies. And the multitude of requirements need to be balanced as we go across that process to make sure that we don't find ourselves in the position where the requirements exceed the capabilities. Everyone in this room can talk about what's required for confidential, secret, and TS. It's relatively simple. A GSA classics container appropriate lock, then we move into a [large and?] -- security and depth. We all can talk about marketing. How do we find an approach that's very similar to that, where right now we look at the complexity of the laws, policies, regulations that govern the protection of unique types of information?

BOB HARNEY: Yeah, exactly. Yeah, the complexities are there. Anything we can get into a consistent path will help. Even with the existing, yeah, secret, confidential, and TS, there's a lot of areas -- just the theme of how you actually implement what is a pretty -- yeah, solid and well understood top level policy. It's the implementation guide, the -- pointing out the mistakes.

KEITH MINARD: Yeah, and I think (inaudible) how do we -- not make unclassified protection more complicated in protecting classified.

BOB HARNEY: Yeah. (laughs) Exactly.

MARK BRADLEY: In this point -- as a point of information, next week, we have another FACA-type committee like this. It's a state/local/tribal/private sector advisory committee. So, it is open to the public and so, I'm going to extend an invitation. It's here on the 25th. Same time, 10 to 12. And we'll also have a call-in number. And we'll get that out to you, as well. Reason I'm bringing this up, we're going to have Ron Ross, Dr. Ron Ross from NIST, and he's pretty much the architect of probably the most significant part of CUI and that is all the controls for information systems. So, we coauthored with him, ISOO did, that NIST special publication 800-171 for control of systems in -- outside the U.S. government. So, he's going to speak on that. So, I think it would be a good opportunity, those of you who can either attend in person or by phone to hear what he has to say about that document.

KEITH MINARD: [And when I schedule it?], he's actually on top of our list for an engagement. Thank you.

MARK BRADLEY: Anyone else for Keith? Okay, thank you, Keith. Now we're going to hear from Patricia Stokes from DSS, who will update us on the transfer of investigation to DSS.

PATRICIA STOKES: Good morning. Thank you for having me. I'm the new director of the Defense Vetting Directorate within Defense Security Service. Couple of months onboard. I think all of you are aware that on the 21st of June -- that the administration announced, amongst many reform initiatives, that the background investigation mission would be coming back to the Department of Defense, moving from NBIB, in totality. We're working in close partnership. I believe Mr. Pekrul's down there with our NBIB partners on a joint transfer plan right now. We are additionally working with OMB and

all of our interagency partners on the draft executive order, inputting to the draft executive order. The executive order will cover all the reform initiatives. We are a mere section of that executive order, so we are anticipating that to be released. I do not have a timeframe that we expect, you know, by the fall, probably, timeframe. DoD and NBIB both support this mission transfer and -- that the mission remain in a single entity, a single agency for efficiencies and economy of scale and just good government. We all realize that that will occur because the mission will stay intact. We're committed to our NBIB partners, that we are in this transfer. We're not going to forget about the backlog and we're going to try and do this in the least disruptive manner, keeping the mission first. We're also committed to following our secretary's guidance, which is very clear, that we need to not forget about the backlog, focus on it, and also focus 100% on transformation and reform.

Since last fall, we've been working with the PAC and the executive agents identifying backlog mitigation and transformation initiatives and the Trusted Workforce 2.0 that was mentioned earlier. We continue to enhance our continuous evaluation program, which I believe Miss Green is going to address later. We are getting very close to actually including the DNI's [high-side?] CE cadre of checks, which will actually make our program even more robust. This a key capability to reform, so we're looking forward to that. We've recently established this vetting directorate that I mentioned, I am responsible for. And we are responsible for the background and message -- investigation mission but we're also -- we've also nested all things vetting within that directorate. Let me explain. So, background investigation submissions, background investigation, the

conduct of background investigations -- as you guys remember or know -- remember the personal security management office for industry that Miss Green runs, that's also within the vetting directorate that continues the evaluation. Program management office is also within the vetting directorate. Insider threat for industry is also in that directorate. The DITMAC, the Defense Insider Threat Management Analytic Center is in that directorate. And also, the Department of Defense CAF will shortly be in that directorate within the next couple months. We've created an end-to-end vetting enterprise capability or we're in the midst of doing so.

So, we've been busy establishing our new directorate and structure while interacting with the CAF and moving them in the directorate and also working certainly with NBIB to move them into the structure. We're hiring critical personnel and greatly expanding our continuous evaluation, continuous vetting capabilities. We've been process mapping the new capabilities in concert with the PAC PMO and the Trusted Workforce 2.0 initiatives. We are establishing our business transformation office, which we will nest with the national background information system program manager. So, if you can envision the functional managers, the system developers, the accreditors, the privacy act people nested in one place at one time, working on incremental development on release of capability, it's probably the right way to do -- to build a system of this magnitude and this complexity. Agile, easy to change system developers and functional people sitting together. A novel concept and we're moving forward with that and a myriad of other transformation activities, ongoing. We should have a website footprint up on the DSS

website here soon. So, I would encourage all of you to take a look at it as we continue to grow and change and evolve. Thank you.

MARK BRADLEY: Any questions for Patricia?

BOB HALLSY: One --

MARK BRADLEY: Identify yourself, sir.

BOB HALLSY: [Bob Hallsy?], industry. One (inaudible) I hear you talking about vetting, vetting, vetting and investigation. Is it solely national security information or is it financial security investigation, trustworthiness, everything?

PATRICIA STOKES: Security, suitability, and credentialing --

BOB HALLSY: Okay.

PATRICIA STOKES: -- will be aligned.

MARK BRADLEY: Anyone else? Okay.

DENNIS KEITH: Dennis Keith, industry. What do you think of -- when you're fully staffed, your full complement within DoD will look like? How many personnel?

PATRICIA STOKES: That's a moving target. And so, I would not even venture to put a guess out on that. I think Mark and I will be working that together as we inherit NBIB. And I say that very genuinely because, remember, we are also -- as we are inheriting the process that we have today, we are transforming it. So, our workforce is going to change and that's why the agile capability and the agile systems development all have to be linked and working synergistically together. So, I wouldn't even put a number out there, sir.

DENNIS KEITH: Do you anticipate a separate appropriation?

PATRICIA STOKES:

We are working the -- what is the best funding model that would be utilized? There's a lot of discussion on that and I don't think that we've landed on anything. Right now, we're going to continue the NBIB process and DoD had a working capital fund, so we're very familiar with that. But we are exploring funding models.

DENNIS KEITH: Thank you.

MARK BRADLEY: Anyone else for Patricia? Okay, thank you, Patricia. Now going to hear from Mark Pekrul from the National Background Investigations Bureau. He's going to talk about the information (inaudible)

MARK PEKRUL: Hello. Can everyone hear me? Is that on?

MARK BRADLEY: Yeah.

MARK PEKRUL: Charlie Phelan wanted to be here today but we (inaudible) I'm here (inaudible) (laughter) to the question -- and I'm sorry, I forgot your name -- about the staffing numbers, I think it's safe to say that in the immediate effect, immediate aftermath of the actual transfer, which will occur on some date certainly in the future, you would add the total number of employees that DSS has now plus the total number of contractors and employees that NBI has now and that'll give you a good estimate of how many bodies will be there afterwards because what's been committed to by OMB and by our agencies is it will amount to a full staff facilities resources lift and shift, for lack of a better term of everything that NBIB has now. So, I'll talk about metrics and then talk about some other stuff, just some of the dry numbers, sort of. Our investigative capacity, which is the number of federal investigators and contractor investigators that we have out there, we've seen that grow 46.1% since the start of NBIB, which is October 1st of 2016.

So, we've increased our numbers and now, the most recent number I have for total staff, on staff and contractor investigators is 8,538. We are continually hiring because it's a high turnover job in the first place and in the second place, we still need more capacity to get the work done. We're doing things differently today, as I think Director Phelan has briefed you all before, with the capacity that we have, some things we've been doing. And I know this group has heard in the past about the hubbing initiatives that we have where we work directly with customers to arrange to use their facilities and to arrange to have them assist us with the scheduling of interviews, etc. We've done that with great success with the Air Force in a couple of locations and the Navy. Recently, this spring -- I'm not sure it was the spring or the early summer. We did our first hubbing exercise with industry down in Orlando, Florida. I understand -- I don't have the metrics with me, but I understand that that was a similar success to the hubbing that we did with our federal agency customers and basically what that allows us to do is, again, utilize the facilities of the host and basically bang out a tremendous amount of work that has been resident in one particular geographic area of the country in a short amount of time. I've been told that by the folks that do this in NBI, the -- that we are planning on a second industry hub, I think in San Diego, for the fall. At least that's what I've been briefed on. So, we're happy about that.

