



OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE



NATIONAL COUNTERINTELLIGENCE AND SECURITY CENTER

Advancing Counterintelligence and Security Excellence

Fiscal Year 2017 Annual Report on Security Clearance Determinations

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INTRODUCTION

The Intelligence Authorization Act (IAA) for Fiscal Year (FY) 2010¹ requires the President to submit an annual report on security clearance determinations to Congress. The IAA directs this report to include the number of United States Government (USG)² employees and contractors who held a security clearance at each level as of 1 October of the preceding year, and the number of USG employees and contractors who were approved for a security clearance at each level during the preceding FY. Also, for each element of the Intelligence Community (IC), in-depth security clearance timeliness determination metrics are required. In response to these IAA requirements, the Office of the Director of National Intelligence (ODNI), National Counterintelligence and Security Center (NCSC) has prepared the *Fiscal Year 2017 Annual Report on Security Clearance Determinations* consistent with the security clearance data requirements as outlined by the categories listed below.

Security Clearance Data Required by the FY 2010 IAA

Security Clearance Volume Levels for USG Employees and Contractors	Security Clearance Determination Processing Metrics for IC Agencies and Elements of the IC
The number of individuals, categorized as government employees and contractors, who held and who were approved for a security clearance as of 1 October 2017; sorted by security clearance level.	<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) for the shortest and longest security clearance determination made among 90% of determinations. ii. The number of security clearance investigations as of 1 October 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 The Intelligence Authorization Act for Fiscal Year 2010 (P.L. 111-259), Sec. 367, Security Clearances: Reports; Reciprocity.

² For the purpose of this report, USG includes Non-Title 50 agencies, Department of Defense, IC Agencies, and Elements of the IC.

EXECUTIVE SUMMARY

This *Fiscal Year 2017 Annual Report on Security Clearance Determinations* provides the current state of U.S. government (USG) security clearances. The report is divided into two sections, “Security Clearance Volume for the Entire Federal Government” and “Security Clearance Performance for IC Agencies.”

The first section reports the total volume of individuals across the USG who are eligible for access to classified information, which has been captured over the past seven years and aligns with the language of the FY 2010 IAA. 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 2017, there was a 1.2 percent reduction in the cleared population. This reduction is the result of continued reform efforts across the USG to review and validate whether a USG employee or contractor still requires access to classified information in accordance with the Director of National Intelligence (DNI) guidance issued via executive correspondence,³ and of the Department of Defense’s (DoD) successful implementation of their data quality initiative (DQI) in 2017.

The second section of this report provides a variety of data associated with clearance performance for the IC. The IC cited internal issues such as budgetary restraints and an increased demand for investigative resources to address the periodic re-investigation (PR) backlog as reasons for exceeding end-to-end timeliness standards. External issues such as delays with the Office of Personnel Management’s (OPM) investigative products also contributed to the challenges faced in FY 2017. There was a 37.0 percent decrease in overall cases pending for less than 12 months due to the reasons cited in the preceding paragraph.

METHODOLOGY

In order to report security clearance volume levels, NCSC compiled, processed, and analyzed data from the three security clearance record repositories — ODNI’s Scattered Castles (SC), DoD’s Joint Personnel Adjudication System (JPAS), and OPM’s Central Verification System (CVS) — and ensured there was no duplication. To fulfill specific reporting requirements of the FY 2010 IAA that were not captured in these repositories, NCSC issued a special data call to IC agencies and IC elements only. Further details regarding this data call are explained below in the section titled, “Security Clearance Performance for IC Agencies.”

SECURITY CLEARANCE VOLUME FOR THE ENTIRE FEDERAL GOVERNMENT

The FY 2010 IAA requires the number of individuals who held or were approved to hold a security clearance as of 1 October 2017 to be calculated and categorized by personnel type (government employees, contractors, or other⁴) and security clearance level.

³ ES 2013-00671, *Validation of Personnel with Eligibility for Access to Classified Information*, 31 October 2013, and ES 2014-00632, *Strategy to Reduce the Periodic Reinvestigation Backlog Using a Risk Based Approach*, 26 September 2014.

