



DEFENSE SECURITY SERVICE

**27130 TELEGRAPH ROAD
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OCT 13 2017

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Representative Cummings:

Thank you for your October 5, 2017, letter requesting information related to recent statements I made at the Intelligence and National Security Summit. Specifically, you requested a list of individuals with interim security clearances, who have committed or been convicted of criminal acts, and certain details related to those individuals. In addition, you asked for any plan associated with a greater role for the Defense Security Service (DSS) in processing security clearances across the Federal Government.

As noted by Director for Defense Intelligence (Intelligence and Security) Garry Reid during his recent testimony before the House Oversight and Government Reform Subcommittee on Government Operations, the Secretary of Defense has approved a plan for DSS to begin to conduct background investigations on Department of Defense (DoD) personnel whose investigations are adjudicated by the DoD Consolidated Adjudications Facility. The Secretary forwarded the plan to the congressional defense committees on August 28, 2017. The implementation plan lays out a three-phased approach over a 36-month timeline that would leverage continuous evaluation capabilities, automation, and technology to streamline the investigative process, while maintaining reciprocity with the Security Executive Agent. Initial results would be expected in fiscal year 2018.

DoD handles personnel security data, records, and investigative results with the highest degree of discretion, in accordance with the provisions of the Privacy Act of 1974 (Title 5, U.S. Code, section 552a) and DoD policy. Accordingly, personally identifiable information cannot be divulged in the data provided below.

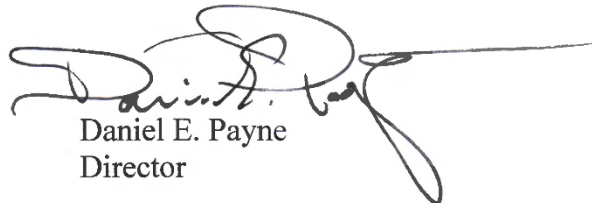
DSS made approximately 200,000 interim clearance decisions over the last 3 years. Few interim clearances granted in 2017 have made it through the investigative, adjudicative, and due process stages because of the investigation backlog, which currently stands at more than 700,000 cases. The interim decisions analyzed below actually occurred before 2017 and were subject to a final decision by the Defense Office of Hearings and Appeals (DOHA) in 2017. In addition, DSS is still analyzing data on the number of interim declination decisions that may have subsequently affected the individual's employment status, where the individual is no longer in a position that requires access to classified information.

- In 2017, DOHA issued 486 clearance denials for contractor personnel under the National Industrial Security Program who had received an interim decision (whether granted or declined) between 2014 and 2016. DSS had granted interim eligibility in only 165 of those 486 cases; further, 151 of those were only granted because the clearance applicant had failed to disclose relevant information.
- When reviewing the 486 cases where DOHA issued a final denial, their decisions were based on the adjudicative guidelines below. In some of these decisions, multiple guidelines applied to a single case.
 - Financial considerations: 378
 - Personal conduct: 102
 - Drug use: 66
 - Criminal conduct (felony charges, to include pedophilia): 63
 - Foreign influence: 33
 - Foreign preference: 23
 - Alcohol abuse/misuse: 21
 - Sexual behavior: 3
 - Psychological conditions: 2
- Of the 486 cases where DOHA denied a final clearance, DSS had granted an interim Secret or interim Top Secret clearance to 165 individuals.
 - Of those 165 cases, 151 people had pre-existing issues that they did not disclose and were not discovered during initial checks; the issues were not identified until the investigation was completed.
 - DSS withdrew 143 interim clearances based on information we received during the course of the background investigation. In the majority of these cases, interim clearance withdrawals were based on falsification of the clearance application and/or discovery of subsequent derogatory information.
 - One case that illustrates the risk incurred with lengthy background investigations involves an individual who received an interim Secret clearance in 2015 based on the information he provided on his clearance application. He did not disclose the fact that he had been charged with felony rape of a child, which was later reduced to a misdemeanor, of which he was found guilty. The arrest was discovered during the investigation by a local law enforcement check but did not appear on any initial checks with the Federal Bureau of Investigation, which are currently part of the DoD interim clearance process.
- While the data above concerns only those personnel who were processed for initial clearance determinations, there are also cases where DSS receives derogatory information on a cleared contractor employee who already holds a Confidential, Secret, or Top Secret clearance. In such cases, DSS temporarily suspends an individual's

clearance until that derogatory information can be adjudicated, usually through due process.

- During fiscal year 2017, DSS temporarily suspended the clearances of 114 individuals, pending due process, based on the adjudicative guidelines below. In some suspension decisions, multiple guidelines applied to a single case.
 - Criminal conduct (felony charges, to include pedophilia): 39
 - Drug use: 14
 - Personal conduct: 14
 - Psychological conditions: 11
 - Sexual behavior (other than felony charges): 8
 - Financial considerations: 6
 - Foreign influence: 6
 - Handling non-public information: 6
 - Use of information technology: 6
 - Foreign preference: 2
 - Alcohol abuse/misuse: 1
 - Allegiance to the United States: 1

We hope this information is helpful to the Committee, and we look forward to continuing to work with Congress on ensuring that personnel vetting processes best serve our national security interests.



Daniel E. Payne
Director

cc:

The Honorable Trey Gowdy

Chairman, Committee on Oversight and Government Reform

The Honorable Mark Meadows

Chairman, Subcommittee on Government Operations

The Honorable Gerald Connolly

Ranking Member, Subcommittee on Government Operations