We also do surging, which is more your traditional TDY, sending packs of agents from one area of the country to another where work is high. And most notably, I think we've done this with Department of Energy at some of their facilities in New Mexico and I think Kansas City. We've committed all through this to work more closely and to open

additional lines of communication where perhaps we didn't do what we should have in the past in terms of our relationship with industry. I think many people in this room have seen a lot of Charlie Phelan over the last year or two or, you know, 18 months or so that he's been here. We've established where maybe we didn't have it in the past -- very good working relationships with a number of the industry groups. We're also -- another initiative that we're doing with industry that's being led by Jim Ianusco of NBIB is a Trusted Information Provider initiative. Some of you may know what the TIP is because it's been specified in the national investigator standards -- and then there's a sore subject, so I apologize -- that the idea is let's use information previously gathered by the employer so that perhaps we cannot do certain investigative elements. Originally, those were limited in the standards to, I think, birth verification, citizenship verification, and perhaps education. I'm not exactly certain.

But what we're doing is trying to expand that because we know that when you hire people in your companies, you do a lot of vetting work on them. And we want to be able to take advantage of that. So, Jim -- our organization is working closely with a number of companies out there to establish baselines of what is being gathered across the industry and how we can leverage that. And he'd mentioned to me that within 30 to 60 days, we're going to start a pilot of some kind to actually try using that. I think the idea -- and I don't want to get too far out of my element here, but the idea is that such information could be transmitted to NBIB through our online portal and can be combined with information we receive from the individual to hopefully maybe eliminate the need for us to go out and

redo some of the work that you all have already done. So, that's another interesting thing we're doing.

And also, I would say just -- it's a very simple thing but very useful and we briefed on this at the NCMS down in Dallas -- really into the FSO community out there. We added a new page to our NBIB website dedicated to industry, particularly, as I said, the FSO community. It's not creating any new information. It's really consolidating information that had been out there before in a number of places about the investigative process, about the contacts that they can have, the information that we can provide in terms of enabling them to have more information about the nuts and bolts of how to submit investigations, how to get them processed, what to look for, what to expect, that sort of thing. We've gotten some decent feedback on that one. It was briefed out in Dallas. It was well-received. So, happy to report that that is live. Let's see. Okay, want to move on a little bit to inventory, everybody's favorite category. Quinton, did you have a question?

QUINTON WILKES: Yes, Quinton Wilkes, industry (inaudible)

MARK BRADLEY: Quinton, identify yourself.

M: He did.

MARK PEKRUL: He did. (laughter)

MARK BRADLEY: I'm sorry, I --

M: He did (overlapping dialogue; inaudible)

QUINTON WILKES: When it comes to (inaudible) who -- how did you guys pick the companies that are going to participate? Or have you done that already?

MARK PEKRUL: I would have to defer to Jim, who unfortunately is not here. I just got a little bit of a (inaudible) immediately. I don't have that information.

QUINTON WILKES: It would be nice to know who -- which companies are part of the pilot so we can kind of share information and see, you know, what they're going through, what they're doing.

MARK PEKRUL: Okay. I'll get that information for you and for the group here. Okay? Again, moving onto the inventory question, which was always a real -- of interest to everybody, I can say that right now, we stand at -- as of June 30, I think it was, 700,900 investigations of all types in our inventory. And I want to look at that a couple ways. That's a decrease of a whopping one percent since the start of the fiscal year. But a way that we've started also looking at it is not just the number of cases that are inventory, because as most people here know, a whole lot of that number amounts to individually submitted FBI name checks or fingerprint checks and checks that are done virtually instantaneously and completely automated. We've started to count -- we've always counted it but we're starting to incorporate this into the metrics in terms of the field hours involved in cases. So, those case that our more field intensive -- your tier-5s, your tier-4s and occasionally lower level cases, depending on the issues -- we wanted to weight the inventory, if you will, to more -- give it a better reflection of the workload that we have here. So, I don't know how many man hours -- an easy way to think about it and perhaps not entirely accurate is man hours of work to do on these cases. That has decreased 16% since the beginning of FY '18. So, it's a nicer number, 16 to one, but I also think it gives a more accurate assessment of how much of the meat of the work is -- that we're going

through. We're closing more cases now per month than before. So, we are doing good in that respect.

Now, of course, we close them in the field and they go to our review staff at Fort Meade. So, it's a little bit of shifting work from one point or, as people like to say, it's the pig moving down the python. So, it's gone through the investigation process. It's now with review. But we're also looking at some things to do with review to get them out more quickly. In that 700,000-plus cases that we have, and I know this is always popular to say so -- I'll go through the numbers if you want to write them down -- of that, about 497,000 are Department of Defense, the whole department, and of that, 127,000 are industry cases. Of those cases, approximately 24,000 are tier-5, which we are now taking or closing at an average of 329 days. Approximately 32,000 are tier-5 reinvestigations, tier-5Rs, which we're closing in 395 days. Tier-3s account for about 36,000, which we're taking 204 days -- tier-3 reinvestigations, 27,000, taking approximately 160 days.

One good note that I'll make: we also measure the unacceptable rates in terms of cases that we might receive that for one reason or another we cannot process. There's missing information, things were done incorrectly, we have to send back to the submitter. The total industry rate of unacceptable cases is 3.2%, which beats the government average of 5.9%. So, that's something very good there. And I think the leading cause of that is missing fingerprints or missing releases, things like that. So, there's that. Greg, did you have --

GREG PANNONI: Yes, Greg Pannoni, ISOO DFO, Mark, I don't know the policy constraints on this right now, so -- but just hearing -- having heard this so many times, you mentioned, I think, 32,000 TR5s. And, I mean, get the number for the secret reinvestigations --

MARK PEKRUL: Twenty-seven K.

GREG PANNONI: Okay, so we got a good, sizable number there in the backlog.

MARK PEKRUL: It's a few.

GREG PANNONI: Has anybody considered -- we're moving out on CE -- looking at these and perhaps enrolling these, some of these, in CE and just saying, heck, forget about [the PR rate?] if they meet certain levels of standards, right? And --

MARK PEKRUL: Short answer is yes.

GREG PANNONI: -- by doing that, we could easily reduce a good chunk of that backlog.

MARK PEKRUL: Yes, the short answer to that is absolutely, yes. It is -- I'll defer to my defense folks, my defense friends that are here because it's really their operational activities that will do that. We're working with them on this. But it's establishing an appetite for taking a look at incoming reinvestigations, I think primarily at the tier-3 level now, looking for ones that are free and clear of issues and submitting them to CE rather than regular investigation. And if there's issues evident on the case papers, putting them in for the regular -- the reinvestigation process. I defer to Tricia, if you wanted to speak -
-

F: Yeah.

MARK PEKRUL: -- any more on that.

PATRICIA STOKES: Yeah, so Greg, you're spot on. And so -- and I would -- I don't want to defer again because that would be (laughs) unacceptable. But the bottom line is the information on the (inaudible) and the backlog mitigation work that the PAC PMO and the CDA and SEC EA have done just very recently is going to allow us to start exercising that.

MARK PEKRUL: Yeah.

PATRICIA STOKES: And I think that that's really our -- the beginning of our transformation and it -- we must continue.

GREG PANNONI: Yeah.

PATRICIA STOKES: So, I would only assume that would be the next step.

MARK PEKRUL: Yeah (inaudible)

GREG PANNONI: Yeah.

MARK PEKRUL: -- so that -- yeah.

GREG PANNONI: I knew moving forward on new cases -- I wasn't clear on the backlog cases, if we were going to apply that same standard, which makes sense to me.

PATRICIA STOKES: We should start and we're going to learn a lot and --

GREG PANNONI: Absolutely.

PATRICIA STOKES: -- we should continue.

GREG PANNONI: Thank you.

MARK PEKRUL: Okay? Just a couple more notes and I'll echo some of the things my friend Tricia said. We are obviously working now, in addition to managing our case load, conducting the investigations and trying to find better ways to do that, more efficient ways to do that, of course, a lot of our activities now is prepping for the transition, which

as Tricia indicated has gone from the 70-30 split plan -- now the administration is committed to a 100% lift and shift of NBIB. And I will echo what Tricia said: at NBIB, we absolutely, 100% agree that a complete transfer of mission, keeping it under one roof is hugely preferable -- coming up with a better word -- hugely preferable to a split of the mission between two basic owners right there. It allows us so many advantages. So, we are working closely with DSS. We've got good commitment on both sides. As Tricia indicated, it's commitment to the mission -- is first, commitment to our customers, including our federal customers as well as our industry partners to not have this big muscle movement result in any noticeable diminution of the services that you receive or adverse impacts on the timeliness, which we're still moving a little bit in the positive direction -- we don't want to damage that at all. But we're very -- we're looking forward to doing this as quickly as we can and as efficiently as we can. And also, we're working closely with DoD and a number of other agencies on what was referred to earlier as the Trusted Workforce 2.0. I don't know if DNI is going to say anything about that or not. But that's a way to relook at how we do investigations from a kind of a holistic ground-up perspective. So, that's basically all of my prepared comments. Any questions?

MARK BRADLEY: Yeah, one over here.

M: [Yeah?] (inaudible)

MARK BRADLEY: [That's right?].

LEONARD MOSS: -- industry. Just to be back on the (inaudible) was asking about your pilot, have you -- I may have missed it, but have you already established a date that that pilot's going to happen?

