

STATE OF THE SECURITY CLEARANCE PROCESS

1H 2022

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A letter from our President and Founder, Evan Lesser

The government's personnel security program and security clearance processes have undergone seismic shifts over the past few years – from the Department of Defense taking over the vast majority of investigations to the replacement of periodic reinvestigations with a Continuous Vetting (CV) model. And the COVID-19 pandemic hasn't halted progress. Background investigation times are within benchmarks for timeliness and a dramatic improvement over 2020 figures.

One of the biggest challenges for recruiters today is keeping pace with the update – is it eQIP, or eApp? (Both, sort of). Is it periodic reinvestigations or continuous evaluation? (CE, most likely – unless you're in the intel community).

That's why we're releasing our first bi-annual updates on the security clearance market. As the experts, we want to keep you informed on the latest in both government and industry security policies and practices. At ClearanceJobs we're all about making sure you can find and make meaningful connections with the best cleared talent. And for you, that also requires a solid understanding of the security clearance process.

These policies affect how you hire, and we hope you'll share this content with your senior leaders when they ask why security clearance recruiting is so hard.



President and Founder of ClearanceJobs

SECURITY CLEARANCE MARKET REALITIES:



DEMAND FOR
TALENT OUTPACES
SUPPLY



CLEARANCE
PROCESSING TIMES
ARE IMPROVING –
*BUT CAN STILL TAKE
300 DAYS OR MORE.*



CLEARED JOB
OPENINGS ARE AT
ALL-TIME HIGHS



MOST TALENT
IS ALREADY
EMPLOYED

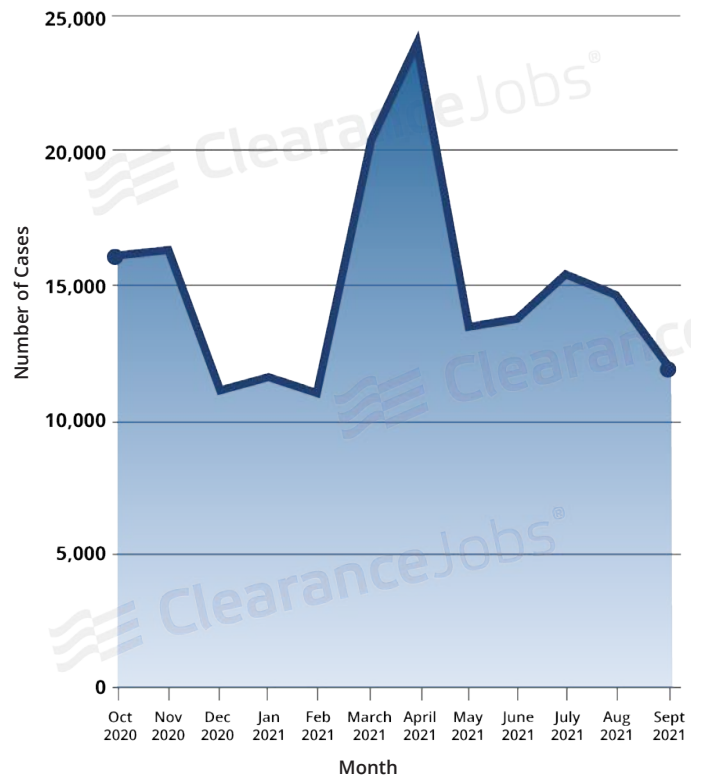


RECIPROCITY
AND TRANSFER
OF TRUST ARE
*POSSIBLE – BUT NOT
ALWAYS EASY*

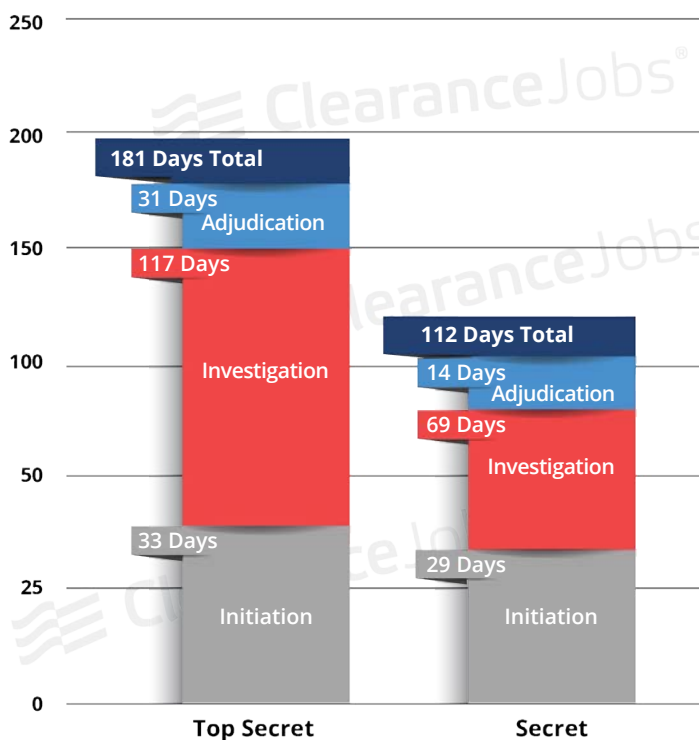
These are the same market realities we have been discussing for years. While the Defense Counterintelligence and Security Agency, responsible for conducting over 95% of all background investigations, has made significant strides in improving security clearance processing times, that doesn't mean you can find talent on the street, onboard them today, and move them into a cleared position within a month. Reported figures are just for the fastest 90% of applicants – while some cases are able to move quickly through the system, there are others who wait a year or more for a final determination. With a healthy commercial market, that's an onboarding delay many coveted candidates are unwilling to accept.

Intelligence Community figures take even longer than the DoD, and those numbers are misleading – industry representatives say their cases typically sit for several months waiting to be initiated, and those times aren't indicated in the reported figures.

