

*Office of Personnel Management*

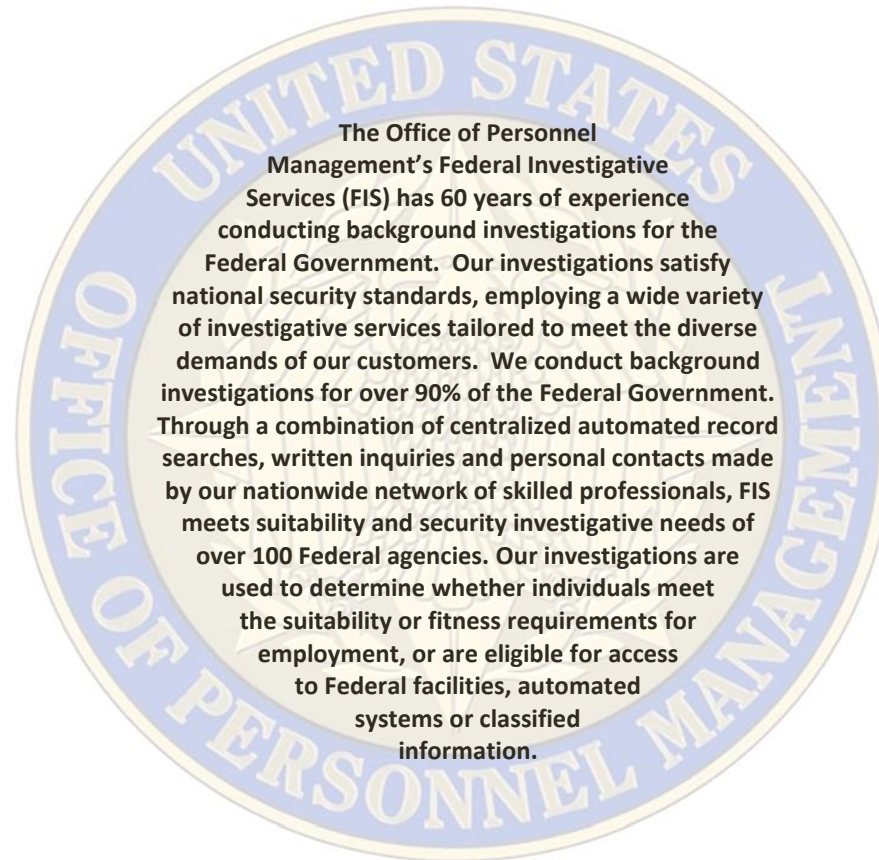
# Federal Investigative Services

**Annual Stakeholder Report for Fiscal Year 2012**



## Table of Contents

About Us .....	2
From the Associate Director .....	3
How We're Organized .....	4
Where to Find Us in the United States .....	5
Where We Serve Internationally .....	6
Investigations .....	7
Delivering Quality .....	14
Assuring Integrity .....	16
Counterintelligence .....	17
FOI/PA .....	19
Training .....	20
Suitability Adjudication .....	24
Investing in the Future .....	25
Finances .....	29
Our Commitment to You, Our Stakeholders .....	34



*a New Day for Federal Service*

## From the Associate Director



I am extremely proud of our *collective* accomplishments in FY 2012: while meeting demanding timeliness and quality mandates, we aligned the background investigations program across government; balanced workforce requirements with significant workload surges; provided standardized and professionalized background investigative and adjudicative training; enhanced program automation; reformed processes to enhance quality; expanded investigative coverage at no increased cost; and increased transparency of program costs.

*We must not lose focus.* Although significant achievements were realized during FY2012, the evolving threats posed by foreign intelligence services, terrorists, and potential insiders demand that the background investigative program continues to evolve to identify and mitigate these risks. The background investigations program and the personnel who conduct these important investigations continue to serve as the first-line of defense against threats posed by “bad actors” attempting to obtain Federal jobs or access to national security information. The critical nature of our work and the

important relationship we share with the adjudication community requires that we efficiently and cost effectively meet government expectations to support Federal hiring and security clearance programs while protecting our national interests.

Our future success is increasingly dependent on our ability to rapidly adapt our information technology, expand on relevant information sources, improve information sharing, streamline and automate data analysis and enhance program training to meet the ever changing needs and requirements of the suitability and security community. To remain relevant, the background investigative program must eventually move to providing “real time” updates on adjudicatively relevant information on personnel already in access. We look forward to working with our stakeholders as we advance the background investigative program to meet these critical future challenges.

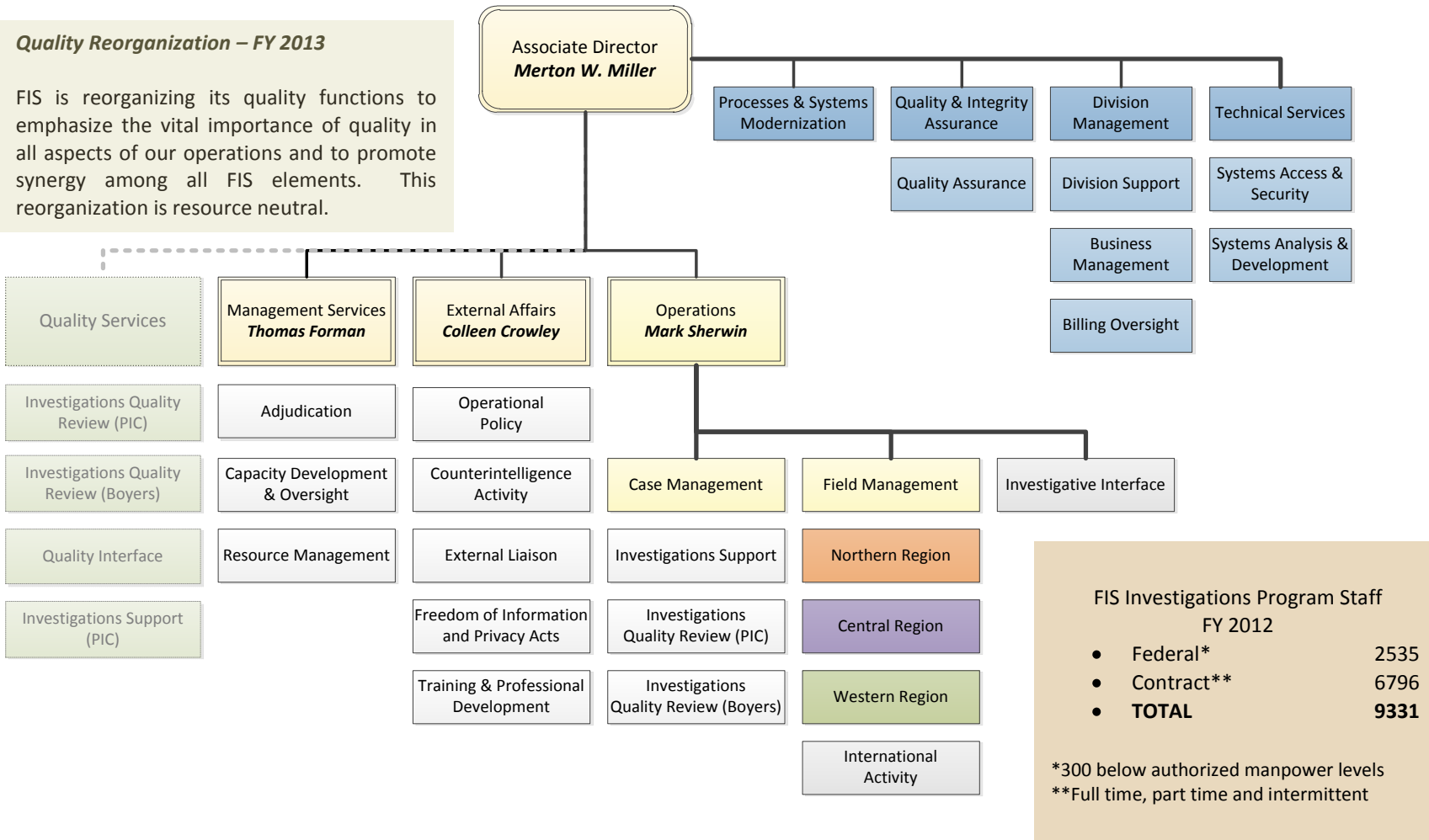
Merton W. Miller  
Associate Director  
Federal Investigative Services

# How We're Organized

## Federal Investigative Services Office of Personnel Management

### Quality Reorganization – FY 2013

FIS is reorganizing its quality functions to emphasize the vital importance of quality in all aspects of our operations and to promote synergy among all FIS elements. This reorganization is resource neutral.

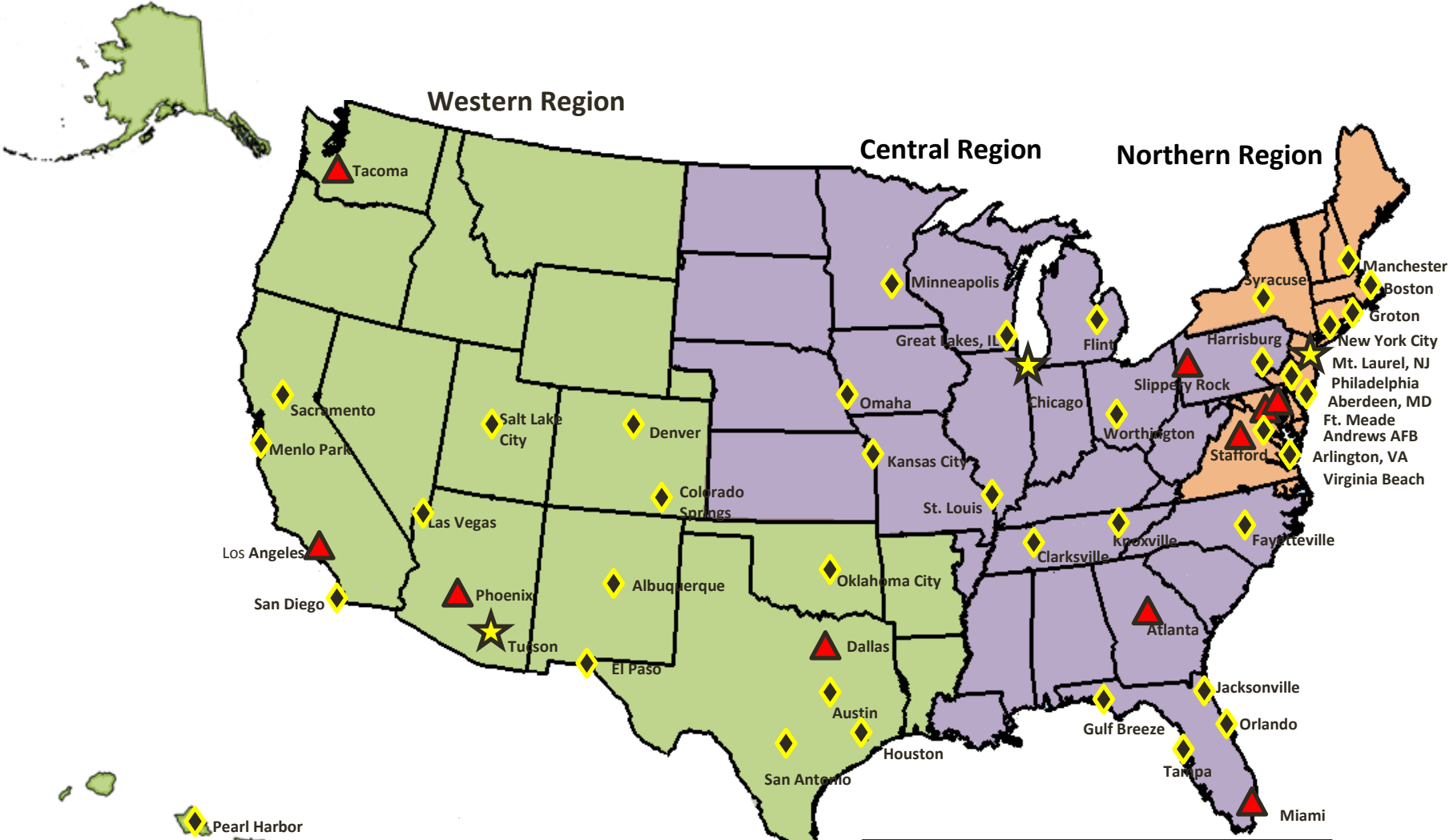


FIS Investigations Program Staff FY 2012	
• Federal*	2535
• Contract**	6796
• <b>TOTAL</b>	<b>9331</b>