MARK PEKRUL: No, there's no date for it yet. It's -- as was told to me, it was, like, a 30 or 60-day window out. But I'll get more specific information and I can provide that back.

M: Thanks.

MARK PEKRUL: I will note that, unfortunately, I've got a commitment to get to down in Quantico. So, I am going to have to leave. I apologize for that. But I will say Mike Faller back there -- Mike, if you raise your hand -- Mike works for my shop in Boyers. He is a DoD and industry liaison person. So, if any questions come up after I have to leave related to our relationship with industry, the work we do and what we might do in the future or any questions at all, I would suggest letting Mike know and asking him. And he will either answer it or will take it back and get the answer that you need.

MARK BRADLEY: Thank you, Mark. Appreciate it.

MARK PEKRUL: Thank you.

MARK BRADLEY: Okay, now we're going to hear from Valerie Kerben, ODNI, who will talk about the security executive agent directive seed policy update.

VALERIE KERBEN: Thank you, Mr. Chairman. Good morning, everybody. Just some update on security policy since the last time we met. Security executive agent directive draft SEAD 7 on reciprocity is still in review. We did complete our interagency informal process with our advisory group, with our departments and agencies, and it has since gone to OMB. We received comments and we're adjudicating those comments and working through them. At that point, it will go back to OMB and then, hopefully, if everybody's in agreement, we can have the DNI sign it. So, we're still hoping the policy will be issued sometime before the end of the year on reciprocity.

The other security executive agent directive -- we're calling it SEAD 8 -- is on temporary interim eligibility. And this one was shared informally with a small group of our security executive agent agencies and it will soon go out to the fuller group of our SAC. And then, again, it goes through the OMB process for formal interagency coordination. This policy will establish requirements for authorizing interim temporary eligibility for those who need access to classified information or to temporarily hold a sensitive position.

And some of the things you all were asking about and alluding to -- on June 5th, there was a joint correspondence issued, an executive correspondence with Director [Pond?] -- the suitability and credentialing agent and Director Coats as security executive agent.

And this correspondence -- it's called Transforming Workforce Vetting. It really put together some ideas and measures where we can help reduce the backlog. Right now, it is a priority in addition to the whole transformation and helping DSS and NBIB transform. But these are some measures the government can look at with the investigative service provider. So, they're temporary measures at this time, just to push cases through. And it represents the collaborative risk management decisions to clarify and adjust certain -- and elements of the federal investigative standards, again to reduce the inventory, incorporate efficiencies, and will maintain, obviously, quality investigations.

So, just also to note that your implementation or things that impact industry will come from DoD, as your CSA, and they will explain to you, you know, how they're going to implement some of these ideas to reduce the backlog. And just also to reiterate that some of these things will continue to go through and reciprocity should be accepted for -- with

all the executive branch agencies -- as we know that industry supports most of the executive branch agencies, not only DoD and the intel industry. So, reciprocity is still to be followed. That's all I have.

MARK BRADLEY: Okay, any questions for Valerie? Sir?

BOB HORN: Yeah, Bob Horn with industry. Reciprocity is -- you [meant -- that's?] probably one of our most key things other than clearance timelines. With the kind of newly established -- or at least (inaudible) you just put forward -- industry can participate a little bit with SEAD seven coming down pretty quickly and that being, you know, focused on reciprocity, any chance the government is going to be able to squeeze into that timeline of (inaudible) before it gets published to get some ability to look at that?

VALERIE KERBEN: Well, I think Mr. Evanina's intention is to inform industry of what is going to be involved in our policy. But at this time, we have to wait to hear what he finally will be willing to share with industry. So, it's open conversation. We want to inform industry on, you know, our processes moving forward. A lot of policy is -- the input comes from industry. We hear what you all are saying and it's all considered with our government partners.

BOB HORN: Thanks.

MARK BRADLEY: Anyone else for Valerie? Thank you, Valerie.

VALERIE KERBEN: Thank you.

MARK BRADLEY: Yeah. All right, we're going to hear -- for -- we're going to take a break after our next speaker. Lauren Firich -- will?] -- DSS will provide an update in the deployment of the National Industrial Security System, a.k.a. [NISS?].

LAUREN FIRICH: Good morning. Lauren Pierce, DSS. Yes, so just would like to provide a status update on the NISS. So, this is the system that will be replacing ISFD and EFCO. So, over the past several months, DSS has been successful in resolving NISS application and data migration bugs to help NISS reach full operational capability. However, due to an unforeseen critical issue that was recently identified, DSS senior leadership decided not to make NISS the system of record this month. However, our development support is fully aware and we are working through those issues so that we can bring NISS to the user community as soon as possible. With that being said, we are not ready to announce new deployment timelines until finally readiness conditions have been met. That's mostly based on a large, significant testing event we will hold in August. I understand there was some concern from industry yesterday at the stakeholder meeting regarding industry being involved in this testing. Just a couple of points on that: the NISS was deployed in a soft launch test state for about six to eight months and so it was in the production environment and available for all industry users. So, we did have some connectivity issues reported there and we're working through those. Right now, there is a limitation with the current testing environment, that it's a controlled environment. Has to be -- you have to be onsite at DSS in order to participate. But specifically in regards to industry's concern, we are looking to move towards a cloud-based test environment [and so?] that we could have individuals remote into the system and test.

So, just be aware, in the beginning of August, we plan to -- providing additional guidance regarding [FCO?] sponsorship processing and reporting change conditions during the test -- during the transition period. So, please be on the lookout for that. And until NISS

fully deploys, please remember that ISFD and EFCL remain the systems of record at this time. Are there any questions?

GREG PANNONI: Yes, this is Greg Pannoni, ISOO -- you mentioned there was a -- unforeseen critical issue, but at the same time I heard some discussion about there was some piloting or [data and?] production. And if you can't answer, you can't answer. But was any of that data vulnerable because of this unforeseen critical issue?

LAUREN FIRICH: So, that's a good question. As Mr. Kren stated, Mr. Kren, deputy director, DSS stated yesterday, the issue was in regard to a security vulnerability. That's about all I'll say right now.

GREG PANNONI: Okay. All right, thank you.

MARK BRADLEY: Any other questions for Lauren? Okay, at this stage, we're going to take a five-minute break. We've still got a fair amount to go. It's 11:12 now, so the men's restrooms are to my back. Women's are to the -- this way, right?

M: Please take your seats!

(multiple overlapping conversations; inaudible)

MARK BRADLEY: Okay, y'all. I know that the restrooms are small. It's one of the downsides of being in a building that's 80-something years old, but -- okay, we're going to continue on. We're going to hear from Sandra Langley from DMDC, who -- also provide an update on deployment of the DISS.

F: She's on the phone.

SANDRA LANGLEY: (inaudible)

MARK BRADLEY: Okay.

SANDRA LANGLEY: -- and thank you for giving me the opportunity to speak. Wanted to advise everyone that we did begin e-delivery in support of industry in the Defense Information System for Security as of the 25th of June. What we're working on now is completing the provisioning of industry. We are doing this in three phases. We are completing phases one and two and now our biggest challenge will be phase three. So, for phase one, we were able to auto-provision over 8,800 users. And then, we worked with the users that could not -- did not meet the criteria for auto-provisioning and did a mass email campaign to advise those active account managers to please contact us and submit their system access request forms. We have been able to reach that full audience. We're still working with them to incrementally send those in. We anticipate we will be working through August to have all of the end users provisioned. And then, our third -- our larger challenge is all the security management offices that did not have an active account manager at the -- in JPAS. So, we're still working with that population to better understand how to target that population in light of the consultant. So, look forward to continuing to partner with DSS and specifically [Peace Malai?] to target that third population so that we can complete user provisioning [in this?] for industry. Any questions?

MARK BRADLEY: Thank you, Sandra. All right, we're now going to hear from Devin Casey from ISOO to give you the latest implementation of the CUI. I want to tell you that Pat Viscuso of my office has retired after 28 years of government service and he's moved on to scholarship and being a full-time -- well, not a full-time priest, but a priest (overlapping dialogue; inaudible) been a priest. You know, you can never become a half-time priest. But anyway, we will miss him a lot. So, anyway, Devin?

DEVIN CASEY: Good morning, everyone. Devin Casey, a program analyst for the CUI program at ISOO, giving an update on the CUI program. First and foremost, our annual report came out from ISOO, which does include a section on the CUI program and its current status and implementation throughout the government, which can be found on our website, which is linked there. We do have a CUI advisory council that meets -- that discusses new program updates, policy changes, and plans for CUI program as well as implementation concerns. [Alex?] is actually meeting currently in another part of the building. A document that was just published by NIST, the 800.1.71A, which is a guide for assessing the security controls in the NIST 801.71 was just published on June 13th and is available on NIST website along with the NIST 800.1.71. For the big issue in the room that a lot of people are probably concerned about, CUI is currently working on a FAR clause to address the implementation of CUI in the contracting environment. Currently, GSA predicts that it will be open for public comment sometime in the November-December timeframe. Keep in mind, that may shift. This is a larger FAR case than they had initially predicted. There's a lot of information going into it. It is complex but, as they always say, make something as simple as you possibly can but not simpler, which is what we're going for with this FAR.