⁴ 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

Table 1, Number of Security Clearances, depicted below, provides the number of individuals in various categories for both FY 2016 and FY 2017. As in previous reports, the table reflects the total number of individuals “in access” (**Table 1.1**), those eligible, but currently “not in access” (**Table 1.2**), and the total number of individuals eligible to hold a security clearance whether or not in access (**Table 1.3**).

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 1 October 2017, there were 2,831,941 individuals eligible and in access, which was 8,112 fewer individuals than were in access on 1 October 2016 (0.3 percent decrease).

Table 1.1: Eligible (in access)

	As of 10/1/16:		As of 10/1/17:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	1,632,889	1,207,164	1,636,979	1,194,962
Total:	2,840,053		2,831,941	

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 may not have actual access to classified information until the need arises. As of 1 October 2017, there were 1,198,684 eligible individuals not in access, which was 41,991 fewer individuals in this category as compared to 1 October 2016 (3.4 percent decrease).

Table 1.2: Eligible (not in access)

	As of 10/1/16:		As of 10/1/17:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	1,118,239	122,436	1,083,853	114,831
Total:	1,240,675		1,198,684	

predominantly comprised of the number of cleared government and contractor personnel reported in CVS, which does not have an employee type field.

Table 1.3, Total Eligibility, refers to 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 1 October 2017, there were 4,030,625 individuals found eligible to hold a clearance, which was 50,103 fewer individuals on 1 October 2016 (1.2 percent decrease).

Table 1.3: Total Eligibility

	As of 10/1/16:		As of 10/1/17:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	2,751,128	1,329,600	2,720,832	1,309,793
Total:	4,080,728		4,030,625	

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 PR approvals. As a result, the number of approvals represents a combination of initial clearances and reinvestigations of existing clearances. Within this category, there was a 0.4 percent increase in the number of security clearances approved since FY 2016.

Table 2: Number of Security Clearance Approvals

	In FY 2016:		In FY 2017:	
	Conf/Secret	Top Secret	Conf/Secret	Top Secret
Sub-Total:	366,948	227,946	390,953	206,470
Total:	594,864		597,423	

SECURITY CLEARANCE PERFORMANCE FOR EACH ELEMENT OF THE IC

To collect information responsive to FY 2010 IAA requirements set forth in items “i” through “vi” below, the ODNI issued a special data call to sixteen elements of the IC. Some agencies reported that collecting this information would be a manual, resource-intensive process that is not currently viable.

- i. The time in days to process the shortest and longest security clearance determination made among 80% and 90% of security clearance determinations.**

Table 3, *Processing Timeliness*, provides the total number of days required to process the shortest and longest security clearance cases—from initiation to adjudicative decision—for the fastest 80 percent of cases and for the fastest 90 percent of cases.

Table 3: Processing Timeliness

Agency	80 th Percentile				90 th Percentile			
	Top Secret		Secret/Confidential		Top Secret		Secret/Confidential	
	Longest	Shortest	Longest	Shortest	Longest	Shortest	Longest	Shortest
Agency #1	365	36	266	40	440	36	266	40
Agency #2	787	372	0	0	787	372	0	0
Agency #3	148	1	0	0	214	1	0	0
Agency #4	242	14	0	0	396	14	0	0
Agency #5	166	1	126	1	212	1	161	1
Agency #6	154	31	0	0	214	31	0	0
Agency #7	229	16	158	12	302	16	216	12
Agency #8	315	1	173	1	415	1	243	1
Agency #9	294	49	0	0	329	49	0	0
Agency #10	6	1	0	0	12	1	0	0

Increased attention to conducting PRs amplified the demand for background investigations. Unfortunately, the loss of a major background investigation vendor in 2014 and a reduced supply of available contract investigators negatively impacted the ability to meet this demand. IC agencies reported that background investigation vendors and agency staff investigators were still unable to meet the demand for background investigations, resulting in overdue background investigations that have ultimately caused clearance timelines to increase.

