



**DEPARTMENT OF DEFENSE**  
**CONSOLIDATED ADJUDICATIONS FACILITY**

May 18, 2015

**NATIONAL DEFENSE INDUSTRIAL (NDIA)  
AND THE AEROSPACE INDUSTRIES ASSOCIATION (AIA)**

**MR. STEPHEN DEMARCO**  
**INDUSTRY DIVISION CHIEF, ADJUDICATIONS DIRECTORATE**



# Agenda

- “...3 Years...”
  - *Mission*
  - *Consolidation Overview*
  - *Transformation*
  - *Organization*
- **Adjudication Process Update**
  - *Key Components*
    - > Select Laws, Regulations, and Policies
    - > Technology
    - > Adjudicators
      - Hiring/Certification
      - Guidelines
    - > Personnel Security Investigations
  - *Current Process*
- **Metrics (How are we doing?)**
  - *Adjudications per year*
  - *OPM Oversight Report*
  - *Overall CAF Backlog Reduction*
  - *NISP Backlog*
- **Initiatives**
- **Website**
- **Questions**



# Happy Birthday!





# Mission

- Mission:** To determine security clearance eligibility of non-Intelligence Agency DoD personnel occupying sensitive positions and/or requiring access to classified material including Sensitive Compartmented Information (SCI). These determinations involve all military service members, applicants, civilian employees, and consultants affiliated with the **Department of Defense**, to include DoD personnel at the White House and contractor personnel under the National Industrial Security Program (**NISP**). The DoD CAF also adjudicates security clearance eligibility for staff of the United States Senate and House of Representatives, the Congressional Budget Office, and the United States Capitol Police. Additionally, the DoD CAF renders favorable adjudicative determinations for employment suitability of DoD civilian employees and Common Access Card (CAC) or **Fitness** eligibility of non-cleared DoD contractors.

- 3 x Lines of Business:**

- Execute Adjudicative Determinations
  - Conduct Operational Support
  - Mission Support

- 40 x Services

## Customers

- ~ 95% of DoD
- ~ 75% of Federal government
- Supporting Worldwide:
  - ~ 43,000 Security Officers
  - ~ 4M Affiliated Personnel

As of: 28 FEB 15



# Consolidation Overview

✓ **May 2012** - The Deputy Secretary of Defense directed a complete consolidation of seven non-Intel Agency CAFs and DoD-wide favorable Suitability & HSPD-12 adjudications!

- ✓ January 2013 - Last of the seven CAFs was transferred into the DoD CAF
- ✓ February 2013 – Installation of the 1<sup>st</sup> Director, DoD CAF (**Mr. Edward J. “Ned” Fish**)
- ✓ February 2013 – September 2013:
  - Transition component support of former CAF’s to Washington Headquarters Service
  - Integrate and transform DoD CAF operations with identified “best-practices”
  - Prepare for assumption of new personnel security determination missions:
    - Suitability for Employment – Per Executive Order 13467
    - Common Access Card (CAC) Credentialing – Per Homeland Security Presidential Directive – 12 (HSPD-12)
- ✓ October 2013
  - Successfully assumed HSPD-12/Suitability mission

## FY 2015

- Adjudicating Fitness for non-cleared contractors
- Preparing for new missions of increased Tier 3 investigations and continuous evaluation

**Key takeaway: The CAF is still young and in the process of normalizing operations**





# DOD CAF TRANSFORMATION

Transition

Stabilization

Mission Expansion

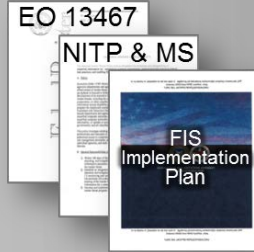


Support from WHS and some reach-back support from components



Support from WHS

REVISED FEDERAL INVESTIGATIVE STANDARDS & CONTINUOUS EVALUATION



FY13

FY14

FY15

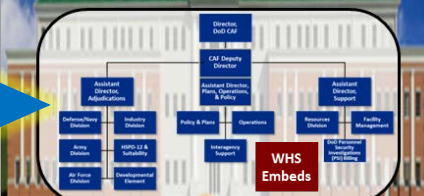
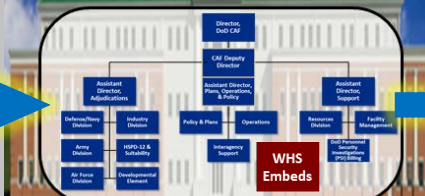
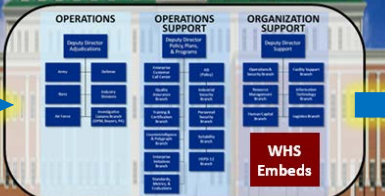
FY16