\*300 below authorized manpower levels  
\*\*Full time, part time and intermittent

*In early FY 2012, FIS completed an efficiency reorganization aligning field resources to customer needs*

# Where to Find Us in the United States



**Legend**

- ◆ SAC Office
- ▲ Area Chief Office
- ★ Regional Chief Office

<span style="background-color: #9999cc; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Central – Manpower: 33.0%, Workload: 31.6%
<span style="background-color: #e69966; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Northern – Manpower: 32.0%, Workload: 36.7%
<span style="background-color: #99cc99; border: 1px solid black; display: inline-block; width: 15px; height: 10px;"></span>	Western – Manpower: 34.4%, Workload: 31.7%

# Where We Serve Internationally



## Investigations

***Investigations are our core business.*** We conduct background investigations to support Executive Branch hiring, security clearance and credentialing determinations. The processes supporting these investigative activities are highly integrated, automated, and consistently measured against timeliness and quality performance standards for Federal hiring and security clearance process reform. Performance data for these background investigation products are regularly reported to the Director of National Intelligence, Executive Branch agencies, the Office of Management and Budget, and Congress.

### ***Our History***

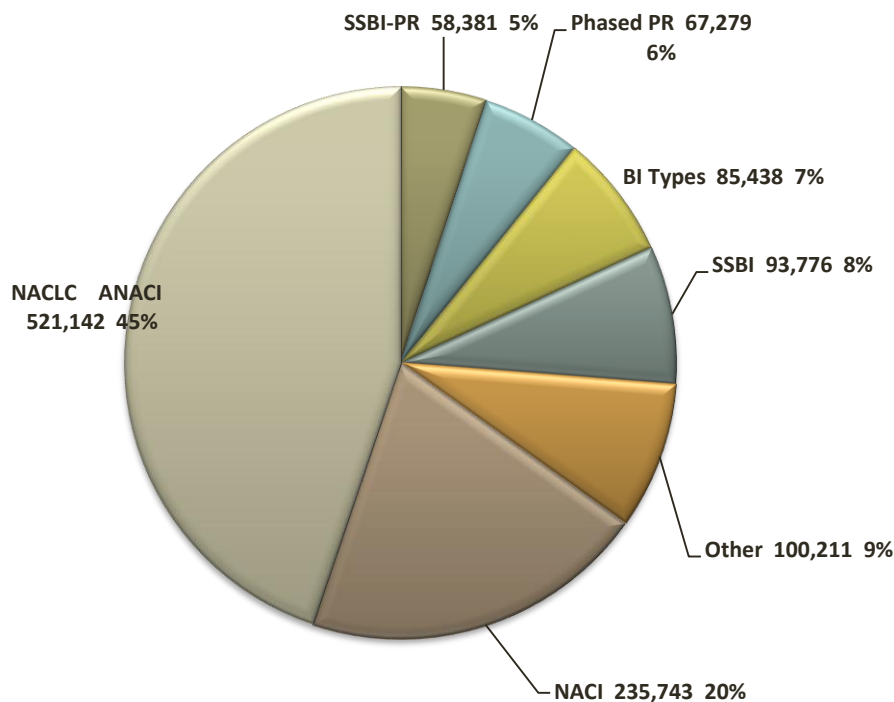
*Since the founding of our government, the need to ensure the character, conduct and qualification of the Federal government workforce has been critical. During his two terms as president, George Washington insisted on "fitness of character" as the prime qualification to hold a government job. The unstructured system for making these early Federal workforce appointments started to change with the Pendleton Civil Service Reform Act of 1883. The Act established a merit system under which appointments to Federal jobs are made based on fitness as determined by open and competitive examination rather than personal preference or for political purposes, and it created the Civil Service Commission (CSC) to ensure the fitness of Federal employees. In 1953, President Eisenhower signed Executive Order 10450, which gave the CSC the authority to manage the Federal government's personnel security program. E.O. 10450 required that Federal employment be "clearly consistent with the interests of national security" as determined by the background investigations of all new Federal employees. The structure for making Federal workforce appointments was further refined with the signing of the Civil Service Reform Act of 1978. With this 1978 Act Congress abolished the CSC and created the Office of Personnel Management (OPM) to make and manage rules controlling Federal civil service appointments. Today, OPM continues the vital mission to protect merit system hiring principles; ensure the suitability of Federal applicants, employees, and appointees; and conduct National Security Investigations on individuals who work in sensitive positions or require access to classified information. To accomplish this, OPM's Federal Investigative Services (FIS) conducts background investigations for most federal agencies and their contractors.*

The primary purpose of background investigations may not have changed much over the years; however, the process by which background investigations are accomplished has significantly progressed. Information technology has been crucial to FIS's ability to balance timeliness, quality and cost. It plays a key role in reducing costs, streamlining operations, improving efficiencies, eliminating waste, and providing better customer service. FIS continuously seeks ways to transform existing technology into modernized platforms. In addition, we partner with the security community to develop new policies and standards that govern the personnel security investigations program, to ensure government-wide reciprocity and address program needs, guaranteeing superior investigative products.



FIS delivered **2,267,405** investigative products in FY 2012

### Investigations Completed



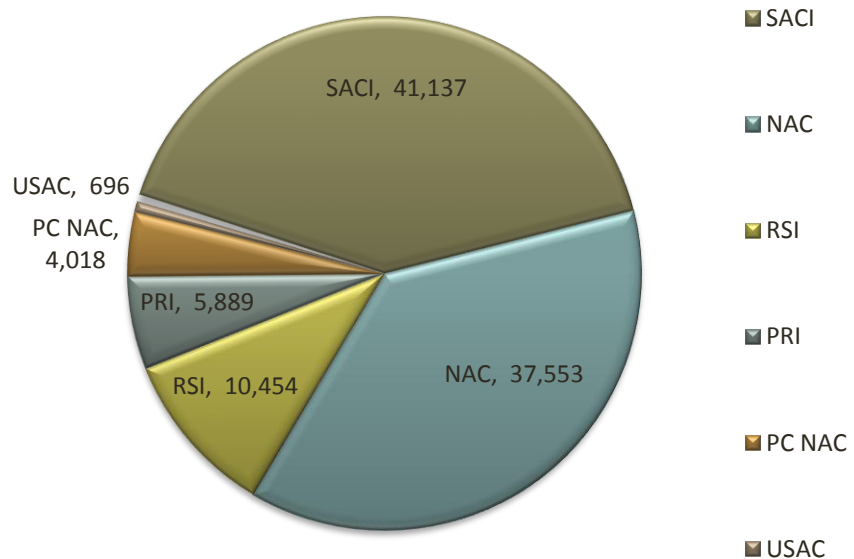
- SSBI-PR Single Scope Background Investigation – Periodic Reinvestigation
- Phased PR Phased Periodic Reinvestigation
- BI Types Background Investigation/Moderate Risk Background Investigation
- SSBI Single Scope Background Investigation
- Other Investigations to support unique agency authorities and hiring rules
- NACI National Agency Check with Inquiries
- NACL ANACI National Agency Check with Law and Credit Access National Agency Check with Inquiries

Additionally, in FY 2012 FIS completed over **1.1 million Special Agreement Checks** for our customers, supporting Pre-employment determinations and interim Personal Identity Verification (PIV) decisions.

## Investigations

Upon request, Federal Investigative Services conducts customized background investigations to support hiring, fitness, qualification and suitability processes for government agencies with independent authorities and hiring rules. We conduct Special Agreement Checks with Inquiries (SACIs) for US Postal Service employment purposes, unique Peace Corp National Agency Checks (PC NACs) to support Peace Corp qualification and vetting processes, and standardized National Agency Checks (NACs) to augment background investigations conducted by agencies with delegated investigative authority. We also conduct Public Trust Reinvestigations (PRI) for agencies with persons in High Risk Public Trust positions, as well as Reimbursable Security/Suitability Investigations (RSI) for all agencies whenever information with potential adjudicative relevance is discovered requiring additional investigative details to inform adjudicative resolution.

### Breakout of 'Other' Investigations



- “Other” Investigations**
- SACI – US Postal Service Employment Investigation
  - NAC - Investigative Product for Delegated Agencies
  - RSI – Issue Resolution Investigation by Agency Request
  - PRI – High Risk Public Trust Reinvestigation
  - PC NAC – Peace Corps Employment Investigation
  - USAC – Postal Service SAC
  - ASD – Applicant Suitability Determination\*
  - NSI- NACI Suitability Investigation (OPM Initiated)\*
  - NSC-NACI Suitability Correspondence (OPM Initiated)\*
  - TUI- Trust Fund Investigation \*
  - OBJ-PASS – Objection Passover Request\*
  - NSD- NACI Suitability Determination (OPM Initiated) \*
  - ASC- Applicant Suitability Correspondence (OPM Initiated)\*
  - ESD- Employee Suitability Determination\*
  - MFI – Merit Fraud Investigation (OPM Initiated)\*
  - Advisory – Suitability Opinion\*
  - PTSBI – Public Trust SBI\*
  - OBI- “Other” BI\*
  - MTI- Merit Test Investigation (OPM Initiated)\*

\*Not statistically significant

## Investigations

In the course of accomplishing this impressive FY 2012 investigative volume, FIS completed nearly **23 million** individual item checks, equating to over **62,000** checks *per day* or over **2,600** checks completed *per minute*. These checks included 3.9 million searches of prior investigative records, 3.4 million FBI searches, 3 million law enforcement checks, 2.8 million employment records, 1.5 million reference checks, 1.0 million residence checks and over 600,000 education checks, just to name a few.