Monthly Security Clearance Closed Cases FY 2021

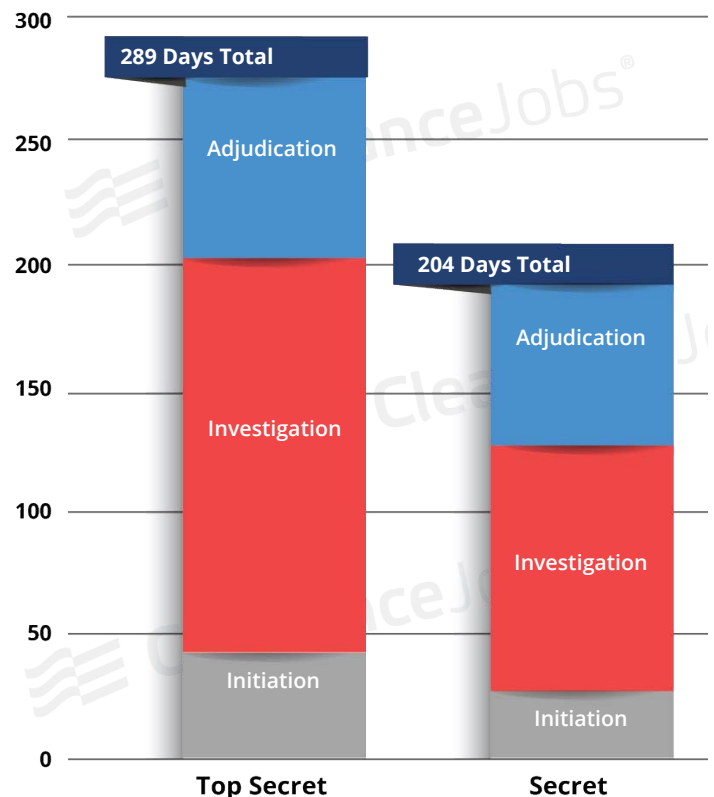


How long it takes to obtain a