DoD Consolidated Adjudications Facility

DoD CAF

DoD CAF

DoD CAF



January 27, 2013

October 1, 2013

October 1, 2014

October 1, 2015

Consolidation of Personnel

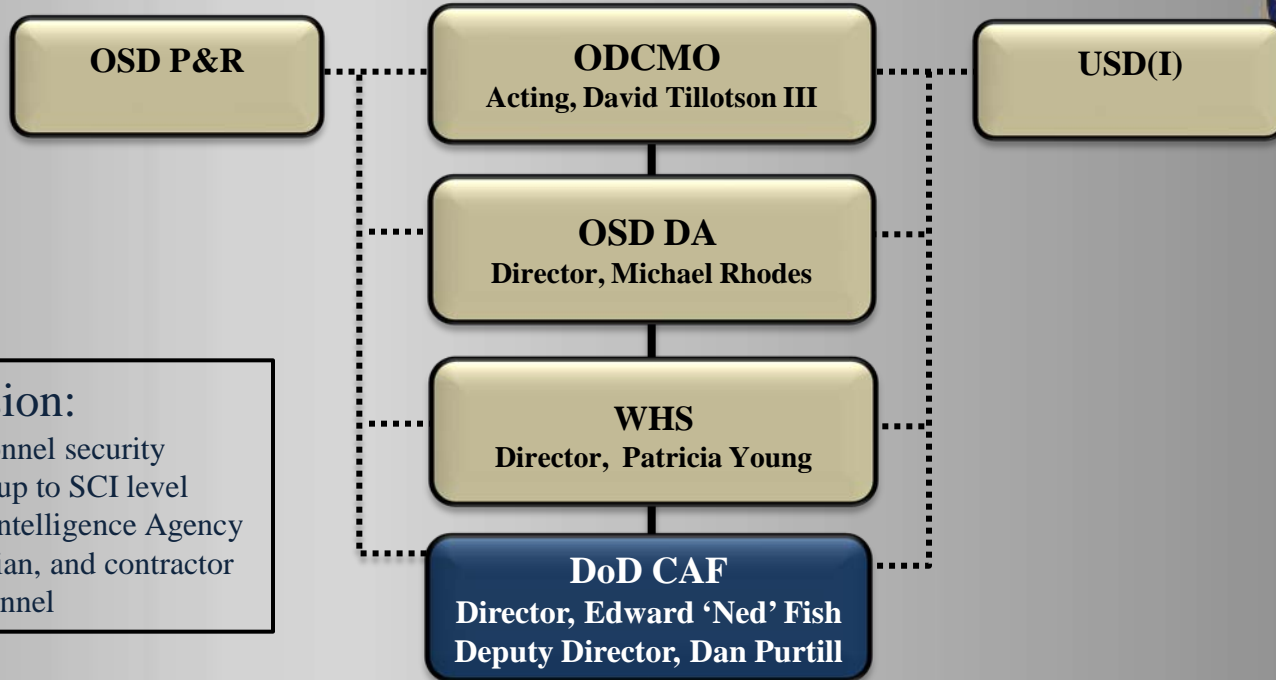
Integration of Best Practices

Actualize Organization

New Mission Preparation



# DoD CAF Organizational Structure



**Mission:**  
Execute personnel security determinations up to SCI level eligibility, for non-Intelligence Agency DoD military, civilian, and contractor personnel



Executes adjudicative determinations for personnel security clearances, CAC credentials, Fitness, and Suitability for employment for ~95% of DoD

Conducts quantitative and qualitative reviews of adjudicative performance, develops plans, performs policy assessments, and provides organizational communications, records management oversight, training, and PSI validation and reconciliation

Provides and/or coordinates for essential support requirements to include: Human Resources, Financial Management, Security, Acquisition and Facilities



Grant...

Deny...

PSMO-I

DOHA

# ADJUDICATIVE PROCESS UPDATE

Interim...

Due Process...

Revoke...

DSS

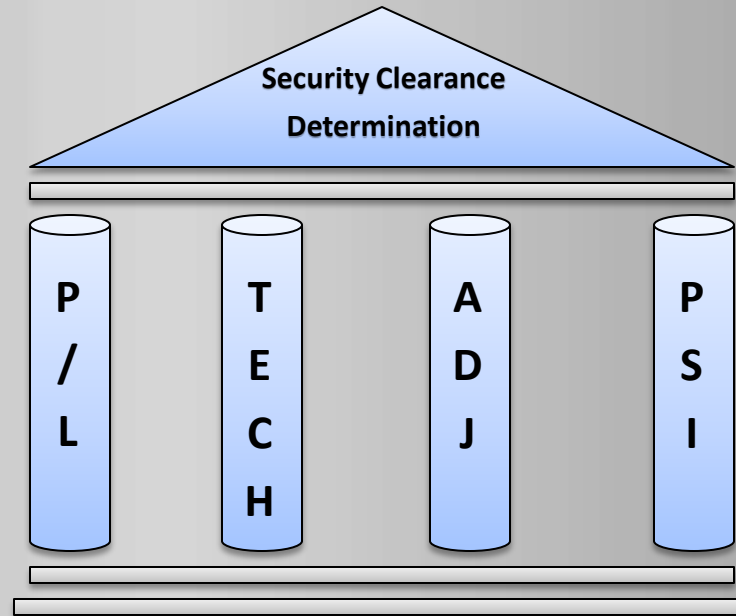
Suspend...