3,892,629	•Checks of prior background investigations conducted by OPM and other investigative agencies
3,435,205	•Searches of FBI investigation and arrest records
3,037,818	•Law enforcement checks
2,821,402	•Employment history checks
1,506,260	•Personal reference checks
1,141,642	•Checks of Defense Department investigative records
1,002,101	•Residence checks
868,568	•Credit report checks
801,970	•General checks of miscellaneous sources
619,046	•Education verification checks
451,310	•Subject interviews
3,400,597	•Other , such as verifications of birth, immigration status, financial health, Selective Service registration

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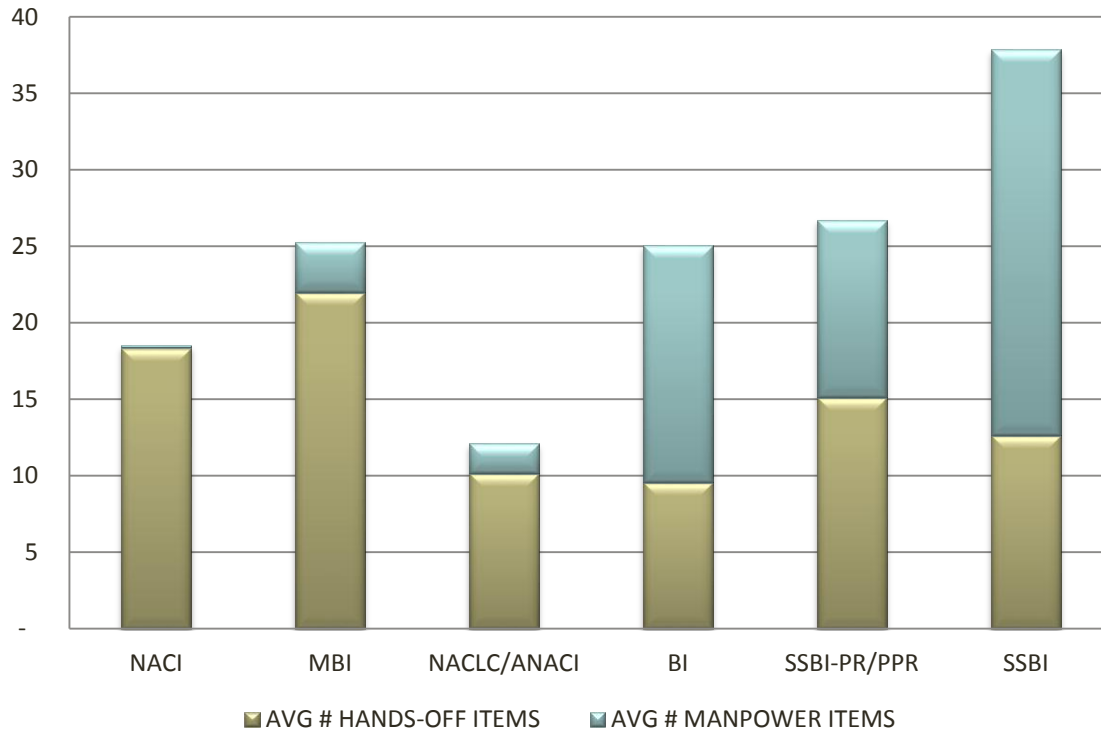
*Of the 22,978,548 item checks conducted in FY 2012, some were fully automated and accomplished in minutes, while others were manual checks, requiring “hands-on” manpower over the course of hours or days*

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## Level of Effort

As shown in the previous chart, investigations are made up of a variety of automated (hands-off) and manual (manpower) information collections. Generally speaking, investigations conducted to support lower risk vetting determinations are largely composed of automated information sources, while investigations conducted to support higher risk vetting determinations contain the majority of manual information sources.

*Average Number of Item Checks Per Case Type*

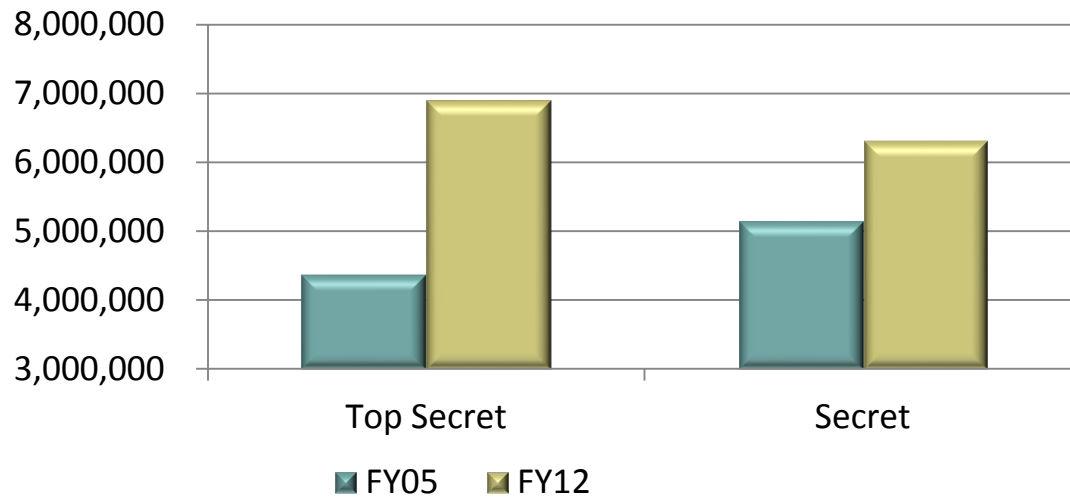


## Investigation Work Mix

Unanticipated changes in the investigation work mix can adversely impact FIS performance. As an example, FIS is required under the Intelligence Reform and Terrorism Prevention Act to focus on the timeliness of initial National Security investigations. An unanticipated surge in Periodic Reinvestigations, which consist largely of manpower information collections, caused FIS to experience a 22% increase in pending investigation inventory, impacting investigative timeliness.

## Investigations

**Workload: Number of Item Checks per Investigation Type**



Total Item Checks Completed	FY 2005	FY 2012	Percent Change
<b>Top Secret</b> <i>(SSBI, SSBI-PR, Phased PR)</i>	4,371,057	6,907,663	<b>58.0%</b>
<b>Secret/Confidential</b> <i>(NACLC, ANACI)</i>	5,143,542	6,316,013	<b>22.8%</b>

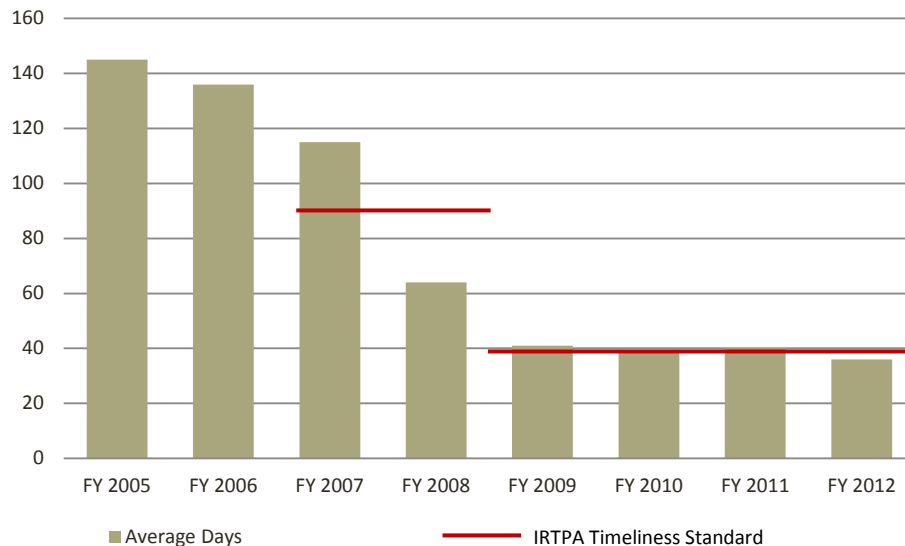
### Level of Effort

Since FY 2005, not only has the number of investigations FIS is charged to complete significantly increased, but so has the level of manual effort required. Top Secret investigations involve a higher percentage of fieldwork intensive manual checks and thus require a markedly greater level of effort and time to complete than Secret/Confidential investigations. For example, the number of item checks required to complete the Top Secret clearance investigations (SSBI) is nearly triple the number of checks required for Secret and Confidential investigations (NACLC).

*Security clearance investigation timeliness has improved almost 250% since measurements began in FY 2005*

The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) provides the statutory basis for security clearance investigation and adjudication timeliness mandates. Under the IRTPA, the Office of Management and Budget was required to report timeliness to Congress in February of each year through 2011. The function of monitoring and reporting security clearance timeliness is now accomplished by the Director of National Intelligence. IRTPA requirements were phased in, requiring within two years the fastest 80% of security clearance investigations to be accomplished in an average of 90 days, and then by FY 2009 the fastest 90% of security clearance investigations to be accomplished in an average of 40 days.

### Investigative Timeliness



### Measuring Timeliness

Under IRTPA, investigative timeliness is measured from the receipt date of the completed personnel security questionnaire forms and all required documents, including releases and fingerprint charts, by the investigative service provider to the date the final investigative file is forwarded to (or received electronically by) the adjudicative authority.

On October 1, 2012, new timeliness standards were put in place for Single Scope Background Investigations. The Director of National Intelligence, in his role as Security Executive Agent, assigned a 100-day goal (80 days for the investigation and 20 days for adjudication) for initial top secret investigations. The end-to-end 60-day goal mandated by the Intelligence Reform and Terrorism Prevention Act remains in effect for initial secret-level investigations.

## Delivering Quality

FIS conducts a thorough quality assessment of its investigative products and processes that incorporates different aspects of quality review. This can include local review of individual reports of investigation by Supervisory Agents in Charge and other field personnel, comprehensive reviews conducted by centralized Case Reviewers, and random review conducted by staff within Quality Assurance. For investigations conducted under contract, the contractor provides an internal quality review before delivering the completed investigation to OPM, where Case Reviewers provide additional quality assessment.

In FY 2012, FIS implemented an internal quality assessment tool used by Federal staff that captures deficiencies or areas of concern within investigations that need revision, prior to sending the final investigative product to our customers. Thorough analysis of the data maintained within this tool has enabled FIS to discern quality trends and identify training needs, policy clarifications and process efficiencies that facilitate the enhancement of investigative quality.

As an example, using data analyzed from this tool, FIS implemented a continuing Quality Training Program targeting individual investigator needs, that focuses on identifying and preventing the most prevalent quality issues within investigations.

In support of our long-term commitment to quality, OPM has partnered with other Federal agencies to establish the Quality Assessment Working Group. Along with the Department of Defense (DoD) and the Office of the Director of National Intelligence (ODNI), OPM is co-chairing this inter-agency working group whose focus is the improvement of quality within the Federal investigative process. The working group brings together over 20 Federal agencies and involves both Investigative Service Providers and adjudicating agencies. The working group's primary objectives are to bring consistency to investigative quality expectations and

### FY 2012 FIS Quality Highlights

- Full implementation of an internal quality database that identifies quality trends and facilitates quality improvement
- Implementation of a Targeted Training Program for Federal Investigators
- Establishment of the Quality Assessment Working Group, with DoD and ODNI, to develop Federal standards for quality
- Underwent Federal Law Enforcement Training Accreditation (FLETA) process for the Federal Background Investigators Training Program

## Delivering Quality

to standardize the evaluation of quality within the Federal government. Towards these objectives, the working group will define a quality investigation and establish Federal standards for evaluating quality. A comprehensive quality assessment tool that enables an accurate measurement of investigative quality will be a product of the working group.

As part of our continuous quality improvement initiatives in FY 2012, we engaged in a number of efforts to further align our investigative product with our customers' expectations. We clarified our investigations policy to ensure broad reference and source input into our investigations and implemented programming changes within the Personnel Investigations Processing System (PIPS) to provide additional reinforcement for source coverage in SSBI and SSBI-PR investigations. Based on feedback from customers, we embarked on an initiative to improve the format for the delivery of results to customer agencies through development of a Re-Sequenced Investigative Packet. The Re-Sequenced Investigative Packet will improve the readability and navigation of the final investigative product and is in final testing for early 2013 delivery.

