

**STATE, LOCAL, TRIBAL, AND PRIVATE SECTOR  
POLICY ADVISORY COMMITTEE (SLTPS-PAC)**

**SUMMARY MINUTES OF THE MEETING**

The SLTPS-PAC held its third meeting, on Wednesday, January 18, 2012, at 10 a.m., at the National Archives Building, 700 Pennsylvania Avenue, NW, Washington, DC. John Fitzpatrick, Director, Information Security Oversight Office (ISOO), chaired the meeting, which was open to the public. The following minutes were finalized and certified on March 26, 2012.

The following individuals were present:

- John P. Fitzpatrick (Information Security Oversight Office , Chair)
- Greg Pannoni ( Information Security Oversight Office, Designated Federal Officer (DFO))
- Gary R. Ledford (SLTPS, Vice Chair)
- Joseph W. Lambert (Central Intelligence Agency, Member)
- Harry Cooper (Central Intelligence Agency, Alternate-Member)
- Richard L. Hohman (Office of Director of National Intelligence, Member)
- Richard L. Donovan (Department of Energy, Member)
- Mark Pekrul (Department of Energy, Alternate-Member)
- Dr. C. Elaine Cummins (Federal Bureau of Investigation, Member)
- Kathleen Branch (Defense Security Service, Alternate-Member)
- Dr. Patricia Holahan (Nuclear Regulatory Commission, Member)
- Bernard Stapleton (Nuclear Regulatory Commission, Alternate-Member)
- Leo Masciana (Department of State, Member)
- Elizabeth Hanley (Department of State, Alternate-Member)
- Clyde Miller (SLTPS, Member)
- Francis X. Taylor (SLTPS, Member)
- Lindsey Johnson (SLTPS, Member, via teleconference)
- Robert M. Maloney (SLTPS, Member)
- Fred Vincent (SLTPS, Observer)
- Christian Beckner (Senate, Homeland Security and Governmental Affairs Committee, Observer)
- Charles Rogers (Department of Homeland Security, Presenter)
- Kenneth Polk (Department of Homeland Security, Presenter)
- Janice Cornwell (Department of Homeland Security, Presenter)
- Monika Junker (Department of Homeland Security, Observer)
- Julie Agurkis (National Archives Congressional Affairs, Observer)
- Lori Ellison (Department of Justice, Observer)
- John Rogers (Department of Homeland Security, Observer)
- Valerie Heil (Department of Defense, Observer)
- Brian Hyer (Department of Homeland Security, Observer)
- Robert Maher (Office of Director of National Intelligence, Observer)
- Robert Skwirot (Information Security Oversight Office, Staff)
- Daniel Livingstone (Information Security Oversight Office, Staff)
- Homero Navarro (Information Security Oversight Office, Staff)

## **I. Welcome, Introductions, and Administrative Matters**

The Chair called the meeting to order at 10:00 a.m., and welcomed the membership to the third SLTPS-PAC meeting. He informed the attendees that the meeting was opened to the public and subject to the Federal Advisory Committee Act (FACA). He then introduced Mr. Gary Ledford, Director of Public Safety for the Eastern Band of the Cherokee Indians, and new Vice-Chair of the SLTPS-PAC. The Chair then acknowledged Mr. Charlie Rogers, Department of Homeland Security (DHS), who was representing Mr. John Young, the DHS Vice Chair, and Mr. Greg Pannoni as the Committee's Designated Federal Official (DFO). Then, all committee members and personnel in attendance introduced themselves, and the Chair acknowledged that Ms. Lindsey Johnson, recently nominated as an SLTPS Member, was attending via teleconference. Those members not in attendance were Mr. Louis Widawski, Mr. Ron Brooks, SLTPS, and Ms. Terrie Suit, SLTPS, for whom Mr. Fred Vincent was attending the meeting as an observer. (Although not noted by the Chair, two other members were unable to attend the meeting: Mr. Tim Davis, Department of Defense (DoD), for whom Ms. Valerie Heil was attending as an observer, and Mr. James Dunlap, Department of Justice (DOJ), for whom Ms. Lorrie Ellison was attending as an observer.)

The Chair concluded the opening remarks by reminding the membership of the necessity to inform ISOO staff of their travel arrangements well in advance of SLTPS-PAC meetings.