FSOs





## ADJUDICATION PROCESS: KEY COMPONENTS



- **Policy/Law:**  
e.g., IRTPA, EO's, DoD Policy
- **Technology:**  
e.g., JPAS, CATS, CVS
- **Certified Adjudicators:**  
Personnel Security Specialist (080)
- **Personnel Security Investigations:**  
e.g., NACLCS, NACIs, SSBIs, etc.



# Select Laws, Regulations & Policies



## Executive Orders

- **E.O. 12829** “National Industrial Security Program”
- **E.O. 12968** “Access to Classified Information”
- **E.O. 13467** “Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information”

## Presidential Directives

- **Homeland Security Presidential Directive – 12 (HSPD-12)** “Policy for a Common Identification Standard for Federal Employees and Contractors”

## Public Laws

- **Public Law 108-458** “Intelligence Reform and Terrorism Prevention Act of 2004”

## DNI issuances

- **ICD 704** “Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information and other Controlled Access Program Information”
- **ICPG 704.2** “Personnel Security Adjudicative Guidelines for Determining Eligibility for Access to Sensitive Compartmented Information and other Controlled Access Program Information”
- **DNI Memorandum** “Delegation of Authority for the DA&M to Determine SCI Eligibility at the DoD CAF”

**\* There are over 62 laws, regulations and policies relevant to the DoD CAF's operations and existence**

## DCMO issuances

- **DoD 5400.11-R** “Department of Defense Privacy Program”
- **DoDD 5200.27** “Acquisition of Information Concerning Persons and Organizations not Affiliated with the Department of Defense”
- **DA&M Memorandum** “Delegation of Authority for the Director of the DoD CAF, Including Determination of SCI Eligibility”
- **DoDD 5400.11** “DoD Privacy Program”
- **DA&M Memorandum** “Safeguarding Against and Responding to the Breach of Personally Identifiable Information (PII)”
- **DA&M Memorandum** “Supplemental Implementation Guidance for DoD CAF Favorable Suitability and HSPD-12 Adjudications”

## USD(I) issuances

- **DoDI 5200.02** “DoD Personnel Security Program (PSP)”
- **DoD 5200.2-R** “Department of Defense Personnel Security Program”
- **DoD 5220.22-M** “National Industrial Security Program Operating Manual (NISPOM)”
- **DoDD 5205.16** “DoD Insider Threat Program”
- **DoDD 5240.06** “Counterintelligence Awareness and Reporting (CIAR)”
- **DoDI 5200.46** “DoD Investigative and Adjudicative Guidance for Issuing the Common Access Card (CAC)”
- **DoDI 5220.22** “National Industrial Security Program”
- **DoDI 5145.03** “Oversight of the DoD Personnel Security Programs”
- **DoD 5220.6** “Defense Industrial Personnel Security Clearance Review Program”

## USD(P&R) issuances

- **DoDD 1000.25** “DoD Personnel Identity Protection (PIP) Program”
- **DoDI 1000.13** “Identification (ID) Cards for Members of the Uniformed Services, Their Dependents, and Other Eligible Individuals”
- **DoDI 1400.25, Volume 731** “DoD Civilian Personnel Management System: Suitability and Fitness Adjudication for Civilian Employees”



# TECHNOLOGY

- ✓ **Clearance Adjudication Tracking System (CATS)** -- Case management system, tracking decision-making.

- **Projected CAF Rollout for CATS 4.1:**

- WHS/Navy - 7/17/2015
    - ARMY - 8/7/2015
    - Air Force - 8/28/2015
    - Industry - 9/18/2015



**"...1 vice 5 different systems !"**

- ✓ **Joint Personnel Adjudication System (JPAS)** -- is the system of record for the DoD Personnel Eligibility and Access Database.

- ✓ **Clearance Verification System** -- OPM authoritative database for recording HSPD-12 and Suitability determinations.

- ✓ **Key Communication via Information Technology:**

- **Research, Recertify, and Upgrade Investigations (RRU's)** -- JPAS application used by DoD activities to request information from, or report information to, the DoD CAF regarding an individual's security clearance eligibility.
  - **Incident Reports**-- JPAS application used by DoD activities to report information to the DoD CAF regarding behavior that may warrant further CEP action.
  - **Continued Evaluation Program (CEP)**-- Once the initial favorable eligibility determination has been made, the individual falls under the Continuous Evaluation Program--the continual assessment of an individual for retention of a security clearance or continuing assignment to sensitive duties.