DoD/Industry Security Clearance



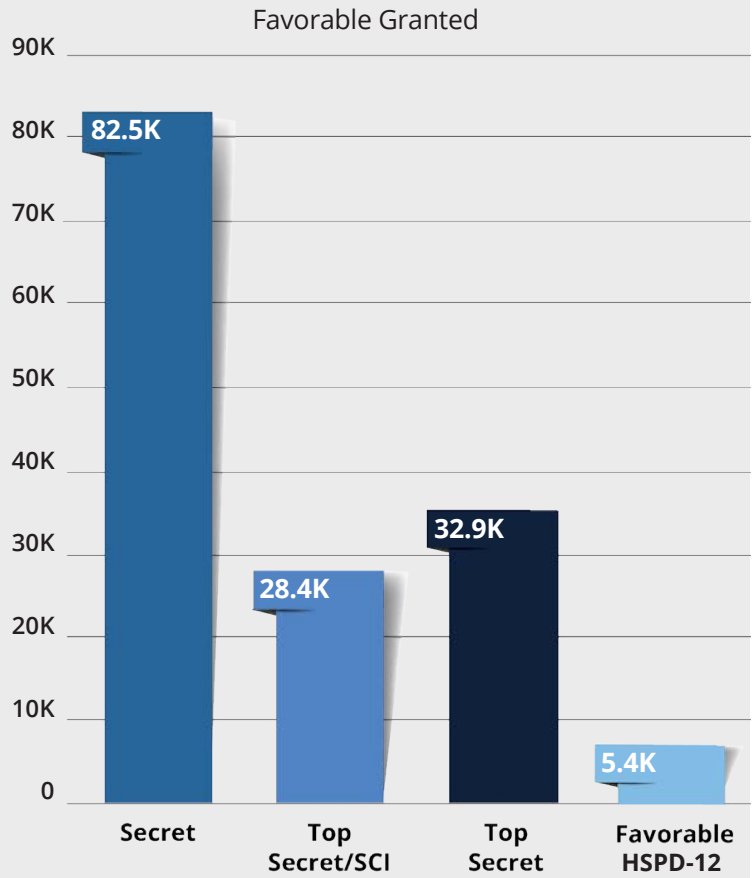
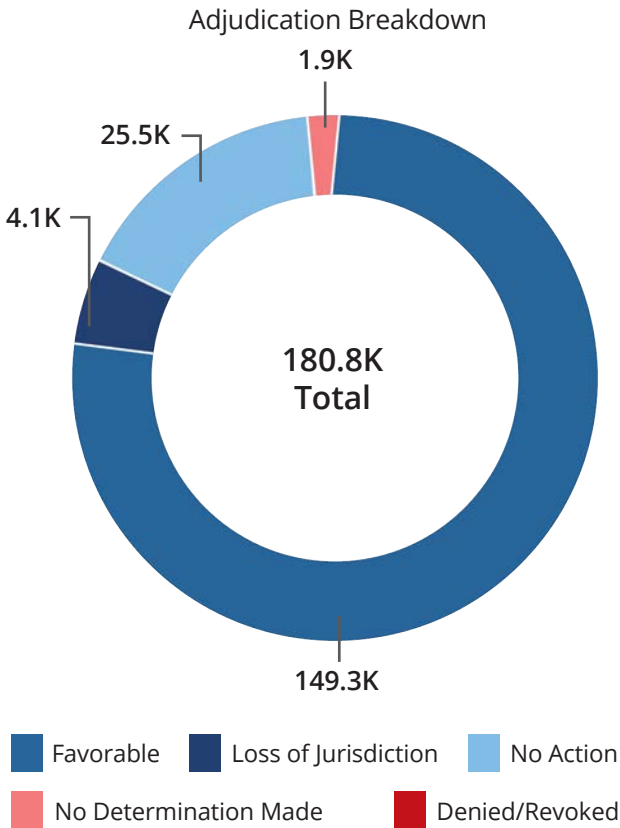
Source: DCSA

