



DEPUTY DIRECTOR  
FOR MANAGEMENT

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Statement of  
  
The Honorable Clay Johnson III  
  
before the  
  
Subcommittee on Oversight of Government Management,  
the Federal Workforce and the District of Columbia  
  
of the  
  
Committee on Homeland Security and Governmental Affairs  
  
United States Senate  
  
May 17, 2006

The Office of Management and Budget is responsible for overseeing the reform of the Federal security clearances granting process. Earlier I reported that we had established performance goals for component part of the security clearance process:

- At the end of 2005, a single consolidated data base of personnel security clearance information was established and is easily accessible by authorized users to confirm who already has what clearances.
- By December 2006, 80% of background investigations will be completed within 90 days of receipt of the necessary information.
- By December 2006, 80% of adjudications will be completed within 30 days of receipt a completed background investigation.

Additionally, all security clearance granting and investigation agencies had developed aggressive plans to accomplish the goals laid out in the Intelligence Reform and Terrorism Prevention Act, they had clearly defined accountability for implementing those plans, and they are fully committed to reforming the process.

I report to you today that agencies are making good, and in some cases significant, progress, but we are not where we want to be at this point in the reform process. I will let Kathy Dillaman report on the progress OPM is making to improve the investigation process. With regards to the other parts of the process:

#### Submitting Investigation Requests for Investigation

We are making significant progress getting accurate, completed investigation requests to OPM on a timely basis. In FY 2005, it took 32 days to submit completed forms to OPM. In the most recent three months, completed forms were submitted in an average of 21 days. Agencies, in general, are more attentive to the need to improve submission times, but most importantly, they have increased their use of electronic submission, eQIP, from 19% last year to 42% in April. Our goal was to submit all requests electronically by April 1; so we are not where we wanted to be, but we are making good progress. The Department of Commerce (86% eQIP usage and submissions in 14 days) and the Department of Defense (44 % eQIP usage and submissions in 9 days) should be recognized for their strong improvements in this area.

#### Adjudicating

Some, but not enough, progress has been made adjudicating clearance requests on a timely basis. In April only 8% of adjudications were completed within 30 days, versus the ultimate goal of 80%. The Department of Commerce (51%), the Department of Energy (50%), the Department of Transportation (47%), and the Department of Homeland Security (43%) have made significant improvements, but these gains are more than offset by the Department of Defense, which adjudicates only about 5% of its cases within 30 days. The Department of Defense needs to hire and train more adjudicators, which they are committed to do.

Agencies are reviewing and revising, if necessary, the activities they had planned to achieve the desired goals, as they/we are still committed to achieving the December, 2006, goals laid out in the Intelligence Reform and Terrorism Prevention Act.

With regards to other aspects of the security clearance reform process:

#### Reciprocity

Agencies are moving to adopt the clearer set of conditions under which clearance reciprocity should be granted. We have not reached mutual agreement with the Department of Defense on reciprocity involving Special Access Programs, but we expect, and are committed, to reaching agreement very soon. We are also finding better ways to measure our compliance with the reciprocity guidelines, in order to hold agencies most accountable for abiding by the new conditions under which reciprocity should be granted.

#### Communication with the Contractor Community

We have met with representatives of the Contractor Community twice to outline our plans and commitment to improve the process. We seek frequent input from them regarding the reciprocity issue, to get a better sense of whether the concerns are increasing or decreasing. I believe they fully understand that the security clearance process will be reformed.

#### Defense Security Service Investigation Processing

The Defense Security Service recently halted temporarily the processing of industry clearance requests. The reason for the cessation is simply the Service did not anticipate the recent surge in requests for security clearances and therefore finds itself without adequate funds to process these request. On Monday, the Department of Defense submitted and OMB approved a reprogramming request to provide \$90.7 million to fund the shortfall. Once the four Defense Committees approve the reprogramming, the Defense Security Service will move aggressively to process industry requests for clearances. Additionally, the Defense Security Service has committed to improving its workload projections so this situation does not recur.

The goals we have set to improve the security clearance process are aggressive. Barriers will arise periodically that inhibit our progress. Working with the partner agencies and interested Members of Congress, I am certain we will be successful in dramatically improving the efficiency and effectiveness of the security clearance process.