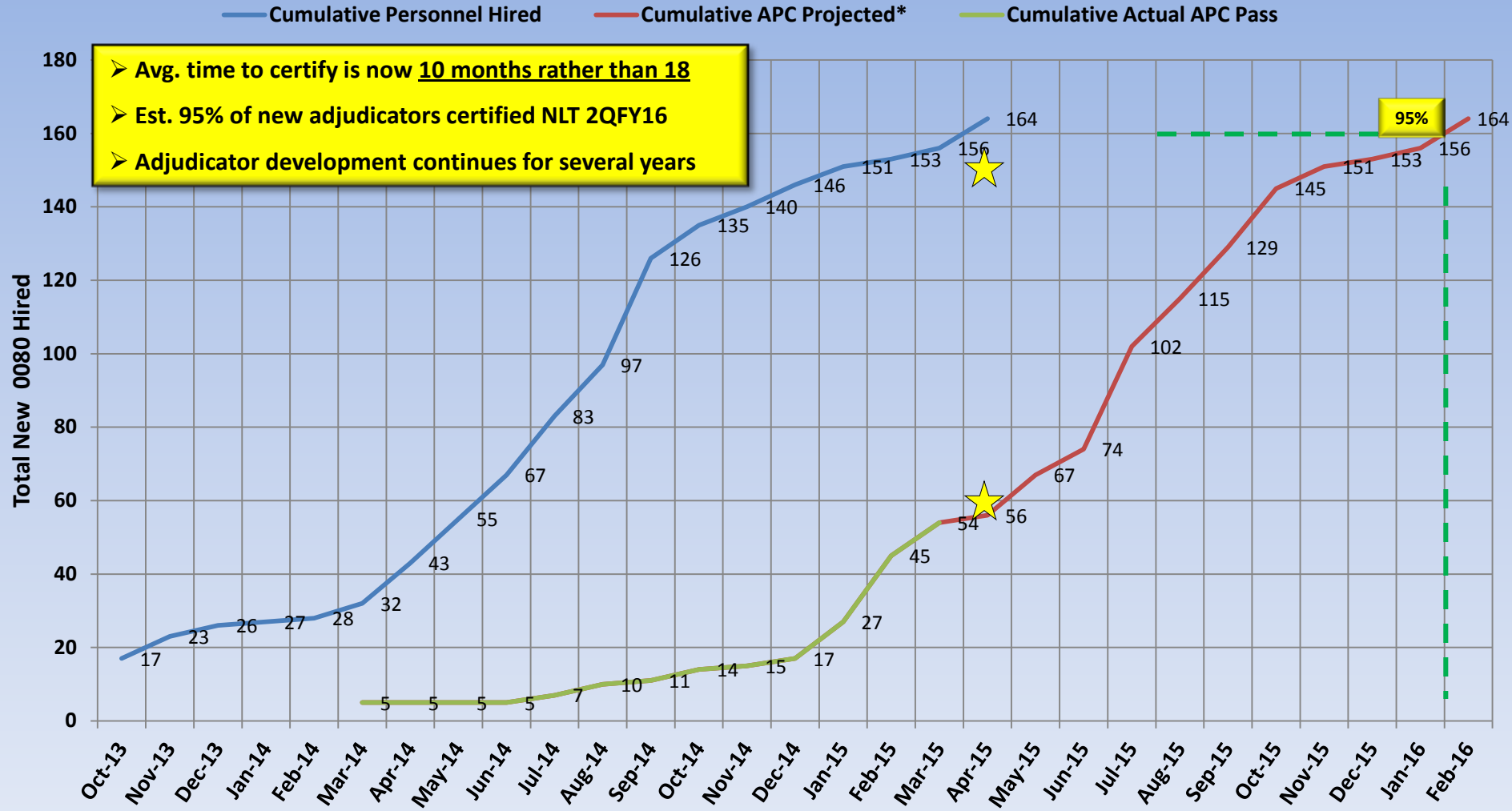
# Adjudicators

- ✓ Employs "whole person" concept
  - Unfavorable information, favorable information, and circumstances are all considered
  - Nature and seriousness of conduct
  - Circumstances surrounding the action
  - Frequency and recency of the conduct
  - Age of individual
  - Voluntary nature of participation
  - Presence/absence of other mitigating factors such as:
    - Rehabilitation
    - Remorse
    - Acceptance of Responsibility
- ✓ Trained/certified :
  - Evaluate PSIs and other relevant information (Incident Reports, etc.) to determine eligibility to occupy national security sensitive positions and/or access to classified information
  - Apply the "Adjudicative Guidelines for Determining Eligibility for Access to Classified