The Customer Satisfaction Survey is an important part of our outreach to customer agencies regarding the quality of our products and services. The Survey for FY 2011, conducted in early FY 2012, reflected an overall 98% customer satisfaction rating. As part of the FIS FY 2012 strategic goal of delivering quality, we established a metric of 100% follow-up on input from the Customer Satisfaction Survey within one week of receiving the Survey responses. FIS achieved this goal and addressed all quality specific issues raised in the follow-up dialogue by the end of the second quarter of FY 2012.

To ensure that our commitment to quality remains front and center in our investigative reports and related processes, OPM created the position of FIS Deputy Associate Director for Quality. The Deputy Associate Director for Quality will serve as a deputy and principal advisor to the Associate Director, Federal Investigative Services, for all quality matters related to the conduct and delivery of background investigations to our broad customer base. The Deputy Associate Director will provide analyses and recommendations concerning the quality of investigative services of significant scope, sensitivity and government-wide impact. This position was announced in September 2012 and will be filled in early FY 2013.

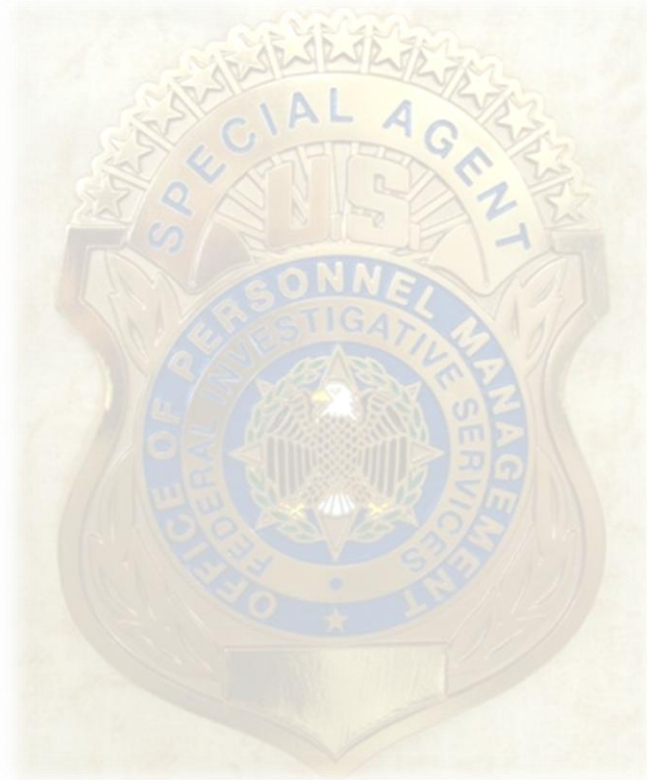


## Assuring Integrity

FIS investigative personnel occupy positions of public trust and are charged with a national security mission. They are expected to honor the trust placed in them by maintaining ethical and professional conduct that is above reproach. The Standards of Conduct in our Investigator's Handbook are clear— Investigators are expected to demonstrate unimpeachable conduct, respect the property and privacy of Subjects and sources, maintain neutrality and attentiveness, abstain from bias, exhibit uncompromising and steadfast reserve in professional conduct, exercise proper comportment and a professional appearance, preserve the accuracy and completeness in the reporting of all relevant facts, give the best impression of the Federal government, and honor the trust placed in them.

FIS is proud of its highly skilled, professional investigative workforce. Misconduct rarely occurs. When misconduct is suspected, the FIS Integrity Assurance (IA) office has primary responsibility for investigating all allegations. While FIS Integrity Assurance is responsible for a wide range of internal inquiries, the most serious investigations involve allegations of falsification of investigative work.

FIS is proactive in its efforts to detect falsification and uses a variety of internal controls to this end. Included in the suite of controls are two notable programs: the re-contact letter program and targeted employee training. The re-contact letter program dispatches survey letters to sources who are interviewed during a background investigation. Whenever a response casts doubt upon an investigator's conduct, additional inquiries are performed to determine whether or not investigative work has been falsified. As for training, new Investigators receive training in ethics and integrity and experienced Investigators receive on-going integrity training. Case reviewers are trained to identify and refer reports that have indicators of possible integrity concerns. FIS will continue to have a "no tolerance" policy regarding falsification, and will continue to work closely with the Department of Justice to prosecute those found guilty to the fullest extent of the law.

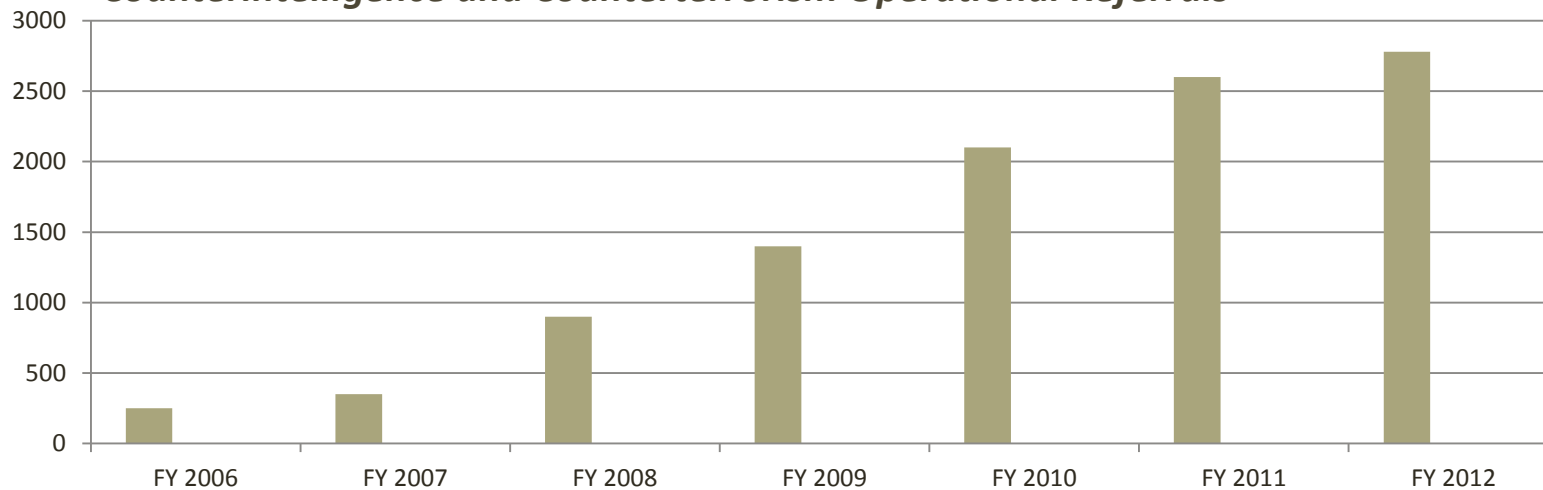


## Counterintelligence

The FIS Counterintelligence (CI) Activity focuses on counterintelligence, counterterrorism and loyalty issues detected during FIS background investigations. Special emphasis is directed to detecting insider threats, espionage, terrorism, and other threats and activities conducted for or on behalf of foreign powers, organizations, persons or their agents working against the United States and its interests.

The FIS CI Activity is the principal point of contact within OPM for collaboration with the intelligence and law enforcement communities in detecting individuals who have infiltrated or are seeking to infiltrate the Federal workforce as Federal employees, contractors or members of our nation's defense forces. During FY 2012, the CI Activity continued emphasis on quality, timeliness, and greater inter-agency collaboration, increasing CI field referrals to 2780 cases this year, an increase of 9.5% over FY 2011. Our partnerships are growing, enabled by recent amendments to Federal laws facilitating intelligence and law enforcement information sharing. In 2012, our work supported our Federal partners in their efforts to prosecute individuals for crimes associated with taking and transferring classified information, conspiracy to commit espionage, mishandling classified information and obstructing investigations.

### *Counterintelligence and Counterterrorism Operational Referrals*



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*2,000 Security and 10,000 Personnel and Human Resource components depend on FIS for early detection and referrals of serious issues that may call to question an applicant, employee or contractor's reliability, trustworthiness, character, and allegiance to the United States.*

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### *A Few of Our FY 2012 CI Activity Success Stories*

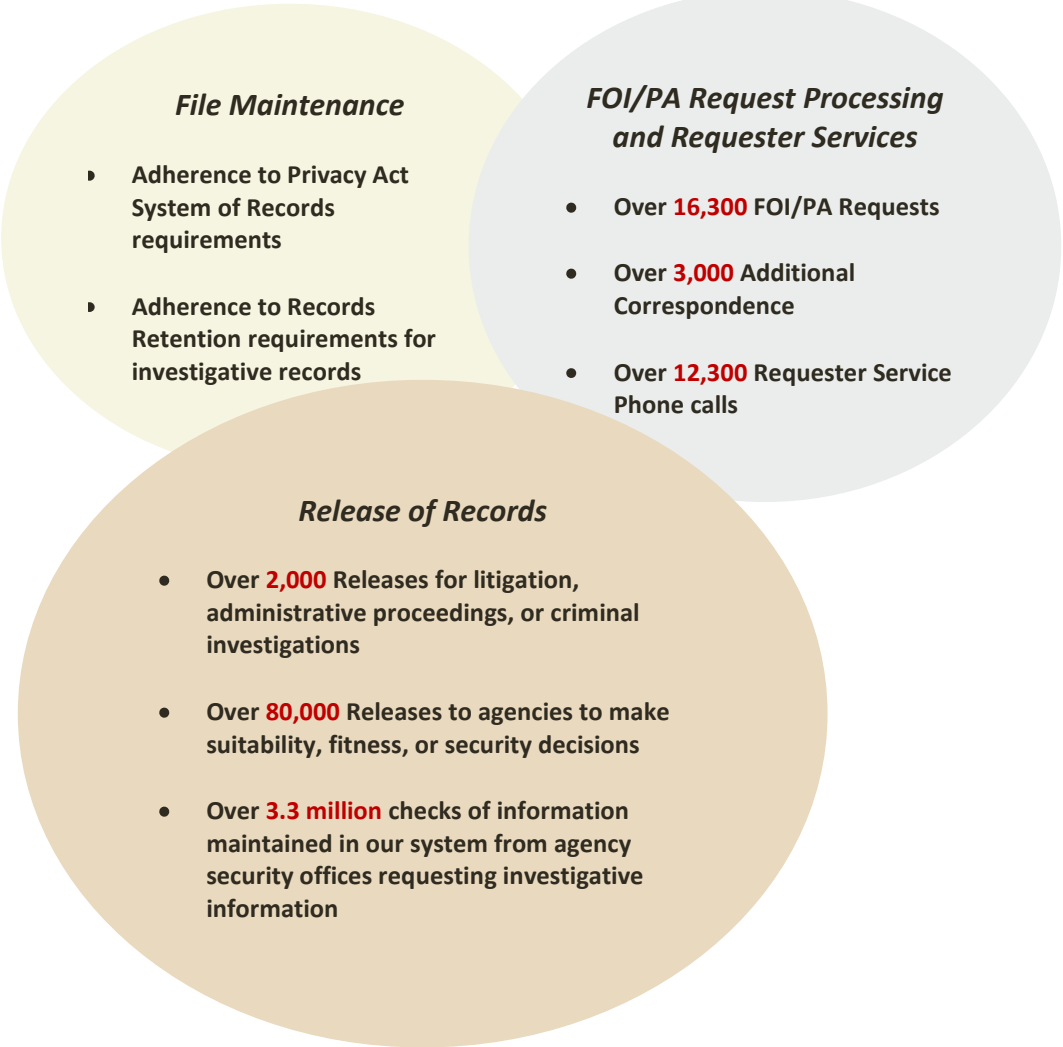
Coordination was made during the conduct of background investigation several other Federal agencies. The subject of the investigation pled guilty to “Obstructing Investigations to Obtain/Maintain a Government Security Clearance” and is scheduled to be sentenced in March 2013. The subject faces a maximum of five years in prison.