## **II. Old Business**

### **A) Updates from the DFO**

Mr. Pannoni addressed the main issue pertaining to old business: the SLTPS-PAC bylaws. He explained that the bylaws had been distributed for member commentary twice in 2011. The Central Intelligence Agency (CIA) submitted several comments in December, some of which require coordination with National Archives and Records Administration (NARA) attorneys. Accordingly, once a resolution to CIA's input is attained, the bylaws will be finalized. Mr. Pannoni then mentioned that two new SLTPS nonfederal members have been selected, and the SLTPS-PAC staff was still working to complete the concurrence process for them. He concluded his update by announcing the resignations of SLTPS members Sheriff Michael McClary, Mr. Kenneth Tucker, and Colonel Joseph Fuentes.

### **B) SLTPS-PAC Updates**

#### **Mr. Charlie Rogers, DHS Updates on the Implementing Directive for Executive Order 13549 and DHS Security Management Division Initiatives**

Mr. Rogers provided updates on two items, the implementing directive for E.O. 13549, "Classified National Security Information Program for State, Local, and Private Sector Entities," and DHS' recently organized Security Management Division. He noted that the implementing directive was drafted last spring and received concurrence from ISOO, DoD, DOJ, and the Office of the Director of National Intelligence (DNI). However, concerns were raised within DHS, of which the most challenging was whether sufficient monetary and non-monetary

resources were available to implement the program. Mr. Rogers stated that the concerns have been addressed and resolved, and that the implementing directive was awaiting top level signatures. He explained that once the signatures have been attained, DHS will work with ISOO staff to inform all the membership that the directive has been issued.

Mr. Rogers reported that the Security Management Division was now operating within the DHS Office of Security and that its primary objective was the implementation of the SLTPS program. The Office of Security has utilized existing resources in its division of 17 Full-time Equivalents (FTE). He explained that DHS procured funds from Congress for FY 2012 and intends to hire three additional FTEs to assist with policy and information technology issues. He further noted that the additional funds will be used to enhance databases as required by E.O. 13549. In addition, security profile databases will be created and existing federal databases will likely be modified to accept SLTPS security clearances. Also there will probably be additional funds forthcoming that can be designated for contract services, such as information technology support.

Mr. Rogers presented an update on annual refresher training. He explained that DHS developed an annual refresher training program for its personnel in accordance with E.O. 13526, "Classified National Security Information," and has modified this training to incorporate SLTPS issues. He added that this training will be revised subsequent to the issuance of the implementing directive to incorporate important requirements from the directive and to ensure that it encompasses the requirements of 32 C.F.R. Part 2001. Once DHS finalizes the training materials, it will deliver them to the SLTPS-PAC membership for review and comment. The expectation is that the training will be utilized by executive branch agencies working with or clearing SLTPS personnel.

Mr. Rogers provided an overview of the basic provisions of the implementing directive and described a draft DHS document that specifies classified storage and processing procedures and requirements within state and local facilities; the document will be signed by lead elements in those facilities. The DHS anticipates sending a draft of this document to the membership for review and comment in the near future.

Mr. Rogers then described a memorandum of agreement (MOA) that was created for private sector individuals who hold a security clearance. He explained that this MOA does not replace the Standard Form (SF) 312; rather, it emphasizes the responsibilities with regard to access to classified information for the clearance holder as an individual and not as a representative of his or her company. This document also will be distributed to the membership for review and comment, and Mr. Rogers anticipates there will be other policy documents developed at future dates.

Mr. Rogers reminded the membership that, during the summer of 2011, DHS created an SLTPS security administration community of interest (COI) on the Homeland Security Information Network (HSIN) website. He reported that, as soon as the budget permits, DHS plans to expand the COI's content and capabilities. He reminded the members that the website was designed for SLTPS personnel who have security clearances and reported that it now includes training tools on topics such as how to operate a secure telephone and how to store and manage classified information. In addition, he stated that DHS is in the process of developing secure communications training products designed for staff in governor's offices, who will be invited to

join the HSIN when these products are available. DHS is working to expand HSIN participation capabilities by identifying communities with unique requirements and developing training products to meet those specific needs. The Chair then called on Mr. Kenneth Polk, DHS, for a recap of the second annual National Security Fusion Center Security Liaison Workshop.

