

**[START OF TRANSCRIPT]**

**Mark Bradley:**

Welcome to the 61<sup>st</sup> meeting of the NISPPAC. A couple of housecleaning things first and then we'll get straight into business.

This is a public meeting. It's also audio recorded. We're also using WebEx as we did at the last meeting for our phone participants.

There're two microphones at the end of the rows here and also at the first two rows. We're going to pass those around, right, Greg?

**Greg:**

Yeah, that, and we have... those first two rows in the center are for the NISPPAC members; those that aren't seated here. I'd ask that any of you that are NISPPAC member, if not seated in these first two rows, would you **[0:00:44 inaudible]** going to use the microphone especially. It's a little easier that way.

**Mark Bradley:**

Right. You'll use the microphone, so we're going to hand it to you. Folks in the audience can use those two microphones on either side to ask questions.

Most importantly, please remember to identify yourselves when you speak. As you know, we record these meetings, and we also prepare a transcript of what was said, and it's critical that we know who said what because, otherwise, we have a chance of getting it wrong. Again, just stand up and say, "I'm X from Y," and that's sufficient for us to be able to do that.

We're going to let our speakers present and then questions will be more than welcome. Again, wait until the folks have actually finished their presentations.

After addressing the questions, I'll ask Mary Kate Gutierrez, our WebEx moderator, if any questions were submitted through the WebEx chat form. There'll be actually last few and then we'll ask folks on the phone.

there are Carolina Klink of my staff to read the questions, so we can all hear... other than those here at the table who don't have slides must use the podium at the front of the theater to speak. Robert Tringali of my staff will assist those that'll have a presentation on the screen.

Presenters will also have access to a remote where they can move the slides at their own pace.

We'll have a ten-minute break during the middle of the meeting. The location of the restrooms when you exit the theater, they will

be on the left side once you entered the hallway is the NARA Café If you have any questions, let us know.

Now, I'd like to welcome our newest NISPPAC members and express our appreciation to our outgoing members. First, I'd like to welcome Jeffrey Spinnanger who will serve as a representative for the Department of Defense. He had replaced Heather McMahon, and we look forward to his contributions. I've had a chance to actually work with Jeff... very pleased with his directness, and his openness and his good sense of humor, so we'll [0:02:56 inaudible] again as a real asset to us.

**Jeff Spinnanger:**

Thank you.

**Mark Bradley:**

We'd also like to welcome Elizabeth O'Kane who will serve as a representative from the Department of Army. Elizabeth's on the phone. There we go, okay. I've been told bad information. Anyway, let's welcome Elizabeth. Excited to have you, too.

Outgoing member is David Lowy from the Air Force. After 28 years of civil service, David will begin a new career in industry. He'll be sitting on the other side, I guess. We're grateful for your service and wish you well. I understand, at this time, there's not been a replacement and Sharon Dondlinger has been serving greatly as the Air Force alternative... alternate, not alternative.

Finally, we'd like to recognize... yeah, right. Finally, we'd like to recognize Alegra Woodard from ISOO who's provided valuable service to both ISOO and NISPPAC. Allegra was very involved with NISPPAC, and is an Information Assurance program expert in her field, and she'll be retiring and leaving us in June. If you know anybody who's a good information specialist who'd like to apply to ISOO, please. She's been a wonderful asset to us.

We'd also like to recognize Brian Mackey as the new industry rep. Brian, are you here?

**Brian Mackey:**

Yeah

**Male Speaker:**

He's here, yeah, there.

**Mark Bradley:**

Welcome, Brian. Looking forward having you working with you. I think you'll find this a collegial group, but one that's intent about getting some things done. Anyway, welcome.

We're going to do introductions a bit differently this time. We're going to try to really cut them down to save some time. I'm going to

ask you those of you here at the table to introduce yourselves along with your affiliations and then we'll move to the first two rows

I'm Mark Bradley, director of ISOO and the chair of the NISPPAC.

- Jeff Spinnanger:** Jeff Spinnanger from DOD.
- Greg:** Greg Panoni, the designated federal official for the meeting and ISOO.
- Dan McGarvey:** Dan McGarvey, industry.
- Quinton Wilkes:** Quinton Wilkes, Industry
- Valerie Kerben:** Valerie Kerben, ODNI
- Dennis Keith:** Dennis Keith, industry.
- Marc Bradley:** NISPPAC members, why don't we start over there.
- Bob Harney:** Bob Harney, NISPPAC.
- George Ladner:** George Ladner, CIA.
- David Lowy:** David Lowy, Air Force.
- Kim Baugher:** Kim Baugher, State Department.
- Mike Scott:** Mike Scott, DHS.
- Dennis Arriaga:** Dennis Arriaga, industry, NISPPAC.
- Sheryl Stone:** Sheryl Stone, industry, NISPPAC.
- Kim Tiger:** Kim Tiger, NSA.
- Dennis Brady:** Dennis Brady, NRC.
- Amy Rountree:** Amy Roundtree, NRC.
- Elizabeth O'Kane:** Army.
- Zuddayah Taylor-Dunn:** **[0:06:01 inaudible]**
- Mark Bradley:** Go ahead and introduce yourself, Mark. Yeah. Could someone give Mark a microphone, please. We know we'd like to have more microphones by the way, but this is what we're told is all that's available in the national archives.
- Mark Brooks:** Good morning, everyone. Mark Brooks, US Department of Energy.
- Mark Bradley:** You're going to have to hold it Mark, that's part of the deal.

**Mark Brooks:** Thank you.

**Mark Bradley:** Yeah [0:06:43 inaudible] able to check because it looks like... are there any members of the NISPPAC that are on the telephone who needs to be introduced?

**Mary Kay:** At this time, I do not see anyone from the list that was sent to me on my cellphone.

**Mark Bradley:** Okay. Excuse me.

**Male Speaker:** Robert, could you have someone close that door? Thank you.

**Mark Bradley:** All right. Before we start, I'd like to address an issue that I raised last time. As I said, I've been here now for two-and-a-half years and I must say, I mean, listening to the NISPPAC, my goal is to actually make it into a body that not only hears concerns, but actually does something about them.

I got to tell you, reading the minutes of the past NISPPAC meeting through [0:07:29 inaudible] back in the CIA and reading Castrol speak to us on the Cuban economy, always the same [0:07:35 inaudible] are good. Coconuts, not so much. Bananas and [0:07:38 inaudible] sugar canes, bottoming out. It's the same stuff over and over again.

It's good that we're all familiar with the issues. The problem is: there's no answer to it and that's not good. I mean, the NISPPAC, to me, should be a much more important body than it's been in the past.

With that in mind, this morning, I was reading the Wall Street Journal and there was a shocking article in the front page. Anybody read the Wall Street Journal this morning? Article's headline: Chinese hackers attack US Navy [0:08:08 inaudible] says and it's a 56... it talks about 56-page unclassified report the Navy just released that talks about how much national security information they steal from us and especially from its contractors and its subcontractors. The report excoriates the Navy for not sharing more information with contractors and subcontractors. The report concludes that what's been taken probably has altered the geo political state of the South Pacific that if we were go to war with the Chinese today, we could, well, lose.

Information sharing is critical. If you remember before 9/11, the government didn't do a very good job-sharing information among itself. After 9/11 and, again, the loss of a few thousand American lives, we finally began to concentrate on getting that right.

I think the next crisis is not sharing enough with industry. We got to do a better job about information sharing to keep this country safe. Things like this happen because of people not being told what the threat is or how long, how deep it is, or exactly what our adversaries are after. It exposes us in a way that we may not be able to recover from. It's devastating.

I would beseech you to... again, we need to realize we're a partnership, we are together in this. The industry and the government in my view many times are the same. I know that there's some things the government wants to keep to itself and quite frankly, it has a right to. What I want to do in this committee though is to be able to explain why that's so or to, at least, give you some idea of the government's thinking - be more transparent...

I have one big sword that I wield and that's I write an annual report to the president of the United States. Last year was actually read for the first time in many years, reason is we totally changed the format. I made it much more like a CIA analytics assessment with a few judgments' findings trying to make it more forward leaning and I need to get the thing read. Along the whole, John Bolton, national security advisor, actually read it.

What I wanted to do this year... and again, the government shutdown has hampered me a bit in terms of requesting data, and what I wanted to do this year is what I want to start highlighting more of the National Industrial Security Program, and some of the problems that I see in it and things that need to be fixed; among those, again, is information sharing.

This year, I haven't decided yet talk about the NID process a bit and say, "Look, we're making great, great strides in security clearances, and sharing and reciprocity, but we're not doing such a good job on NIDS. Why is that?" Again, to elevate some of these issues up to the leaders of this country.

I just want some answers and, again, we may not like the answers we get, but that's okay. I mean, the main thing is, is to ask the questions. Again, Grace is going to amplify this more as we get into this part of this: some of the issues that are still outstanding that we need answers on. Again, I know this sometimes can be a cumbersome... but it's got to be worth because we cannot afford to have things like this happening. We just can't do it. I mean, it devastates our national security and that's not acceptable.

With that, I'll turn it over to Greg to talk about past actin items.

Greg:

Thank you. Just a few admin things that we have to cover. The presentations and the handouts were sent electronically to all the members and those who provided an RSVP to our invitation. Also, for those attendees who didn't receive these documents, we will make them available included with final minutes of this meeting and the official transcript that we also provide.

Apologize there was a delay in getting the minutes out from our last meeting, but we did have a 35-day partial government shutdown that greatly impacted ISOO and other parts of the government.

You may already know that the NISPPAC meeting announcements are posted in the federal register approximately 30 days prior to these meetings, because these are public meetings open to every...

Unless there's a question or questions on that, I'm going to move into some of the... were all of the follow up action items from the last meeting. Okay.

At our November 15<sup>th</sup> meeting, the items that were taken as things that we need to go back and get answers to were that Charlie Phalen from NBIB, would speak with Lindy Kaiser from clearance jobs, about security clearance numbers. There was some discussion about discrepancy.

My staff has reached out to NBIB and bank clearance jobs and as far as we know, the action's still open and... is there anything you want to say about it?

**Male Speaker:**

We'll get a draft.

Greg:

Okay. We'll wait, that's fine. Thank you.

**Male Speaker:**

Thanks, fine.

Greg:

The next... there's three items that were for DOD, and Valerie Heil will address those. We can either do it now or we can do it... why don't we do it now? They are... let me just say, the first was to provide feedback as to how DOD critical Technological Protection... the DOD Critical Technology... I can't speak this morning... Technology Protection Task Force will interact with industry. If you want to go ahead and update the group in that is fine.

**Valerie Heil:**

On that item, the task force is participating in the meeting that the undersecretary defense for acquisition and sustainment has periodically with various industry CEOs.

May I go on to the next--

**Greg:** Yeah. The other two, they interrelate. They have to deal with the DFARS clause - one, concerning cyber threats which is the perennial issue we hear about all the time, and the other one, also related to DFARS, and let's see, had to do with industry, wanted to know if there was a way for them to be consulted on with the requirements that may come about on that, the DFARS requirements; but go ahead. Sure.

**Valerie Heil:** Some follow ups with the two industry representatives who raised those questions. For the DFARS, it's the DFARS clause that provides requirement for compliance with NIST 800171 and the there were questions about how the oversight would work because there had been some individual DOD components who provided specific guidance on their contract.

Department of Defense has now, formally, established a process for DCMA oversight of contract of compliance with the DFARS clause for 800171 for those contracts for which DCMA has contract oversight and... I will provide ISOO a website where that guidance is listed, publicly available for members to review.

In the context of cyber threat, it was my understanding from the discussion that I had last week with the industry representatives who raised the question that that question was in relation to the oversight and compliance with NIST 800171.

**Greg:** Does anyone have new questions on those items at this time? Yeah. We're going to need... unfortunately, you're going to have to move towards the aisle unless you can speak--

**Jane Dinkel:** We have a question.

**Greg:** Okay. State your name, Jane, please.

**Jane:** Sorry. Jane Dinkel

**Greg:** Okay.

**Jane:** I [0:16:32 inaudible] that someone has that can't get through

**Greg:** We'll need technical support to place on... but they're supposed to be on mute, unless they're speaking, so they should be able--

**Jane:** They can't hear.

**Greg:** Okay. I see. Tech support, did you hear that?

**Mary Kay:** Can you repeat that please? Can you repeat that please?

**Greg:** I'm sorry

**Male Speaker:** It was on mute. They can't unmute it.

**Greg:** We're apparently on mute, so they can't hear it supposedly.

**Mary Kay:** No. The audio... I'm sorry, sir. The audio for your participants is coming through just clear because I'm also logged in as a participant. I'm listening as well on that line. Your participants cannot unmute their own lines. Did you need them to be able to do that?

**Greg:** Right, yeah... they can't. If they wanted to ask a question, we have to... but we have--

**Mary Kay:** If they want to make a comment or a question, they can press "#2 -" the pound sign and the number two - on their telephone keypad which would indicate they'd like to ask a question or make a comment and then I can unmute their line for them.

We do have someone who just raised their hand. I'm going to unmute her line. Please go ahead. Your line is open.

**Lindy Kaiser:** Hi. This is Lindy Kaiser. Say that there were a bunch of us that were on the Google Hangout dial in and didn't have our individual participant code. I know there're probably about ten people on there, so I don't... and I didn't actually receive an individual participant code **[0:18:18 inaudible]** Caroline. My guess is those people who were dialing in using the Google Hangout and they cannot hear you nor can they participate because they're actually on the wrong call.

I don't know if there is a way to open up and join the Google call invite that you sent for the meeting to this meeting or if you can resend out to the participants a general code that they can all dial in to, but there were a bunch of people that could not have dialed in.

**Mary Kay:** Thank you. Robert, just so you know, if you'd like to send information, the call-in information, to whomever you invited, I can give you that information to do so.