For three years FIS worked in close coordination with another Federal agency, supporting multiple source interviews regarding a subject of investigation who was suspected of committing espionage. OPM conducted the subject interview for the security clearance background investigation, during which the subject materially falsified information regarding his foreign contacts, foreign business relationships and involvement in a Federal investigation. Supported by the FIS investigation results, the Government’s case against the subject led to a Grand Jury indictment.

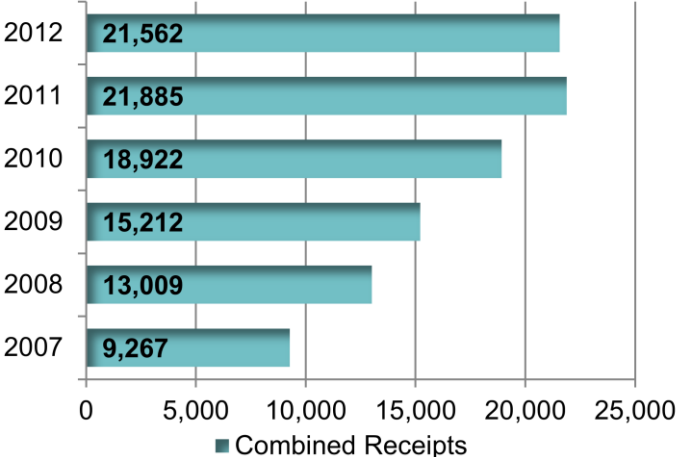
During a background investigation, the subject of investigation repeatedly misrepresented the identity of a direct affiliate and the nature of his ties with that person and other foreign associates. The subject’s contact was a known entity in aiding and inciting terrorism and a known supporter of Al Qaeda. Based on the assessment of the risk, the subject was removed from work on the Federal contract and denied security clearance.

### Freedom of Information and Privacy Act Requests

The Freedom of Information and Privacy Act (FOI/PA) office provides guidance and controls needed to satisfy Freedom of Information Act (FOIA) and Privacy Act (PA) requirements to safeguard personal information and preserve the public trust throughout the investigative process. FOI/PA supports reciprocity by overseeing the pre-placement file release process to ensure agencies can obtain copies of previously conducted investigations needed to make informed suitability and security decisions. Additionally, FOI/PA responds to requests for FIS records made under the FOIA and PA.



**Request Volume Increase**  
FY 2007 to FY 2012



One key to FIS' investigative quality is investment in training. FIS employs a professional cadre of certified instructors and instructional system specialists to develop and provide core training and professional development to FIS employees, contractors and other government agency personnel. Our line of sight is clear: Training -> Skill and Knowledge -> Competencies -> Team Tasks & Project Work Processes -> Organizational Goals & Key Performance indicators -> Product/Performance. We gauge training as we do every other expense, assuring that the investment makes sound business sense and meets our organizational goals.

FIS delivered a blended learning approach using an automated Learning Management System to leverage online training capabilities. This approach enabled all FIS employees to take advantage of cost-effective, job-relevant training courses that greatly benefited both the agency and the individual employee. While there were upfront costs to implement e-learning, the savings and long-term benefits were quickly realized. Through these efforts and initiatives, FIS was able to see a cost savings of over \$650,000 in training dollars from FY 2011 through FY 2012. These cost saving initiatives were implemented without sacrificing training quality. FIS' investment in quality training and professional development programs, and efforts to achieve efficiencies and value, will continue to pay dividends in employee performance and in reaching agency goals.

FY 2012 saw the release of new national training standards for security adjudicators, suitability adjudicators and background investigators by the Security and Suitability Executive Agents. These national training standards identified core competencies, skill standards, and training objectives, reflecting years of interagency development and coordination, and were approved by the Performance Accountability Council (PAC) before release by the Executive Agents. Upon implementation, these training standards will result in standardized adjudicator and investigator training, promoting the consistent application of adjudication and investigation standards across Government and reciprocal acceptance of agency decisions.

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*In August 2012, the Security and Suitability Executive Agents jointly released government-wide training standards for background investigators and adjudicators to directly support reciprocity activities*

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## Training

On October 1, 2012, the Training and Professional Development (TPD) group was renamed the FIS National Training Center (NTC). All TPD staff members, programs, and courses were placed under the FIS NTC moniker. FIS established a line of business at the NTC that provides training on a cost reimbursable basis to personnel from other government and contractor entities. Our line of business supports the Federal Background Investigator Training Program and the Essentials of Suitability Adjudications Program. Both of these programs were developed to comply with and implement the new national training standards.

In FY 2012, FIS applied for program accreditation for our foundation level Background Investigator and Suitability Adjudicator training programs through the Federal Law Enforcement Training Accreditation (FLETA) program. This accreditation is part of our pathway to quality, providing us with an ongoing process of academy-wide development and improvement. Accreditation aligns our training to professional standards, validates program utility and instills confidence in the work of our trainees within OPM, with our customer agencies, and with the public at large. Upon accreditation (anticipated to occur sometime in early FY 2013) FIS will have the first and only Federally accredited personnel security investigation training program in the United States. Subsequent to obtaining accreditation for these two key FIS programs, FIS will pursue Academy Accreditation which requires the application of FLETA standards and documentation rules throughout all programs and courses administered by NTC staff. The anticipated date of FLETA Academy Accreditation is in early 2014.



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*FIS is working with FLETA to launch the first and only federally accredited personnel security investigation training program in the United States.*

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## Courses and Training Provided by FIS FY 2012

### **Federal Background Investigator Training Program (\*)**

The FBITP is a basic training program required for personnel who conduct background investigations for the Federal government. The purpose of the program is to provide agents with the knowledge, skills, and abilities needed to achieve their major job function, which is to perform an efficient, effective, accurate, timely, and complete investigation that meets agency requirements

### **Investigator Orientation Overview (\*)**

IO is a two-week overview delivered through the Professional Development Portal (PDP) which covers the following administrative functions and policy and process fundamentals: human resource processing, obtaining equipment and IT accesses, OPM history and investigative policies, and processes and procedures

### **Investigator Field Course (\*)**

The IFC is the third and final phase of the new investigator training program. It is a two-week course which includes several short segments covering administrative and investigative topics and the usage of FIS tools such as iBot and investigative forms (SF85P, SF86). The majority of the two weeks consists of on-the-job training that allows Agents in Training (AITs) to apply the knowledge obtained at the FBITP to “real world” investigative situations, all while under the guidance of their Coach and Special Agent in Charge

### **Field Coach Mentor Training Course**

This course prepares potential or designated field coaches/mentors for their important roles in administering the Investigator Orientation (IO) and Investigator Field Course (IFC) phases of training for new agents. It stresses coaching concepts, FIS policies, procedures and best practices regarding the implementation of all three phases of new agent training (IO, FBITP and IFC)

### **Probationary Agent Training Program**

This program establishes the training responsibilities, requirements, and expectations for an individual during his/her first year as an agent. It provides SACs, trainers, and coaches with tools to evaluate a new agent’s duty performance and professional qualities

### **Supervisory Agent in Charge (SAC) Leadership & Technical Training**

This course provides in-depth training on how to manage a team of background investigators for OPM-FIS. The scenarios recreate realistic situations and enhance skills required by the SAC to succeed as a leader and manager

### **Case Analysis/Briefing Course**

This course reviews the process and importance of briefing cases. Agents can take one of two versions: a one-hour version that is also used during the IFC or a 30 minute version that is more suitable for agents performing at a high level

### **FIS Case Processing: A to Z**

Provides specialized training in areas relevant to conducting background investigations in the interest of sustaining a skilled FIS workforce, thereby ensuring the successful completion of investigations

### **In-Service (Recurring) Field Training**

Designed to refresh or develop an agent’s skills for tasks that are complex and/or critical and that are performed on a regular basis. Training topics are prioritized and identified based on quality measures with the objective to support FIS’ strategic goals of delivering timely, high quality investigations in a cost-effective manner

### **Performance (Deficiency) Field Training**

Participants receive corrective guidance, complete practical exercises and receive continuous feedback and evaluation in the areas directly affecting their performance deficiencies

### **Interview Techniques for Adjudications**

This class provides training for adjudications staff who are involved with phone and in-person interviews. Techniques included the topic – deceptive verbal and non-verbal communications

### **Essentials of Suitability Adjudication Program (ESAP) (\*)**

The ESAP provides in-depth training on the adjudication of character and conduct made under title 5 of the Code of Federal Regulations, part 731. The scenarios challenge the adjudicator-in-training by recreating realistic case situations where he/she practices and demonstrates command of the adjudication process

### **Fundamentals of Review Training**

Provides in-depth training on the fundamental responsibilities for reviewing background investigations for OPM-FIS, to include a review of OPM’s Personnel Investigations Processing System (PIPS). The review simulations challenge the reviewer-in-training by recreating realistic case situations where the reviewer practices and demonstrates his/her command of case types

## Review Process Overview

Provides in-depth training on the fundamental responsibilities for reviewing background investigations for OPM-FIS, with a focus on the Single Scope Background Investigation (SSBI) case type

## National Agency Check (NAC) & Issue Characterization

Provides FIS Capacity Development and Oversight staff with an overview of each of the different NACs and reinforces standard issue Characterization methodology

## Financial Issues & Bankruptcy in OPM Investigations

This workshop examines complex financial issues that arise in OPM investigations and provides special focus on the interpretation of bankruptcy schedules

## Moderate Risk Background Investigation (MBI) Case Coverage

Provides in-depth training on the coverage requirements of the Moderate Risk Background Investigation (MBI) case type. The review simulations challenge the reviewer-in-training by recreating realistic MBI case situations where the reviewer practices and demonstrates his/her command of the MBI case type

## Background Investigation (BI) Case Coverage

Provides in-depth training on the coverage requirements of the Background Investigation (BI) case type. The review simulations challenge the reviewer-in-training by recreating realistic BI case situations where the reviewer practices and demonstrates his/her command of the BI case type

## Single Scope Background Investigation (SSBI) Case Coverage

Provides in-depth training on the coverage requirements of the Single Scope Background Investigation (SSBI) case type. The review simulations challenge the reviewer-in-training by recreating realistic SSBI case situations where the reviewer practices and demonstrates his/her command of the SSBI case type

## Single Scope Background Investigation – Periodic Reinvestigation (SSBI-PR) Case Coverage

Provides in-depth training on the coverage requirements of the Single Scope Background Investigation-Periodic Reinvestigation (SSBI-PR) and Phased Periodic Reinvestigation (PPR) case types. The review simulations challenge the reviewer-in-training by recreating realistic SSBI-PR and PPR case situations where the reviewer practices and demonstrates his/her command of the SSBI-PR and PPR case types