**Mr. Kenneth Polk, DHS**  
**Report on the National Security Fusion Center Security Liaison Workshop**

Mr. Polk described the National Security Fusion Center Security Liaison Workshop, which was held November 14–16, 2011, in San Antonio, Texas. The workshop built upon the first security liaison workshop, with the principle objectives of providing more advanced training to the liaisons, expanding their knowledge, and clarifying their understanding of the current security posture. Another goal was to build a stronger security culture within the fusion centers, which are the primary holders of classified information in the SLTPS community. The final focus he described as building upon the baseline capabilities of the State and Local program offices.

Mr. Polk noted that there were presenters from multiple agencies, to include DHS, the Federal Bureau of Investigation (FBI), and the National Security Agency (NSA). In attendance were 73 security liaisons and/or fusion center directors representing 55 of the 72 primary designated fusion centers. One item of interest that received special attention was the substantial turnover rate among security liaisons. DHS will be working closely with fusion center directors and other offices that appoint security liaisons in order to emphasize the need for longer periods of security liaison personnel retention.

Mr. Polk then reported that the workshop covered a wide range of topics, including the roles and responsibilities of security liaisons, the security clearance adjudication process, counterintelligence, insider threats, annual security refresher training, and the procedures for holding classified meetings. He noted that the workshop had three breakout sessions, allowing participants to engage in hands-on learning labs. One session dealt with locks and containers during which participants learned how to change combinations and identify and address equipment problems. The second session covered the HSIN portal. The third session presented a live demonstration of the Central Verification System, currently employed by DHS for clearance verification, to ensure participants knew all of its capabilities.

Mr. Polk indicated that, while most feedback on the workshop was positive, participants offered suggestions to improve future workshops. They asked for more in-depth security training and for increased participation of other agencies such as FBI, DoD, and, in some cases, the Department of Energy. They also requested additional breakout sessions and hands-on learning labs. In particular, participants wanted to gain a clearer understanding of the clearance process and to see more consistent application of this process among government agencies.

Mr. Polk mentioned that the greatest challenge that DHS will encounter for next year's workshop is securing adequate funding to support it. Thus far, the DHS Office of Intelligence and Analysis (I&A) has provided the funding for the workshops, which includes paying for the presenters' travel expenses, for the meeting space, and all other associated, logistical matters. This is one of the reasons the training has been limited to the fusion centers. In the coming years, the DHS expects to have security liaisons in emergency operations centers, in homeland security advisor's

offices, or wherever there is a classified capability as stipulated in the E.O. The expectation is that all of these security liaisons will be able to participate in future workshops.

The Chair redirected the discussion to the issue of security clearance reciprocity, which Mr. Polk raised earlier when reporting on the workshop feedback. The Chair noted that the SLTPS-PAC shares the goal of improving the reciprocity process with a companion advisory committee, the National Industrial Security Program Policy Advisory Committee, and suggested that the SLTPS-PAC can find ways to put focus on the issue and provide help if it is needed. Mr. Polk added that reciprocity is not always the issue, but rather it's often a training problem. He noted that state and local entities sometimes confuse permanent certification of a clearance with reciprocity. There are different requirements depending on the agency and this issue is not solely reciprocity of clearance but reciprocity of investigation for system access. Following Mr. Polk's presentation, the Chair directed the membership to Ms. Janice Cornwell's presentation.

### **Ms. Janice Cornwell, DHS**

#### **Updates on Derivative Classification and Mandatory Training for Derivative Classifiers**

Ms. Janice Cornwell, DHS, presented updates on derivative classification issues. She began with a summary of the derivative classification process and noted the biennial training requirement for derivative classifiers under E.O. 13526, which if not fulfilled may lead to the suspension of the authority to derivatively classify. However, DHS has not enforced this training requirement with SLTPS personnel because of the myriad logistical challenges, but DHS anticipates setting a deadline and expects to set up compliance reviews in the near future as the program continues to develop.

She further explained that to implement this training requirement for the SLTPS community, DHS is providing instructor-led and webinar training sessions that target those personnel who have a mission requirement to derivatively classify information or who have an account on DHS's Secret-level Homeland Secure Data Network. She noted that the DHS Security Training Branch, the field security coordinators, and I&A initiated these training sessions in July 2010, and that to date have trained approximately 200 SLTPS personnel. When the two-year anniversary of the training approaches, the derivative classifiers will be notified by e-mail that their certification to derivatively classify information is expiring and that they will be provided information on upcoming training that they can attend to renew the certification.