The way that this event was set up is a pre-registration event, so they were sent an invitation that they would have to fill out and then get a specific attendee ID that they would put in when they called into the number, but I can give you just the regular number and the regular **[0:19:15 inaudible]**

**Robert:** Right now?

**Mary Kay:** Yeah.

**Robert:** Okay. Can you send that to my email?

**Mary Kay:** Absolutely.

**Robert:** Okay.

**Valerie Heil:** May I provide one more update?

**Male Speaker:** Sure.

**Valerie Heil:** There were discussions at the last public NISPPAC meeting about Change 3, the status for C3 implementation. DOD is continuing to assess how to implement that. We did provide a draft ISL some time ago and received NISPPAC feedback.

We are continuing to do the assessment particularly for industry in the concept of how the preapproval process would work as DOD is also working to determine how it is going to implement C3. We can provide another update at the next NISPPAC meeting.

**Greg:** Any comments? I'll just interject on this one and I know I have the director support. This is one of those things where I have to say... C3 I think was published June of 2017, if I'm not mistaken. Here we are, almost two years later, and we're not there. I'm not throwing stones at anyone, but we really need to take a better look at how we do this because it's really not acceptable in a case like this where the rest of the government... and you know both programs are supposed to operate in tandem more or less. We have language in the executive order that speaks to that, so we're **[0:20:48 inaudible]**

My understanding was conforming changes. We're mandated to address things rapidly or relatively rapidly. I don't see close to two years this meeting that objective.

We did briefly... I recall I said something at either our clearance working group on this or in our resolution meeting. If there's a way that ISOO can help, put something out to all the CSAs, we're certainly open to doing that; but I really think we need to take a look at that process of how we... and changes more quickly.

**Male Speaker:** Yeah, great. Thanks, that's true. But I would say we're sort of stuck in a place where we can get it right or we could get it fast. For the industry folks here, we certainly aren't going to try to push anything into industry until we can figure out how we're going to do it inside the department, and we haven't made a lot of headway there either. It is becoming a higher priority and what I would ask you all to do is to **[0:22:01 inaudible]** to this **[0:22:03 inaudible]** is. It's kind of long one, but there's a lot in there and some of it was easy to

write down, but some of it, it's harder to think about how we would implement preapproval to the one example that Valerie put out there as very challenging. It's challenging government. I can only imagine what it will be when it's time for us to take it to industry.

**Mark Bradley:** Any comments on that? Any observations?

**Greg:** Okay. We're going to move on?

**Mark Bradley:** Yeah.

**Greg:** The next thing was the meeting that was spurred on by the chair's comments with some of these issues that we hear about on a regular basis that don't seem to resolve. We did start that. The action is still ongoing.

We had our meeting on February 12<sup>th</sup>. Again, the partial government shutdown did set us back a bit. We asked industry to prepare their list of top ten issues or problem areas, and that's who we framed it: it's just problems.

We came together. We did a spreadsheet to further specify and be more granular as to what the problems were. The first move was to get everyone involved. All the CSAs were invited, plus DSS, to agree that these, in fact, were problems and why they're problems, so what's the impact? If they're problems, there has to be a problem impact.

I believe there was, at least, in the room agreement on that for these items. The items, we weren't able to completely get through them on the 12<sup>th</sup>. We used part of the clearance working group meeting, the 28<sup>th</sup> of February, to pick up on those. That spreadsheet that I mentioned was meant for each of the participants to go back to their agencies and based on the discussion and the steps ahead that were recommended **[0:24:21 inaudible]** to see if the senior agency leadership would agree to those things. We had recommendations from both industry, government and ISOO on these items.

The items themselves were, topically speaking, were the SEADS. They were layered. There were sub-issues within the problem area: reciprocity, DSS in transition, trusted workforce 2.0, defense information, system for security, the consultant white paper. I'm just giving you the topical right now here more later I believe in this meeting.

**[0:25:02 inaudible]** uncompromised industry selection for advisory committees, advisory committee on industrial security and industrial

base, and meeting timelines for industry concerns, and then subsequent to that initial meeting, accountability for top secret was added to the list that was also a discussion at the NISA working group meeting on information systems.

As I said, we prepared the spreadsheet on each of these areas so that we could we more easily identify comment on and ultimately resolve. We have to be more about action to echo what the Chair said.

I think we had some good discussion. One positive outcome was that the ODNI is going to host a meeting, including those same participants of the 12 industry people, actually, to discuss, among other things, industry's inclusion in the development of trusted workforce 2.0 vetting efforts and more broadly in this related policy development at least within the lanes of the ODNI. That meeting, which is our next action item where we asked for that at the last meeting, is scheduled for March the 28<sup>th</sup>, hosted by ODNI, Bill Evanina, so I hope that that will generate more discussion in terms of development, leveraging collaboratively, the expertise of both industry and government.

Let's see. Moving on to the next item and if you want to ask questions now, we can, or we can just hold until we get into other parts of the meeting.

The next item, I'm almost done, was the possibility of extending an observer role to non-federal entities on the CUI advisory council. Mark Riddle of our staff will brief an update on the CUI program in general. But the next CUI advisory council meeting is scheduled in two weeks, that is an item that's on discussion. Really, we did have one meeting prior to the shutdown, but we weren't able to tackle this issue. I'm confident we'll get to a place with those government members where industry can, at least, be there as an observer. Stay tuned for that one.

Last item, we have finalized the dates for the next NISPPAC meetings. You might want to take note for your calendars - July 18<sup>th</sup> and then November 20<sup>th</sup> - and we'll be meeting in this theater again. That's all I have on that. Any questions?

**Mary Kay:**

Once again ladies and gentlemen on the phone, if you'd like to ask a question, please press "#2" on your telephone keypad to enter the question queue.

**Mark Bradley:**

Okay First, is Charlie Phalen who will talk about the NBIB. Charlie, please come up.

**Charlie Phalen:**

Not sure about the adjective you just used, but thank you.

**Mark Bradley:**

**[0:28:37 inaudible]**

**Charlie:**

Yeah, and this is better than last time. I noticed the spotlight and the interrogation lights aren't quite as bad as they had been. Good to see Jeff up here, and I think to your point, Mark, that somebody who has sort of is direct, is open and has a sense humor are three good attributes to have in this business, so welcome aboard.

A couple of things: I really have three topics quickly to cover, and they only gave me ten minutes, and I hope to take only about 30. First thing, the question... usually, the first question's, "What's inventory." The first question I got today when I walked in the room, I said, "Where's that executive order?"

I think the last few times I've been here, I promised it's on the right on the cusp of being issued to move the NBIB operation to the Department of Defense in its entirety, that is still just about to happen.

I can attest to the fact that I saw a live version of the latest draft and it is... we're down to a couple **[0:29:34 inaudible]** and I think it will be ready for **[0:29:38 inaudible]** I think the drama part is pretty much gone and now it has a signature on it.

All that said, we at NBIB and the other "we" which is DOD and represented **[0:29:50 inaudible]** front row here, have not been waiting for this executive order. We've been working very, very hard for the last many, many months on pretty much all fronts to get things ready to go and things gets dropped, we can start moving up. I think we're in a pretty good shape one that.

I think, in the end, we will end up with this new organization, the biggest security organization in the federal government, perhaps even in the world, depending on how you figure this thing out and not just for the Department of Defense, but covering investigative work for 105 federal agencies that we cover today and that includes a lot of you **[0:30:34 inaudible]** and so this is... you got a huge stick in how well thing works and at times, it's a little bit scary because you think about the magnitude of this thing; but our combined commitment here is that this will happen without any speed bumps that you can see and that when you wake up on October 2<sup>nd</sup> **[0:30:51 inaudible]** of this coming. It looks like it will be September 30<sup>th</sup>. Stay tuned. We'll see where that goes.

Second thing is we... am I in charge of slides or somebody's applying these things here? Which way am I going because, I'm sorry, I didn't

get the...? I also don't **[0:31:11 inaudible]** max nine or max eight **[0:31:13 inaudible]** There we go. Okay.

**Carolina Klink:** Okay. Yeah.

**Charlie Phalen:** **[0:31:19 inaudible]** that?

**Carolina Klink:** Yeah.

**Charlie Phalen:** Okay. Now, I know where it is here. I want to talk about where inventory stuff is here. I did promise you, over the last two meetings between myself and Mark. I think for the last one and talked about some of these that by the end of the year, our inventory would be down by 15% to 20%. We made it and we've continued from there.

Our inventory today is 542,000 in the inventory, down from its high point of last April of 725 **[0:31:51 inaudible]** about a 25% drop, and we're continuing to drop, and I think you're going to... we made it. We're going to steadily decline here, and I think it's important here.

I do want to give you some numbers on timeliness. I don't like that. Actually, we go back here for a minute. As I think about this, Mark referred to old Cuban reports, and coconuts, and pineapples, and bars or bar charge or something, these start to take on that aura. I'm going to show you something here in a couple minutes that I think isn't...

We're going to bypass that real quick and we're going to talk really about inventory. What I want to do is break down within that whole total number of 542,000. What are the numbers that mean most to industry right here? I'm going to take a guess: it's tier three initials and tier five initial investigations, and how quickly we're able to get those done, and what those numbers look like.

In our entire inventory of 542,000, there're 176,000 tier three initial investigations we have active right now - 37,000 of which are industry. On the tier five side, we have about 80,000 active tier five investigations - about 25,000 of those are industry investigations.

Our industry total peaked at about 127,000 last June - a little bit lagging delay from what the other high point was. We're currently down to about 96,000 for industry, about a 24% drop, matches what we've done overall in our **[0:33:28 inaudible]**

I would note that that total number we have... I can't really break this down for industry because I don't have that good access to data, but for the... the total of the 256,000 initial national security investigations we have in the inventory, about 103,000 of those

are... those people are currently at work, operating on an interim access, and it's about 40% to 45% in each categories, that's not a bad number. Still, those are people that work in here, productive, but still it leads them 60% or... not at work and they need to finish all that stuff up.

You'll also notice some of the advent flow of cases we have coming in in industry. You'll notice August and September, there's a spike upward on the initial cases coming in - tier threes and tier fives. That's not unusual. We get that every year.

A little interestingly is that apparently not everybody was off work in January of this year. You'll notice a spike on incoming cases in January, particularly over... side. Some people were not asleep.

Getting down to timelines here. I do want to go to another way of looking at this thing, rather than charts that show 90% in these many days and everything. I really want to show you where the advent flow of this stuff goes, and this is sort of a new way we thought about looking at it. We're including this in our key performance indicators that we send out to all of our government customers on a weekly basis here, but what this shows is January of last year versus of January of this year in terms of where cases are, how old were they at the time we closed them, and so, for example, the top line is the tier three initials. What you see in the bar is... the colored bar, the blue in this case, represents the middle 50%, so 25% to the left, 25% to the right. You can see what the median age of that case is when we closed it - 184 days old when we closed them at a median age in January, 2018 down to 150 days today.

You can also see from the very left end of the narrow bar, we're actually closing some, if you do, sort of a rough measurement measured in single... low double-digit days in several of these cases and you'll see that down here.

I'll talk a minute about the tier three reinvestigations in just a minute, that's a little bit of an anomaly here, but... which you can't see... actually, the lower chart is cut off again, you can see that on the tier five initials, sort of brown color I guess they are here, that median age has dropped from 510 down to 396, and you can see a lot of stuff that is closing a lot earlier than this. It's showing a lot of progress in terms of the bulk of the case. It's getting closed faster than we were in the past.

You will see on the right-hand side sort of a hash mark, that's the 90% mark. There's a lot of stuff that sits out there because there's some stuff we just... has to be collected before we can close the

case. A lot of that has to do with prior employments, but I think what this... this chart shows us, except for that reinvestigation piece, how that number is moving more to the left than where we really want it to be, not where we totally want it to be at this point, but making some good progress.

The tier three reinvestigation piece, really is an anomaly in the sense of some of the stuff was sitting there waiting for some changes in the executive orders and then the executive correspondence, and then by... when we started clearing out a lot of that stuff which is after January 2018, we were able to close an awful a lot of cases that were old and seeing a lot of cases that look a lot older but we don't count the case in the average, until that actually closed. You could take in that, adjust that a little bit, but that's sort of where we are in that sort of stuff.

Last piece here. Well, before I get to go to the last piece, sort of what has really allowed us to get that far? Reiterating what I probably said the last two or three times: field work is the longest pole in the tent in all of these cases and that's what has taken the most time.

We have our investigative capability, or capacity has been up at about 8,800 for the last many months, and as that stays steady and I think it's more mature **[0:37:52 inaudible]** output, equally as important. It'd be more important better using those investigative assets talking in previous meetings about hubs and putting things together geographically, both for government customers and for industry, and we're moving more and more in that direction. Where we do that, we see some significant changes.

A couple of us in the room were out at Pacific command last week, looking at what we had done in that entire theater for both government and contract activities out there, and the investigative inventory and many dropped by 40% just in the last **[0:38:28 inaudible]** because of the level of efforts in those kinds of actions. We're seeing some really good results on that.

The last piece I really want to talk about today is just a couple seconds on trusted workforce 2.0. I see that, Mark, there is a meeting set up at the end of this month for industry to get a little more detail. I know that's good. There's a lot of stuff in blog sites and news reports talking about this, and so you can always log in to some of those things, but I would just say a couple things: one is an ODNI and OPM led approach to re-looking at what it means to be a trust... both the investigative guidelines, one of the adjudicative

guidelines, and I would argue, probably I'd look at the adjudicative headline first and then build investigations to meet those guide...

It's really come in two phases. The level of effort, one, is really focused on what can we do quickly to help make an impact on our inventory and getting cases closed faster.

We had a series of executive correspondence. It's the most effective. This is probably the one issued last June, which has had a good effect on our ability to close some cases faster and has attributed some of these numbers here.

The big leap here is the level of effort, too, which is to really go back and baseline all of those adjudicative... that's well under way. You'll hear more about that. Your representatives will later this month.

You do on the executive steering group, do have two representatives in industry in the group and they're active in the executive steering committee on this.