How long it takes to obtain an IC Security Clearance



Source: ODNI

National Security Adjudications FY 2021



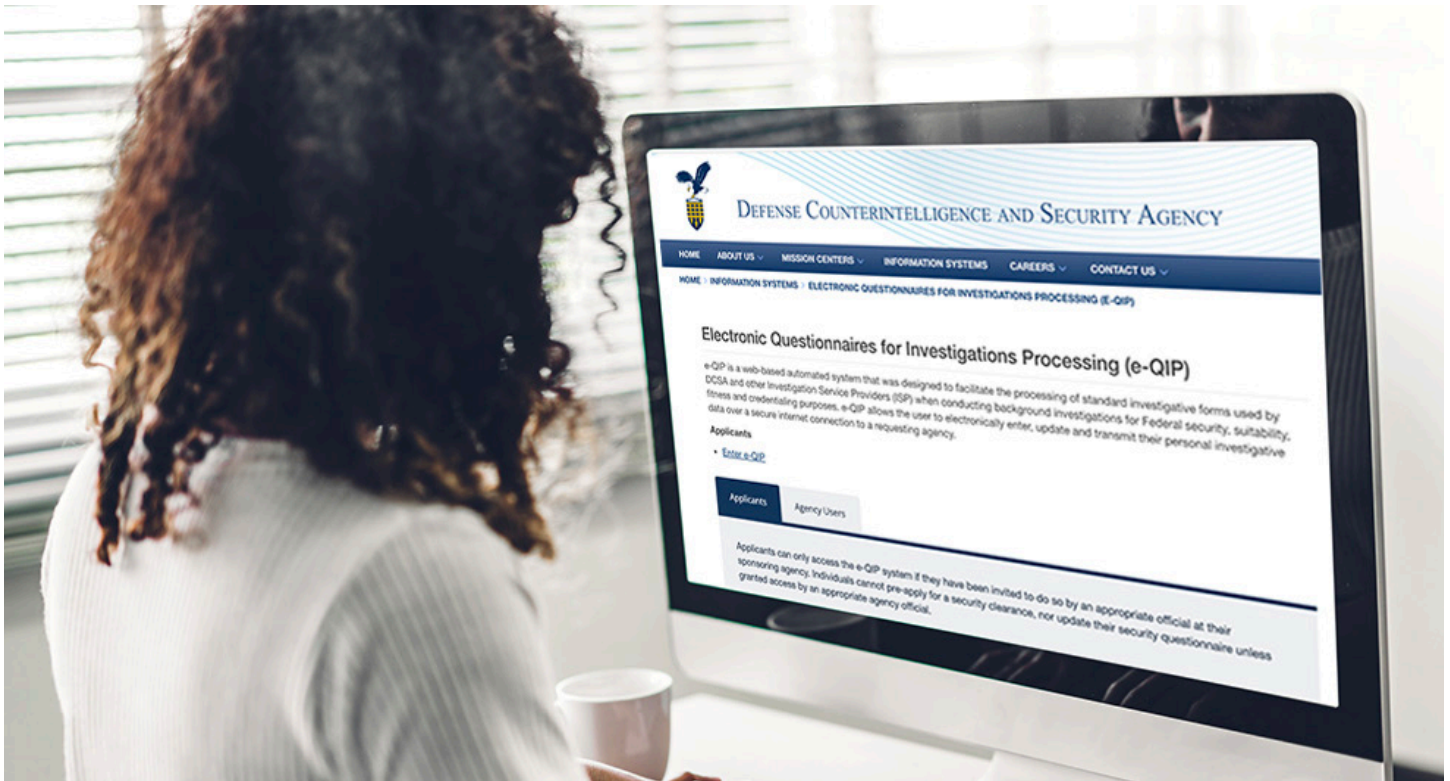
Source: DCSA Clearance Working Group Update 10/5/2021

Top Issues that Cause Security Clearance Denial or Revocation for DoD/Industry

Adjudicative Category	Number of Denied Cases	
	2020	2021
Guideline A: Allegiance to the U.S.	0	0
Guideline B: Foreign Influence	56	49 ▼
Guideline C: Foreign Preference	6	6
Guideline D: Sexual Behavior	6	16 ▲
Guideline E: Personal Conduct	123	94 ▼
Guideline F: Financial Consideration	287	319 ▲
Guideline G: Alcohol Consumption	26	22 ▼

Adjudicative Category	Number of Denied Cases	
	2020	2021
Guideline H: Drug Involvement	42	71 ▲
Guideline I: Psychological Conditions	7	11 ▲
Guideline J: Criminal Conduct	24	43 ▲
Guideline K: Handling Protected Information	7	3 ▼
Guideline L: Outside Activity	0	0
Guideline M: Use of IT System	5	4 ▼

Source: Defense Office of Hearings and Appeals Industrial Security Clearance Decisions



Testing of the government's new security clearance application system, eApp, began in 2018. As of today, however, eQIP remains the application the vast majority of security clearance applicants encounter when they apply for their first security clearance or when they have to renew their eligibility. DCSA inherited eApp from the Defense Information Systems Agency (DISA), and rolled it into their National Background Investigations System (NBIS) overhaul. In addition to replacing eQIP, NBIS will overhaul Office of

Personnel Management's (OPM) legacy case management system – you know, the one that was breached by China and resulted in millions of security clearance records going into the hands of a foreign government.

While eApp is supposed to be fully operational by now, like NBIS, it has faced delays. That's the bad news. The good news is once eApp is implemented, it will offer a far more intuitive, far more user-friendly security clearance application process.