Currently, DoD already has a DFARS that references the same technical standards that the CUI program will be using, NIST 101.71. So, there is a lot of -- or starting to be a lot of experience with complying with those standards. But it's important to note that the current DFARS do not implement DoD's coming CUI program or the 32 CFR (inaudible) CUI program. So, there are differences between what DoD's currently doing and

planning to implement over the next few years as they update their departmental manuals and documents to do that. DFARS will go for interagency comment. So, for all the agencies here, you will have your chance to comment on the FAR. We look forward to gaining more knowledge from all of your expertise at these agencies to simplify and to streamline the FAR before it goes out for public comment, as mentioned, which will go out to industry through the usual channels for comment, where we look forward to industry's expertise. They know a lot more about how this will affect them and we look forward to their expertise to streamline, identify any redundancies, point out points of confusion, so that we can either simplify them in text or at least have planned documents or assistance to come out with the FAR that will assist in the understanding and adoption of those standards.

Ed just mentioned DSS received a significant role for oversight of CUI at DoD, so we're beginning to work more closely with DSS to understand how oversight will work on that front. Some events, because this is a very short time period to give a full CUI update -- that are coming up: if you notice there, there's our CUI blog, which you can get to from our website, as well. Registering for that blog will also get you automatically invited to our quarterly updates to stakeholders' briefings, which are held online. The next one is August 15th. They're about two long -- two hours long. They're a webinar. All you have to do is if you register for the blog, you'll get invited. You register and you can log in there. We usually have a significant period for question -- and industry's encouraged to participate. NIST is also hosting a 171 and CUI workshop day that you can register for now. They just opened up registration. That will be on October 18th, out at NIST in

Gaithersburg, Maryland and there'll be a blog posted very shortly that can get you to that link. But it's also posted on NIST website. So, those are the big events in the CUI world recently. I'd like to open up for questions now.

MARK BRADLEY: No questions? I'm -- really? I can't believe it. (laughter) Can that be right?

DEVIN CASEY: Thank you.

MARK BRADLEY: All right, going once, going twice. All right. Yeah, thank you, Devin.

M: Excellent, good job.

MARK BRADLEY: All right, we're now going to move into our working group reports. We've got several of those. Laura Aghdam will do the clearance working group report.

LAURA AGHDAM: Okay, just a quick update on the clearance working group. As you know, it's our largest working group. It continues to grow, we continue to have more people attending the meeting because the issues are so vast. During this meeting on June 19th, we discussed the following items: the latest personnel security clearance statistics. NISPOM CHANGE 3 status and SEADS seven and eight. We also received updates on the NISS and DISS deployment. Industry provided a list of its topics for this meeting, as well. Any questions? Thank you.

MARK BRADLEY: All right, Greg, you're going to do two. You're going to do the insider threat working group and then the NID working group.

GREG PANNONI: Yes, but first, we wanted to -- I think we wanted to have some statistics, correct, Laura?

MARK BRADLEY: Yeah.

LAURA AGHDAM: That's going to come after -- oh, yes. Statistics are supposed to be next.

MARK BRADLEY: Clearance statistics. Who's going to do that? Do we have someone doing that?

F: That's down here.

F: Yeah (inaudible) right here.

___: (inaudible) statistics.

GREG PANNONI: Well, (overlapping dialogue; inaudible) I'll do it, Mr. Chair (overlapping dialogue; inaudible) I've got that on the -- but they're in the packages.

MARK BRADLEY: Yeah, all right.

GREG PANNONI: So --

MARK BRADLEY: Do you want to bring up all this?

LAURA AGHDAM: Yeah. Is [Olga?] here?

OLGA DELGADO: Yes.

LAURA AGHDAM: There she is.

MARK BRADLEY: Oh, okay. (overlapping dialogue; inaudible) (laughter) Yeah, so (overlapping dialogue; inaudible) (laughter) Knew we had some, okay.

OLGA DELGADO: Thank you, Chairman.

MARK BRADLEY: Oh, you're welcome. I mean (inaudible) (laughter)

OLGA DELGADO: So, and today I'll provide an overview of the security executive agent's metrics collected. And so, we're going to share with you what we have from industry's perspective. So, data in the following slides reflects security clearance timeliness on contractor cases. And the data contributors are most of the folks that were in the room are in here now. It includes OPM as well as the IC agencies. And that's on the left-hand side of the slide. So, CIA, DIA, FBI, NGA, NRO, NSA, and the Department of State.

So, we definitely do not collect these metrics in a vacuum. It definitely is a collaborative effort. Additionally, you will note that the -- we only track the length of time that cases are taking. We do not track contractor performance in these slides. So, that is not reflected. Also, as -- with numbers and statistics, we want to be sure that that -- you all understand that the initial secret data includes a combination of the legacy investigative types for tier-3.

Right, next slide. This is a snapshot of the methodology used to calculate timeliness historically. So, we use [URTHA?]. And again, remember, we're only tracking the fastest 90% of cases processed and completed. So, in 2004, URTHA drove the initial timeline. Over time, we evolved. The PAC then issued additional clarifying guidance including the periodic re-investigative timeliness. Then, the days change and the PAC and the SEC EA then paired together in 2012 and that methodology was revamped.

Next slide. Here, this slide identifies industry submission, investigation, and adjudicative timelines. And we've provided this from quarter '17 or FY '17 quarter three through FY '18, quarter two so you can see the fluctuation. You have heard some of the improvements that were disseminated today by Mark Pekrul. We have seen a significant increase. So, one percent just alone in -- within NBIB. But again, these slides account for the industry base across the executive branch.

Next slide. Here, you will see how long it's taking currently in this quarter for secret clearances. So, for secret clearances for FY '18, quarter two, 259 days is the average.

Next slide. Top secret clearances are highlighted here. Again, it includes the traditional SSBI and tier-5 investigations. And it's currently taking 454 days.

Next slide. Periodic re-investigations is one area where we have seen significant improvement and timeliness. So, again, 282 days. So, we'll take that one percent that was spoken about earlier today.

And this is my last slide, but I would like everyone to definitely know that we are committed to continuing to conduct our oversight roles and responsibilities and continue to track the progress made with the backlog as well as ensure the quality and timeliness of investigations so the end-to-end security clearance process does what it's intended to do to get people to work and to ensure we have an agile, interested workforce. Thank you.

MARK BRADLEY: Thank you so much. We have more statistics?

M: Yeah, we have a few more slides.

MARK BRADLEY: Okay.

M: Yeah.

MARK BRADLEY: Okay.

F: Donna is next.

M: Donna's sorry she's not here and just -- I will cover the whole -- the --

MARK BRADLEY: Okay. We have Heather (inaudible) Heather? Yeah.

HEATHER GREEN: Yes. Good morning. Heather Green from DSS. Give you a quick update on the PSMO metrics that -- that would be the initiation and submission metrics. As you're fully aware, due to continued budget challenges, we're continuing to [meter?] our investigation request to NBIB, which has resulted in our inventory to be in the 21, 22,000 range as of today. Olga mentioned our timelines as far as initiating and submitting for T3 and T5 investigations. As you can see, our budget challenges continue to impact our ability to submit those in a timely manner. We have processed approximately 56,000 [NR?] determinations this fiscal year, maintaining an average of 35 days for interim determination timeliness.

Just a few reminders: you can help us by ensuring you do a thorough review for your accuracy and completeness of those SF-86s both by the subject and FSO prior to submittal. Please submit e-fingerprints prior to the E-QIP submission or the same time as the E-QIP submission and please remember to use click to sign for all forms associated with E-QIP. Any questions?

MARK BRADLEY: [Heather's?] --

KIM BAUGHER: Kim Baugher, the State Department. So, 35 days is if you open it, obviously, that what it takes you that long to do an interim determination, right? So, how many are pending that you can't look at yet because you don't have enough money?

HEATHER GREEN: So, our oldest interim -- our oldest T3 in our inventory is 36 days. Our oldest T5 in our inventory's 46 days that we're tracking on average. I will tell you that it depends on the level of investigation because we are able to issue an interim determination at the secret level as long as that fingerprint result has come in and we have

that SAC result. So, we're able to do that at the same time, prior to NBIB opening the investigation. T5, we wait for some additional information.

MARK BRADLEY: Quinton, did you have a question?

QUINTON WILKES: Yes, Quinton with industry. Heather, the decline rate, is that up or is that the normal -- that 12%, is that --

HEATHER GREEN: That's average. That's normal. We haven't seen an increase or a decrease either way.

QUINTON WILKES: Okay, thanks.

MARK BRADLEY: Any other questions?

HEATHER GREEN: Thank you.

MARK BRADLEY: Thank you so much. All right, Steve Demarco?

STEVE DEMARCO: Yes.

MARK BRADLEY: DoD.