Again, I would say... then we get down to the nitty-gritty of who was working on one of these policies and it looks like we have not just policy makers in the room, but people who actually do this stuff for a living, sitting in the room, and helping people understand... when you do this. What is it? Excuse me. I mean when you do that with an investigation or making adjudication, and it will be pretty well-informed.

I would sort of argue this is sort of a once-in-a-lifetime opportunity, and I mean that almost literally since the last time we really had a major change and this was probably when Truman was president, but this is an exciting time to be sort of in this business, and I hope to get you guys more and more engaged and involved in all of this stuff.

The last thing I did go back and addressed, the one item that was outstanding from last week which was a conversation with Lindy. I know Lindy's on the phone because I think she asked a question a minute ago, but some folks from the NBIB liaison activity had some conversations this week and I think previously as well.

I think that recapping the challenge on that was that we had published the Secret Act, and the first and second, we put out following the maximum you're your lawyers will understand is you don't answer a question you weren't asked and you try to answer the question you were asked. We did that. The problem is the questions we're asked by the legislation when we answered them didn't really put things into the context that we needed to and we

did not do a very good job of saying what this really means in the report, so a number of people looked at it and drew some interesting conclusions that weren't really what we're trying to say in this report.

More specifically, we've talked with Lindy a few times on this and I think she is okay. I'll leave it to her to say if she's still good with the numbers on this, but I think we've closed that loop on that, but more importantly, the next version of the Secret Act that comes out will have a much better array of how these numbers look. We'll answer those questions, and we will tell them what we really meant by these numbers and we'll go from there, so that's that's sort of what today's like, what tomorrow's going to be like and so I'm open for any questions.

**Male Speaker:**

Thank you.

**Charlie:**

One in the front here.

**Kim Baugher:**

Never mind. Sorry. Kim Baugher, State. I just have a quick question when you mentioned about the executive order and you said on September 30<sup>th</sup>, everything will be the same on the October 2<sup>nd</sup>. I'm asking just because it seems like we always make these changes huge changes at the end of the fiscal year which for contractors that are getting contracts and for us is a huge problem. Is there going to be a big process for a change for contractors on September 30<sup>th</sup> when they would have been awarded contracts and have to jump into gear like this past year? It just seems it's a problem. I'm always hesitant that we do stuff on September 30<sup>th</sup>.

**Charlie:**

Yeah. I'll let Heather jump in. Our goal here is that intake of cases... you are invisible the infrastructure to put new people into it. The entirety of NBIB including all of it - all the people, all the processes, everything - simply shifts under the Department of Defense. It's the same people, the same processes... well, I would say the same processes; but if we do our job right, we'll be changing processes regardless... whether this is going to shift the DOD or not, processes will evolve. They'll see new SF86 things come out on the EAPP at some point that's unrelated to this change that you should see no distinction between the end of September and the 1<sup>st</sup> of October as to any case it comes in, up to the 30<sup>th</sup> of October, gets moved into the end of the... next case that comes in on October 1<sup>st</sup>, we'll be move into the same inventory.

It's just that it really is a command issue. Over time, the employees of NBIB will become DOD employees today; but that's again invisible to you all. You should see no change on how you... fiscal year helps

because we're going to move the internal funding source from a revolving fund that we worked with today at OPM to a working capital fund at the Department of Defense, but that's simply, again, change of money and change of color, not a change in process.

Questions? Yes, sir?

**Dennis Keith:**

Dennis Keith, industry, on Trusted Workforce 2.0 a level of effort, number two, with regards to the adjudication guidelines. Is there some sort of timeline or expectation for... progress?

**Charlie:**

I think the target date that we are talking about right now takes us to the end of 2019 to get this on the street as a final product. That said, no pun intended, these processes or these standards need to undergo continuous evaluation. After that point, we should not say we're done, and everybody walks away and then some time, 70 years from now, we ask ourselves, "Did we get this right back in 2019?"

But the target date for sort of finished product is 2019, but I also expect, just like we saw some of the earlier level of effort, one thing that we may reach some "aha" moments between now and then, and make some changes in the processes or later on, just to... because of the obvious impact and be able to put it in place pretty quickly. One--

**Mary Kay:**

We do have a question waiting on the phone when you're ready.

**Male Speaker:**

[0:45:52 inaudible]

**Mary Kay:**

Okay. Opening that line. Please go ahead. Your line is open.

**Lindy Kaiser:**

Hey, I'm Lindy Kaiser. You had some great information last time about the backlog and so now, the clearance processing timelines are kind of falling arcs that someone expected, and that you saw some improvement, and then now, we see things getting a little bit worse which again does not surprise me as we await the executive order of all transfer processes. As much as you guys hold hand and kumbaya, we usually see a little bit of a hiccup in terms of expressions that are rolling people into continuous evaluation. But I do know that the efforts you're making on training people this next year, you're already anticipating what [0:46:38 inaudible] have said this is the year that processing times we expect will improve.

Right now, last [0:46:45 inaudible] meeting, we made some comments on the backlogs and improvements there, and those held true. I'm just curious this NISPPAC, meaning do you have goal point, timelines in mind for saying as we update, eliminated adjudicative

criteria to get these policies in place, when do we expect processing time to start meeting a better study [0:47:07 inaudible]? Six months, one year, two years, etcetera?

**Charlie:**

Lindy, it's a very fair question. One of the byproducts of... some of the early returns on the executive correspondence, and I think we're seeing some of this particularly in that reinvestigation thing, is that as we are able to make some changes in the way we're doing the work, we ended up closing some of the older cases faster and they get... we don't count them in the production numbers until they are closed that we see old dogs is probably a bad term, but we see some old dogs filtering in and so that's why you see, in some of these charts a much broader level or span of cases in terms of aging on them, even though we have reduced some of the timelines on this.

My expectation was is as we start to close out the older and older things that that will skew... will have a not good effect on the 90% average. I think what I really want to show more importantly is that our median numbers are moving to the left and that, to me, is a leading indicator of where the ultimate numbers will end up going. I know we're headed in that direction.

To your question, I've got to admit that the acoustics are not really good... on the call here, but I think, Lindy, question was when do we predict that we'll be back somewhere within [0:48:38 inaudible] the guidelines, that is a really hard prediction.

I can tell you I think in our total inventory numbers, we think will be down to 300,000 or below sometime by the fall and that again should have a very positive impact on the timelines.

As we do make some changes in the process that will reduce the number of periodic reinvestigation, formal investigations had happened and then unceremoniously dumped that work back on the agencies under a continuous evaluation and continuous vetting mode, that should reduce the amount of cases that we have to work and allow us to spend more time on... or put that more assets on the initial cases and the PR cases that are the most important. I expect that to have a positive impact.

But Lindy, when you ask about the IRPTA guidelines in two years, I hope by two years from now, we are within those guidelines; I hope somewhere before the point.

I think what also may change is what trusted... and we're not waiting from trusted workforce 2.0 to help us drive those numbers down. We're trying to drive them down before we even get there, so I'm

not sure that answers the question, but that's about it. I can't give you an accurate answer on when I think those guidelines are going to be reached. They are a product of a high inventory enclosing all cases, but I expect the numbers are going to start to drop... will continue to drop and drop perhaps more precipitously than they have.

At this point, we [0:50:13 inaudible] the progress that I really want to see on meeting the IRPTA guidelines, the way they are measured today, that's why it took [0:50:20 inaudible] to say is there any other way they can look at this to tell us where there actually the progress or not. I think this chart that's up on the screen right now, hopefully you all can see it online, is really more indicative of... the numbers, they're still much higher than I want them to be.

**Caroline D'Amati:**

[0:50:41 inaudible]

**Charlie Phalen:**

Yeah, you're on.

**Caroline D'Amati:**

I am, okay, wonderful. Thank you. Hi. Caroline Ducati from clearance jobs. Sorry so I wanted to ask: if you're anticipating that by the end of this year, the inventory will be around 300,000. A couple weeks ago, we had a conversation with Bill Evanina and I can't remember whether it's him or someone else with ODNI who mentioned that what a standing case load should be would be about 250,000 and that would be just the number of what it takes for a government to be working regularly that any given time, there would be about 250,000 cases. Would you agree that that number is accurate and if that is the case, then it seems like we aren't that far away from getting to basically just an average case load where numbers really should be picking up? Would you anticipate that? Is that something fair or are there other elements that we're not considering?

**Charlie Phalen:**

I have an answer here. Yes, I think it's fair. In 2014, before we lost that investigative capacity, we're up where we needed to be in terms of investigative capacity using the pre-2012 investigative guidelines. They sort of added some complexity to it, but this... to give you that sense that in that framework, to meet the guidelines which we're meeting at the time of... top secret, with that level of capacity, the inventory that was steady state that allowed us to do it was somewhere between 180 and 200,000 at any given time in motion and understanding that a subset of that would be actual tier three, tier five cases, but that's about right.

Looking at today and looking at the way some of the cases had evolved, somewhere between 2 and 250,000 as a steady state is a fair estimate. What will drive that actual number will... ultimately,

probably a year from now, we'll be able to sit down and say, "Okay. Now, what did trusted workforce tell us about what that cases looks like," but 2 to 250 is a fair... steady state would be, and once we reached that and stabilized at that point, we should be able to meet those IRPTA guidelines.

Okay. Thank you.

**Male Speaker:**

Thank you.

**Charlie:**

Okay.

**Mark Bradley:**

We're next going to hear from Ryan Deloney from DSS who would tell us about the deployment of the NIST.

**Ryan Deloney:**

Good morning. Ryan Deloney, Defense Security Service, and a little bit of a slide is chopped off, but that's okay. I'll just talk of the content in there. I want to give you an update on the National Industrial Security System. As a reminder, this is the system of record for industrial security oversight for the DOD and the 30 plus other agencies in industry who will provide cognizance there.

Some **[0:53:47 inaudible]** reports, we had been tracking those drop deployment. They've been looking good. For example, we have some provisioning metrics up on the screen here.

User base has been consistently growing. You can see we have, now, around 20,000 unique roles, broken out about 7,500 industry, 1,100 government, 600 DSS. It's been good over the past few months. We've been working just to ensure that those issues that come **[0:54:10 inaudible]** with provisioning were getting work through. For example, we work with the State Department, trying to work through some bureaucratic red tape getting certificates up and running within **[0:54:20 inaudible]** the single sign on platform that's been resolved, and we've been tracking just to make sure all other non-DOD agencies can get in, do it...

We do have about 8,000 case codes represented. The last we met as a group, we were around 6,000, so about half, and now, we're up around three quarters in terms of cleared facilities within and we're continuing to see that growth. We'll continue to track that just to make sure that industry then as needed in order to perform their functions.

Other good news, we did kick off the operational requirements committee, so thank you to the NISPPAC team. We did coordinate membership through that as well as through industry groups and other contacts. It is a good representation of about 30 members and

advisors across industry, government, DSS, as well as **[0:55:10 inaudible]** policy, and then DNI and other advisory roles as well.

We had our first meeting, discussed roles and responsibilities, laid out what's the standard process we're going to use to receive requirements to help enhance the system and drive it going forward. We're going to have our first meeting to synthesize that next month, I believe, on April 22<sup>nd</sup>, and we had received from three groups already batch of requirements, needs and their thoughts were, so that's been working well.

Ongoing events, we have of course been focusing post-deployment for large system on stability and post-rollout activity. We've been doing a lot of user support. We just had a major patch over the weekend, version 1.6.4, that did stabilize some of the core records within the system itself. We're hoping to see a lot more of... as well as just consistency of operation, but of course, we're not going to stop there. We'll continue assessing to make sure we can tune anything we need to within the application to make sure it's serving its function.

We also did kick off DSS, the TSI (the Personal Security Investigation) for industry projection survey on Monday, so that was formally performed in a system that NIST overtook when we cut over, so that is live. We sent out some communications about that yesterday, just direct email to FSO, the FSOs and **[0:56:30 inaudible]** of records we have within the system.

I think we're around 500 submissions when I checked yesterday afternoon, so it's up and running. Then, feedback within that as well. Most of the feedback, actually, it seems to be an intuitive form, been positive feedback which I'll take any day as far as capability, so that's why we'll continue to track that as that role is through April 5<sup>th</sup>.

A couple things cut off from the screen, we do continue to update our training in schools. In addition to the core we've, just in the past week, quadrupled the size of our frequently asked questions for users. Those are available within the system. We're also going to direct send those out as well as continue to build training products and tools.

Other good news, we've been working with our knowledge center staff to expand their responsiveness beyond providing lock and unlock support, but actually to provide functional health. If you have an issue, you can call them instead of needing to send an email and wait for a response. You can call and get on the phone. They can

walk you through so you can actually see your screen and help walk you through your issues that you may be having. We're ramping that up, that should be active by the end of this month.

Those are all the high-level updates, what's kind of keeping it high up here, but wanted to open for any questions specific to the system operation feedback.

**Greg:** I'll ask--

**Ryan Deloney:** Please.

**Greg:** --one or two. Thank you, Ryan, for the brief. This is the system of record for the industrial security program. Right now, this is the system. There's no other automated system, is that correct?

**Ryan Deloney:** Correct. In terms of the core records for facility clearances, which companies are cleared, this is that system. We do have ancillary systems such as OBMS for information system authorization which will be evolving to EMASS later this year and we're working interfaces for that activity. But as far as which companies are cleared **[0:58:27 inaudible]**

**Greg:** Commend you on the progress, what you said, 6,000 or so from the last meeting... which means there's, I don't know, 4,000 or so that are not enrolled, and this system as I understand it is what is used to report annual self-inspections, facility change conditions, so do verifications, things like that. For those that aren't enrolled, does that mean they just do it manually and submit something? that's one question. The other one is: what's the strategy for bringing those other 4-5,000 on and I guess **[0:59:02 inaudible]** one, just... and it's probably covered in the operational group that we make sure we keep the NISP in if it comes to a point of where we **[0:59:11 inaudible]** mandate the other 4-5,000 joined in.