The demand for federally certified polygraph examiners has increased throughout the IC. The National Center for Credibility has recently increased the number of students trained per class but has not increased the number of classes held in a calendar year. Enlarging student capacity per class has increased the number of federal polygraph examiners eligible for certification; however, further research will need to be conducted to evaluate the impact of this increase.

- ii. **The number of pending security clearance investigations as of 1 October 2017 that have remained pending for: 4 months or less; between 4 months and 8 months; between 8 months and one year; and for more than one year.**

Table 4, *Age Pending*, provides the number of pending security clearance investigations by length of time and by agency.

Table 4: Age Pending⁵

Agency	Security Clearance Investigations				
	0 to 4 Months	4 to 8 Months	8 to 12 Months	Over 12 Months	Over 24 Months
Agency #1	658	16	0	0	0
Agency #2	2	1	0	2	1
Agency #3	16	10	0	0	0
Agency #4	473	2	0	0	0
Agency #5	1,383	214	32	3	2
Agency #6	226	0	0	0	0
Agency #7	761	252	11	3	0
Agency #8	1,098	105	21	3	2
Agency #9	96	14	11	0	0
Agency #10	1	0	0	1	0

The total number of cases pending between 0 to 12 months decreased from 8,517 in FY 2016 to 5,328 in FY 2017. The total number of cases pending for more than 12 months decreased from 364 in FY 2016 to 92 in FY 2017. This decrease is mostly attributed to one agency resolving contract issues with its investigative service provider.

- iii. **The percentage of reviews during the preceding fiscal year that resulted in a denial or revocation of a security clearance.**

Table 5, *Denials and Revocations*, reflects the percentage of denials (resulting from adjudications of initial cases) and revocations (resulting from adjudications of periodic reinvestigations or other revocations for cause).

⁵ The timelines for the number of pending security clearances was modified from the original language in the 2010 IAA to provide greater granularity in cases pending.

Table 5: Denials and Revocations

Agency	FY 2017	
	Denials	Revocations
Agency #1	5.6%	1.4%
Agency #2	0.0%	0.0%
Agency #3	5.9%	0.0%
Agency #4	2.6%	2.3%
Agency #5	0.2%	0.6%
Agency #6	0.2%	0.4%
Agency #7	0.2%	0.1%
Agency #8	4.6%	0.4%
Agency #9	0.1%	0.4%
Agency #10	0.0%	0.0%

The difference in the percentage of denials and revocations among agencies can be attributed to the various processes employed by those agencies. For example, some agencies may discontinue security processing due to automatic disqualifiers found during a suitability for federal employment review before the case reaches the security clearance and adjudication phase. Some of these cases may be cancelled by human resources before security clearance determinations are rendered, and as a result, are not categorized as security clearance denials. Other IC agencies consider all relevant information in their security clearance adjudicative processes. These IC agencies render security clearance denials based upon the totality of the information contained in the case files, which results in a higher percentage of denials. In FY 2017, denials increased by 0.5 percent from FY 2016, and revocations increased by 0.6 percent from FY 2016.

iv. The percentage of investigations during the preceding fiscal year that resulted in incomplete information.

Most IC agencies have instituted quality control processes that automatically return incomplete background investigations⁶ to the investigative service provider. Some IC agencies are beginning to track this information by using the Quality Assessment Reporting Tool (QART). Agency #9 reported that 1.8 percent and Agency #4 reported that 6.7 percent of investigations during FY 2017 were assessed as “Incomplete.”

v. The percentage of investigations during the preceding fiscal year that did not result in enough information to make a decision on potentially adverse information.

⁶ Incomplete investigations are those in which component requirements are not met and there is no adequate explanation for the missing component requirement.

As previously stated, some IC agencies are tracking insufficient background investigations⁷ through QART. Agency #9 reported 0.2 percent, Agency #4 reported 0.3 percent, and Agency #10 reported 4.3 percent of investigations in FY 2017 were assessed as “Insufficient”.