## Phased Periodic Reinvestigation (Phased PR) Case Coverage

Provides in-depth training on the coverage requirements of the Phased Periodic Reinvestigation (PPR) case type. The review simulations challenge the reviewer-in-training by recreating realistic PPR case situations where the reviewer practices and demonstrates his/her command of the PPR case type

## Field Work System (FWS)

This on-line training was designed and developed to instruct FIS employees on the new reporting program to replace Personal Investigations Processing System – Reporting (PIPS-R). The course incorporates aspects of the PIPS investigative functions, and provides agents with more flexibility when completing case work in order to improve productivity, accuracy, and timeliness

## Agency Training Courses (\*)

### Central Verification System (CVS)

This course provides in-depth training on CVS, which contains information on security clearances, investigations and suitability determinations

### Position Designation

This course provides in-depth training on the Position Designation Automated Tool (PDT), which is used to appropriately designate the risk and sensitivity levels of all Federal competitive positions and any position that can be converted to competitive

### e-QIP Train-the-Trainer

This course provides in-depth training on the Electronic Questionnaires for Investigative Processing (e-QIP) system, which is used by agencies requesting investigations to submit standard forms electronically. This course is designed to provide attendees with the necessary skills to train additional employees at their agency on the e-QIP system

### \* Participating External Agencies

AIR FORCE	DODIG	DOI	FINCEN	NOAA
ARMY	DOC	DOI/OIG	FRB	NTSB
CDC	DODEA	DOI/USBR	FTC	PBGC
CENSUS	DOI/BEP	DOJ	HHS	SEC
DECA	DOI/BLM	DSS	IRS	Treasury/BEP
DFAS	DOI/BSEE	EEOC	NASA	TSP
DHS	DOI/OLES	EPA	NAVY	USMC
DHS/FPS	DOI/NBC	FDIC	NIH	VA
DHS/ICE	DOI/NPS	FERC	NLRB	WHS



*Executive Order 10577 directs OPM to examine “suitability” for competitive Federal employment*

### Ensuring the Integrity of the Federal Service

**Suitability Adjudications:** Most potential Government-wide debarment cases are identified through the FIS investigative process. In FY 2012, FIS received only 144 agency referrals for falsification, compared to 244 in FY 2011, a 40% decrease. Of the 144, 61 were converted to OPM adjudicative resolution.

#### *FY 2012 Suitability Review*

	Cases Received	Adjudication Conversions
Agency Referrals	144	61
NACI's	1511	273
ANACI's	2982	71
BI's	2146	55
Total	6783	460

#### **Suitability in Government**

FIS administers the Government-wide suitability program required by Executive Order 10577 to ensure individuals entering Federal service have demonstrated sufficient positive conduct and character traits to promote the efficiency of the civil service and protect its integrity. Under part 731 of Title 5, Code of Federal Regulations, agencies are required to refer falsification issues to OPM for adjudication. Agencies are also required to send OPM cases when it appears a Government-wide debarment may be warranted. As a service to agencies, FIS conducts an internal review of its investigations to determine whether debarment may be warranted. For all applicant and appointee cases not involving material, intentional falsification or refusal to furnish testimony, adjudicative authority is delegated to the hiring agency. FIS assists agencies by providing suitability advice, assessment, and training.

### Role of suitability adjudication in program outreach/oversight

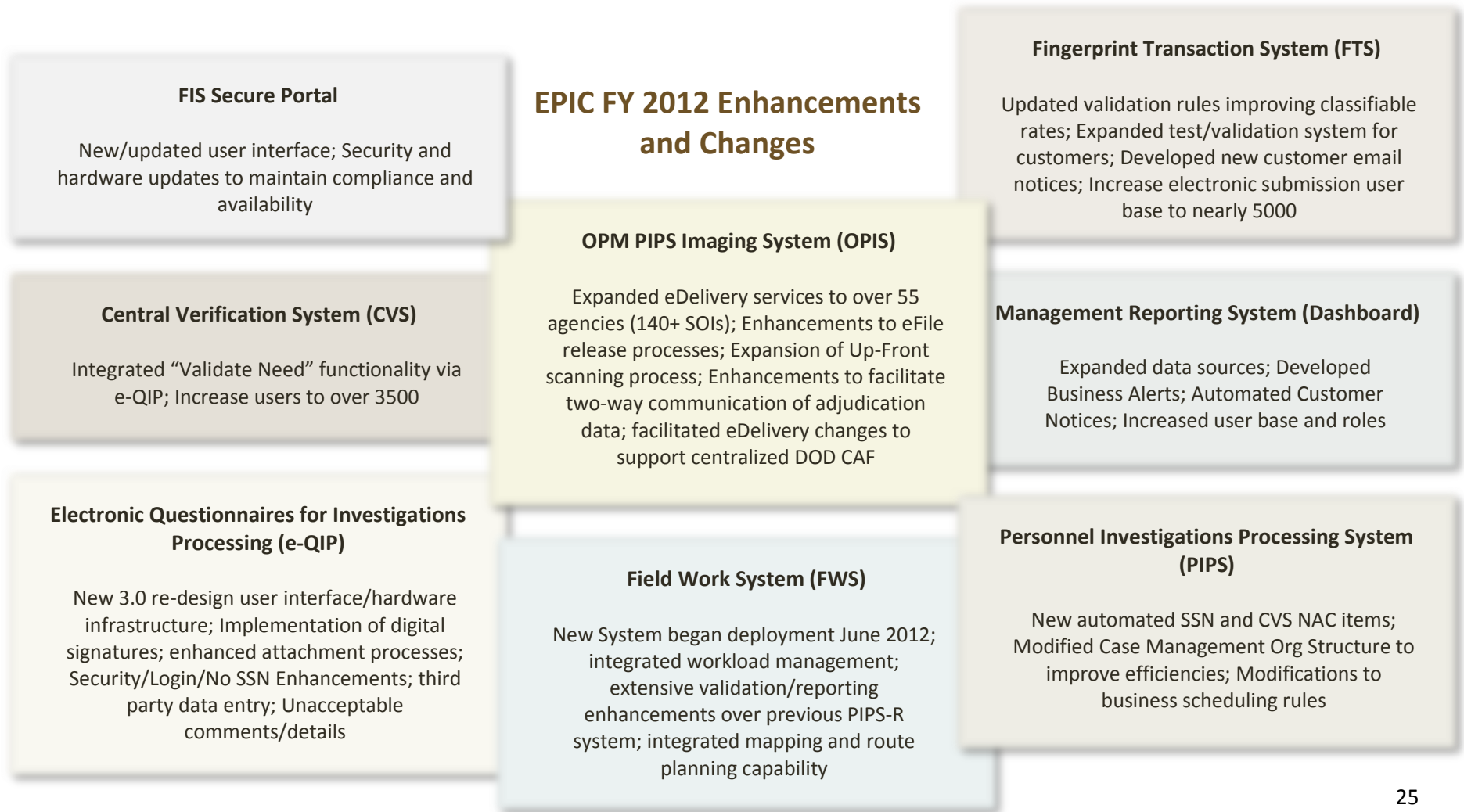
**Hotline:** FIS operates a suitability hotline to assist agencies making suitability determinations. On average in FY 2012, the hotline received 71 calls per week, with a 3.5% increase in the average number of calls received per month over FY 2010 and 2011.

**Agency training and outreach:** In FY 2012, FIS held 9 sessions of its *Essentials of Suitability Adjudication Program* (150 participants) and 3 suitability roundtables on suitability referrals (78 participants); FIS also provided 4 suitability overview presentations requested by agencies.

**Oversight:** FIS reviews agency favorable suitability adjudications on major issue cases. In FY 2012, 4270 cases were reviewed, resulting in 226 oversight letters being sent to agencies to initiate reviews of the adjudicative actions.

### Ground Breaking Changes to Our Automated Systems

FIS is continuously modernizing and expanding our automated suite of systems (collectively referred to as EPIC) designed to support the investigative processes of FIS and the personnel security processes of the Federal Government. We originally coined the term “EPIC” as representative our four core e-Government systems (E for e-QIP, P for PIPS, I for Imaging, and C for CVS), however, our EPIC suite includes all systems developed to meet our current and future business and personnel security process needs.



## Investing in the Future

Automation of the investigative process wherever possible is a chief operational goal of FIS. Through the automation of business processes, IT investments continue to facilitate improved efficiencies, quality, and accessibility to OPM Investigative products and services.

In recent years FIS has focused on modernization of the EPIC suite, with an end goal of “total IT transformation” to enable FIS to meet the challenges of the personnel investigations mission of the future by designing and delivering the most dynamic technology processes and solutions available. This effort has been underway while at the same time ensuring our continued focus on the maintenance of the FIS core business systems supporting current operational processes.

The goals and objectives of the EPIC Transformation Project include:

- Timeliness: Improve the timeliness of the investigative process
- Quality: Improve the quality of the investigative process
- Standardization: Enable standardization across the investigative process
- Reform: Support reform in the investigative process
- Security: Protect and secure investigative information

To achieve our transformation goals, the project was successfully parceled into 20 smaller, more manageable components and where appropriate, technology pilots were established to prove a technology would meet the needs of the business as well as the user community.

With an eye to the future, FIS’ EPIC Transformation project will extend through calendar year 2014 and will include the following initiatives:

- Platform enhancements to update hardware and software
- Implement an event driven architecture;
- Use of Commercial Off-the-Shelf (COTS) products;
- Incorporate relational data base functionality to increase system flexibility;
- Provide additional utility for field investigative staff by taking advantage of proven technology

### *eDelivery*

Initiated in August 2008, eDelivery provides electronic delivery of completed investigation results to our customers. Since eDelivery initiation, over 3.5 million completed background investigations have been sent electronically to 55 participating agencies. In FY 2012 over 94% of all cases based on Standard Form 86 submissions are being eDelivered to customers, with several agencies receiving 100% of these cases electronically.