**Ryan:** Correct. I think I got all three. I'll cover those down the line. We are tracking usage. It is required for any policy mandate function such as your self-inspection certification, reporting change conditions, so that is all performed in the system.

We're not taking those outside. There's unique work flows, transparency, process. We do as those are required. Industry is required to submit with that venue.

We've been discussing and has also discussed some clearance working group, exploring toward the end of the fiscal year whether an ISL may be needed just to further clarify the requirement for using registration, so we're exploring that, took that as an action

item from the last group, and we will continue to plug in both through the requirement committee. We also have relationship just with the NCMS chairs and representatives. We'll primarily work through NCMS if we ever need to make the big push to any...

**Male Speaker:**

Okay. Thank you.

**Mark Bradley:**

Any other questions for Ryan? Phone?

**Mary Kay:**

A quick reminder to those on the phone, press "#2" if you'd like to ask a question, and at this time, we have no questions.

**Mark Bradley:**

**[1:00:32 inaudible]**

**Ryan Deloney:**

Thank you.

**Mark Bradley:**

Now, we will hear from our executive agent of the NISp, Jeffrey Spinnanger.

**Jeffrey Spinnanger:**

Good morning. I am... as was said, I'm Jeff Spinnanger from DOD. I really don't have a lot to provide in terms of new information, other than to say I'm really happy to be here. I appreciate the opportunity to meet with Mark and the folks over here, and I enjoyed the prospects of a very close working relationship.

I am not new to the NISPPAC, and I do find that the things that you're aspiring it to be collegial, but a place to get stuff done **[1:01:17 inaudible]** that and when we do it that way, it works very, very well. It creates some accountability on both sides of the ledger. If you think of it that way, and I don't mean to seem it like that, we're two parts of the same hole, but we have complimentary responsibilities there that are similar **[1:01:34 inaudible]** but I think when we're able to use the form the way it's supposed to work, very well and some very pleased to be here. Unless somebody has a question for me, I'm going to give you 4 minutes and 30 seconds for that.

**Mark Bradley:**

Okay. We're going to move on. Anybody have any questions for Jeff on the phone or anything like that **[1:02:00 inaudible]** we can move on.

**Mary Kay:**

No questions waiting at this time.

**Mark Bradley:**

**[1:02:05 inaudible]** All right. We're now going to hear from Quentin Wilkes, industry spokesperson. Quentin

**Quentin:**

Go to the next slide, please. Quick agenda, we're going to talk a little bit about the NISPPAC and MOU's on some policy changes and some

impacts, and then get into... challenges maybe that we're having and **[1:02:34 inaudible]** Next slide.

Again, we want to welcome Bryan Mackey from BAE, who's our newest NISPPAC member.

We did have Kirk Poulsen. We want to thank him for his time when he was on **[1:02:48 inaudible]** different things changed, and he had stepped down and moved on to other endeavors. Bryan, welcome.

We don't have any changes when it comes to the MOUs. Everybody's remained the same. Other than Matt Hollandsworth, he's holding **[1:03:06 inaudible]** right now; but we're trying to work to get the **[1:03:10 inaudible]** person.

When it comes to the... next slide. When it comes to the policies, the changes and impacts, there's a lot of policies that are impacting not just industry but also government as it stands today. One of the things that we suggest from industry is that we leverage industry expertise as we move forward. Sometimes we have meetings, or the government have meetings and they don't always have the right people in the meeting all the time, so we're asking moving forward the leverage industry expertise. Hopefully, some of the policies that are coming out will be easily or more easily implemented moving forward. Next slide.

When it comes to CUI, industry is still having some challenges when it comes to DFARS compliance or CDI networks. What industry requests is that we can some guidance on DFARS compliance when it pertains to DSS assessments moving forward. The more guidance we have, the better we can help everyone moving forward to make sure that... have everyone moving forward to ensure that the right guidance and people are taken care within **[1:04:47 inaudible]**

When it comes to DSS and transition, one of the things that we ask and allows **[1:04:55 inaudible]** is that we could have a meeting to discuss where DSS is going, where they are and what we want to see or what we'd like to see moving forward in the future.

Yesterday, we did have a meeting with the industry core group and DSS. We talked about where we are now, DSS in transition, where we're going in the future. One of the things that we talked about was the new rating system that they're coming out with. We had a lot of questions. It was an initial meeting. It wasn't a done deal with any of the things that we discussed. It was just DSS giving us an idea of what they're looking for in the future. We're hoping that as they move along with the rating process that they're really engaged with

industry and we can provide guidance to help ensure that whatever they're going to implement moving forward is something that's implantable and acceptable from both industry and government. Next slide.

When it comes to insider threat and the voice of industry, there was a message that DSS is working on the ISL for evaluating inside threat effectiveness and we're looking forward to seeing the ISL and providing comments, hopefully, to assist and having a good transition to the next phase of insider threat.

When it comes to the need and the timelines, we're seeing that the timelines and needs are continually growing. We already talked a little bit on that, that was one of the things that was top ten, and we're requesting that in the future, that we could institute or put back in place the working groups for both mid and insider threat to hopefully come up with somethings moving forward that can help with the transition.

As far as the trusted workforce 2.0, currently, there is no NISPPAC representation when it comes to the trusted workforce meeting. Charlie Phalen did say that there's two industry people that attend the meetings, but those industry people aren't allowed to or haven't in the past talked to or coordinated with the NISPPAC on anything that's been said in the meetings. What we're requesting is that industry... that a NISPPAC member attend the meetings and hopefully be able to come back and provide extra or provide information to the rest of industry and hopefully provide additional guidance to help as they move forward with trusted workforce.

Greg already talked about the meeting that we have with the ODNI later this month and we're hoping that we'll be able to discuss some policy issues that are coming in the future that may impact industry and hopefully have a good discussion on any of the SEADS that maybe coming in the future. Next slide.

As far as the systems that industry is using, I mean right now, there is a lot of systems coming out that looks like every week is a different system that we're having to address, and provide training and teach people how to use.

Industry is requesting that the government continues to collaborate with industry by having additional working group meetings. Right now, we have working group meetings, but sometimes they're not often enough to actually keep things moving in the direction that we need to go. If we could have more meetings to address some fire concerns, then maybe that will help when it comes to some of the

challenges that we're having once we started using systems in the field. Next slide.

One of the good things is that industry filing receives information back when it comes to the consulting white paper. The only thing that's still lagging out there is that sometimes when consultants are trying to get access to JPAS, they're having some challenges and DSS's going to take that back to DMDC to see if they can come up with either some changes or a way forward that's going to help them get access when a company has a person that's not available, can't create account for a consultant and they need access whether they're an account manager or just need access to help them get the job done.

Industry needs specific guidance on policy to address security consultants. The reason why we're asking for that is that there's a lot of security consultants' start to pop up out there and there's not a lot of guidance to say what they can and can't do. We're looking for... you guys to tell us or to put out some guidance on what can they do or can't they do when it pertains to consulting services for a clear company especially when they're not employees, they're actually consultants.

We're still awaiting... next slide. We're still awaiting implementation guidelines to C3, and industry request for review and comment on C3 on the C3 ISL before it's released to industry. Next slide.

Greg already talked or touched on the advisory committee on industrial security industrial-based policy. Industry is requesting that the ISOO be one of the members, if possible, so they can be the voice for industry moving forward.

**Mark Bradley:**

I'm going to put you on the spot just for a second. Back to the 2.0 and these two industry representatives, do you know how they are selected or how they're chosen and secondly, I mean, is there a way to, is there a way to integrate into the NISPPAC more into this process?

**Valerie Kerben:**

Currently, the ESG is called the Executive Steering Group. It was convened by the executive agents, OPM and ODNI of the pack. It's a very small group of few agencies that're involved and the small group has been meeting monthly just so they have continuous and continuity of making some of the decisions... has not been changed in the working group. I just know that two members of an industry-based were invited to participate and they've been involved in some of the discussions in the process and then decisions are then filtered down the staff of the executive agencies along with the pack and

been working through the policy structure that's not been sent out yet to a community group to comment on anything. It's really just a policy structure and an approach discussed.

**Mark Bradley:**

A vital part of this that it should be more integrated into--

**Dan McGarvey:**

Dan McGarvey, industry, and Quentin asked me to really kind of focus on the transparency issues. Taking a look at it from a larger perspective and I think Greg went through the number of issues that industry is concerned about it... and industry is not concerned so much about writing policy. It's the impact that policy would or could have which is where the issue is.

I will say in support of the things Valerie and Quinton as you've heard, we're going to have that meeting on the 28<sup>th</sup> with Bill Evanina. I also understand that there's been developed a very extensive communication plan to be able to share with industry as the progress goes on with trusted workforce. I think that the ISOO support has been critical on that area.

The other thing I would mention is that even though we can't talk specifics, I would refer and I'll pass this on, there was a wonderful interview done with the Federal News Network Service with Bill Evanina that really outlines all the information; not specifics yet, but certainly enough that has been passed out, so I'll give that to you as that could be part of the minutes.

**Mark Bradley:**

**[1:14:08 inaudible]**

**Dan McGarvey:**

But I will say things are working pretty well.

**Valerie Kerben:**

I'll just add to and I believe some of the people who are here were invited, there was a press event... and all the newspaper is out for review of the basic... articles out there.

**Dan McGarvey:**

Yeah. We're very happy with what's going on right now with the pack and the PMO. We'd love to see more transparency in other areas as well obviously.

**Mark Bradley:**

**[1:14:37 inaudible]**

**Male Speaker:**

Yeah.

**Mark Bradley:**

**[1:14:39 inaudible]**

**Greg Pannoni:**

Really, I think it's been pretty well. We'll cover it in **[1:14:46 inaudible]**

**Mark Bradley:** All right, well... best progress, All right. Anybody have any questions for Quentin? That includes anybody on the phone, right?

**Mary Kay:** Once again, please press "#2" on your telephone if you'd like to ask a question or make a comment, "#2."

**Mark Bradley:** Next one here from Keith Minard from DSS.

**Keith Minard:** Good morning. Keith Minard, Defense Security Service. 2018 was a really busy year. 2019 will be even busier for DSS as we continue our current missions, implement new missions and prepare for pending missions.

One of the things that we want to say is, Quentin as we talked about things, over the last month or so in several sessions, DSS, DOD, ISOO and Industry have met together to work to address some of these issues and look for solutions forward.

I've got a couple of updates for you and this comes from a lot of stuff we see in the policy office. One is Industry may have seen a memo from the OUSDI reclassification training to derivative classifiers, that memo applies to DOD, not NIST, and that's applied by your government contract. Any consideration about changing your training from biannually to annually, it would come from your government contract and this plan applies national standards which requires initial training and then biannual for those classifiers.

The second is I believe it just got posted yesterday before, but there's certificate pertaining to foreign interests. The SF328 was revised. Don't worry, the questions didn't change. What was updated was the capabilities for the form and the information collection to be used for the Department of Homeland Security Classified Critical Information or Infrastructure Protection Program. It allows them to support them as the CSA as well as the pending Defense Enhanced Security Program which is still in the Department of Defense, so that was the primary two updates for that form. The form will have a new date. It's going to be 2021. Don't get concerned about questions 1-10 can be changed.

The next thing is we must have did a good job with Industry as a whole. You really took on the task last year when we posted the notes about NISPOM Change 3 and return of foreign passports. On February 5<sup>th</sup>, we posted the industrial security letter. We've heard nothing since we posted it, which means that when the trigger was pulled last year, it seems like everything was done. The ISL just replaced the posting and provides formal guidance.

The last thing, which was brought a little while ago by Quentin, the fact that insider threat and... May 16<sup>th</sup>, 2016, the [1:17:43 inaudible] was issued which implied insider threat requirements for cleared industry. We're nearing the three-year mark on this now. Industry did a tremendous job in the first year implementing the core requirements. We could consider really most companies out there, the FOC. Now, we got to look at maturity and effectiveness.

We are actually in the process right now of internal and formal coordination of an ISL that was drafted that will resend, and replace the current ISL 2016-02, and update and address maturity and effectiveness as we go along. We are aligning like we did last time with national standards and processes. We're not creating new roles for anybody. We want to make sure that we stay consistent with that.

That being said, as we had great success last time working with industry and partnership on this as well as our government partners, whether it'd be the CSAs, the National Federal Insider Threat Task Force, ISOO and others to make sure that we had the right product, and the right tools and resources to support...

We see the industrial security letter as part of a package that would require the update of CDSE products and tools related to insider threat, job aids, planned template and down the road as we move along, training.

We're in formal coordination right now within the agency. Once we get the comments back from the senior action officer level, we'll move our internal formal coordination. We'll work along the way to engage the NISPPAC and our partners as well as ISOO as we move forward.

We think we have a product that enables various companies based on size and complexity, whether they have a standalone or corporate program to begin that next in the process to look at the maturity level of the programs and how the effectiveness rolls into different components of the insider threat plans.

Subject to your questions.

**Dennis Keith:**

I have a question. Dennis Keith, Industry. Given Valerie's comment earlier with regards to evaluating DFARS compliance and the DCMA memo that was sent out, is there a current position within DSS on the evaluation of CDI

**Keith Minard:**

Well, the memo of DCMA moving on, on this, the Department of Defense is establishing a common approach to DFARS compliance.

Then, we've talked to few industry [1:20:05 inaudible] before. DSS will have a role when it comes to CUI and compliance with [1:20:11 inaudible] 171. We see our roles with clear industry; but as with anybody else in the Department of Defense [1:20:17 inaudible] DCMA, DSS [1:20:18 inaudible] requiring activities who were also have a role in view of a common approach instead of common standards to implement this, so that enables reciprocity for us, the department. As we move along, in fact, the department right now is in the process of developing a CUI instruction and we're partnering that process to make sure that the work we did last year and look at the [1:20:40 inaudible] side of this is implied in the policy requirements of the partner.

We had a lot of success working with our partners from services, and acquisitions and CIU just last year, and I think we built a lot of bonds and capabilities; but back to your question is that the department will have to carry on with a common approach.