As additional IC agencies and IC elements begin using QART, it is anticipated that additional data will be collected in sections iv. and v. in future reports.

- vi. **The number of completed or pending security clearance determinations for government employees and contractors during the preceding fiscal year 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.**

Table 6, *Delays More Than 1 Year for Government Cases*, shows the number of security clearance determinations for USG employees that required more than a year to complete.

Table 7, *Delays More Than 1 Year for Contractor Cases*, shows the number of security clearance determinations for contractors that required more than a year to complete.

Table 6: Delays More Than 1 Year for Government Cases

Agency	Government Cases	
	Over One Year	
	Pending	Completed
Agency #1	0	1
Agency #2	3	3
Agency #3	0	6
Agency #4	82	27
Agency #5	23	88
Agency #6	0	633
Agency #7	70	153
Agency #8	278	360
Agency #9	12	769
Agency #10	0	2

⁷ Insufficient investigations are those containing inadequate content, including the failure to resolve known issues.

Table 7: Delays More Than 1 Year for Contractor Cases

Agency	Contractor Cases	
	Over One Year	
	Pending	Completed
Agency #1	31	351
Agency #2	0	0
Agency #3	0	0
Agency #4	258	245
Agency #5	14	5
Agency #6	16	15
Agency #7	19	48
Agency #8	419	651
Agency #9	0	2
Agency #10	1	1

Multiple IC agencies report that the ever increasing competitive market place for both investigators and certified polygraph examiners has caused escalating cost in implementing personnel security programs, resulting in delays in completing security clearance determinations.

Some DoD IC agencies only have delegated investigative authority over their civilian employees, and therefore can only report the overall timeliness for that population. These DoD IC agencies only conduct adjudications of contractors who already have a Top Secret clearance for access to Sensitive Compartmented Information.

Some IC agencies cannot report detailed information because of the technical limitations of their current system. This report reflects all instances of significant adjudicative events noted as causes for delay. For those IC agencies that can report detailed information, when two or more adjudicative concerns cause a significant delay, “multiple issues” was cited as the cause. This occurred in 970 cases (or 67.8 percent) — a 19.0 percent increase from FY 2016. Similar to the FY 2016 report, “foreign influence” was listed as the most common single reason for delay, and “financial considerations” was the second most common reason for delay.

CONCLUSION

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 investigations backlog. In FY 2017, the number of individuals eligible for a security clearance *declined* for both the “in access” and “not in access” populations. The decreases appear to reflect IC agencies’ continued response to DNI guidance and DoD’s implementation of their DQIs, as noted above. As these combined data integrity efforts reach a natural conclusion, the anticipated impact of these initiatives will be minimal in future years.

NBIB, currently conducts 90 percent of the security clearance investigations for the federal government.⁸ NBIB reported to the ODNI that the largest challenge to implementing a successful backlog elimination plan is the need to increase the field investigative capacity. Additionally, NBIB's ongoing efforts to secure new contracts for background investigators are anticipated to have a significant positive impact on resolving the PR backlog.

Looking ahead, there are two major efforts underway that may impact the future of the USG cleared population. First, agencies are in the process of reviewing and re-designating their positions to comply with Title 5, Code of Federal Regulations Part 1400, *Designation of National Security Positions in the Competitive Service, and Related Matters*. Second, ongoing agency efforts to comply with DNI guidance and Congressional requirements to validate government employee and contractor continued eligibility for access to classified information are also expected to impact the total number of USG cleared personnel. In complying with these efforts, the USG will progress toward an appropriate number of cleared personnel based on agency mission. A slight increase or decrease should be viewed as a corrective measure that provides a more accurate picture of the cleared population.

The ODNI, in partnership with the Office of Management and Budget, OPM, 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.

⁸ The size of the population utilizing NBIB services will be impacted by the implementation of the transfer of the Department of Defense investigative work to the Defense Security Service, as authorized in the 2018 National Defense Authorization Act.



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