**Adjudicators must determine loyalty, trustworthiness and reliability and decide if it is in the best interest of National Security to grant an individual clearance eligibility**



# New Adjudicator Hiring Actions & APC Certification Projections







# Adjudicative (“Adjudicator’s”) Guidelines:

1. Allegiance to the United States
2. Foreign Influence
3. Foreign Preference
4. Sexual Behavior
5. Personal Conduct
6. **Financial Considerations**
7. Alcohol Consumption
8. Drug Involvement
9. Psychological Conditions
10. Criminal Conduct
11. Handling Protected Information
12. Outside Activities
13. Use of Information Technology Systems

For each guideline there are disqualifying conditions and mitigating factors





# PERSONNEL SECURITY INVESTIGATION

- ✓ Issue resolution, grant, deny, and revoke eligibility for contractors, military, and civilian personnel.
- ✓ The following aspects of the OPM Investigation are key focus areas during scoping reviews:
  - Agency Use Block (Access/Eligibility Level)
  - CCT (check for all required scoping items)
  - SF-86 or SF-85P
    - Dual Citizenship/ Foreign Passport
    - Foreign family members, contacts, travel, conferences, and contact with foreign government
    - Mental Health Treatment
    - Criminal History/ Drug Use
    - Alcohol Treatment
    - Financial Issues
    - Subject Interview
      - Verify or expand on information from the SF-86
      - Address discrepancies
      - Issue resolution
    - Credit Bureau Report
    - INS Check



## WHY INVESTIGATIONS MAY BE RETURNED TO OPM

- ✓ OPM is committed to ensuring PSI meet investigative standards
- ✓ OPM and DOD CAF communicate to address incomplete investigations
- ✓ DoD CAF has 3 common actions for incomplete investigations
  - Request For Action – Correspondence to Security Rep
  - REOPEN request to OPM
  - RSI request to OPM
- ✓ Missing Scope Items are sometimes required to be returned to OPM.  
The top five circumstances include:
  - Subject Interview not completed
  - Frozen Credit Bureau Report
  - IRS Records/ Financial Records/Trustee Reports - Missing
  - Medical Evaluations - Incomplete
  - FINCEN Report - Missing



# General Example of Current Process

Investigation Requested via JPAS/E-QIP

OPM Conducts Investigation

Case Received by CATS

Cases pass through E-ADJUDICATION

Favorable Determination Updated in CATS/JPAS



Subject can Appeal (DOHA/PSAB)



Favorable Determination Updated in CATS/JPAS (Favorable, Secret, or TS/SCI)