**Dennis Keith:** But is there a position today that DSS is... assessment process?

**Keith Minard:** Right now, we are not assessing for informal purposes 800171.

**Dan McGarvey:** Dan McGarvey, Industry. Well, I think along the lines of transparency, I think CUI is going to have a tremendous impact in industry and the concern is obviously, costing among other things, timeliness. I would encourage that as that policy gets developed, we have some impact meetings in terms of what it is, in fact, going to do to industry, the extent of the effects on industry, and I think as we know more about it, the better we'll be able to prepare for it.

**Keith Minard:** Well, I think one of things is that CUI is applied in the same manner is the NIST is with the DFARS clause. It's applied by the DFARS 712 that lays out the specific requirements of 800171.

We'll see some changes as we go along. In the FAR community, there's a FAR clause being developed for the national level, for CUI, but I think maybe Mark Real can pull some informations along. I don't want to step in his lane, but it goes back to looking at consistency across the process.

What we need to strive for is that if you've been assessed by someone on 800171 for whatever period of time that is, that is assessment should hold valid for others who have... unless they have some increase requirements pertaining to the type of CUI which as we know, there's a 124 different categories, not all are equal for that process.

**Dan McGarvey:** Well, I appreciate that is. I recall, one time, I had the dentist doing root canal and he said, "Well, it's not going to hurt much," but he was referring to him, not me. We just want to be careful about how we go about this.

**Keith Minard:** Thank you.

**Mark Bradley:** Mark Riddle on... Mark, you're on.

**Male Speaker:** You're next up.

**Mark Bradley:** Yeah. I'm the commandant, but we'll get to you, I promise. Okay. Mark, please.

**Mark Riddle:** Okay. Great. I actually thought we were going to take a break before I went on, so I just... I'm glad I didn't walk out of the room.

**Mark Bradley:** We do.

**Mark Riddle:** Thank you very much. Mark Riddle with the CUI program. I'm going to give you some of the high notes here. We're kind of going a little bit out of order what you see on the slide.

First thing, they only gave me five minutes today, so there's a good chance I'm not going to be able to address all of your questions and you probably have a bunch, but we do have a regular update that we provide to stakeholders. Of course, the next one's going to April 17<sup>th</sup>, the one after that is going to be July 17<sup>th</sup>.

If you want to participate, it's open to anybody; just subscribe to our CUI blog - the call-in information is there. If you have a question that you want specifically addressed during the update to stakeholders, please submit them to CU... good chance based off of questions; but if you have them, others have them as well.

When we say "stakeholders" in the CUI program, we mean agencies, industry, academia, state, local, tribal, so everybody is on the call. Everybody could potentially be impacted by the... gentleman at the end, but CUI will have a huge impact on the way government operates and also state, local folks. April 17<sup>th</sup>, definitely subscribe to the blog on that.

Also, on June 21<sup>st</sup>, we're going to be having a CUI industry day. We had our first one in December right before the shutdown. It was pretty good, but I think that based off of the interest that we had from agencies and industry, it seemed that folks wanted to see more from Industry in regards to vendors.

Of course, we've upped the game a little bit. Last year, we had spots for about ten vendors to come and share case products and services that are available to assist agencies and other folks. Implementing the program this year, we have about 23 spots - first come first serve. Again, send your request to [cui@nara.gov](mailto:cui@nara.gov). Subscribe to the blog for more information. Spots are filling up quick. It's going to be open to everybody. We're going to have a short introduction in this room right here and then we're going to open up the floor for... just to kind of walk and learn about what folks have developed to help assist with the program.

First bullet here, agency implementation. Right now, we're about two years and a couple months into implementation and agencies have really taken a lot of momentum with their strides to implement this program.

Last year, you'll note that the annual report to the president had a very colorful chart in it that highlighted what everybody was doing in fiscal year 17. There was a lot of reaction based off of that chart because it showed that not a whole lot was happening. This year, of course, that same chart will be in the annual report and it shows significant progress.

Right now, we're sitting on about seven government agencies who have asserted full implementation of the program, which means that those agencies are marking and protecting this info...

Now, other agencies - and there's about 101 that we're tracking throughout the executive branch are asserting to us a very advanced state of implementation which means that if they don't already have a completed policy on the street, they predict that they're going to have one by this summer or this fall and that's most of the agencies inside...

After a policy is issued within an agency, it kind of flows like a domino effect, then you see training, then you see the physical environment be modified, systems transition to the standards and also contracts and agreements.

A little bit about the federal acquisition regulation that Keith kind of mentioned earlier, of course, it is right now being circulated among agencies for comment. This draft will be out for public comment in the near future. We actually anticipate now probably about... see something on the street.

Again, if you subscribe to the CUI blog, you're going to get a hyperlink to the current draft, our associated CUI form which is

going to be how agencies convey these requirements in a standard... and also, the reporting timeline as far as when you're going to be providing comments.

Right now, our estimate for when this FAR will be on the street for agencies to use, will be sometime in the fall. You can look at October/November timeframe, depending on the [1:28:02 **inaudible**] is, but it will be this year sometime. More to come on that of course.

On the April 17<sup>th</sup> stakeholder meeting, we'll provide another update on the FAR. Everytime that we get further and further into this year, we get more and more clarity on when that will happen. I'm hoping that by the April 17<sup>th</sup> meeting, we'll have an indicator of this public...

Also, you'll notice on my slides here, I have some pretty colors on the slide. We developed some new coversheets and media labels for the CUI program. We've had coversheets out there for a while, but there was some discussion at the CUI advisory council and also stakeholders that there was a need to standardize these things even further.

We had three coversheets before. You'll notice that they were green , and we consolidated them down into one. Existing stocks [1:28:50 **inaudible**] cover sheets can be used... the supplies, but now, we have a new form that's available for download from GSA in our site for use. It has the similar feature to one of older forms where there's going to be space for you to populate or agencies to populate the unique handling associated with that particular type of CUI.

Also, the smaller labels that you see here are brand new. These are standard forms of course: 901, 902 and 903. Media labels are, of course, for use with different types of media whether they'd be hard drives or USB drives, what have you. It will be available for purchase from GSA and additional information in the near future. We actually expect that these would be available for purchase next month, by the end of next month, so that will be out there in the standard booklet.

If you bought the medial labels for the classified systems, it's very similar to that. Although the CUI program does have this... the reality that USD drives will be used in the program, so we created a special label just for those.

That's about all I have in regard to implementation of the CUI program update. More on April 17<sup>th</sup>, but I will open it up for any

questions or reactions. Hopefully, you guys like the new color of the coversheet and if you do not like it, I really don't want to hear it actually because it's too late. It's already finalized, but actually, positive feedback, negative feedback is always sought after. I think I had a question right here from this lady. Is that right? You could just shout it out and I'll play it back for everybody if you like.

**Amy Roundtree:**

**[1:30:29 inaudible]**

**Mark Riddle:**

The question is... Amy Roundtree from... I can't remember the company... NRC, "But why change from green to purple?" Well, it wasn't just that we're from Baltimore, right, like the Ravens. There was a lot of pushback early on in the development of the coversheets in regard to the color. Believe it or not, the CUI advisory accounts debated for a number of months on what the color of the stupid sheet would be and, of course, we settled at that time on green because right at that particular moment, the FOUO coversheet was green.

When it came time to make the shift, of course, from the green to the purple, it wasn't just a shift in color. It was actually a shift in the type of form that we were pushing. You'll notice that the forms that were previously available, the green sheets, were actually optional forms. This purple sheet is a standard form 90... and the requirements to use these things are kind of laid out in a new CUI notice.

If you went to our website, there's a great page that you should definitely check out. It's our policy guidance page. We issue clarifying guidance to agencies and stakeholders regarding the program. There's a notice out there that speaks to these coversheets and how they can be used.

I think that there was a lot of questions around the issue of an optional form when really the truth of the matter is, is that if you're going to use a coversheet, this is the one you have to use and the standard form kind of **[1:32:02 inaudible]** make a break from the purple, so that people would recognize the change...

Question. Yes, ma'am?

**Michelle Sutphin:**

**[1:32:14 inaudible]**

**Mark Riddle:**

Okay. The question from Michelle Sutphin is, of course, "When is this 800171 REV2 going to be available for public comment?" Now, of course, some of you may not know that, of course, REV 2 of the 171 has been rattling around inside of the government right now.

One of the main changes that you're going to see in this document, and I will get to the questions, of course, is there's a new appendix in REV 2 of the 171 that speaks to security requirements related to an advance persistent threat.

Basically, if an agency... persistent threat to the information or a particular system, they can use the 171 REV 2 appendix after pushout. The core requirements in the 171 that you see and that you've grown to love, I hope, are not going to change in this revision.

Right now, we don't have word on the exact timeframe for when this publication is going to be out for comment. It was actually supposed to be out already, but I think the internal comment period between agencies kind... so as soon those comments are resolved among agencies, we will be posting it...

When the 171 REV 2 is out for public comment, we will put it to our blogs. I'm not emphasizing that enough I think, but that's where we really do our communication to all stakeholders. I highly recommend that you take a look at this document when it's on the street.

For some of you who've been, I don't know, lucky enough to see the draft, you'll notice that there are some things in appendix after that, that will probably raise a couple of eyebrows to safeguarding requirement because it isn't just a technical document in regard to how to protect systems. There are some statements in there about personnel vetting issues, too. More to come on that, of course.

Any additional questions? That was a great one.

**Greg:**

Comment. I think I heard you mention it. We, in ISOO, as the executive agent for the CUI program, a lot having credit due to Mark, start of the process of doing our own assessment implementation of the agency's progress on implementing CUI. We have started the lineup assessments of some of the agencies. As Mark mentioned, I think we say seven are at full implementation and I just wanted you to know... so as part of that, if they have issued contracts, we'll be looking at that as well despite our task to do all this.

**Mark Riddle:**

Yeah, that's absolutely correct. Right now, of course, one of my day job is I run a small oversight team where we assess agencies. Based on the annual report submissions in fiscal year 18, agencies asserted wherever they were in the implementation movie whether they have policy, whether they've initiated training, what have you.

Depending on the state of their implementation that they asserted, my team is actually engaging with them. We're kind of like that old saying like from Missouri: "They'd say it. Now, we want to see it." We want to see what that policy looks like, and our job is to ensure that it's consistent with the executive order and, of course, the CFR. But sometimes, early on in the drafting process, agencies take some liberties with the policy or they've tried to take some liberties with the CUI policy and that's our job to go in there and get them back on the rails as far as what those standards are.

There are some clear lines in the sand on what an agency can do and what they can't do with their CUI policies, especially when it comes to implementing the standards onto non-federal... we're watching [1:36:05 inaudible] oversight, right?

Any additional questions?

**Mark Bradley:** Any one on the phone for Mark Riddle?

**Mary Kay:** No questions at this time on the phones.

**Mark Bradley:** Okay.

**Mark Riddle:** Okay. Thank you.

**Mark Bradley:** Okay. Let's take a ten-minute break. We will start again in about 10 to 12.

**Male Speaker:** Ten to twelve--

**Male Speaker:** [1:37:41 inaudible] really well here because we just started that one pick up. What happened is people are always calling into that one number--

**Mary Kay:** Ladies and gentlemen. We will be restarting in one minute.

**Male Speaker:** We'll start in about a minute. Thank you. Start... well, I think they're going to [1:38:19 inaudible]

**Male Speaker:** Okay. Getting ready to start.

**Male Speaker:** No, I don't.

**Mark Bradley:** Okay. We're going to, excuse me, hear next on the Defense Vetting Director, Heather Stokes. Heather? Patricia Stokes.

**Trisha Stokes:** That was good. I like it, yeah. Hi, everyone. I'm Patricia Stokes. I know Heather's better, but you got me. I wasn't even supposed to be here today, so I appreciate you hearing me and allowing me to speak and so I'm the director of the Defense Vetting Directorate.

Defense Vetting Directorate is the directorate that was established in DSS.

Go to the end of the next slide. There we go. About a year ago now, I think I spoke with you when we had just been birth and at that point in time, I think most of you know that we were anticipating taking background investigation mission for the Department of Defense and then within two or three months, we realized... the president directed we would take back to back... federal government.

Bottom line is we were establishing, we were preparing. We were establishing what we called our "landing team" and as we stood up, the very first thing we did is looked at ourselves internally and what we were getting ready to adhere in terms of what the Department of Defense Mr. Ned Fish and his organization, and what Dan Payne and I did settled on was we would put all things vetting under the same directorate which we named... probably changed as we inherit the federal mission as we're anticipating the executive... but we knew we needed to start by putting all things vetting that existed together because it made sense to do so.

What that really entailed was really what you see in the left-hand corner on our slide of excellence. What you usually or previously knew as the PSMOI is now the Vetting Risk Operation Center. I would tell you that that will be our nucleus of operation forward and that will be headed by Heather Stokes or... I'm sorry, Heather Green and--

**Male Speaker:**

**[1:40:56 inaudible]**

**Trisha Stokes:**

Yes. She's preparing to inherit really the crux of the operational elements.

We also included insider threat. Most of you know, may know the DTMAC Management Analytics Center that we own. I think what you will learn in the future as Trusted Workforce 2.0 is rolled out as people as people have spoken about in this forum today that the insider threat mission will be... what becomes continuous vetting. Pairing those and agreeing those together in the same organization seemed like the right thing to do and we're very glad we did. A lot of that is sharing back-and-forth and there's a lot of economies of scale that we can achieve by doing that.

We also have a program that we've just established called Enhanced Screening Protocol, and what that really is, is it's getting after the foreign associations on that gray form, SF86, that you filled out,

anything that... contact foreign associations or travel. What kind of indices do we look at to really be able to get the appropriate information to mitigate risks? That's what that program is about.

They're starting it with the military sessions as directed by the **[1:42:14 inaudible]** but I think it's going to be fold and we are going to look at getting that process in what will become the transformed background investigation process in the future.

