



OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

(U) FISCAL YEAR 2018 ANNUAL REPORT ON
SECURITY CLEARANCE DETERMINATIONS

Response to Congressionally Directed Action

Fiscal Year 2010 Intelligence Authorization Act, Section 367, as amended

March 2019

National Counterintelligence and Security Center

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(U) INTRODUCTION

(U) The Intelligence Authorization Act (IAA) for Fiscal Year (FY) 2010 as amended, now codified at 50 U.S.C. 3104, requires the President to submit an annual report on security clearance determinations to Congress. The statute directs that this report include 1) the number of United States Government (USG)¹ employees and contractors who held a security clearance at each level as of October 1 of the preceding fiscal year (FY) and 2) the number of USG employees and contractors who were approved for a security clearance at each level during the preceding FY. It also requires in-depth security clearance determination timeliness metrics for each element of the Intelligence Community (IC). In response to these statutory requirements, the Office of the Director of National Intelligence (ODNI) National Counterintelligence and Security Center (NCSC) has prepared the *Fiscal Year 2018 Annual Report on Security Clearance Determinations*, consistent with the security clearance data requirements outlined by the categories listed below.

(U) Security Clearance Data Required by 50 U.S.C. 3104

Security Clearance Volume Levels for USG Employees and Contractors	Security Clearance Determination Timeliness Metrics for IC Agencies and Elements of the IC
<p>The number of individuals, categorized as government employees and contractors, who held and who were approved for a security clearance as of 1 October 2018; sorted by security clearance level.</p> <p>Table is UNCLASSIFIED</p>	<ul style="list-style-type: none"> i. The time (in days) to process the shortest and longest security clearance determination made among 80% of security clearance determinations, and the time (in days) to process the shortest and longest security clearance determination made among 90% of determinations. ii. The number of security clearance investigations as of October 1 of the preceding FY that were open for: <ul style="list-style-type: none"> o 4 months or less; o 4 – 8 months; o 8 – 12 months; and o more than 1 year. iii. Percentage of reviews during the preceding FY that resulted in a denial or revocation of a security clearance. iv. Percentage of investigations during the preceding FY that resulted in incomplete information. v. Percentage of investigations during the preceding FY that did not result in enough information to make an adverse decision. vi. The number of completed or pending security clearance determinations for government employees and contractors during the preceding FY that have taken longer than one year to complete; the agencies that investigated and adjudicated such determinations; and the cause of significant delays in such determinations.

¹ (U) For the purpose of this report, USG includes Non-Title 50 agencies, the Department of Defense, IC agencies, and elements of the IC.

(U) The National Defense Authorization Act (NDAA) for FY 2018 outlines new data collection and reporting requirements for Executive Branch Departments and Agencies (D/A). These new requirements, along with the existing requirements found in the *Intelligence Reform and Terrorism Prevention Act of 2004* (IRTPA) and the IAA for FY 2016, levy substantial data collection and reporting upon D/As. In an effort to standardize data collection and reporting across the Executive Branch, the DNI, as the Security Executive Agent (SecEA), developed a data collection template for D/As to consolidate all the reporting requirements. Various D/A Heads expressed concerns, as they must alter their internal reporting systems to collect the newly identified metrics, which will require time and resources. While this standardized approach will align all reporting requirements and minimize the impact on reporting D/As across the Executive Branch, we anticipate delays in responses to some of these requirements due to the challenge of collecting data on the new requirements and inclusion of D/As that have not previously reported. In cases where D/As are unable to initially respond to all metrics requirements, the SecEA will provide initial reporting with available data, and subsequent reporting as additional data becomes available.

(U) EXECUTIVE SUMMARY

(U) The *Fiscal Year 2018 Annual Report on Security Clearance Determinations* provides the current state of USG security clearances. The report is divided into two sections: Section 1, "Security Clearance Volume for the Entire Federal Government," and Section 2, "Security Clearance Performance for IC Agencies and Elements of the IC."

(U) The first section reports the total volume of individuals across the USG who are eligible for access to classified information, and aligns with the language of 50 U.S.C. 3104. It includes data for the number of individuals who are currently "in access," as well as those who are eligible but currently "not in access." In FY 2018, there was a 1.1 percent increase in the cleared population. This change may have resulted from initiatives² implemented to reduce the National Background Investigations Bureau's (NBIB) investigation inventory that impacts mission and operational requirements across the Executive Branch. These initiatives were implemented by the SecEA, the Suitability and Credentialing Executive Agent (SuitEA/CredEA), the Performance Accountability Council (PAC), and other key stakeholders.

(U) The "Security Clearance Performance for IC Agencies and Elements of the IC" data is unavailable due to the impact of new reporting requirements levied in the NDAA for FY 2018. As a result of the new requirements, in November 2018 the SecEA announced the upcoming release of a single consolidated metrics reporting requirement for the Executive Branch to standardize and align collection of data outlined in the FY18 NDAA, IRTPA, and the FY16 IAA. Many D/As must alter their internal reporting systems in order to collect the newly identified metrics, which will require time and resources. Thus, we expect D/As to be able to collect all required metrics by January 2020, at which time reports will be generated and distributed.³

² (U) DNI Memorandum E/S 2017-00049, "Strategy to Mitigate the Impact of National Background Investigations Bureau's Background Investigation Backlog," February 16, 2017.

³ (U) DNI Memorandum E/S 2018-00758, "Metrics Reporting Requirements for National Security Vetting in Fiscal Year 2018 and Beyond," November 19, 2018.