Currently, the DHS Training Branch is providing sessions twice a month: a four-hour instructor-led course, and a webinar session, which is limited to 100 participants and lasts slightly less than four hours. To receive credit for the webinar training, each participant must sign in individually, since the sessions are interactive and the system tracks the responses. DHS recognizes that these sessions may not be convenient for some personnel, and therefore, other sessions can be coordinated with DHS field security coordinators or I&A security personnel. Ms. Cornwell stated that, because of the multiple delivery options, DHS is confident that all personnel who require the training will receive it. At the conclusion of Ms. Cornwell's presentation, the Chair presented an overview of E.O. 13587, "Structural Reforms To Improve the Security of Classified Networks and the Responsible Sharing and Safeguarding of Classified Information."

### **III. New Business**

#### **Mr. John Fitzpatrick, Chair An Overview of EO 13587**

The Chair provided an overview of E.O. 13587 which was signed in October, 2011, in response to the unauthorized WikiLeaks disclosures. This E.O. relates to the safeguarding and sharing of classified information at the federal level and places increased emphasis on those who have access to classified information systems.

The Chair described the governance structure mandated by E.O. 13587 to set priorities, provide oversight, and ensure consistent implementation. The Senior Information Sharing and Safeguarding Steering Committee (Steering Committee), at the White House level, was established and is co-chaired by senior representatives of the Office of Management and Budget (OMB) and the National Security Staff. This committee is directly accountable to the President. It meets every few weeks, bringing together senior officials from the agencies that are the primary operators of classified networks and/or the principle producers of classified information.

E.O. 13587 establishes within the Office of the Program Manager, Information Sharing Environment, the Classified Information Sharing and Safeguarding Office (CISSO), whose purpose is to provide full-time dedicated subject matter expertise to the Steering Committee. It also establishes the Executive Agent for Safeguarding Classified Information on Computer Networks. Senior representatives of DoD and NSA serve jointly in this role to develop technical safeguarding policies and standards and to conduct assessments for compliance. E.O. 13587 also created the Insider Threat Task Force (ITTF), which is co-chaired by the DNI and the Attorney General to develop a Government-wide policy for the deterrence, detection, and mitigation of insider threats. The Chair informed that ISOO, which has existing oversight safeguarding responsibilities under EO 13526, is tightly integrated into the processes under E.O. 13587. CISSO coordinates weekly sessions where all the associated parties convene to ensure that objectives are being met and guidance is being developed for management of related problems.

E.O. 13587 emphasizes that departments and agencies that handle classified information bear the primary responsibility for executing the sharing and safeguarding requirements. It requires agencies to designate a senior official to oversee this balance and to implement an insider threat program as it becomes defined in future federal policy. Agencies must perform self-assessments of their programs and report key performance indicators to the Steering Committee through the CISSO.

Finally, the Chair outlined priority areas for ongoing improvements: the enhancement of removable media controls, the strengthening of identity management, the institution of more robust insider threat programs, and the improvement of access controls and enterprise audit capabilities.

Dr. Patricia Holahan, Nuclear Regulatory Commission (NRC), noting that NRC was evaluated during the initial WikiLeaks assessments, inquired whether that process has been discontinued. The Chair recounted that, in 2010 and 2011, at the direction of OMB, the Office of the National Counterintelligence Executive, ISOO, and a collection of information assurance specialists established a multidisciplinary assessment program. They conducted on-site assessments at the

Federal Reserve Board, the United States Agency for International Development, and NRC in an effort to characterize and evaluate federal safeguarding practices and classified network protection policies and practices. These assessments were being conducted when E.O. 13587 was being drafted. From these, the importance of gathering different types of data was recognized. Consequently, agency self-assessment of key performance indicators is an important element of the oversight process under E.O. 13587, as are independent assessments by outside observers.

Ms. Johnson expressed concern about a website called “Honest Appalachia,” which she described as an Appalachian regional version of WikiLeaks and asked where concerns about such websites should be directed. Mr. Rogers responded that this kind of activity could be brought to the attention of the DHS Office of Security, which, in consultation with other parties, would investigate the site content and reach some conclusions as to how the release of such information might affect national security.