Then, certainly, not forget where we're going with Trusted Workforce 2.0. The Defense Vetting Directorate is working hand-in-hand with all of the workforce, the PAC PMO who's really doing the heavy lift, and we're also a representative on the steering committee group that is forming the policy and making the decisions because it's kind of important to us because we will be the executioner of that... we will have to execute it in practicality.

Then, last but not the least is Mr. Ned Fish, who probably would have been doing this briefing if I wasn't here today and Ned is, as most of you know the director of the Department of Defense CAF, was gracious enough to open his doors to the Defense Vetting Directorate in Fort Meade last year and that's when we really kind of became one.

We started integrating way before we were directed to integrate and Ned has been very gracious to us, not just in that... also leading up to help me with a lot of the bigger things that we have to do. I mean, we're practicing on integrating organizations with his organization which is about 692.... about 700 people, only to get ready for Charlie's organization which we will inherit which comes in the cast of thousands and so it's a great test case, but we have, I think, integrated exceptionally well and our business processes just belong together, so it's worth... it's very well.

I'll leave just a real quick snapshot of what we look like today, and what I would really want to point out is that part on the left-hand side, the NBISTVO (the National Background Investigation Service). What that is, is Mr. Terry Carpenter. He is the PEO (the program executive officer) building the new enterprise, the new vetting enterprise, for all of us.

Terry came on about the same time last year as I did. We hit the ground running, and we realized that we were partners, and we had to be... no gap between us. He's building what we need with the requirements he builds it. He's building it an agile framework capability. I could spend an hour up here talking just about this work chart. I really just **[1:44:55 inaudible]** what the NBIS program and

[1:44:59 inaudible] program... that I know we have a lot of forums coming up that will be associated with each other.

I think Quentin put up the chart of all the conferences coming up and I think... what I will commit to you is... and Heather Strokes and I have been talking about this a lot, and that is how we take all these engagements and what she does so well with the community. This can be... and how we will engage what you see in that block called "enterprise business support office," that's really my business office that will be interacting with all of our customers: building the requirements, working with the PEO, working with strategy, working strategic coms, working the training issues, working all strategic engagements with our customer... which we thought getting the Department of Defense was a big thing, but then you add the other 105 agencies that Charlie mentioned, that's now a bigger thing. But Industry that, again, Heather pretty much has a handle on any way... but helping her engaged with you to make sure you're an inclusive partner in this process, building the requirements, testing the capability, really interacting with us, that is my commitment to this community.

Now, I will get off the podium and let the two people who you really want to talk to, who were the highlighted boxes, and that's Heather in the Vetting Risk Operations Center and Ned will follow on the DOD adjudications facility information. Then, we'll take any questions.

**Heather Green:**

Good afternoon. Heather Green, director of Vetting Risk Operations Center, previously known as PSMO-1 I wanted to give you a few updates from a metrics perspective

Currently, we have... so far, this fiscal year, we have submitted a little over 54,000, probably more - 55,000 at this point - investigation request. Good news is we are fully funded this fiscal year and we are pretty much running at a steady state, and what that means is we carry an average inventory of 10 to 12,000, sometimes a little bit lower, but usually hovers at that 12,000 mark.

So far, this fiscal year, we have deferred over 16,000 [1:47:33 inaudible] the investigations into continuous evaluation. We have processed over 40,000 interim determinations, and we are averaging about 15 days for interim determination timeline.

A few reminders from the interim determination perspective is that we do ask you to submit your fingerprint simultaneously or prior to the EQUIP submission, but we certainly wait for those fingerprint results to come back. Therefore, that's why we hold a little bit of

inventory for our initials because we have to wait for the fingerprints to be there at the same time as we... as soon as you can submit those fingerprints, the better so that we can keep those packages moving through the process.

One other note, I know that during the industry stakeholder meeting on Monday, we talked a little bit about getting information out there to everyone on continuous evaluation and the deferment process, and making sure the messaging is out there. Please stay tuned. We will be posting something on the DSS website... closely with Quentin and company to ensure that we are capturing some of your questions that's going to be some additional FAQs we're going to put out there as far as how the reciprocity works, right, what avenue you have to communicate with us when you have concerns or if there are any questions on it as well as when you submit a PR based on the enrollment date and [1:48:52 inaudible] so we're going to provide that information to you. Thank you.

**Ned Fish:**

All right, folks. Hello. My name is Ned, but you can call me Heather Fish.

**Mark Bradley:**

Stop it.

**Ned:**

Ned Fish in the DOD CAF. I just want to highlight a couple points that Ms. Stokes pointed out earlier. We started integrating closely. We've been working closely with Heather and the team for years now. Ms. Stokes and her team moved in to the CAF facility at Fort Meade last summer and we've been working very closely ever since.

[1:49:33 inaudible] is leaning in and working very closely with... we were chopped [1:49:38 inaudible] under direction and control of DSS and NBIB as of 28<sup>th</sup> of January. We're formally aligned under the Defense Security Service and NBIB now.

I'm going to talk you about a few things here on this slide. One is everybody around here has been around long enough to know that the backlogs aren't gone when the investigations are done. Backlogs, all cases that are investigated must be adjudicated.

We're in a bit of a fight these days and I think it's no surprise to you all, and I think we'll be in a bit of a fight for another year or so because this NBIB ramps up, and surges and pushes cases to us. We're in a swordfight with them as we're trying to adjudicate those cases, but we are making some good progress.

First of all, as we look at trusted workforce 2.0 and some of the implications there, and if you look at the Secretary of Defense's... we are prioritized in our work on readiness and threat. If you see that

left block there, what makes **[1:50:40 inaudible]** you get somebody to work or somebody else in the Department of Defense get somebody to work? We're prioritizing initials. We're prioritizing those reciprocity requests **[1:50:49 inaudible]** are critical to getting people to work as well as the upgrades in those other things.

On the right side, there's a threat aspect. We have to make sure that we are doing our job in concert with the rest of the security officers and folks in the personal security enterprise to mitigate the threats that are out there. We're also prioritizing receipts of both incident reports and the CE hits that are validated by Heather's team and then forwarded to the DOD CAF

Also, on the PR side, we are prioritizing those higher risk PRs; those with the major **[1:51:21 inaudible]** other things. What is going to the bottom of the pot as we work in this priority, are some of those minor issues periodically in the investigations.

If you look at the work in progress right now, today, for industry, we have about 52,000 case in our work in progress. If you heard what Mr. Phalen said earlier and you looked at what the DOD CAF has here in front of you today as work in progress, there is no one spot where you can look at the end-to-end metrics, but the good news is when you look at the numbers of cases that were in the DOD's... DOD cases that were in the pipeline, either the NBIB or the CAF last June, it's over 60,000 cases fewer are in the pipeline today that were in the pipeline of the NBIB or the CAF in June.

A large part of that, about two-thirds of that, is due to the deferral submission. Another part of that about... the other third of that, 60,000, is due to the CAF up gunning and trying to stay ahead of the flow of cases coming to us from NBIB, and we're making some good progress there.

We had some dark days last fall between between the correspondence was signed out in June. NBIB really started pushing cases to us primarily August and September. We had some system issues, but right now, as of the new year, we're ramped up pretty well and I'll give you an example: last week, we closed 24,000 cases. A year ago, we're closing about 14,000 cases. We are up gunning moving forward and you see some of the... the reason for that is kind of off the slide though, but we're looking hard at... so we are now on DISS. We've been on DISS for a while and we're getting better on **[1:53:06 inaudible]** and consolidating on DISS and working to improve the speed of the system.

Also, off the screen up here, the targeting and prioritization of work, some of that you see on the readiness versus threat. Looking to expand adjudication hopefully and in the next few months, we'll get a bump up in the cases - those two or three cases, and tier one cases - that are able to be electronically adjudicated and not manually dealt with.

Again, a surge in resources. Whether it's from DSS and **[1:53:38 inaudible]** some of the capabilities that DVD brings to us for **[1:53:41 inaudible]** and other surges. Taking people off of their day jobs and putting them back on to production... the policy job or something else, so doing everything we can to surge the work there.

I want to talk a bit now about the timelines. You see initials that say 37 days ago, that's coming down, okay? Expect that to continue to trend downward.

You see the PR timelines are continuing to be long. A lot of that's because we are not prioritizing those PRs because you don't lose your eligibility. We are prioritizing those derogatory PRs, but a PR does not keep you from going to work as you continue the eligible... we'll catch up on that as we move on down the road and get this initial workload out of the way.

With that, I'm going to stop talking here. I think we're at the end of our time, but I think it's time to see if there's any questions for anybody from the DVD, whether it'd be Ms. Stokes, Ms. Green or myself.

**Bob Lilje:**

Bob Lilje, Industry. I don't know whether this question would be for you or whether it'd be for Mr. Bradley. We've heard a lot today about reciprocity. We have a SEAD from last year I think it was about reciprocity. I've seen those statistics on reciprocity timelines... timeliness reciprocity. Is it meeting the requirements of the SEAD, etcetera? I'm throwing out the question. Are we going to see that in the future? Can somebody report on that today what reciprocity timeliness is looking like? Is four months norm? Is it one-month norm? Is it two weeks norm? What is this just so that industry has an idea of if this is something that's a concern? The trend line is going up, down, staying steady or whatever.

**Ned:**

It's a great question. Valerie, you want to talk about that on the snap **[1:55:46 inaudible]**

**Valerie Kerben:**

Well, just from a DNI perspective. Yes, the SEAD was signed in November and we did remind agencies that they are to collect the information, so they'd be able to report back to us and we have

reporting requirements that are captured by my colleague, Olga Delgado. I'm not sure if she has that information readily available today, but we are asking agencies to provide their information, and we're collecting it and reviewing it, and those reports are due out and I'm not exactly sure of the timeframe, but we are starting to collect and examine how agencies are in compliance.

Yes, it does.

**Male Speaker:** [1:56:30 inaudible]

**Mark Bradley:** I'll see. Yes. We will still tracking them for you. You're welcome.

**Kim Baugher:** Kim Baugher, from State Department. I have four questions. Going on his question, I had a question I brought up before about RRUs. There was a meeting last week online of personnel security group and I asked the question because go figure, people that retire from State Department want to go work for companies that... and we don't have DOD clearances, and it's been a huge problem, from my perspective, because I get the call saying, "Can you help me because I'm getting another job," and so on the phone call, someone from DVD said it takes two days. Now, I think that two days is probably the very end when he gets it on his desk and then it's out the door, but I asked on that call, "Do you have any stats of when someone submits when a company submits a request and when it actually gets answer," and nobody had the answer on the call, so I would ask that maybe kind of goes to this thing is how is that really working because it doesn't seem to be working with as many calls as I'm getting and how long it's taking months when some company submit a request for an RRU or what's the new term as I forget what the new term is until they get something, so that would be one question.

**Ned Fish:** Heather, would you like to respond or no?

**Heather Green:** [1:57:44 inaudible] We are going to continue. We'll work directly with ISOO, and the CAF and all parties to make sure that we have those timelines thoroughly reviewed and then making sure that we have that process.

**Male Speaker:** [1:58:07 inaudible]

**Ned:** I would agree with that, the fact that RRU's process in two days [1:58:11 inaudible] the case is adjudicatedly ready that we may need to go out and get files from the different departments.

If it's reciprocity, there might be a deviation or some other issue in it. Historically, and I'm not going to get ahead of all those metrics on

this, but historically, when it got the CAF that the case... in the house, we're going to have a problem getting that file and it did not have an issue, or deviation or waiver in there. They're adjudicated pretty quickly. It's those ones where we have to go out and get the files that go on and on, and take more times.

I look forward to seeing our corporate reciprocity metrics in the near term here as we try to make sure our systems can report in accordance with the SEAD and everything else, and we find that new normal in order to support that requirement.

**Heather Green:**

Our entire business process review. As we send up the VROC and we inherit the National Background Investigation Bureau and we have new capabilities that are coming out, we want to get as lean as we possibly can and automated as we possibly can. I think it's not going to happen overnight, but I think there will be a shift in our business operations which could affect your timelines on questions just like that in the future.

**Kim Baugher:**

Question number two: about DISS I've brought this up at the two NISPPAC meetings. I brought it up a couple weeks ago on the phone. My question is: everybody is concerned about what a company is getting on to DISS, and how many are on there and how many are not, and no one seems to be concerned at all that. I, as a non-DoD user agency and others have not been talked to anything with regard to timeline as when I might be able to. It's been nine years or so since I started with the JPAS thing which I thought DISS was coming, so I kind of pulled back, but now, I have to bring it up again.

I feel like that the NISPPAC is not just about contractors. It's about government agencies as well and I don't feel like anyone is listening with regard to that access.

**Heather Green:**

Okay. I'll take this one, Ned, unless you want to.

**Ned Fish:**

Go ahead.

**Heather Green:**

Okay. We hear you loud and clear. The [2:00:21 inaudible] that I showed you, the EBSO (the Enterprise Business Support Office), that office is set up specifically for strategic engagements with all of our customers, the Department of State being one of them.

Terry Carpenter and Harry did, from a PEO perspective, two years of I would say work from previous PEOs as he was required to build the NBIS. As he got in there and really looked under the hood, found major... just system architecture issues that he's wanted to make... so we want to roll out DISS and all capabilities to all customers tomorrow... focused his time and effort in the past eight months to

a year on really getting the architecture right to maximize us as we roll out new capability, and he will be also responsible for the systems to... and so my commitment to you, please give me your card before you leave here so that I can have my team, my BSO team, come in and sit down with you, and get your requirements, and lay out a roadmap that is satisfactory for you in the future with the capabilities that we have to be able to offer. Thank you.

**Kim Baugher:**

Thanks a lot.

**Ned Fish:**

If I could just add on to that. It's one of the things that's happened in the last... I think it was six months that the functional management for the DISS, and JPAS and those systems have shifted from what we use to say... USDI down into the DVD.