STEVE DEMARCO: Good morning. I'm Steve Demarco from the DoD CAF -- I'm going to give you an update on the industry portfolio within the DoD CAF. As you can see, the inventory has stayed relatively consistent all fiscal year to date. Our backlog, again, is in a healthy state. And as far as our due process cases, again, they average about 350 a month and that's been fairly consistent for the last 12 to 18 months. So, going into the implementation and transition to -- from DISCO CATS into DISS, we're in a very healthy position going into that.

Next slide. So, our timelines have, again, remained healthy. We are at 17 days for initials for the fiscal year and 19 days for PRs for the fiscal years. In June, we were at 11

days for PRs and 14 days for initials. So, again, very healthy going into DISS. Now, that's the good news. The not so good news is we have transition to DISS and we are anticipating growth in both our inventory as well as our backlogs. These are due to system limitations. It's due to increased workloads that we anticipate coming in in the next couple months from NBIB. It also is an increase in the continuous evaluation work that we're anticipating coming in over the next few months. So, we anticipate that based on the performance of the other divisions within the CAF, we will see some growth in inventories and backlogs as well as timelines well into fiscal year '19.

Next slide. We have put in some mitigation strategies to help that out. We continue to use consistent use of overtime. We have deployed some different resources throughout the CAF to address certain workloads where we need to and we will continue to put mitigation strategies in place proactively to address the growth in both inventory and backlogs going into the next fiscal year. As Sandy said, the industry ingest is now going into DISS. That began effective 25 June. And we continue to work down workloads in DISCO CATS through July 7th, at which time we went to read only. So, we are now full-time working in DISS. All of our workloads, that includes the SCI workloads, the non-NISS workloads, the collateral workloads as well as the contract linguist workloads. So, that is all now in DISS. We will also ensure that -- working with our partners at DSS -- I've spoken with Quinton -- we are working with them to ensure that communications continue and we have put out recent reminders to the adjudicators that they must work both in JPAS and DISS so that messages, communications can continue. We'll continue to send out reminders to the workforce so that there's no interruption. Basically, going

forward, we are working to properly posture the CAF for workloads and the DSS limitations we're currently incurring -- but we are working towards bringing those timelines down as quickly as we can. Any questions?

MARK BRADLEY: (inaudible)

DENNIS KEITH: This is Keith, industry. As continuous evaluation continues to expand in scope, do you anticipate any negative impact on the ability to turn adjudications and will it sort of give us a feeling about how that may impact -- or how you do your [business?]?

STEVE DEMARCO: I don't believe this fiscal year we're going to see a huge impact. They haven't increased the workload that much this fiscal year. Going into next fiscal year, I think they're looking at adding another million cases. Yes, that will have some effect on our ability to process other workloads. But, again, we are going to redeploy resources as required to address those needs.

GREG PANNONI: Just a follow-up to that -- Greg Pannoni, ISOO, (inaudible) how much of the use of automation, e-adjudication can help us in this realm?

STEVE DEMARCO: That's a good question. Right now, the industry division, we -- three percent of our cases are being e-adjudicated. That is down. It was, historically, eight percent. We are down -- about five percent. However, we are engaging ODNI, USDI, the working groups to revisit the business rules in order to refine them and allow more cases to flow through. That will also help us out with this increased workload we anticipate getting from NBIB to -- in the plan to reduce the backlog, so -- (inaudible) we just started those discussions within the last few weeks and we're hoping to see some relief on the business rules.

GREG PANNONI: That was good, thank you.

LEONARD MOSS: Leonard (inaudible)

MARK BRADLEY: Leonard, you go.

LEONARD MOSS: Question regarding DISS (inaudible) CAF message [is the same to?] submit [RFAs to DISS?] folks who don't even have an account yet and when they call, [they don't just?] -- they're being told to just go right to [gap message?]. How do you recommend [you address those?]?

STEVE DEMARCO: I discussed it with Quinton just last week. We are going to ensure that the adjudicators attempt to communicate in both systems, DISS as well as JPAS. So, if they need to send a message out, if they have an account in the DISS portal, we will send the message in the portal. We will also send a message in JPAS. If they do not have a portal account, they will only be getting the message in JPAS. That's a change to the initial thought we had, so we are kind of changing directions a little bit. So, with anything, when you put out new guidance, it takes a couple weeks for it to be ingrained in the workforce but we'll continue to put out the reminders. In the meantime, keep sending them in, keep calling the customer service desk, and I've also let the customer service desk know the same thing so that they should be -- hoping to get that information out to everyone for us.

LEONARD: Right, [thanks?].

MARK BRADLEY: Any more questions for Steve? Yeah, all right, next is Perry Russell-Hunter, DOHA.

PERRY RUSSELL-HUNTER: Thank you, Mr. Chairman. I just want to follow up on Steve's presentation by saying there is more good news in the due process end of things because the implementation of DISS will not affect due process for industry in any way.

Because of the way we work directly with the CAF, we are getting our cases, we are able to work them directly, so there is no issue there. Basically, we're just entering outcomes where we're going to be fine.

The real issue here is that we have been successful in getting our workload down to a normal working inventory. The number of industrial statements of reasons that are currently in legal review is 172. That's important because barring any incomplete issue resolution or document release issues, which does affect some number of those reviews, our working inventory for legal reviews is 200 cases. And so, the CAF defines due process cases in a somewhat broader way because of the way they operate, so -- which is why the numbers appear slightly different. But we, right now, have 172 statements of reasons in-house for legal review. The other good news is that in terms of total open cases, DOHA has 1,098 open (inaudible) cases or industrial cases right now. That's down from 1,594 last month. So, we are actually down just over 1,000 cases, down from just under 1,600 cases last month. So, again, our working inventory is doing quite well. We also have just now 404 cases pending hearing and 454 cases pending an administrative judge decision. There's only 92 cases at the DOHA appeal board right now. These are all well within normal working parameters. So, all is well with us.

In response to the question about continuous evaluation, I will give the answer that you are now used to me giving: it depends. (laughter) And the reason that it depends is because continuous evaluation, as designed, has the opportunity to create a much quicker turnaround in discovering the people who are the problems who are in the system. That's

a great thing. But if it creates false positives and we just make the haystack bigger it's going to be harder to find the needles. The good news about continuous evaluation the way it's being built is that it'll help us find those needles a whole lot faster. So, that's the goal. And so, assuming that everybody else in the process does their jobs and there's issue resolution at the investigative stage and at the adjudicative stage, there should be no impact of continuous evaluation on due process 'cause we're going to be finding the same bad people. We'll just be finding them quicker if that is a helpful answer to your question.

And then, finally, I would like to foot-stomp the statement that Steve made. Industry has traditionally gotten less good results on e-adjudication for the simple reason that the industry population is older, they have more years, and therefore there is more information about them, which makes it harder for them to pass e-adjudication business rules. One of the things that Ned Fish has asked for and I heartily endorse and agree with is that we work together with all the stakeholders to get e-adjudication business rules made more robust so that we can move more cases faster through e-adjudication, because from my perspective, the more cases we do in e-adjudication, that frees up professional adjudicators to actually focus on the real issue cases and that's good for everybody involved. It means we get to the results faster and we have more eyes on the cases that truly need that level of scrutiny. With that said, I'll take any questions.

MARK BRADLEY: Any questions for Perry?

PERRY RUSSELL-HUNTER: Thank you.

MARK BRADLEY: Thank you, Perry. All right, now [we're going to go?] through the -- okay insider threat?] working group, right, what --

GREG PANNONI: Yes. So, insider threat working group, it's obviously been well-documented, the vulnerabilities of insiders along with information systems, probably the two biggest challenges that we have. And when the two intermix, that can be a toxic thing as we've seen often times. Anyway, the group hasn't met, as you've heard from Keith Minard we've been waiting on the evaluation, the assessment piece to begin, which it's about to soon -- of insider threat program implementation within industry. I believe we'll be able to meet sometime before the next NISPPAC meeting. So, that's the plan right now. Obviously an important area. There are things that can come out, coordinated, shareable information. I'm sure some contractors are doing some terrific things that perhaps haven't been widely known in some cases. So, we're going to try to leverage all that with this working group. So, that's all we have. Any questions? Keith.

KEITH MINARD: Keith Minard, Defense Security Service. I would offer -- we need to bring together a collected picture of all the CSAs for the [NIST?] rather than focusing on those that --

GREG PANNONI: Absolutely.

KEITH MINARD: -- the contract is overseen by DSS. Without that entire picture of all five CSAs, how it looks, we're only getting a snapshot for -- well, predominant population, not the entire population.

GREG PANNONI: I completely agree. Yes, Steve?

STEVE KIPP: Steve Kipp industry. Have we looked at -- have you guys discussed the criteria and the (inaudible) discretion criteria (inaudible) program [and they set?] the criteria and what the -- working group look at and discuss that?

GREG PANNONI: Yeah, I know I'm not a party to having done any of that yet. I think that will be one of the first things we would do. But if anybody else wants to add anything --

KEITH MINARD: Keith Minard, Defense Security Service. What our operations side of the house has done with the core requirements -- and developed principles around those requirements. So, you'll see that there's a relationship between the five or six functional core requirements of the program and how they're implemented [with the?] evaluation of those parts of those parts of the program, as well as how the environment [has?] included insider threat into their program management.