CATS distributes cases directly to DoD CAF adjudicators



DoD CAF Adjudicator reviews investigation



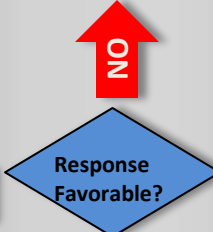
Eligibility Denied / Revoked



SOR drafted and forwarded to Subject



Due Process



Adjudicator forwards information request to security manager



Refrain





# METRICS

## (How are we doing?)



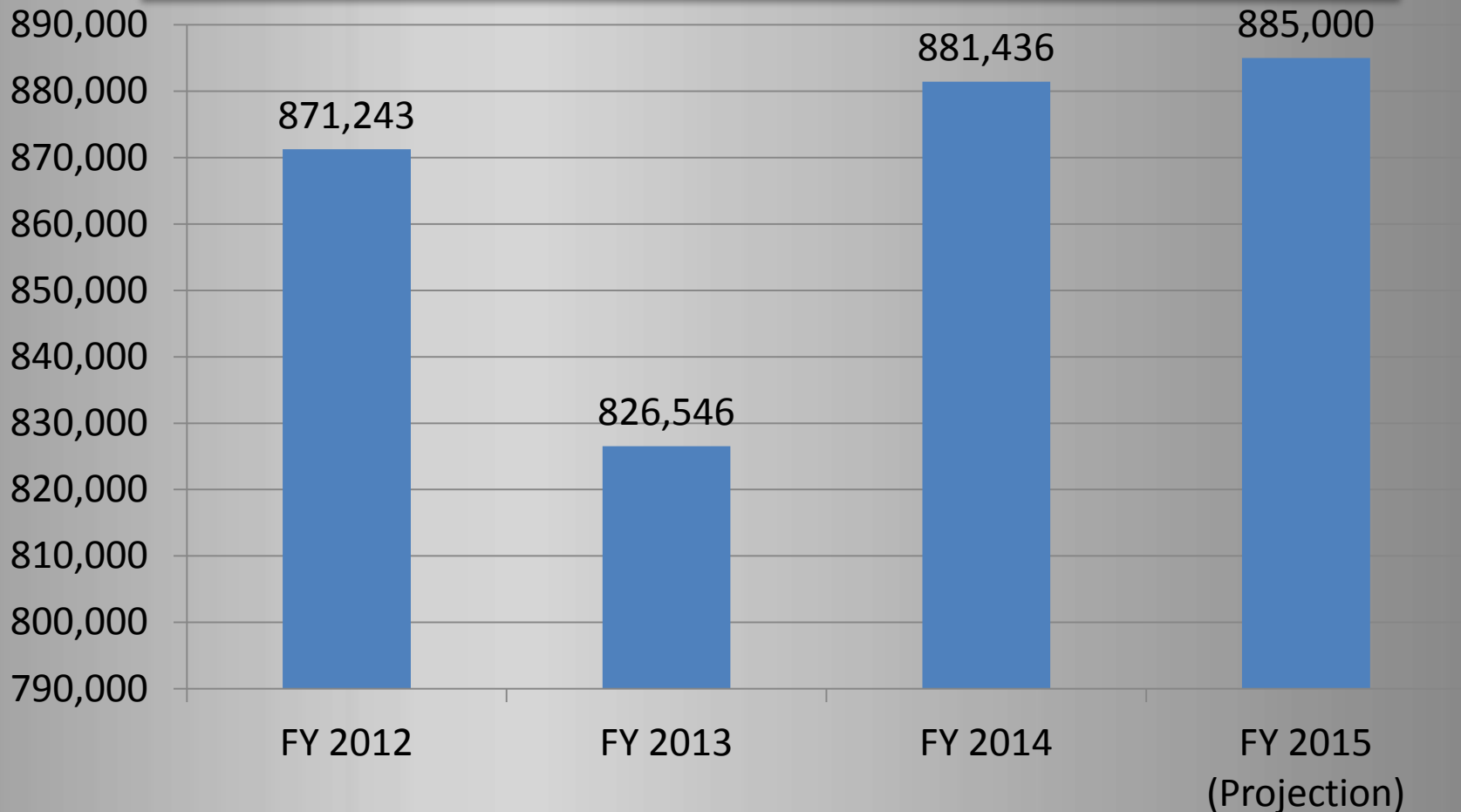




# DoDCAF Production

## Adjudicative Determinations Per Year

- Slight FY15 increase (<1%) from CE Pilots & Component efforts to eliminate Overdue PR's
- While DoD downsizing continues, CAF workload has not decreased





# OPM Oversight report for Mar 15

All Agencies	95 days
<b><u>Defense</u></b>	<b><u>91 days</u></b>
Army	83 days
Navy	77 days
Air Force	86 days
Industry	128 days
Homeland Security	148 days
Energy	112 days
DHHS	150 days
Justice	202 days
OPM	81 days
Transportation	98 days
Interior	143 days
NRC	121 days
Treasury	162 days
VA	109 days
Agriculture	117 days
Commerce	137 days
NASA	131 days
GSA	163 days
NARA	210 days
EPA	149 days
SSA	899 days
HUD	221 days
Labor	427 days
FCC	107 days
Education	180 days
NSF	118 days

- DoD remains compliant with IRTPA mandates
- #2 of 23 Federal Departments
- Timelines have increased as backlogs are reduced

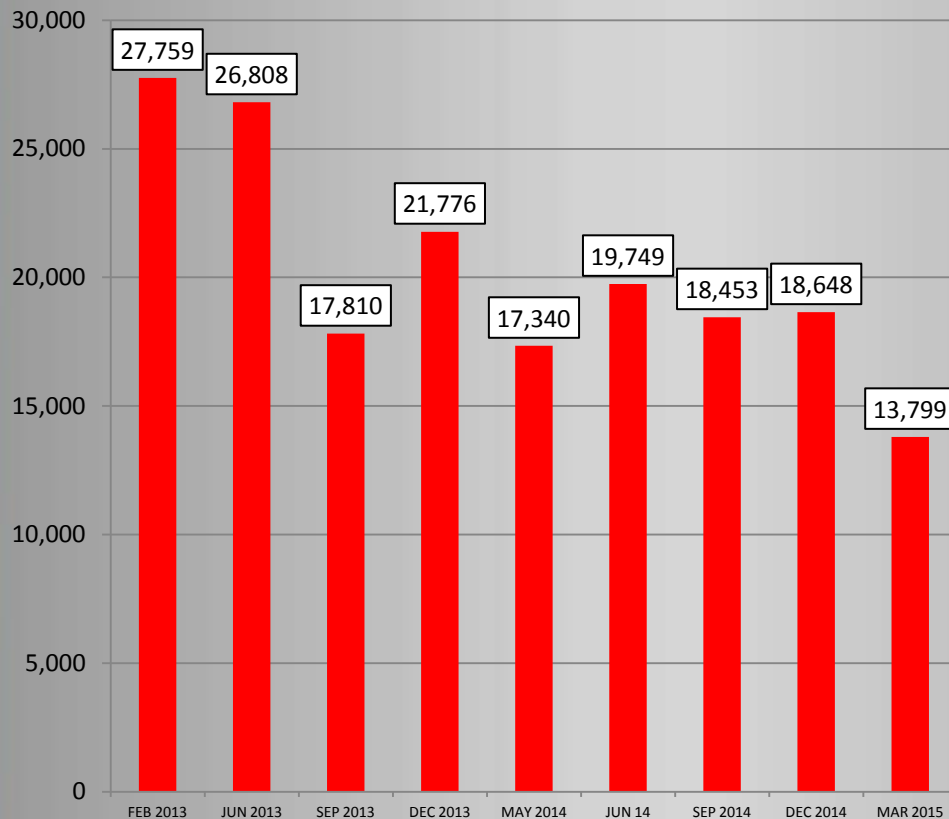
- **DoD CAF Specific Adjudication Timelines:**
  - Initial (All Types) – Adjudicated in **14** of 20 days
  - SSBI-PRs – Adjudicated in **30** of 30 days