Ms. Stokes has that functional management requirements piece and her team work in the functional management piece of Nick Morin, and I think we have Pat Hogan here today, worked closely within this PEO to execute those requirements in the prioritized way. I think that was a good move in getting it out of the USDI higher level OSD down into the DVD.

**Kim Baugher:**

Yeah, out of the MDC then?

**Ned Fish:**

I'm sorry?

**Female Speaker:**

Out of the MDC?

**Heather Green:**

Yeah. Let me talk about that.

**Female Speaker:**

That's a good move.

**Heather Green:**

Yeah. For a second. The outcome memo that the [2:02:27 inaudible] just signed out [2:02:28 inaudible] transferred three [2:02:30 inaudible] under DCSA, under the DVD, the PEO for [2:02:37 inaudible] to operational control under Mr. Payne, and elements of the MDC that specifically relate to the systems for vetting, so it just would be one of them, operational control under DCSA... what will become DCSA, that will be the new [2:02:56 inaudible]

**Ned Fish:**

[2:02:57 inaudible] right?

**Heather Green:**

Well, yeah. At any rate, they're all under... their operational control has that delegated. A lot of the work delegated down to DVD and so that's going to be very [2:03:11 inaudible] and already has proven to be.

We were working together, but now, we are all working under the same roof for the same boss, same requirements and so I think the efficiencies are...

**Female Speaker:**

Number three.

**Greg:**

**[2:03:25 inaudible]** because there's a couple other questions that came out of our clearance working group meeting that pertained to DISS. The one had to do with the lack of training for DISS users. Another was kind of similar to the NISS question I asked earlier: will there come a time, and when is it, that all would be mandated DISS user that you have a DISS user have **[2:03:52 inaudible]**

**Heather Green:**

Yeah. I will certainly touch on that provisioning I think is what you're getting at, right, and we ask for everyone to help here from an industry provisioning perspective.

Right now, we have 6,000... approximately 6,000 industry individual provisions and we still have another 3 to 7,000 that needs to be provisioned. We have opened the gate... I mean, we have opened up all provisioning. You're welcome to submit any... your PSAR, your system access request form, and all the required information that we posted all that information on the DSS website.

We're getting to the point where you're right: we're going to need to have a timeline where we're going to have to shut off certain functionality, hopefully, to drive the provisioning to occur... that needs to occur, so we can start moving into one system.

When we make that decision, when we come up with that timeline, we have committed that we'll give you a 90-day notice that, in fact, we're going to shut off a specific functionality within the system so that, hopefully, it will drive additional provisioning to come in. I'm asking for your help with that because we need to get everyone provisioned, we need everyone into this so that we can continue to move forward with our systems.

**Male Speaker:**

On the issue of training?

**Heather Green:**

We have tasked CDSE to get some initial training out, but I will tell you, as I told, that Mr. Carpenter has looked at the entire architecture, All right? All systems of systems.

I think there are opportunities for these improvements. I think that proper IT word is "refactoring" I'm told. We want to be very careful. We want to make sure that we provide the training.

We know when this was brought up to the government side, there was not appropriate training. It was a perfect [2:05:46 inaudible] capability which we took a lot of lessons learned from that we will employ in the new capability [2:05:54 inaudible] so we tasked CDSE, but I think we need to get Industry... but I think you're going to see improvements in the future [2:06:07 inaudible]

**Ned:** Yeah. I would agree. I think we're going to start making some tractions, and I think that the message is also is: "Don't wait for those improvements." It's important that we get the folks on this as soon as possible. It's important that we get the training in place. It's important we get those...

**Heather:** I'll just add one more thing. Obviously, once you get provision and you're in the system, the user manuals are in the system so, hopefully, that's some help there as well as we had a [2:06:34 inaudible] short that's available for--

**Male Speaker:** [2:06:38 inaudible]

**Heather:** Right. We have moved forward with some training that is available on staff, that's available to you. We also have hosted a few webinars and, obviously, we do all that we can do to get the information out. There is some information available out there, so we just ask everyone to access it, look and see if it's what you need. If it's not, then we're welcome to provide feedback so that we could share that with CDSE.

**Male Speaker:** All right. Thank you.

**Female Speaker:** Okay. I'll drop number four, so you don't get mad at me. I'll just ask [2:07:09 inaudible] with all the changes, I have no idea who does what anymore. I think the last time I was wondering: is there any way that there's an org chart, not just what you do, but who you call for what because right now, I've lost track of who does what at DSS headquarters... contact? Is there a work chart of some sort that can be provided?

**Heather:** I don't want to answer this, but it's DSS from times we... we're unclear right now, but it's... I mean, let's be honest with each other. I don't want to go on record saying that, but the bottom line is we're in the midst of... and I just did. [2:07:49 inaudible] anyway... in all seriousness, if I could be really transparent, and honest and humble, if you look at the transitions that DSS has... through right now with the executive order, with the transitions of the outcome memo that we just talked about, and these big organizations that are coming in

and then what the executive order will do. We have to get 10,000 or 9... Mark, how many people do the NBIB--

**Mark:** We have 11.

**Heather:** Eleven thousand-ish people into the DCSA with... that's already named (Defense Counterintelligence Security Agency) when the executive order is on into DSS. We stood up with DVD. We are integrating with the PEO. We're reestablishing ourselves completely for business sufficiency, so we... our customer base.

Yes, that change management is turmoil, that's a fact, and so it's my EBSO from the vetting directorate side of the house that we get you the information on so that you know who to call.

I'm not going to speak to the other parts of DCSA, but our DCSA org chart, our new org chart, is up... get our secretary to approve it right now. I understand your angst and I feel it. We share it to every DSS employee and every NBIB employee share it too, but I will commit to you that where we're going is the right thing for national security, it's the right thing to get after risks, and it's the right way we need to vet to our trusted workforce 2.0 [2:09:41 inaudible] and that's where we all have to. I have to beg your indulgence and your patience. It's very hard for our employees as well.

**Male Speaker:** If I could, and this is [2:09:51 inaudible] the reason we highlighted the [2:09:54 inaudible] and the CAF here is that's where the bulk of your questions are in the work. By and large, and Heather checked me on this, is that you still have the same folks. Heather and her team are the still the [2:10:06 inaudible] and execute those. Your requirements [2:10:08 inaudible] Pat Hogan and his staff, so he can work those requirements up into the EDSO.

When it comes to the CAF, you still have the same CAF call center and you still have the same process by which you're dealing with the CAF. It doesn't mean we're not going to move things further... further integrate them in the future and, of course, NBIB is still with NBIB, and you still have the same call center or whatever.

Now, do we have ideas in the future to merge these things, and make them more better and improve the whole processes? Yes, but for the most part, although we have some work charts here that are new and functioning, folks you're calling are the same ones. Is that correct, Heather?

**Male Speaker:** [2:10:45 inaudible]

**Female Speaker:** [2:10:50 inaudible] My question is to follow on to Kim about DISS, and our biggest concern is information sharing, and I want to know what is the timeline for you all to start addressing our agencies collectively... is that immediate, or one to two years out, or what is it? Do you know?

**Ned:** I'll take a [2:11:15 inaudible] First of all, there's a lot of requirement that's out there - the [2:11:20 inaudible] requirements, those CAF requirements, component, security management, no-depth requirements - and all of those are being addressed in a manner of prioritization. This isn't perfectly adjudicated. We have many hundreds that we work around, but we had to get on with it because that was the system of adjudications and that's kind of my point. If we wait for this to be perfect before we get on to DISS [2:11:46 inaudible]

Separately from that, as we go forward with [2:11:50 inaudible], you're going to see pieces and parts of DISS deployed within the system. If you're on DISS, you're going to be part of that graduation [2:12:00 inaudible] There will be no sunset... I don't think there will be a sunset date for DISS. It will just be tremendous as they make the improvements. Is there a hard timeline--?

**Female Speaker:** We don't have access to that.

**Ned:** --for your agency's requirements, I couldn't answer that. I think that would have to go into the requirements process to look at it, but I think we'll be making some good progress, for sure, within the next...

**Female Speaker:** Okay. We don't have access to those systems?

**Ned:** No--

**Heather:** Okay. I'm going to take an action item for my EBSO to hold a stakeholder's group, and we've talked about this, and I think that way, we can get out of this form and let you move on, but really get to the questions that you're asking with the right people. They are to take the action and to make sure we have the... share the right information with you.

But again, we are in the biggest change management I've ever seen and Valerie, I think you can... vetting enterprise, and so none of this is easy and we want to roll out things that are right and ready for our community. You [2:13:15 inaudible] that aren't right and ready. You have way more problems. We will take an action. We will get the appropriate list of stakeholders and we will hold on...

**Male Speaker:** [2:13:37 inaudible]

**Heather:** Yes, because she gave me feedback on Monday, right? Monday night, I went right at it, so great. Thank you.

**Male Speaker:** [2:13:52 inaudible]

**Ned:** All right. I think I'm well over my time. Thank you very much.

**Mark Bradley:** We're all questions... did you get... Monday and we will... I don't want to come back in June and have to hear the same thing we still have accesses. Keep us [2:14:11 inaudible] we can do to help you. All right.

Thank you so much for that wholesome conversation. All right. We're now going to hear from Valerie [2:14:24 inaudible] about [2:14:25 inaudible]

**Valerie:** Nothing really to update. Thank you, Mr. Chairman. I know our time is very short, but I mean, I was just going to say that I'm happy we're going to be hosting the trusted workforce briefing for the NISPPAC and ISOO, and we look forward to continuing that conversation. Thank you.

**Mark Bradley:** All right. We're going to move quickly to our working group reports [2:14:53 inaudible] DSS of the initial working group.

**Male Speaker:** Thank you, Robert. In an effort for time, just to... these are DSS items that we're engaged with the working group on. First off is our process manual that describes how we get through the assessment and authorization process of classified systems, and it is scheduled to be released April 8<sup>th</sup>, with an effective date of May 6<sup>th</sup>. It's something that we worked out, and we've had a variety of feedbacks both internally and externally on developing the next version of it.

It includes the revisions that have been made [2:15:44 inaudible] instructions on our transition to EMAS as our system of record, and something that came out of this at working group was some language and some streamline processes for doing proposal systems, so that we'll start to be released on the 8<sup>th</sup> of April, effective on May 6<sup>th</sup>, so it gives folks about a month to read and comprehend what's in the new process manual.

Transition to EMAS, again, we're scheduled to transition to EMAS as our system of record beginning May the 6<sup>th</sup>. There are numerous job aides on our RMF resource center link. Under that link, there's two tabs. One is for risk management framework implication and

another is for EMAS. There's job aides as how to get sponsored to get access to the training, job aides for getting you on to the training site and taking the training, job aides for doing account registration and all the forms needed, and then we'll have some additional job aides on just some high level items that things like system registration within the program.

But between now and then, OBMS is our current system of record for assessment and authorization. It will remain so. We will take this as to face the transition. Information in OBMS, we will work those packages through. If you submit something on April the 1<sup>st</sup>... or I mean, on May the 1<sup>st</sup>, we won't ask you to resubmit it into EMAS on May the 6<sup>th</sup>. We'll work at your OBMS and then we have all... all the packages worked within OBMS will...

The last line in the bullet points are cut out just to talk about. We're doing classified enterprise wide area networks as a national level initiative to try to bring central monitoring and management, along with continuous monitoring, vulnerability management, insider threat management into the classified arena where I know a lot of industry already has those items on their unclassified networks. We're trying to leverage those best practices within the classified arena now, and we see that this will be a huge impact on resources for both Industry and DSS that will save us some time because we'll finally start using technology by using manpower to do auditing and to look at the security controls. We started down that road.

We have a few companies that have their initial classified wide area networks authorized, and we have probably another eight to ten companies that are in the process of putting information together.

I won't go through the metrics. I know this is part of the packet that you all can receive, but just to... we track our metrics via region, so we can identify... and then down to the field office locations, so we can identify where we might have potential gaps.

Currently, we are leveraging folks from the capital region into the northern region to work a bubble that we've had there for a few months, and we continue to monitor this as far as what we have for workloads, what we have for impacts, and how we can continue to manage the assessment and authorization process.

Pending any questions, Mr. Chairman, I am done.

**Mark Bradley:**

Anybody who have [2:19:26 inaudible]

**Male Speaker:**

I have two questions.

**Mark Bradley:** Go ahead.

**Male Speaker:** You go, Dennis.

**Dennis:** Dennis [2:19:30 inaudible].

**Male Speaker:** Actually, I would say that from the standpoint of the western region, aside from expiring... things that are coming due and... we're looking at that. Currently, the western region workload, we're pretty current on that; but part of that, looking at what's coming out in the next 90 days, and I will tell you we looked at the next 180 days, next year, is that we are... so we are looking at that future state, but until those... those are ones that are defined in the system that are set to expire. They may not actually turn into submissions, so we manage that on a routine basis by looking at what's currently coming in, so good question. Thank you.

**Male Speaker:** Sticking with that chart, you mentioned northern is coming down to help capital but--

**Male Speaker:** No, other way around.

**Male Speaker:** The other way around?

**Male Speaker:** Yeah.

**Male Speaker:** But either way, capital has a 100... or mine shows 101, that shows 93 denied. Still far and above all the other three regions, and even making it more significant, they don't have... in fact, they have the least number of submissions. Do you know what the factors are that are contributing to why the one region has a significantly higher number of SVP denials?

**Male Speaker:** Sure. Capital region has the largest percentage of very small cleared contractors, and I'm talking less than ten people, 20. They just do not have the cybersecurity skills to submit a package. To be bluntly honest, if a package is submitted and it's just wholly inappropriate, it just doesn't cut for anything between the risk management framework, we just deny the package out and give them some locations to go and get some training.