GREG PANONI: Yes?

DENNIS ARRIAGA: Yeah, (inaudible) industry. So, I actually had a follow-up question related to that. And Greg, this ties with what you asked and -- [just for?] Keith in DSS, just -- and I guess if this working group is the focal point for the coordination of that -- those assessments, the criteria, that's great. If not, I just wanted to make sure that there was some opportunity if this was going to be implemented in '19 -- I mean, we're getting towards the end of '18. So, it'd be great to have -- there was great coordination when the program was first rolled out. Now the effectiveness -- I would hope there would be just as much coordination in that, as well.

MARK BRADLEY: That's an excellent point, Dennis, and that's what I believe in part the purpose of the working group is.

DENNIS: Okay.

MARK BRADLEY: So, another -- Dennis --

DAN McGARVEY: Dan McGarvey industry.

MARK BRADLEY: Oh, Dan, I'm sorry.

DAN McGARVEY: When the working group meets, will it include representation for the --

GREG PANNONI: I would refer to DoD on that but it makes sense to me.

KEITH MINARD: Keith Minard, DSS. We can look into that but that would include, also --

we'd like to see representation from the other CSAs evaluation. Eight elements from

DOE, NRC, DNI, and also from DHS so that we can balance this out in a broader picture.

GREG PANNONI: Yeah, so -- no, absolutely, we want to bring all the CSAs into this, even

though you -- we know the preponderance of the population is within DoD. But still, it's

meant to be a --

M: Ecumenical.

GREG PANNONI: -- comprehensive effort, so (laughter) yes. Any other questions on insider

threat? Okay, moving on, update on the NID working group, which seems like a long

time ago, Rob Lomurro, at the beginning of the meeting discussed the working --

workshop, I think, is what we ended up calling it. And it was government only but it was

a good effort and what came out of that, that comprehensive book, I think, is a good

reference tool. I'd like to see us move forward and try to do something similar where we

invite industry. We're still talking about that. But it was good to see -- we had the

acquisition folks there and the security folks, policy folks, and there was -- it was good to

see the dialogue and the interaction among those groups.

As far as the working group, I'm going to go out and poll the NISPPAC members. I think we want to do that. I think we're probably ready to do that, to reconvene and talk about things that can improve this process. I will also say the 32-CFR, the NISP policy implementing directive was published, May 2018, and I want to thank anyone and everyone in this room, government and industry, that participated and was helpful in bringing that to fruition. You know, it's not a perfect document but I think it does incrementally advance -- not only in the areas of processing and handling NIDs but just overall in general policies, security policies and how the government's role is involved in all of that. It's -- if you haven't looked at the document, even though you may -- the industry side, I would recommend it. It's on our website. So, in any event, that's the plan as I envision it going forward, is to call the NISPPAC, both government and industry, to get your input on convening. It seems to me like, at least for a one-time meeting, we ought to do that, if not longer. I know there's been discussion about tracking stats on NID processing. I'm in favor of that. I think what you track tends -- you know, it gets attention and it tends to often times help if you're looking at something and examining something, it does improve things often. So, at least for that, I would like to see us track data on the CSAs -- not just DoD -- and their processing of NIDs. And that's something we could dialogue on at a working group meeting.

MARK BRADLEY: Questions?

MICHELLE SUTPHIN: Michelle Sutphin, industry. Greg, thank you. I think at the very minimum, it would be nice for industry to have a debrief of that working group meeting that happened with the government.

GREG PANNONI: Okay, fair enough. We'll arrange for that. Any other questions?

KIM BAUGHER: I do. Kim Baugher, State Department. I'm just wondering, with that being passed, does it change the role that DSS has with non-DoD user agencies now or not?

GREG PANNONI: So --

MARK BRADLEY: No, no.

GREG PANNONI: -- I'm going to say no, yeah. There was discussion about that. But it's still something that would have to -- worked out with the user agencies because that's inherently your authority.

F: I will say, though -- the DoD --

KIM BAUGHER: Well, I was --

F: -- we are working to update DoD policy to include the role for DSS for the non-DoD (inaudible) [community has agreements with -- we haven't completed it yet?].

KIM BAUGHER: Right.

F: But it will -- when we complete that, yes (inaudible)

KIM BAUGHER: Yeah, it was more -- it's more [sort of?] function internally but there was a -- DSS has a role, had a role before it went away --

GREG PANNONI: Right.

KIM BAUGHER: -- in assisting us with the CSAs and going -- getting information from them. So, that's [what?] I was wondering about, so --

GREG PANNONI: You know, fundamentally, State Department -- or pick another one.

NASA, NARA, where we are, you issue the contracts. So, you know, you're making the determination about whether or not you want to issue a contract to a company that is under a special security agreement. And if it's prescribed information, then, as we know, they have to undergo the NID process, so --

KIM BAUGHER: Right, it was more (inaudible)

GREG PANNONI: -- and to that extent --

KIM BAUGHER: -- it was more the process --

GREG PANNONI: -- the ball's in your court.

KIM BAUGHER: -- flow with -- [no, the non?] -- the CSAs that have to -- [either the?]

agency or NSA with regard to COMSAC or SCI and who went to them --

GREG PANNONI: Oh, sure.

KIM BAUGHER: -- direct -- it was that -- it was a process flow thing that we were excluded from, you know, so we had to do it ourselves. And that's fine, we're doing it. But I just wondered -- there was talk that that was going to -- we were going to be melded in to be non-DoD and DoD, as opposed to just not -- you know, not -- there be no role for DISS with regard to helping facilitate it for us. That was my --

VALERIE HEIL: Valerie Heil DoD -- yes, DoD [has that baseball CDR?] needs to get to make that happen.

KIM BAUGHER: Okay.

GREG PANNONI: Yeah, and if that means more efficiency, [DoD?] direct with someone like NSA, that just makes sense to do that. But that part [of it?] -- you know, you're bringing up the controlled agency part of the equation. And so, that's valid when we're talking about COMSAC or restricted data or some of those other prescribed types, so --

KIM BAUGHER: Okay, thanks.

GREG PANNONI: Does that answer that? Yeah, okay.

MARK BRADLEY: Yes, ma'am?

ZUDAYYAH TAYLOR-DUNN: Oh, sorry. This is Zudayyah Taylor-Dunn and it -- from NASA and this question's for Valerie. Are there plans to have the non-DoD agencies involved in your policy rewrite? Or --

VALERIE: HEIL We are at the -- from an internal DoD (inaudible) standpoint, we were at the legal sufficiency review stage when the 32-CFR 2004 was published. So, I requested profusely of our lawyers to allow us to propose -- legal edit, the edits in legal sufficiency process based on what the 32-CFR 2004 [has?]. They agreed, so we are trying to work through that now. In the process, I can -- we can show you informally but there would be a formal process to do that. But we can informally show you how we will try to update the DoD policy to incorporate 32-CFR 2004, which would include the DSS role encompassing those 32 (inaudible) agencies with their -- which [had?] (inaudible) security (inaudible) for DoD. I will [do that and inform you?], Zudayyah.

ZUDAYYAH TAYLOR-DUNN: Okay, thank you.

MARK BRADLEY: Okay, anyone else? Okay, now going to go onto Keith again and NISS information systems authorization working group. Sir?

KEITH MINARD: Keith Minard, DSS. Please bear with me. Our operations staff is offsite right now, so I'm filling in for [Karl Hellman?]. So, risk management framework process continues to mature. Version 1.3 of the (inaudible) or DSS assessment authorization process manual became effective June 1st. It had two major updates: 90-day submission window for a period for RMF packages and better definition responsibilities. We did hear yesterday from (inaudible) stakeholders' group, two challenges with -- when we're talking about -- one is with EMASS access to training's been a challenge and we've got that as a takeaway from yesterday's meeting. And IO staff will follow up. And when it

comes to RMF itself, we had some questions on [the?] -- this is from (inaudible) falling off [as we go along, that I?] -- we understand that some companies have been receiving notices [that deestablish?] their ATOs. We'll follow up on that with the group as we go along.

Next slide. Transition to EMASS. That's where we're actually having the problem with the access to training. Earlier this month, on July 1st, industry could be sponsored for training, which will be a prerequisite for their EMASS account. There's been job aids posted. Beginning August 1st, industry can register for their actual EMASS account and then beginning of September, EMASS will be used for all SPP submissions. Any questions?

GREG PANNONI: Keith, it's Greg again. Pannoni. Is the obstacle in the sponsorship for the training? And if so, who is the sponsorship for the training?

KEITH MINARD: We'll get some information about the group. I don't have any follow-up on that.

GREG PANNONI: Okay, thank you.

STEVE KIPP: This is Steve Kipp from industry. Is there a plan for industry-specific training?