- **Industry Specific Timelines:**
  - Initial (All Types) – Adjudicated in **25** of 20 days
  - SSBI-PRs – Adjudicated in **34** of 30 days



# Backlog Reduction

- **Progress** -13,960 (-50.3%) since consolidation in early 2013
- **Outlook** – Overall backlog to be eliminated in FY16 without considering:
  - CE implementation (post-FY15 pilots)
  - New FIS (10- to 5-year periodicity) implementation



## **Backlog Definition :**

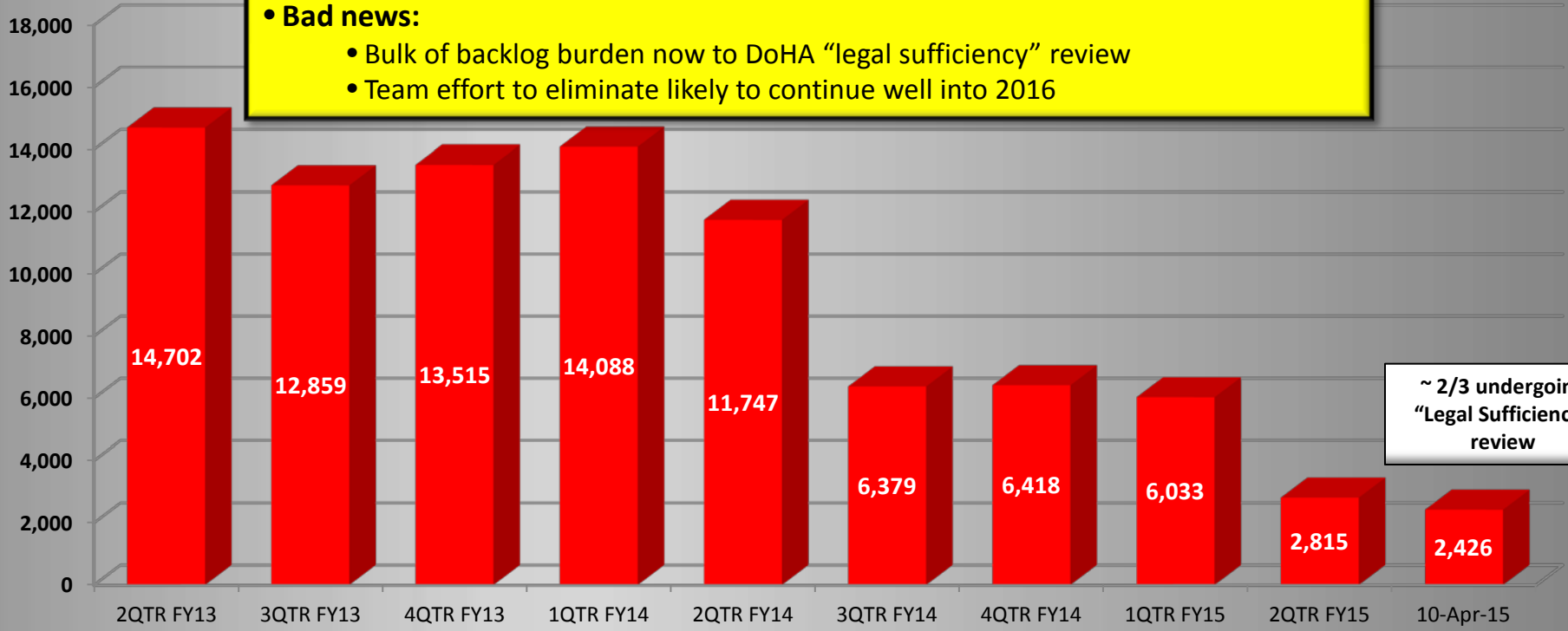
- Cases pending adjudication > 20 days (IRTPA)
- Cases waiting 2<sup>nd</sup> review > 30 days
- “Suspense” cases > 15 days past due