**Male Speaker:** That's for the security consultant?

**Male Speaker:** That's exactly right. I think everyone [2:21:44 inaudible] that.

**Male Speaker:** Second question: on the first chart, I understand there's a pilot going on as it relates to... maybe you're not ready to give any updates on that. I thought that you started in December, is that

true, with a small number of contractors, companies? [2:22:05 inaudible] there's any update [2:22:06 inaudible]

**Male Speaker:**

Okay. We have not started the pilot. The EMAs application is owned, and managed and supported by [2:22:17 inaudible] asked us to delay a little bit, which is why one of the reasons we put the implementation into May as [2:22:26 inaudible] moved their servers to the cloud. We haven't started that yet.

We have a variety of local companies that we're going to do with a couple of our NISPPAC... the [2:22:39 inaudible] working group members are on that and so we'll be getting feedback for that.

**Male Speaker:**

Thank you.

**Male Speaker:**

Thank you, sir.

**Male Speaker:**

Dennis, you have anything [2:22:47 inaudible]

**Dennis:**

Yeah. One quick question [2:22:50 inaudible] can you give a little color around that as to where that is? Is it ideation? Is it [2:23:00 inaudible]?

**Male Speaker:**

We are finishing up a couple of different items. One is kind of a one page that we're going to send out internally to government folks just kind of describing what it is and things that they might need to talk with their acquisition folks and their program manager's [2:23:22 inaudible]

Then, two, is an external document that gives Industry some checkpoints to see is this something that would for us. It is really geared towards larger multi-facility companies.

Currently, we have two companies that have approved enterprise level classified lands. One company has about 65 locations that are under their land and the other company has, I think, seven or eight and they're planning migration for upwards of 70 of them.

We have another one that we're just waiting on some certification information from NSA before we start them and just to kind of give you an idea of the scope of that, we started down the road and we're working, we're engaging individually with the facilities. But just to give you an idea of where we're looking at the future, one of our companies has... currently, they have over 550 authorized systems under ATOs. Their four-year goal is to put 400 of those authorized systems into their classified land. We'll reduce the amount of local oversight both at the industry location and at the DSS locations required to manage that by [2:24:49 inaudible] that

both within DSS, will manage this [2:24:53 inaudible] and at the facility because they'll have a couple of network operation centers and they'll be able to continuously monitor, patch, manage inside a threat program. We'll actually decrease the number of human assets. We need an increase in technology behind good cyber security.

**Male Speaker:** Thank you.

**Mark Bradley:** All right. Now, we're going to turn to Greg Penoni on the security clearance working group.

**Greg:** Okay. Most of what I would cover has already been discussed in updates given by DOD, ODNI, the NISS update. I just want to maybe impress upon a couple of things, and we've heard a lot about transparency, a lot about communication, and that's... the clearance working group is sort of a catch [2:25:48 inaudible] all the other things that go on.

On one point, I also want to make sure you here... we're planning a followup to that resolution group because we still have steps, we have things to resolve. The first week of April, we're going to probably try and shoot for April 4<sup>th</sup>. We'll send something out to let you know.

But in the way of communication, here's one example that was brought to my attention after the working group meeting, the clearance... and it may seem simple, but it really just goes back to making sure that we are utilizing, leveraging the NISPPAC - in this case, Industry - on communications.

As I understand it, which is a great thing, the voice of industry letter memo that DSS does periodically, it goes to all the facility security officers and/or the key management persons. It's 12-13,000 companies, but sometimes, these eight NISPACC industry numbers aren't among those two sets of individuals.

If they ask, you just simply include the industry spokesperson on just about any and all communications that are meant to go widespread. This way, [2:27:04 inaudible] in representing all of the NISPPAC industry simultaneously information of what's going on.

Whether or not the task is for him directly or the eight NISPPAC members, that is the focus, that's really why we have a NISPPAC and the formal process of industry engagement should really go through that, but I'm willing to do debate that with anyone, so that's more of an [2:27:28 inaudible]

The other couple things just to highlight, I think on one of the slides, Ned was showing use of adjudication. It appears, from what I've seen, we really to step that up and I know there's plans to do that; but in the case of Industry, numbers I'm hearing is only 1% to 2% of industry initials...

Common sense would say that number. There's something in that business process that is too difficult. There's something there that we're not taking enough of the risk management approach and if we're trying to do things sufficiently as possible, that scenario that I think is right to take a look at.

Most of the people get through the clearance process. There are some that have issues, but a lot don't have issues. It's puzzling to me why so many don't make it through the adjudication process other than right now, the business rules are rather strict; at least that's the way it looks.

We kind of touched on this, but also coming after the clearance working group, the business about the NIDS (National Interests Determination). Even though it affects small numbers of contractors, it's still an item of concern and I will say particularly among just a couple of CSAs without mentioning any names. What we want to do as this group sometimes does effectively, I think, is collect numbers. We're not revealing any classified information, folks. We just want to collect numbers and timelines for how long it takes to process NIDS. Now, that would identify each owner in the prescribed information. I want to put that out there.

That's all I'm going to say. Olga's been patient and she's up next, so let's answer some questions.

**Mark Brooks:**

Just [2:29:24 inaudible] This is Mark Brooks with DOE. With respect to NIDS and the proposal to collect metrics on that, we support the transparency as a CSA. The only thing - and I heard this initially and due to time, I wasn't going to interject when our Industry colleague, Quentin, raised it - we've never heard where there's a specific issue to the cognizant security agency or the cognizant security office and with respect to that, it seems like we're trying to get data to validate a problem, but we haven't done the appropriate analytical work to see if an issue actually exist. To my point, once we get that data, if Industry could provide that to ISOO to say, "Hey, we submitted these NIDs and they exceeded the timelines as prescribed in 32C of our 2004," then that provides the basis, but I just want to make sure that there's actually an issue that's been validated versus an assertion. Thank you.

**Male Speaker:** [2:30:28 inaudible]

**Greg:** You got it.

**Jeff:** This is Jeff Zanita. First, Greg, I really appreciate you speaking up on it and Quentin as well. I actually think it's a much bigger issue than we actually think it is, so there's a small number of companies that are under SSA, but there are a ton of those companies who'd be their primary subcontractors and so to what we see the top level of this thing pretty regularly and we hear from those companies when it's the prime piece, we don't hear about it nearly as often when it's subcontracting. I think the working group construct to build a mechanism. This is what this forum is built for.

At the same time, we didn't mention it earlier, but... for those of you who are students of all this stuff, on section 842, last year, we're rolling through the process as fast as we can frankly to address what congress has given us permission to which is to implement the provisions in 842 and advance of the 1 October 2020 date, that is a wonderful mechanism by which we will have metrics and we will definitely... our counterparts in the services and [2:31:46 inaudible] particularly were most of our... were much of the department's prescribed gets... where this is kind of in center stage helped us through the coordination process. Now, it's over to the lawyers and then it will roll out, but I will definitely will be looking forward to bringing this back and just like we've done before, a work group in this form I think will help get us to we need to go.

**Male Speaker:** I think if I may, Greg, that's an excellent job and just while I was sitting here, I actually sent a note to my [2:32:21 inaudible] SSA NID counterpart in the department to ask for those specific informations and support, DOD's efforts to implement section 844 to FY 19 [2:32:30 inaudible] but I think that goes to the issue that my State Department colleague raised is that in terms of a government-wide approach -whether it's clearances, facility clearance, NIDs, SSAs - there needs to be a singular government [2:32:43 inaudible] that we have access to that we can grab that data because we have to move away from a working group to do and during work.

Jeff, I appreciate that DOD is going to look to that, but I think based on the response we got from Ms. Stokes and Ms. Heather, I think there's a greater National Industrial Security System capability across the whole of government that we need to be able to lash into and get this information instead of the independent data call. We'll work that though this forum. Thank you.

**Greg:** Mark, I appreciate what you're saying and we're not going to solve it right here today and certainly, the idea that you just mentioned that a database would, in the long run, prove very help... that put together. But in the short term, from what I've seen in the years I've been involved in this, whether it'd be clearance numbers, information system data, when we start to track and highlight it, that tends to put some focus on it.

Perhaps, there isn't an issue. I'd be very surprised in terms of time limits, but we don't have data to support it either way and it seems like it should not be that difficult to collect this data, so I do think it's worthwhile for us to do it **[2:34:02 inaudible]** as Jeff pointed out, cascading down subcontractors that were impacted by this...

**Male Speaker:** Just to close out. I know we ran over, but... and that was kind of DOE's **[2:34:20 inaudible]** leading out to the industry issues meeting because in order to get, really, traction and bring these longstanding languishing issues to a close that identify the cognizant security agency or the cognizant security office that's causing the issue, propose a resolution and that's the metric that we could track as a forum and that's the value proposition.

Again, good number. We got 17 SSAs, 17 NIDs, that's a whole. Where's the hold up? Where is the breakdown in the process, so that way we could determine rightfully a CSA and CSO? Is it at the policy level, or the national level, or CSA implementation, or is it somewhere down stream? That will be helpful and I think to close out, Greg, Jeff is pledged to bring DOD's information **[2:35:08 inaudible]** to implement the provisions of section 842 and that's going to give us the data point if there's a much larger task; but I think DOD has preponderance and I think the information they provide is going to yield us the information we need to go forward smartly. Thank you.

**Male Speaker:** **[2:35:30 inaudible]** outrageous it takes that long for a company... wait that long, but that's my own personal...

**Mark Bradley:** All right.

**Male Speaker:** Yeah.

**Mark Bradley:** Yeah. Wait for another.

**Male Speaker:** One more. Stats from--

**Mark Bradley:** **[2:35:44 inaudible]** the metrics, yeah. Okay. Last but not the least, **[2:35:52 inaudible]** security clearance performed is metrics. Olga Delgado, ODNI.

**Male Speaker:**

Also, Perry.

**Mark Bradley:**

Yeah, and Perry **[2:35:57 inaudible]**

**Olga:**

Thank you so much. I know in the interest of time, I know we're a little bit over. We'll jump right into this. What is unique about the slide as you've heard from various departments and agencies today about their statistics in terms of timeliness and so these slides actually do depict data that has been collected from not only DOD **[2:36:24 inaudible]** but further breakdown of that, and this is unique for contractor data, it includes agency's contributions from CIA, DIA, SCI, MGA, NRO, and NSA and State Department... I believe we've captured most of the departments and agencies that are still in the room. Next slide.

Next slide, methodology. Most of you are familiar with that and we're currently using the **[2:36:54 inaudible]** 2012 methodology here on the bottom.

This slide represents industrial or personnel security timeliness metrics as it relates to quarters. If you take a look at this slide, we're comparing each of the investigative-type secret, confidential, top secret and periodical investigations, and we're looking at the green bar on the chart, across the board, and the purple block.

In comparison to those two items, we did see a slight increase in secret and confidential processing, totalling within the number of days, and also a decrease as well, and periodically...

This is a snapshot for secret clearances for FY 19, quarter one. A little cut off here on the slide on the bottom, but if you take a look at this, it's 227 days in total for this secret process at this point in time, and that is a seven-day increase from last quarter.

Top secret clearances, that includes the legacy types as well as the... which is SSCI and the tier five investigations. We saw an increase here, so 423 days in totality which is an increase of 31 days from last quarter.

Periodical investigation. You'll also see here 331 days. We did have a slight decrease in numbers.

For all questions, please give send us an email and I will open up the floor for any questions.

The **[2:38:46 inaudible]** NPR is attributed to modifications and our processing as it relates to ways in which we can find efficiencies and processes. To relate to that, you saw some of the statistics from

DOD. Heather Green and I have been working closely together as well as Director [2:39:06 inaudible] as well over at [2:39:08 inaudible] really drive down some of those processes. The timeliness [2:39:14 inaudible]

Any other questions? Yeah.

**Male Speaker:** [2:39:19 inaudible]

**Olga:** The partial government shutdown definitely did impact some of those numbers. I don't know if you were here previously for third quarter, but we actually had to caveat our numbers. The department and agencies were not able to report their timeliness metrics back in, what was it, quarter four of '18 and so we have to give those folks time to get back into the office, reprioritize their work and then we were able to process.

For a list of agencies, you can look online. I didn't bring them all with me, but also that included some of the subcomponents of those major organizations.

Any other questions?

**Mark Bradley:** All right. Perry, you're up.

**Perry:** Good afternoon. Recognizing that we are already over time, I will try to be very brief. The Defense Office of Hearings and Appeals, as most of you know, is the due process authority that is the only authority for denials and revocations for not only DOD contractors, but contractors with the 30 other federal departments and agencies under the NIS [2:40:50 inaudible] of the intelligence community agencies, Department of Energy, NRC and a handful of others. We are the place where a clearance is get denied or revoked.

The good news is that we do not have a backlog. In fact, our workload is at steady state at all of the stages where we work right now. We get our cases exclusively from the DOD CAF. We work closely with the DOD CAF to ensure that that works smoothly. We're getting, right now... we have on hand a small number of the statements of reasons that's actually 239 active statements of reasons. We have approximately... no. Actually, exactly 472 cases pending hearing, 340 cases pending administrative judge... those are all within normal limits.

The other good news is that we believe that in the coming year, two of the things... we've talked about investigative standards and adjudicative standards; but probably, the two biggest innovations that affect the workload that we share with the CAF is continuous

evaluation which can, in theory, increase the workload; but if it's managed correctly, it just helps us find the needles in the haystack without making the haystack bigger that is at least our earnest hope.

The other thing is I want to answer quickly a question that Greg asked which was... may have mentioned rhetorically, but the concern about the adjudication is real. One of the reasons that adjudication has historically not worked as well for industry as it does for the military departments - and historically the numbers for the military departments are significantly higher than they are for Industry - it's because the Industry... the applicants are older. They have been around longer. They're just more facts in their cases and as a result, they don't pass adjudication business rules that alluded to the fact that those rules are being retooled and with luck, probably the best thing that we can do in the coming year for the DOD CAF is to come up with more robust adjudication business rules that allow more cases to pass and as **[2:43:12 inaudible]** when in a world where we have historically - and this is a 30-year number - only denied or revoked approximately 1.5% of the cases, that means that we should be able to do much better than we are currently doing.

**[END OF TRANSCRIPT]**