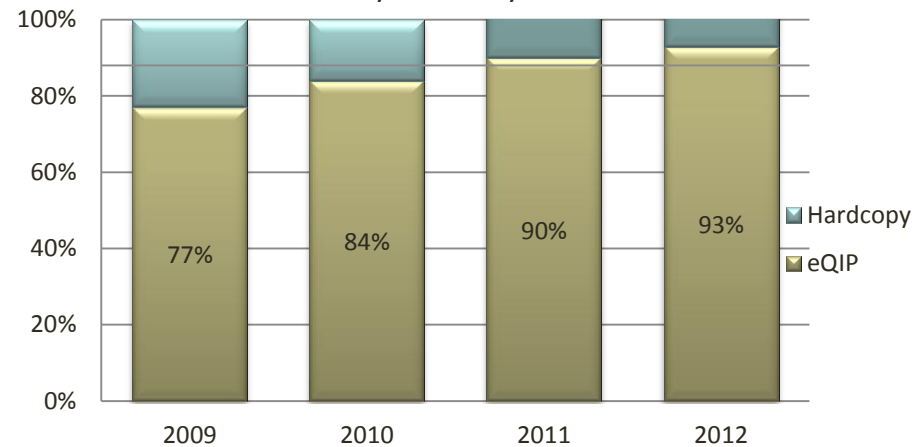
## Investing in the Future

Some Impacts of automated achievements:

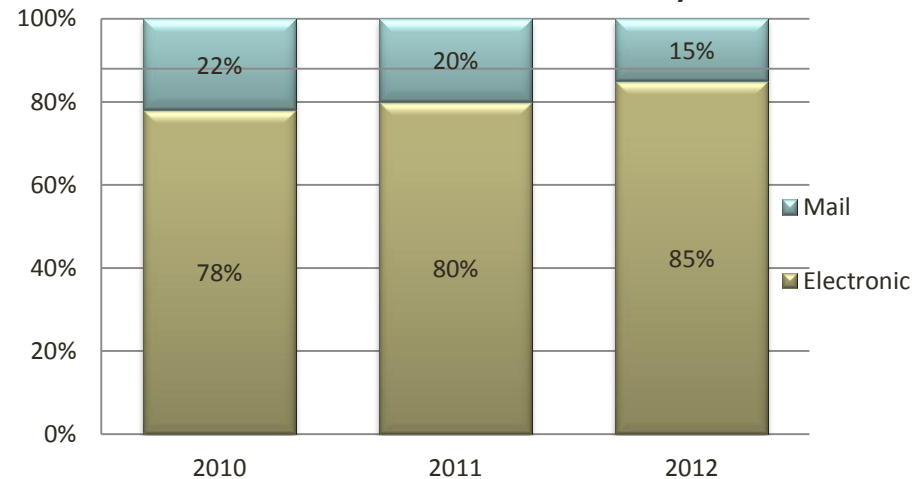
- Increased use of e-QIP has improved the timeliness of processing, reduced manual handling of cases, strengthened the protection of personal identifying information and resulted in improved quality of information provided by the subject and requesting agency through e-QIP's automated validation processes.
- Increased use of digital fingerprint capturing equipment by Federal agencies. In FY 2012, OPM processed over 1.2 million fingerprint charts through the FBI.
- Conversion from manual to automated record checks. This conversion has allowed FIS to use its investigative resources more effectively, reducing costs and processing times and easing the handling burden on state and local law enforcement agencies across the country.
- Expansion of electronic delivery of completed investigations through the eDelivery and PIPS Electronic, saving time and allowing agencies to speedily identify those cases that may be electronically adjudicated.

**FY2009-2012 Agency Use of e-QIP vs Hardcopy**

National Security and Suitability Combined



**FY2010-2012 Electronic vs Mail Delivery**



Per US Code Title 10, FIS executes its mission using a revolving fund to finance investigations, investigative training, information technology resources, and other required functions to provide our Federal agency customers with top quality and timely security and suitability background investigation products and services. This efficient and flexible method allows FIS to support its customers, at their request, on a reimbursable basis without fiscal year limitations, thus providing consistent, year-round investigative capabilities for our national security.

In FY 2012 FIS maintained the same investigation prices as FY 2011, and will continue that 3-year practice of no price increases into FY 2013. FIS continued to improve its robust financial management, billing & payment oversight internal controls and financial reporting in FY 2012 by initiating several new transparency initiatives and launching a new effort to overhaul its cost accounting methodology for FY 2013.

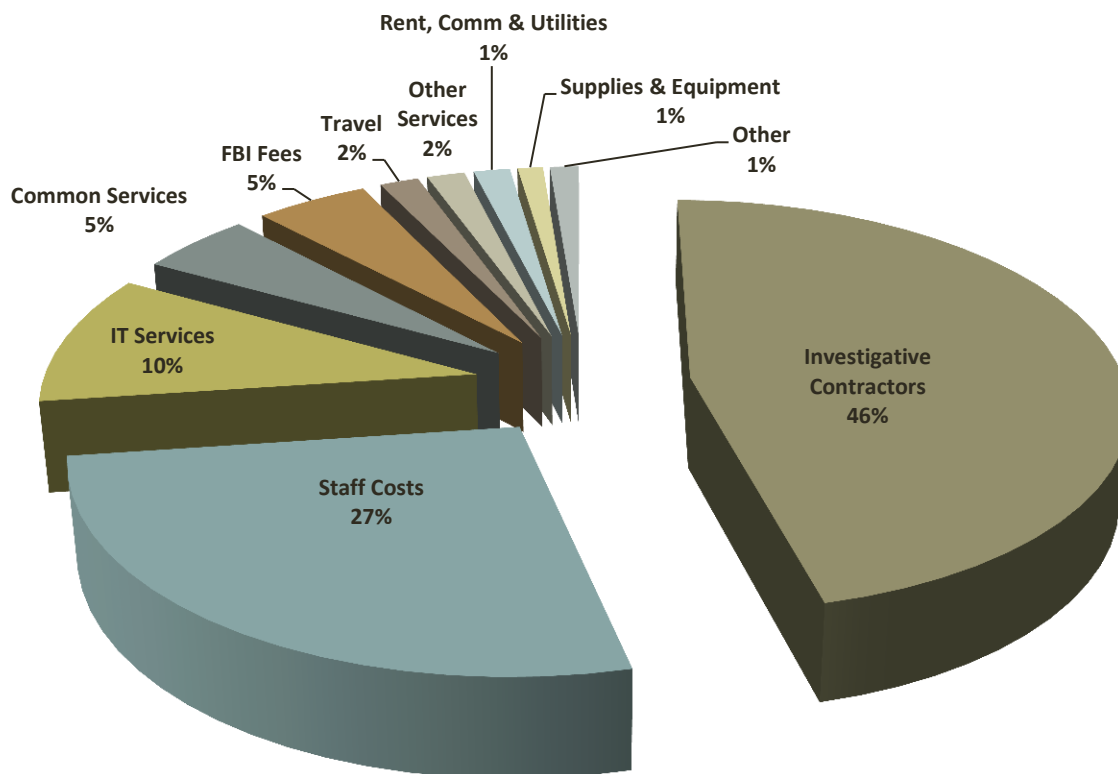
### *Cost Allocation Model*

In July 2012, FIS began development of a Cost Allocation Model (CAM). The CAM will give FIS and our customer agencies a clear, concise picture of the costs of each of the investigative products. In FY 2012, a first generation CAM, based on FIS business line processes and object classes, was developed to capture full organizational costs. The CAM provides visibility into the costs of FIS operations, including full cost of activities performed in support of different types of background investigations, and establishes an appropriate and equitable method for allocating indirect and support cost to the investigation processes and activities. Further enhancements to the model will:

- Help identify the differences in cost structure for Federal employee- and contractor-led investigations.
- Link the cost of operations to the different fees charged to recover the organization's costs to inform a sustainable fee structure.
- Design a repeatable process to develop cost data to support fee studies.

For FY 2012, our revenues were \$1.020B, a 4.9% decrease from FY 2011. Our FY 2012 expenses of approximately \$1.019B decreased by about 5.6% compared to FY 2011. As outlined in the chart below, our major expenses for FY 2012 continued to be Investigative Contractors (47%), Staff Costs (27%), and IT Services (10%).

### *FY 2012 Operating Expenses*

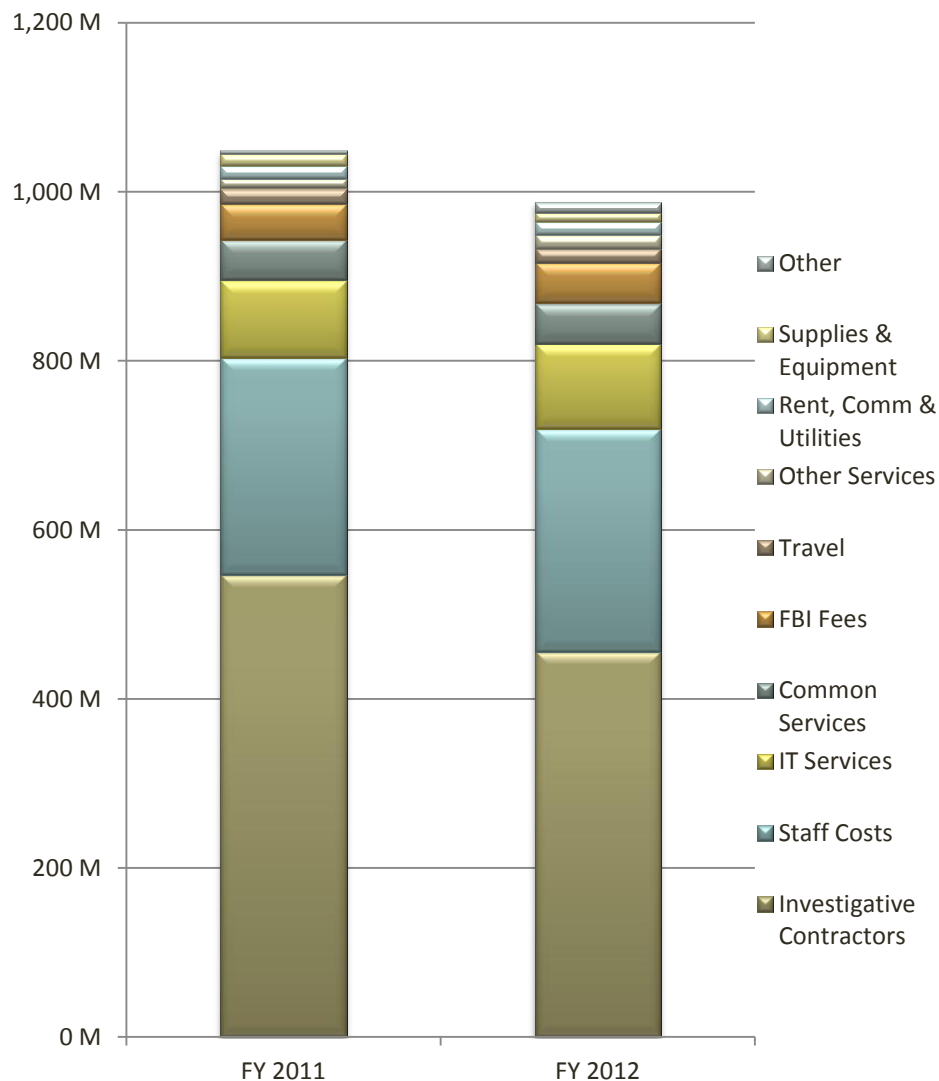


### Operating Expenses

Operating Expenses	FY 2011	FY 2012	Change \$	Change %
Investigative Contracts	547.3 M	456.3 M	(91.0 M)	-16.6%
Staff Costs	256.7 M	263.9 M	7.2 M	2.8%
IT Services	91.8 M	100.5 M	8.7 M	9.5%
Common Services	47.9 M	47.9 M	0.1 M	0.1%
FBI Fees	42.7 M	47.9 M	5.2 M	12.2%
Travel	18.0 M	16.6 M	(1.5 M)	-8.1%
Other Services*	11.6 M	16.2 M	4.6 M	39.3%
Rent, Comm & Utilities	15.4 M	15.5 M	0.1 M	0.6%
Supplies & Equipment	13.9 M	10.8 M	(3.1 M)	-22.3%
Other**	3.8 M	12.4 M	8.6 M	229.8%
<b>Total Operating Expenses</b>	<b>1049.1 M</b>	<b>988.1 M</b>	<b>(61.1 M)</b>	<b>-5.8%</b>

\***Other Services** includes services that are not Investigative Contacts, FBI Fees, Common Services Fees, or IT-related. These would be things like Management/Professional Support, Operations and Maintenance of Facilities, Training Services, Food and Medical Service contracts, and Other Administrative Support.

\*\***Other** is comprised of minor costs associated with Transportation of Things (Shipping), Judgments, Settlements, Interest, and all other misc. codes that did not fit into the other categories.