The training, as we talked about here, has kind of been general (inaudible) training. Is the -- this training is the requirement DISS makes you go through in order to gain access into their system. But the system [is?] hosted by DISA, [plus?] the input of the data [into the?] system is a little bit different. [Again?] (inaudible) [still in?] training [and the way it?] (inaudible) system is going to be a little different. And so, [there's a work guide?]

that they're publishing, [used to?] train the (inaudible) [trained?] (inaudible) specific to the [implement?]- has there been any though (inaudible)

KEITH MINARD: Steve, [I'll take a note on that?], 'cause I think one of the things that we see across the industry as we -- whether it's inside or [it's right?] or anything else -- one of the things that from a government perspective we need to do better is that a lot of times we'll focus industry to government training -- while it provides the 90% solution, there are also those gaps in that training that would be better defined when we do our training needs analysis to float -- at least better components of our specific training requirements and focus on industry.

GREG PANNONI: Keith, more, I guess, question, comment, one last thing. If -- understand there's some obstacles right now. If that's not worked out, we've got moving timelines here that -- or set timelines, I should say. Is there going to be some flexibility if things aren't worked out so that by October 1st, you know, you're shut out from being able to utilize the method that's previously been utilized for [system?] --

KEITH MINARD: We'll get a message back to ISOO.

GREG PANNONI: Okay.

KEITH MINARD: Is there -- any other questions? Thank you.

MARK BRADLEY: Okay, so now move to my favorite part of this, the open forum, a.k.a. the Wild West. (laughter) I hope you all will take full advantage of this and ask questions. I mean, you've got the experts here. Yes, ma'am.

DORIANNA RICE: [Sir?], this is Dorianna Rice from the DOJ. Would this be a proper time to introduce a new business? Just wondering.

MARK BRADLEY: You can do whatever you wish.

DORIANNA RICE: Okay.

MARK BRADLEY: Yeah. (overlapping dialogue; inaudible) (laughter) But within reason.

(laughter)

DORIANNA RICE: Whatever, so --

MARK BRADLEY: Whatever. (laughter)

DORIANNA RICE: So, [right now?] -- see, I'm from the Department of Justice. I'm here on behalf of the department security officer and we wanted to bring a topic for discussion to this body. Discussion, perhaps awareness and maybe we can find a solution. But we have identified a gap -- the industry wanted to, I guess, bring it up -- and that is regarding 5CFR.1400, the new definition of national security positions. On -- yeah, national security positions. As you know, you know, you are able to be in a national security position without actually having access to classified information. And as you remember in May of 2016, the DNI and (inaudible) and SEC EA issued guidance on this and the implementation guidance, it said that we may apply this definition to contractor population. So, as agencies are looking to properly designate all their positions, we're also designating the correct contract classifications. And what we're running into is that we have several contracts at DOJ where -- that being classified at non-critical sensitive because of the impact of any negligence may do on the department's mission but there's no access to classified information. And what we are running into is the fact that DSS does not have any authority to investigate eligibility to access -- to hold a sensitive position. And therefore, that means that agencies will probably be now initiating your contractor workforce on SF-86s to determine eligibility to hold a national security position. So, we just wanted to make you aware of this. [We're misinterpreting?] some

regulation, we will start working with our companies who have those types of contract -- to initiate an SF-86 and adjudicate for eligibility to hold a national security position. Not for a security clearance: just to hold a national security position. That's it.

MARK BRADLEY: Who wants to tackle that one? (laughter)

GREG PANNONI: It would be -- this is Greg Pannoni. I -- just to get an idea of the magnitude of the scope of this, roughly how many people are we talking about?

DORIANNA RICE: So, in terms of people, we have just had two DD2-54s return from DSS and the impact is -- the first one is about 500 people. The second one, I'm not really familiar with the actual contract. It's a DEA contract, so I don't know. But I understand from -- talking to Mr. Minard that they are doing their due diligence as they should be doing and they were returning a lot of D254s back because it's really a national security --

GREG PANNONI: Right.

DORIANNA RICE: -- a hold in the national security position, not access to classified information. So, I'm not sure what the scope is.

KEITH MINARD: Keith Minard, DSS. So, if you look at this broader perspective, this is one category that's not access to classified. We have IT level ones which require T5s, IT level twos that require T3s. We have federal executive branch agencies that require a T3 or T5 just to enter the building. So, when you look at this broad perspective, there's a wide range of national and agency-determined requirements for the use of the background investigation process for personal security for various functions and activities that are outside the scope of a legitimate need for access to classified information. A couple years ago when DoD addressed that problem within the DoD components, the personal security clearance manual was updated [to inform?] component -- the

component leads, that they were responsible for the functional management, funding, and programming and processing of investigations for other than access to classified information. It's a real important part. What we're finding along the way over the last couple years is that we have been inadvertently receiving these from a cleared contractor and processing but every one we process from our side, based on our requirements for funding, ends up being one less investigation that we can process for access to classified.

So, it's something about two years ago, DSS on the facility clearance branch starting getting into great detail and looking and verifying the need for access. In some cases like hers, the contract does justify a classified contract for a few positions. The broader positions didn't, so in that case, there is a valid need for some to be cleared for access, where the other, investigations were for the -- again, national security positions. So, at a national level, how do we maybe push off the information like we did for DoD in the [PERSAC?] manual that said for this stuff, it's your responsibility. Maybe from an IC perspective or from the DNI -- there's a fine balance between the NISP and the [functional?] responsibilities for the CSAs and agency requirements.

DORIANNA RICE: Right, so there's -- Dorianna Rice. I'm sorry, go ahead.

MARK BRADLEY: Yeah, well -- you first and then you want to go too

MARC RYAN: Well, Marc Ryan, industry. And I guess I would ask the question here -- and this is evolutionary -- does it make sense the way Defense Security Service and their new missions are going that personnel security is not part of the NISPOM requirement anymore because this case is a prime example that we industry face. Why would you have someone who is already cleared, TS-SCI, submit another 86 when the investigation,

a.k.a. eligibility has been done. So, if you could take the personnel security piece, the vetting piece, and you move that to its own entity, then we would alleviate this whole potential problem --

DORIANNA RICE: So --

MARC RYAN: -- because they can go in and see that the person has been vetted and the 254 is really irrelevant in this case. [There's a?] (inaudible) but it's not accessed [the?] classified information and that's what the (inaudible) [the 284s bringing here?].

DORIANNA RICE: So, if I could clarify something, we -- in this -- we're going to get into those weeds -- we would accept that reciprocally. I mean, we would accept that clearance, even though -- reciprocally. I'm talking about individuals that have not been vetted that will have to undergo a T5 investigation and be adjudicated for eligibility to hold a position.

MARC RYAN: But in reality, it's going to get -- I could submit, then, with these -- I have the contract, right? I have the contract and could submit them for that level without 254. Part of the reason they're being kicked back --

DORIANNA RICE: Right.

MARC RYAN: -- is because there's no 254.

KEITH MINARD: Well, I -- Keith Meyer, DSS. I think the challenge is that we program and budget for needs to meet the National (inaudible) Security Program for access to classified --

DORIANNA RICE: Exactly.

KEITH MEYER: -- yeah, so let's just say when the mission transfers, I would see that, like, what you're saying -- those investigations may be submitted but the agency's paying for

them. DSS funds the National Industrial Security Program investigations. I would say the agencies, then, would be on the hook to fund the investigations for other than, and not necessarily that DSS just pays for all contractors.

So, we don't know how that's going to occur in the end. But when you look at this in basis -- and so, we end up seeing potentially thousands and thousands of investigations required for other than access. That's not part -- when we go out and reach out to -- when we reach out to -- our annual surveys with government-industry to determine what the requirements are so we can plan our budgeting -- does not include the other than. So, when the other than are included in those numbers, it skews our numbers and our planning. So, we have to from a financial place, also.

LEONARD MOSS: industry. So, I guess I'm a little confused because, I mean, we went through this thing with all my security. And why would this not fall in HSPD-12 and just --

F: [BD-12?]?

LEONARD MOSS: -- 12 -- just BD-12 and with -- you know, use an 85 process versus the 86 process, because there's no access to classified information. Is that the whole purpose [of that -- of a suitability?] process versus [deployments?] process?

DORIANNA RICE: If you're asking me, I'm deferring to the 5CFR-1400. The definition's very clear that you do not need to have a security clearance to be in a national security position.

LEONARD MOSS: Right.

DORIANNA RICE: So, if the contract has been deemed to be at the non-critical sensitive, you would need a [T3, an SF86?].

PERRY RUSSELL HUNTER: Yeah and Dorianna has a point that I'd like to just address from -- at least my perspective in due process because -- Keith spoke very quickly because he's an expert and so he ran through the IT one, two, and three and the HSPD-12, sometimes known as CAT cases and kind of stuck them all together. They are actually slightly different things but they all have one common strand and that is that they are things that we do about contractor employees that allow them to go to work. And so, from the due process perspective, each of those categories each get the same administrative due process from DOHA, which is the DoD directed 5220.6 process.