(U) METHODOLOGY

(U) In order to report security clearance volume levels, NCSC compiled, processed, and analyzed data from the three security clearance record repositories — ODNI Scattered Castles, the Department of Defense (DoD) Joint Personnel Adjudication System, and the Office of Personnel Management Central Verification System (CVS) — and ensured there was no duplication. In order to fulfill specific reporting requirements of the FY 2010 IAA that were not captured in these repositories, the ODNI is in the process of conducting a data call to collect the appropriate information, which will be provided accordingly.

(U) SECURITY CLEARANCE VOLUME FOR THE ENTIRE FEDERAL GOVERNMENT

(U) The FY 2010 IAA requires that the number of individuals who held or were approved to hold a security clearance as of October 1, 2018, be calculated and categorized by personnel type⁴ and by security clearance level. The first set of tables below provides figures for both FY 2017 and FY 2018. Table 1.1 reflects the total number of individuals “in access,” Table 1.2 reflects those eligible but currently “not in access,” and Table 1.3 reflects the total number of individuals eligible to hold a security clearance, regardless of access status.

(U) **Table 1.1**, “Eligible (in access),” refers to individuals who were investigated and adjudicated favorably and were briefed into access to classified information. As of October 1, 2018, 2,872,234 individuals were eligible and in access, which was 40,293 more individuals than on October 1, 2017 (1.4 percent increase).

(U) Table 1.1: Eligible (in access)

Employee Type	As of 10/1/17:		As of 10/1/18:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Government	1,069,485	604,133	1,079,550	605,873
Contractor	429,790	422,625	443,887	435,207
Other	137,704	168,204	136,709	171,008
Sub-Total:	1,636,979	1,194,962	1,660,146	1,212,088
Total:	2,831,941		2,872,234	

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(U) **Table 1.2**, “Eligible (not in access),” refers to individuals, such as those supporting the military, that may be determined eligible due to the sensitivity of their positions and the potential need for immediate access to classified information, but do not have actual access to classified information until the need arises. As of October 1, 2018,

⁴ (U) The “Government” category includes all government employees and military personnel. The “Contractor” category includes all industry employees, independent contractors, and consultants. The “Other” category is predominantly comprised of the number of cleared government and contractor personnel reported in CVS, which does not have an employee type field.

1,202,581 eligible individuals were not in access, which was 3,897 more individuals than on October 1, 2017 (0.3 percent increase).

(U) **Table 1.2:** Eligible (not in access)

Employee Type	As of 10/1/17:		As of 10/1/18:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Government	1,028,599	95,151	1,030,185	93,075
Contractor	48,524	18,452	51,820	21,725
Other	6,730	1,228	4,775	1,001
Sub-Total:	1,083,853	114,831	1,086,780	115,801
Total:	1,198,684		1,202,581	

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(U) **Table 1.3, "Total Eligibility"**, shows the number of individuals who were investigated and adjudicated favorably and had access to classified information as well as those who were favorably adjudicated but did not have access to classified information. As of October 1, 2018, 4,074,815 individuals were eligible to hold a clearance, which was 44,190 more individuals than on October 1, 2017 (1.1 percent increase).

(U) **Table 1.3:** Total Eligibility

Employee Type	As of 10/1/17:		As of 10/1/18:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Government	2,098,084	699,284	2,109,735	698,948
Contractor	478,314	441,077	495,707	456,932
Other	144,434	169,432	141,484	172,009
Sub-Total:	2,720,832	1,309,793	2,746,926	1,327,889
Total:	4,030,625		4,074,815	

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(U) **Table 2, "Number of Security Clearance Approvals,"** presents the number of individuals approved for a security clearance during the FY by clearance level. Variations in data collection fields within the repositories limit our ability to collect precise data. For instance, a query of the security clearance determination *approvals* recorded in some repositories cannot distinguish between initial clearance and Periodic Reinvestigation (PR) approvals. As a result, the number of approvals represents a combination of initial clearances and PRs of existing clearances. Within this category, there was an 11.9 percent increase in the number of security clearances approved since FY 2017.

(U) **Table 2:** Number of Security Clearance Approvals

Employee Type	In FY 2017:		In FY 2018:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Government	301,241	106,080	337,734	107,741
Contractor	74,261	95,043	98,716	100,513
Other	15,451	5,347	18,409	5,433
Sub-Total:	390,953	206,470	454,859	213,687
Total:	597,423		668,546	

Table is U//~~FOUO~~**(U) SECURITY CLEARANCE PERFORMANCE FOR IC AGENCIES AND ELEMENTS OF THE IC**

(U) As stated above, the data for Section 2 is unavailable for this report due to new reporting requirements in the NDAA for FY 2018. As a result of the new requirements, in November 2018 the SecEA announced a single consolidated metrics reporting requirement for the Executive Branch to standardize and align collection of the new metrics and those required by IRTPA and the IAA for FY16. Many D/As must alter their internal reporting systems in order to collect the newly identified metrics, which will require time and resources. Thus, we expect D/As to be able to collect all required metrics by January 2020, at which time reports will be generated and distributed.

(U) CONCLUSION

(U) Efforts to improve the timeliness, quality, and consistency of investigative and adjudicative processes have focused on better management of the size of the cleared population and reduction of the size of the NBIB investigations inventory. In FY 2018, the number of security clearance approvals increased by 11.9 percent, and the cleared population increased by 1.1 percent. These increases appear to reflect IC agencies' continued response to DNI guidance and are also the result of initiatives implemented to mitigate NBIB's investigation backlog.

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(U) Both Executive Branch D/As and IC personnel security programs are challenged by the uncertainty of future budgets, furlough, and the increasingly competitive marketplace for background investigators and polygraphers. The ODNI, in partnership with the PAC, NBIB, and DoD, is committed to addressing these challenges while driving Executive Branch improvements in the timeliness, quality, and consistency of investigative and adjudicative processes.

⁵ (U) Authorized in the 2018 National Defense Authorization Act.