Mr. Robert Maloney, SLTPS, expressed his concern about challenges related to the dissemination of vital classified information when others in an organizational hierarchy do not and/or cannot hold security clearances and how this may hinder the ability to counteract a potential security threat. The Chair suggested that once classified information is received it should be disseminated to the greatest extent permissible, but at this point, the initial recipient should contact the originator, state his circumstances, and ask for guidance relative to information that can be provided to those in the hierarchy who are not cleared.

Mr. Clyde Miller, SLTPS, agreed with Mr. Maloney’s concerns and suggested that DHS consider providing more in-depth training for those who hold security clearances beyond the standard training, as unfamiliarity with acronyms and terminology at times creates a barrier to understanding how to handle classified information. Ms. Monika Junker, DHS, stated that such training had been done in 2006 and DHS would revisit the possibility of providing more extensive training for holders of security clearances. In addition, the Chair recommended that perhaps more emphasis should be placed upon sanitizing information wherever possible so that wider dissemination could be more readily achieved.

The question was asked whether the governor of a state is cleared to receive classified information. Mr. Rogers stated that E.O. 13549 makes such a provision for governors, adding that all 50 governors are cleared by virtue of their position as long as they sign the SF 312. He pointed out that this is not the case with mayors or council members. In addition, he reminded the membership that E.O. 13526 provides for emergency release of information, subject to federal government coordination and control. One scenario for such an emergency release is the threat of mass civilian fatalities, such as a situation like 9/11, in which federal authorities determine that classified information can be released to non-clearance holders to alert them to the situation.

#### **IV. General Open Forum/Discussion**

The Chair indicated that he had reached the end of the planned agenda, and recognized Mr. Ledford, who provided some additional remarks.

Mr. Ledford echoed calls for increased efforts to provide vital information from classified materials in a form that can be made available to non-clearance holders. He noted that not all state, local, and tribal entities have access to a secure network through which to receive classified information and cautioned that this lack of access obstructs the establishment of an effective domestic national security structure.

Mr. Ledford advised that Native American reservations, as sovereign nations should be of particular concern when designing and maintaining a resilient domestic national security structure. He pointed out that since reservations are sovereign entities, terrorists and other lawbreakers can easily take refuge, thus eluding local and national law enforcement authorities. Further, the proximity to strategic assets of some reservations could make them a highly desirable staging ground for a terrorist attack on key infrastructure facilities. He expressed concern that there is no domestic intelligence network that connects all the tribes and reservations that could warn federal authorities of an impending or probable disaster or aid in gathering vital security information, noting that reservations have no fusion centers.

Mr. Rogers stated that he would put Mr. Ledford in contact with the proper personnel with whom these concerns could be addressed. The Chair thanked Mr. Ledford for raising those concerns.

The question was raised again about certain government officials' access to classified information. The Chair confirmed the official policy authorizing certain officials access to classified information even though said officials have not gone through the formal clearance process. For example, he explained that all members of Congress are authorized access to classified information without having had an investigation and adjudication for a clearance. Further, any governor, by virtue of his or her position alone, may have access to classified information on a need-to-know basis. Governors do not undergo a background investigation, because, on the basis of their duly elected status, they hold the public's confidence. Therefore, governors are unlikely to appear in a clearance database along with individuals who have undergone a background investigation and adjudication, as the database tracks investigation and adjudication dates and the dates that polygraphs were administered, if applicable.

The open forum continued with a suggestion from Mr. Miller that particularly in the case of recently cleared individuals, the required annual refresher training should be more detailed. In addition, Mr. Bernard Stapleton asked whether non-federal government people who have received classification training receive a certificate that could be reviewed by federal officials to ensure that the proper breadth of training has been achieved. The Chair responded that E.O. 13549 addresses this issue and has established DHS as the program manager to oversee all aspects of security training for applicable personnel. Further, he advised that the E.O. requires other federal agencies to enter into partnerships with DHS to clarify the procedures and requirements governing the use of shared classified equities. Mr. Rogers added that, in time, DHS expects to have a comprehensive database that will track security clearances, training, and other program elements.

## **V. Closing Remarks and Adjournment**

The Chair thanked everyone for attending the meeting and for contributing to this effort. Noting that the Committee is required to meet at least twice a year, he suggested that, if future needs dictate, an additional Committee meeting could be added or working groups could be established. Finally, he announced a tentative date for the next SLTPS-PAC meeting: Wednesday, July 25, 2012, in the National Archives Building, from 10:00 a.m. to 12:00 noon. The meeting was adjourned at 11:55 a.m.