- Anticipate ~ 20% reduction (for 2 months) from CATS v4 deployment/training
- Continued use of Overtime resulting in VERY positive impact of +6 -7% production



# NISP Backlog

- **Good news:**
  - Significant progress....backlog reduced ~ 83%!!
  - Now represents only 1.34% of annual NISP workload
- **Bad news:**
  - Bulk of backlog burden now to DoHA "legal sufficiency" review
  - Team effort to eliminate likely to continue well into 2016



■ Industry Backlog

Month	NISP Backlog	Annual NISP Receipt	Backlog % of Total NISP
February 13	14,702		8.1%
April 15	2,426		1.34%
	-12,276	~ 180,000	



# ***INITIATIVES***







# Initiatives

- **eAdjudication (eADJ)**
  - Sustainment of capability as eADJ for NACLCS ends and Tier 3 is implemented
  - Expand capability to Tier 1
- **Transfer of 4<sup>th</sup> Estate SCI Adjudications from DIA CAF to DoD CAF:**
  - Component coordination near complete
  - MOA negotiation on-going
  - Implementation NLT 1 OCT 15 remains very realistic
  - Communications Plan to 4<sup>th</sup> Estate Customers – Under joint DIA/DoD CAF development
- **Common Correspondence:**
  - The 2<sup>nd</sup> of DoD CAF standardized adjudicator letters (SOR, LOD, reconsideration, etc) to be implemented (4<sup>th</sup> Qrt 2015)
  - Look and feel is different but content remains the same
  - WHS OGC is leading the effort



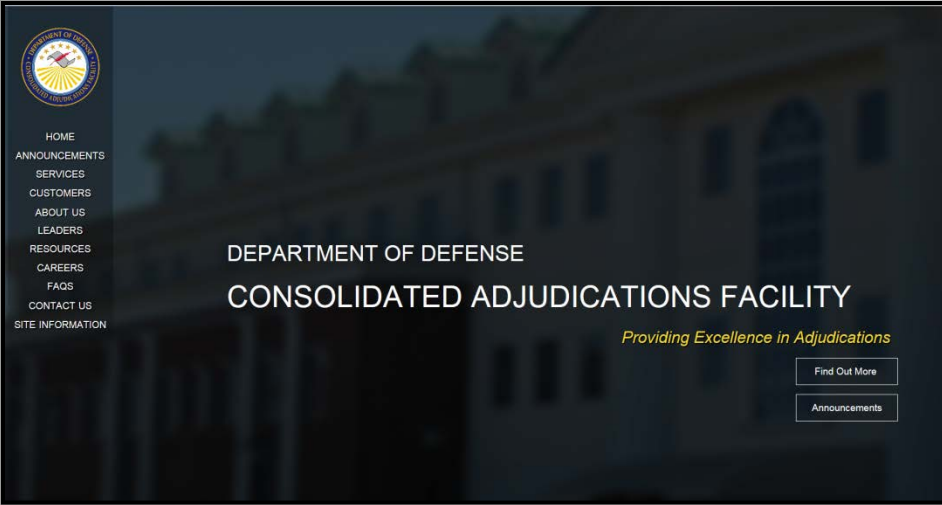
# Welcome to our new website!!

**ANNOUNCEMENT** 

We are proud to announce the release of our new Department of Defense Consolidated Adjudications Facility Public Website. It has been crafted to reflect what our customers would like to see, but also builds upon the foundation of the DoD CAF which is the tradition of excellence established by the seven former component CAFs in making adjudicative determinations.

You will notice streamlined menus, simple navigation and access to the information you need, any time of day.

Visit the DoD CAF website at <http://www.dodcaf.whs.mil/>.

A screenshot of the Department of Defense Consolidated Adjudications Facility website homepage. The background is a dark, blurred image of a building. On the left is a vertical navigation menu with the DoD CAF logo at the top and links for HOME, ANNOUNCEMENTS, SERVICES, CUSTOMERS, ABOUT US, LEADERS, RESOURCES, CAREERS, FAQs, CONTACT US, and SITE INFORMATION. The main content area features the text "DEPARTMENT OF DEFENSE" and "CONSOLIDATED ADJUDICATIONS FACILITY" in white, with the tagline "Providing Excellence in Adjudications" in yellow below it. At the bottom right of the main content area are two buttons: "Find Out More" and "Announcements".

DEPARTMENT OF DEFENSE  
CONSOLIDATED ADJUDICATIONS FACILITY

*Providing Excellence in Adjudications*

Find Out More

Announcements

UNCLASSIFIED



# DoD CAF

## Bldg. 600, 10<sup>th</sup> Street, FGGM

**QUESTIONS???**



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