Understanding Security Clearance Supply and Demand

The other factor affecting security clearance population supply-demand issues is the limited pool of cleared candidates themselves. A 2013 Office of Management and Budget report noted there were 5.1 million individuals with security clearance eligibility – that's 1 million more than the figure with clearance eligibility today.

If you recall, 2013 was also the year Edward Snowden flew to Hong Kong after stealing as many as 1.7 million classified documents. Those disclosures prompted a government-wide 'desk-audit' of all eligible individuals, and a crash in the number of individuals with eligibility. The narrative became 'there are too many people with security clearances' rather than 'how can we make our personnel security program better.' News articles touted how the number of individuals with a federal security clearance was greater than the country of Norway.

The rush to decrease the eligible population didn't just result in a rapid decline in the overall number of cleared professionals, but also eliminated a government contractor's ability to maintain sponsorship of clearances as they bid on or moved between contracts. Ever since this rapid crash in supply, there has been a severe security clearance supply/demand issue which often requires companies to poach from existing talent in order to fill their positions.

Even with improved clearance processing times, sometimes contract requirements demand an individual be clearance ready when they arrive. That makes poaching talent a key part of every cleared recruiting strategy. But what if the cleared person you find doesn't have the same clearance as the agency? Enter reciprocity, or transfer of trust. The government is required to recognize security clearances issued by other agencies, if the clearance is at the same level of eligibility. But what is required on paper doesn't always match

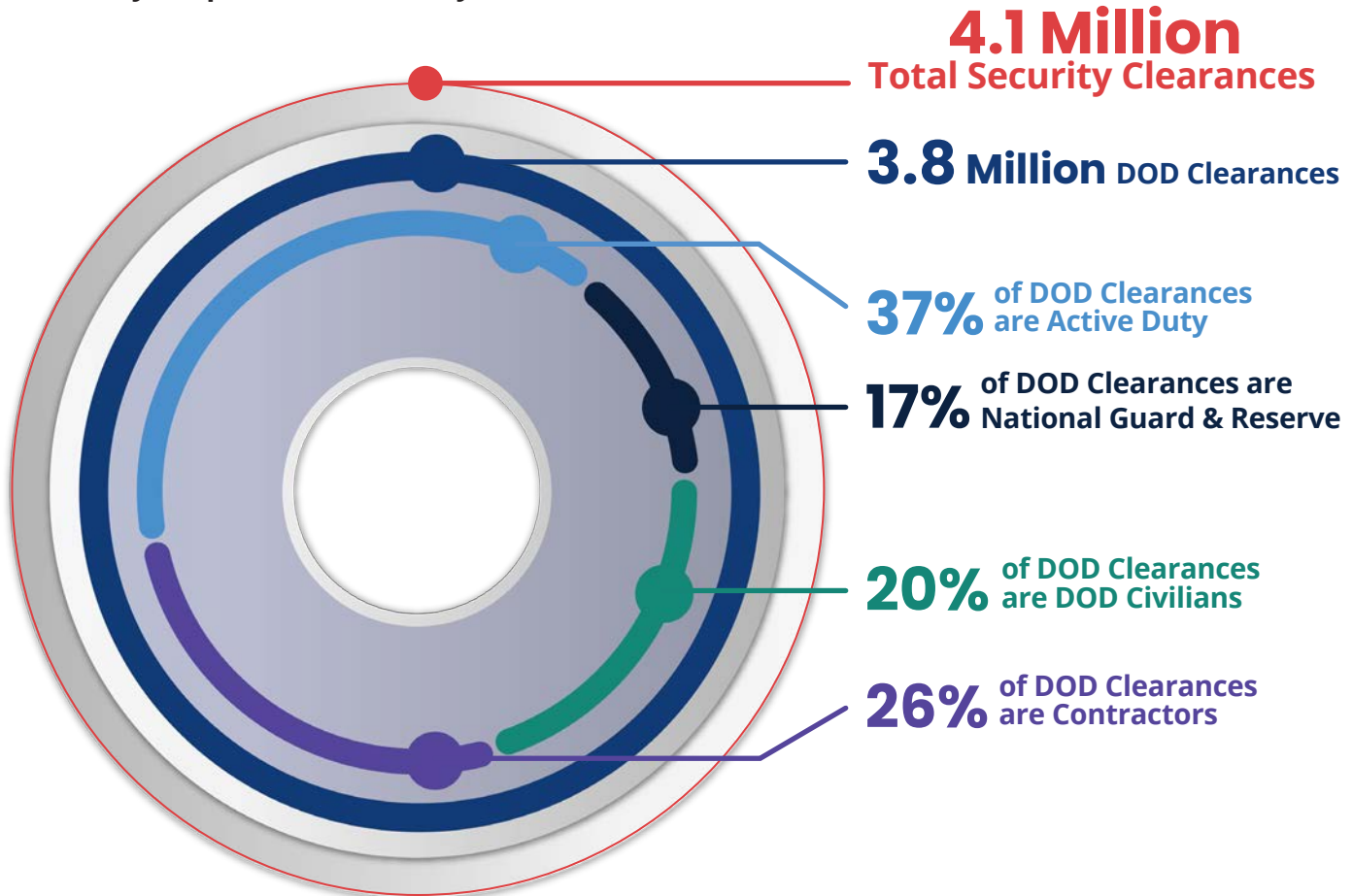
experienced reality, especially for IC agencies. Because of polygraphs and other requirements, it can frequently take months for a security clearance to be transferred.

