Statement By Daniel E. Payne Director, Defense Security Service Senate Select Committee on Intelligence 7 March 18

Mr. Chairman, Vice-Chairman, and members of the Committee, I appreciate the opportunity to speak with you today on our efforts to transfer the DoD background investigations mission from the National Background Investigations Bureau (NBIB) to the Defense Security Service (DSS). We know that we must conduct this transfer in a manner that has the least impact on NBIB's ability to reduce their current investigative inventory, the bulk of which belongs to the Department of Defense (DoD). The DoD has a vested interest and is the primary beneficiary of NBIB's ability to reduce their current investigative inventory.

DSS plans to conduct the transition in a phased manner over a three year period. DSS will assume responsibility for the least labor intensive investigations first, while we build our investigative capacity and infrastructure. During the second phase, DSS would seek to transition resources from NBIB to DSS. By the end of the third year, DSS will be able to assume the most labor intensive investigations. Our goal is to gradually reduce the number of investigations we send to NBIB, allowing them to apply the excess capacity that is created toward the reduction of the existing inventory. This phased approach, combined with other efforts currently underway by NBIB to increase their investigative capacity, should have a positive impact on the reduction of inventory.

I think, however, it is important for us to discuss something that is fundamental to the challenges we all face with the security clearance process. The way we currently do business has

to change; we simply cannot continue to maintain the status quo. The current security clearance process was developed decades ago and, while there have been a number of significant changes over the years, the foundation remains intact. We have to modernize and transform the process.. We now have insider threat programs, continuous evaluation, continuous vetting, electronic adjudication, risk rating tools and a number of other things we never had used before. We need to better utilize these tools to help identify the high risk populations.

We must use our investigative resources in a targeted manner rather than a one size fits all manner. But we have to go even further than that. We must look for a 21st century way to get the information we need to meet our adjudicative standards and we need to determine, as a government, how much risk we are willing to accept. Director of National Intelligence Coates recently stated in testimony before this Committee that the security clearance process was "broken." He also quoted Vice-Chairman Warner as having said that the security clearance process did not need evolution, it needed revolution. I think we all agree.

To that end I wish to highlight and applaud an effort that has been initiated by Director William Evanina of the National Counterintelligence and Security Center which will commence over the next few weeks. Director Evanina's office has collaborated with both internal and external experts of the personnel security field to take a "blank slate approach" to the security clearance process. The goal is to start from scratch, with no ideas off the table, to develop a completely new security clearance process. I think this type of review is long overdue and I commend him for initiating it.

Thank you again for inviting me to participate in today's hearing and look forward to answering any of your questions.

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