The reason is that even though these are all different levels of access and different levels of security, they are -- they all have the same impact on employment. If you can't have a CAT card, you can't go to work. If you have -- if you need logical physical access. If you need ADP two or three access, you can't do your job if you can't have that access. So, right now -- and I know they have to come from somewhere and we work with the DoD CAF -- and actually, we worked with the DoD CAF quite successfully to identify more ADP two and three cases that were floating out there kind of loose because, as Keith says, the DSS position has been, hey, that's up to the component. But in reality, if somebody is going to be found ineligible, they are entitled to a level of due process and we actually provide that due process. OUSDI has said that for the ADP one and two cases or IT one and two cases or one, two, and three cases, those are going to be handled under DoD Directive 5220.6. Similarly, there's a DoD instruction, DoD Instruction

5200.46 for the CAT eligibility, which is what Leonard raised, which specifically says that we'll use the DoD 5220.6 process.

So, the industry process, what I was describing earlier for industry clearances, is exactly the same process that these folks get by DoD policy when they come out the other end if there's going to be a finding -- before there can be a finding of ineligibility. So, the concern that I have is that we're not getting all those cases.

DORIANNA RICE: Right.

PERRY RUSSELL HUNTER: Numbers that I brought, prepared, but I didn't give because we were -- I thought we were only talking about clearances is that right now, we have eight HSPD 12 or CAT cases that are currently pending with DOHA. We have 45 ADP two and three cases that are currently pending with DOHA. They're getting exactly the same process. They weren't in the numbers that I gave -- as you can tell, they're tiny numbers. But I'm not sure that I'm getting all of them. What I do know is that if we do get them, and the CAF has been great about identifying them and sending them to us when they have them, we are able to provide the administrative process that's due before a final decision.

DORIANNA RICE: As I said, this raises a whole question about how do we handle these cases now that the DSS is not investigating, so they're not going to the DoD CAF. They're coming to my security office[and if I'm about to deny -- ineligibility to hold a position, do I issue our own Department of Justice due diligence -- I mean, due process? Or do I refer them to DOHA? 'Cause, I mean, there's definitely a gap that this policy is raising and I just -- you know, I guess we need to address it as a community-wide.

KIM BAUGHER: I'm -- Kim Baugher, State Department. I think for us, it's come up a bunch with sys-admins and -- you know, because a sys-admin, if you really look at the national security position is a T5. And, you know, we have contracts where they might just be at the secret level. And we had even pursued, I think -- someone from my staff asked DISS, "Do you ever do -- could anyone do a T5 investigation but only issue a secret" or something to -- you know, because we have, you know, a lot of IT contracts and they want to go to the highest, to TS, because [there are?] sys-admin positions under that with a contract. And so, it is a problem. It's a big issue because we try and keep that level down. But if they require it for the position, then some of those TS contracts really could be probably secret contracts and those people -- 'cause [if the?] investigation -- we always tie it to the clearance but now we don't anymore. But there's no vehicle to get, like, a secret clearance based on a T5 investigation, which would probably -- for -- I don't think there is --

VALERIE HEIL: DoD, and maybe a couple things to split this in half. And Keith explained it but let me take another stab at it, too. Those of you that are non-DoD agencies -- there are 32 of you who have industrial security agreements with DoD for the NISS.

DORIANNA RICE: Yeah.

F: And --

KIM BAUGHER: I recognize that.

VALERIE HEIL: -- DoD internally -- but DoD internally, as far as budgeting, has now, for a long time, centrally funded Defense Security Service solely to pay for the personnel security investigations for access to classified for contractors under DoD oversight, which includes the 32 non-DoD agencies. That's for the NISS. So, I ask you to consider setting

that aside because the example you gave a moment ago about do you make the eligibility determination or do you send it to the DoD CAF, there is no agreement that I'm aware of for those non-DoD agencies to ask DoD to do adjudication or due process for such cases.

Perhaps there's a national gap that (inaudible)

MARK BRADLEY: We (overlapping dialogue; inaudible)

VALERIE HEIL: It's not a DoD gap.

M: No.

VALERIE HEIL: It's just how DoD has chosen to fund DSS and that is -- as Ms. McMahon mentioned earlier, DoD is also studying how we pay for --

MARK BRADLEY: Right.

F: -- personnel security investigations for access

MARK BRADLEY: It's -- and that's -- go ahead.

M: I was going to --

DORIANNA RICE: Just one point --

MARK BRADLEY: Yeah.

DORIANNA RICE: -- of clarification. So, I understand that DoD has not yet implemented 5CFR.1400 to the contractor population and perhaps, you know, once we get there, there'll be a decision that the agencies may pay whatever. I'm not sure where we're going to land on this and I'm not -- please don't think I'm blaming DoD or anything like that. It just -- it's a gap that we have -- are facing now and we're just bringing it up because we need to find a solution -- that it will be beneficial to all the agencies and to all the industry. That's all, thank you.

M: And --

MARK BRADLEY: [Dave?], you've got something to say?

DAVE: Yeah, from the CAF perspective, we do see those cases where they come in for a T3, T5. They are paid for by the agency themselves. They are returned to the CAF. We do adjudicate them to the 13 adjudicative guidelines and then we do refer those to DOHA. We do not grant eligibility on those. We grant what's called a favorable adjudication determination on it. So, we do get those now.

F: But you don't do those for the 32 non-DoD cases --

DORIANNA RICE: Right.

F: (inaudible)

MARK BRADLEY: Right.

DORIANNA RICE: Yeah.

DAVE: We just --

F: (inaudible) doing it.

DAVE: Right. Well, (laughter) we're not -- you're -- they're not being paid for by DSS, so (overlapping dialogue; inaudible)

GREG PANNONI: So, can I say -- Greg Pannoni.

DAVE: [Right?].

GREG PANNONI: Here's the thing, right? We know that all the investigative work for clearances is gradually going -- make its way to DoD, DSS. So, it's not NBIB or it won't be NBIB anymore. So, I don't know the numbers. I haven't -- just first time I'm hearing any of this. So, trying to put my arms around it isn't an easy thing. But it seems to me -- and they're national security positions, regardless of whether or not a clearance is granted -- we ought to bring the security executive agent, [Cody?] and I -- DoD, since that's

where all the work's going to be done. I know it's for clearances, but still, if you're thinking logically, if that's where all the work is being done, are you going to pluck out some other investigative energy to do this work? Probably wouldn't. And then, maybe one or two agencies like Justice that has a lot of these cases come together, sit down, and try to figure out a path forward.

MARK BRADLEY: Ms. McMahon, the executive agent, would like to say something.

HEATHER McMAHON: (laughs) Oh, yeah. (laughter) I'm going to agree with everyone, actually. Greg, I agree with you. So, I think someone said that this was kind of an evolution of an issue. It absolutely is. So, just from the military perspective, a few years ago, when every military position was named a national security position, there were a lot of antibodies towards that concept. I'll say that most of those antibodies are now gone with the recognition and understanding that, certainly in the military, any military member certainly could, you know, have access to sensitive information that, you know, would be an impact to national security regardless of whether or not, you know, they had a clearance. So, all of the, you know, minutiae and important, you know, backstopping in laws, regulation, policy and, yes, how it's funded, those things do need to be worked out. I think if Tricia was still here, she would chime in that the DVD is inheriting screening and vetting for all sorts of purposes that the department undertakes as well as what we do for our government partners and industry partners. And so, I think we should study this further. I'm certain that we are -- and, you know, we should look at, you know, is there entirely new process that we could -- should apply? You know, those are things that we should certainly be discussing in this body.

MARK BRADLEY: Good.

HEATHER McMAHON: Yeah.

MARK BRADLEY: Excellent. Anyone else have anything on this thing (inaudible)

KEITH MINARD: Not on this, but real quick --

MARK BRADLEY: Yeah, sure.

KEITH MINARD: Valerie Heil reminded me that I forgot to say DSS was moving over from CDSE to USA Learning from [STEP?], so keep -- you may get emails about the transfer and also keep [a form on -- that's TDSA?] website.

MARK BRADLEY: All right. We've got seven minutes if anybody wants to raise something else.

F: (inaudible)

MARK BRADLEY: Steve you -- no? I'm sorry, yeah.

F: I do have one more comment.

MARK BRADLEY: (inaudible)

OLGA DELGADO: And so, all of you received just a really quick overview of Trusted Workforce 2.0. So, the executive agents are well aware of lots of these gaps. And so, if you really look at what we have identified in terms of gaps across our space, it is -- it does include credentialing, security, and suitability. But ultimately, you know, that's why the federal investigative standards were rolled out. But since we've taken -- we're taking that clean slate look at the way we do business, so Trusted Workforce 2.0, in the future, will help resolve some of these issues. So, stand by and look for that. But I do think that that is a segue into what DoD is currently doing by way of their workload and also the other credentialing executive agent-- so, from that suitability and credentialing perspective.

MARK BRADLEY: Okay, thank you for that. Okay, we've got six minutes. (laughter) Does anyone wish to bring anything else up before we adjourn? Are you sure? All right, going once, going twice, adjourned, except for one thing. (laughter) That's the next meeting.

M: [I'm sorry?].

MARK BRADLEY: Final NISPPAC meeting for 2018 will be held November 15th here at the Archives. I expect around the same time?

M: Same time.

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