The good news is unlike the IC, the DoD has made improving clearance reciprocity a focus, reducing the time to transfer a security clearance into the agency to just five days from when it's received.

“Delays caused by inefficiencies in security reciprocity, the process of “passing” a worker’s clearance from one agency to another, result in the estimated loss of 1,000 contractor labor-years at a cost of approximately \$2 billion to the Intelligence Community and upwards of \$8 billion across the Federal Government each year.”

– 2019 Report by the Intelligence and National Security Alliance.

How Many People Have a Security Clearance?



What is Trusted Workforce 2.0?

The OPM data breach, Edward Snowden leaks, and Aaron Alexis shooting created a perfect storm of issues that launched the personnel security program into the hotseat. Under congressional scrutiny, Trusted Workforce 2.0 was born in March of 2018.

Trusted Workforce aims to simplify the personnel security process by implementing one personnel vetting model, reducing the number of investigative tiers from five to three, and creating five vetting scenarios from initial vetting through reestablishing trust.

ONE-THREE-FIVE FRAMEWORK



ONE PERSONNEL VETTING MODEL

The Performance Accountability Council (PAC) plans to align the distinct security, suitability/fitness, and credentialing vetting process into one model with a simplified policy framework of exclusive issuances, guidelines, and standards.



THREE INVESTIGATION TIERS

The PAC plans to reduce the background investigation tiers from five to three: Tier-1 for low-risk positions, Tier-2 for moderate-risk suitability vetting and secret clearances, and Tier-3 for high-risk suitability vetting and top secret clearances.



FIVE VETTING SCENARIOS

- 1 Initial vetting:** determining whether to trust individuals with no prior background investigation conducted by the federal government
- 2 Continuous vetting:** replacing periodic reinvestigations and consisting of automated record checks, agency-specific checks, and certain time- or event-driven fieldwork
- 3 Upgrades:** adjusting the level of vetting commensurate with a move to a position with higher level of risk
- 4 Transfer of trust:** moving an individual from one agency to another with the goal of improving the speed of mobility
- 5 Reestablishment of trust:** following a break in service, vetting an individual for return to the federal workforce

A cornerstone of Trusted Workforce 2.0 and a key accomplishment to-date has been the implementation of Continuous Evaluation (CE). CE replaces episodic five-and-ten year reinvestigations with ongoing, continuous vetting (CV) for security clearance holders. In October of 2021, DCSA reached full enrollment of all DoD clearance holders into its CV program. The IC hasn't released its full enrollment figures, but notes it also has a significant portion of its population enrolled, as well.

CE doesn't change security clearance self-reporting requirements, and it also shouldn't change an individual's ability to transfer within cleared positions. But what's unclear is if the two-year rule for eligibility remaining current still applies. Until clear guidance is issued through ODNI, however,

most government officials are indicating the two-year rule applies under CE – even as they look to determine if that timeframe represents a useful benchmark for reestablishment of trust for a previously cleared employee.

Who's Enrolled in Continuous Evaluation?



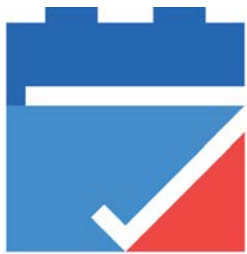
Source: Government Accountability Office

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