**Process Reforms**

Since before 2008, OPM FIS has been engaged with the Office of Management and Budget, the Office of the Director of National Intelligence, and the Department of Defense, to implement security and suitability process reforms. Reform initiatives have resulted in enhancements to the Central Verification System (to better share reciprocity data), Standard Form questionnaire revisions in e-QIP (to collect more validated information up front in the investigative process), expansion of automated records sources (to the extent practical in conforming to investigative standards), comprehensive investigative standards (aligning security and suitability investigations in furtherance of reciprocity), standardized investigator training (also in support of reciprocity and investigative quality), and automated delivery of coded investigative results supporting adjudicative efficiencies. The resources invested in process reform are off-set by the government wide benefit and cost avoidance savings by putting people to work quicker using high quality investigative products.

FIS has adjusted products (e.g., the Enhanced Subject Interview) to further support reform. These changes resulted in more robust products but required additional fieldwork (i.e., manpower), which in turn takes more time and comes at a higher cost. However, overall FIS prices have remained stable and an improved product has been delivered.

**Timeliness**

The Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 established Timeliness Requirements for Investigation and Adjudication.

FIS was able to meet and then exceed IRTPA mandates over the years, achieving unprecedented timeliness, by increasing Federal staffing, broadening the use of overtime, and adding other temporary and permanent investigative resources throughout CONUS and overseas. At the same time, FIS was able to eliminate the inherited backlog from DoD and return inventory levels to a healthy state.

For FY 2012, FIS continued to meet the IRTPA mandate to complete the fastest 90% of initial national security investigations in an average of 40 days.

While some FIS operating costs in FY 2012 increased, we avoided further cost and timeliness increases in other areas. We continued to increase the use of automation in the investigative process and increased eDelivery, favorably impacting adjudicative timeliness while decreasing mailing costs. Overall we succeeded in improving timeliness and keeping prices stable.

*Cost Drivers*

**Workload Mix**

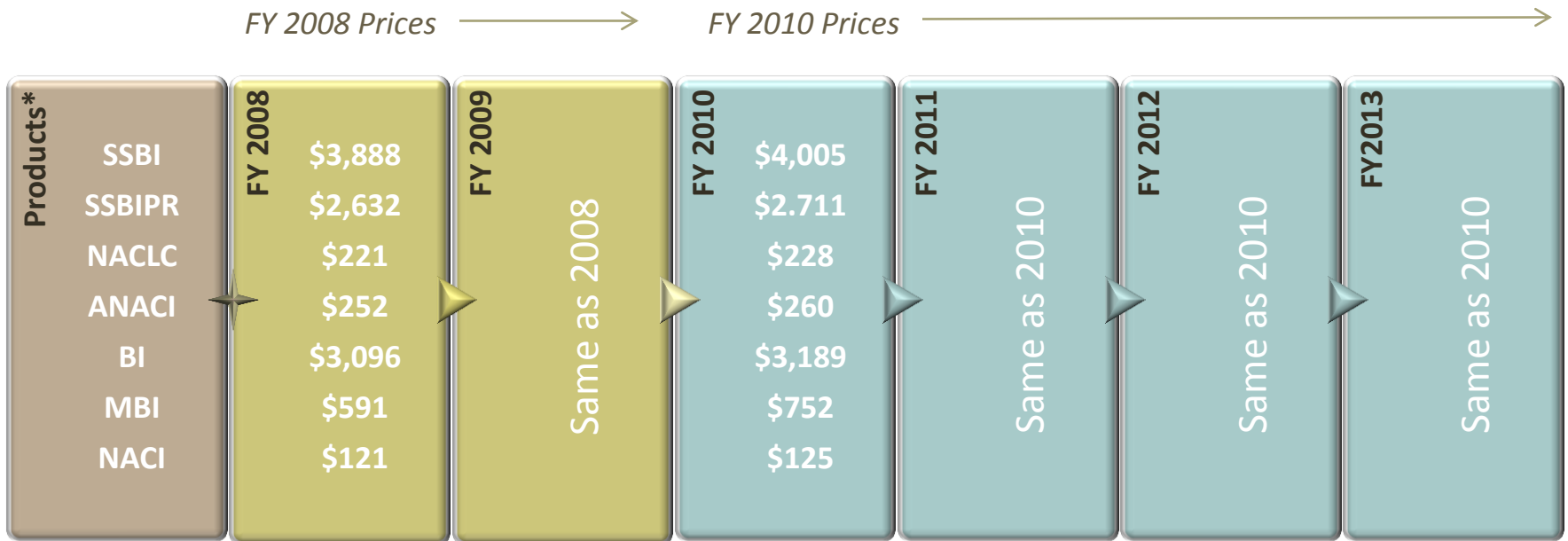
The shift in case requests towards more costly fieldwork-intensive investigations impacts FIS business costs. Since FY 2005, not only has the number of cases significantly increased, but so has the level of manual effort required. These cases have more item checks to complete, and also involve a higher percentage of items that are fieldwork and manually intensive, requiring a greater level of effort and time to complete.

OPM is resourced to meet the investigative timeliness and quality standards based on the projected needs of the Executive Branch community we service. While the FY 2012 investigative workload mix impacted business costs, FIS activities to encourage contractor price competition and adjust resources to manage workload have permitted FIS to satisfy workload requirements without increasing prices.



**Overall Stable Pricing for FIS Products**

Since October 1, 2008, there has been only one single across the board increase in the price of FIS investigative products. The price increase was small, reflecting only a 3% increase overall.

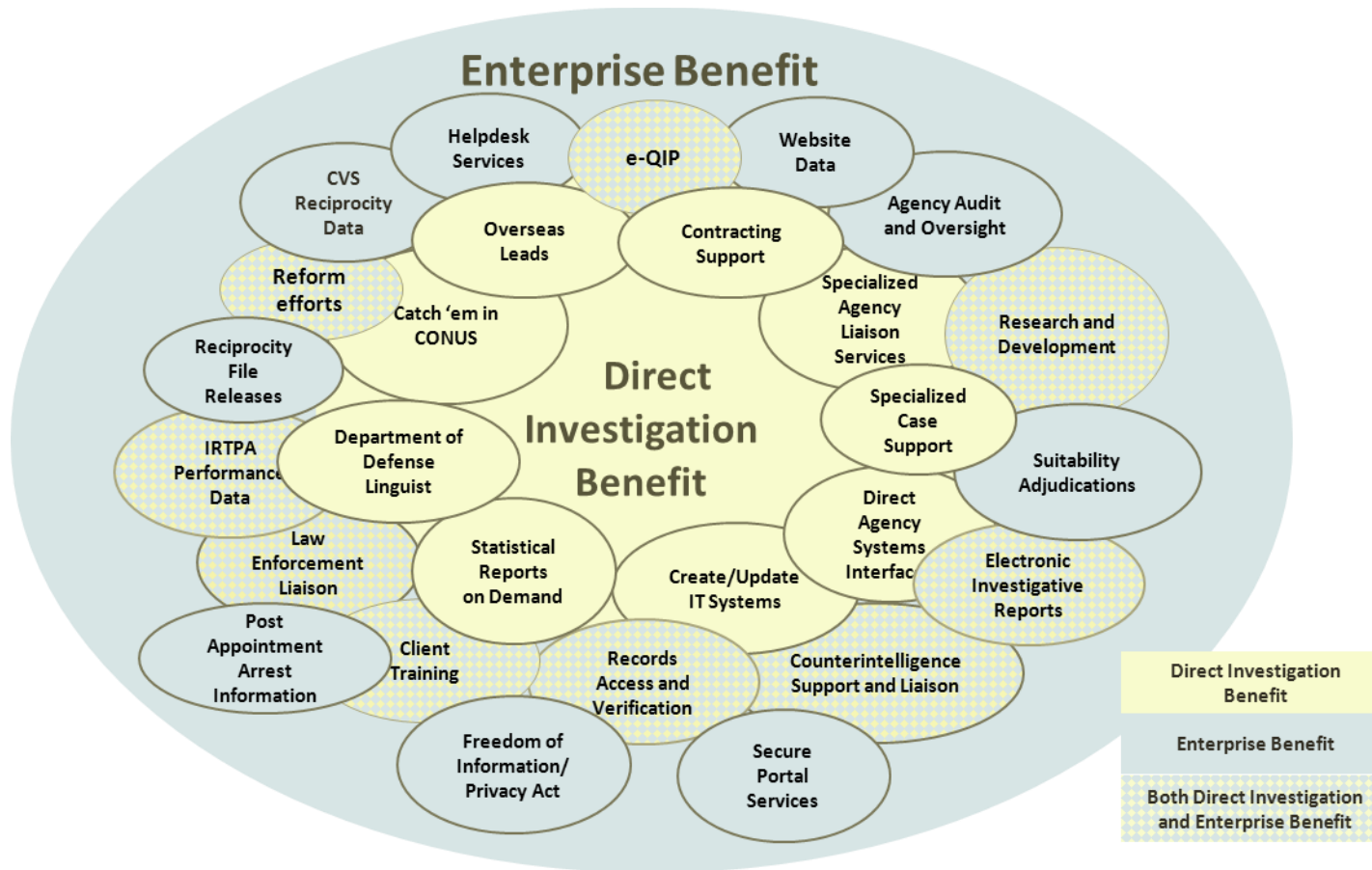


\*Price for Standard (Code B) Product

*Baselining of our cash reserve structure will result in a rebate to our customers through targeted discount pricing in FY 2013*

**Cost of Investigations Program vs. Cost of an Investigation**

The FIS Investigations program provides more than individual background investigations. Many of our operating expenses are incurred in support of community-wide personnel security and suitability needs. Our investments in systems and services, many of which are mandated by law or executive order, benefit and support the enterprise and are funded through our role as the leading provider of investigations to the Federal community.



## Our Commitment to You, Our Stakeholders

As the premier background investigations provider for the Federal Government, we are deeply committed to ensuring our investigations continue to be responsive to detecting threats from both external antagonists and trusted insiders. We are committed to fiscally responsible investments that will potentially replace or supplement costly manpower collections. This includes data mining of adjudicatively relevant information and social media sources that have the potential to uncover behaviors and conduct that is harmful to the nation's security and wasteful to the efficient execution of Government. We are committed to advancing secure and responsible data sharing opportunities among our Federal, state, and local partners in areas of common interest to maximize efficiency, avoid duplication, and enable earlier detection of relevant information. Remaining responsive to our stakeholders needs, we are committed to researching, designing, leveraging, and implementing new ways of doing business to support continuous evaluation efforts, which represent the future cornerstone of vigilance in this new age dominated by cyber vulnerabilities, dependence on critical infrastructure, and insider threats.

With the December 2012 signing of the revised Federal Investigative Standards by Director John Berry and Director James Clapper, the Suitability and Security Executive Agents, our focus will be on reengineering our business processes to implement the standards in a phased and fiscally responsible way, directly supporting the mandate to implement a five-tiered investigative model aligning the investigative requirements for both security clearances and suitability, facilitating reciprocity, and using automation to the maximum extent practicable.

We have made significant progress in providing financial transparency and we will continue to work with the Office of Management and Budget and our stakeholder agencies to further outline the costs associated with the background investigation program and support to government-wide reform and enterprise investments.

We enter FY2013 with great confidence because of the dynamic relationships we enjoy with our stakeholders and the investments we are making in both people and processes. We look forward to the opportunities and challenges FY 2013 will present, joining with our stakeholders to build upon the important accomplishments of FY 2012, and striving to improve and enhance our operations, products, and value to the Federal Government and the American taxpayer.