Personnel Vetting, Security Clearance Reform, and Trusted Workforce 2.0

Statement for the Record

DEFENSE COUNTERINTELLIGENCE AND SECURITY AGENCY

Mr. David Cattler, Director

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Introduction

Chairman Warner, Vice Chairman Rubio, and distinguished members of the Committee. My name is David Cattler, and I joined the Defense Counterintelligence and Security Agency (DCSA) as Director in March 2024. From my first day as Director, I was humbled by the hard work and dedication of the women and men at DCSA who dutifully support key security functions across the entire Federal government. There was a lot to learn about DCSA as it is an agency with multiple missions—personnel vetting, industrial security, counterintelligence, insider threat, and security training.

I appreciate this opportunity to testify before you at this hearing. I am honored to testify alongside the Undersecretary of Defense for Intelligence and Security, the Honorable Milancy Harris, the Principal Deputy Director of National Intelligence, the Honorable Stacey Dixon, and the Department's Chief Digital and Artificial Intelligence Officer, Dr. Radha Plumb. Thank you for your oversight, the urgency you have afforded it, and the attention to the Trusted Workforce 2.0 and the National Background Investigation Services (NBIS) program. I will act with the same urgency to ensure DCSA is responsible and accountable in what we say and deliver.

DCSA's shortcomings will be set right under my direction. I welcome and am grateful for the assistance and technical expertise offered by our oversight partners and DoD stakeholders, and I expect to be held accountable.

The Role of DCSA and NBIS in Trusted Workforce 2.0

DCSA is the Federal government's largest investigative service provider, providing vetting services for a total of 95% of the Federal government. DCSA is the primary implementor of the Trusted Workforce 2.0 (TW 2.0) personnel vetting reforms. Last year, DCSA's Personnel Vetting mission conducted 2.7 million investigations, 10,700 investigations per day, 668,000 adjudicative decisions, and the continuous vetting (CV) of over 3.8 million people in the trusted workforce.

The TW 2.0 initiative is a whole-of-government effort led by the Performance Accountability Council (PAC) to overhaul the personnel vetting process for security, suitability, and credentialing. This modernization of the vetting model is a fundamental shift to improve efficiencies and the effectiveness of our personnel vetting processes, enable workforce mobility throughout the Federal government, and facilitate interagency information sharing.

The Department's NBIS program supports the TW 2.0 reform effort as a Federal IT system for end-to-end personnel vetting — from initiation and application to background investigation and adjudication, to Continuous Vetting. NBIS will deliver robust data security, enhance customer experience, and integrate data access across the whole of government and cleared industry. NBIS will provide the IT system needed to ensure a trusted workforce for 115 Federal agencies, including the DoD, and over 13,000 cleared industry organizations with contractors working for or on behalf of the Federal government.

NBIS Development

In 2015, the Office of Personnel Management announced their background investigation system had been severely compromised. The President issued Executive Order (EO) 13467, which *inter alia* tasked the Secretary of Defense to develop a modern and secure replacement IT system to support the end-to-end vetting processes for the DoD and Federal government customers. DoD's NBIS program was established in 2016 at the Defense Information Systems Agency (DISA) to replace OPM's legacy background investigation IT systems.

In 2020, a year after the agency was formed, the NBIS program was transferred to DCSA. At the time of transfer, only one NBIS capability had been delivered and put into use by DoD and other Federal agencies. This capability, called the Position Designation Tool, continues to be used to standardize position designations and inform vetting requirements. DCSA upgraded and hardened the legacy background investigation IT systems the NBIS program was established to replace, and they are still in use today to deliver vetting services as NBIS development continues. DCSA is responsible for maintaining these legacy systems until they are subsumed into NBIS.

Last year, we discovered several issues with the NBIS program after an internal DCSA assessment, the preliminary findings of a General Accountability Office (GAO) report released in August 2023, and reviews led by the Office of Under Secretary of Defense for Intelligence and Security (OUSD(I&S)). These reviews determined there will be a delay in NBIS delivery and sunsetting of legacy IT systems, hindering the timely achievement of critical TW 2.0 milestones and the Federal government's implementation vetting reform. The analysis of the NBIS program identified several key problems including in oversight, software development methodologies, acquisition strategy, team competencies, and leadership:

- A shortage of critical technical, agile, acquisition, and integration skills hindered DCSA's ability to lead and implement a program of this scope and complexity,

- The NBIS program did not maintain an accurate integrated master schedule and lifecycle cost estimate based on requirements that were provided to the program. As TW 2.0 policy evolved, the lack of adherence to a rigorous requirements management process resulted in requirement changes and program actions. DCSA was unable to accurately assess or report on the cost, schedule, and performance impacts to inform decision-making about the program.

- DCSA measured success based on software code releases that did not aggregate to a usable capability, resulting in significantly underestimating the timelines to deliver services to our DoD and Federal customers.

- The decision in October 2020 to transfer the management of legacy Information Technology systems to DCSA, resulted in a shift in focus towards addressing cyber security standards and compliance without additional personnel or resources to perform these duties. The cost, schedule, and performance impacts of these additional responsibilities were not assessed or reported.

DoD 90-day NBIS Recovery Plan and Immediate Actions

When I began as DCSA's Director on March 24, 2024, the OUSD(I&S) had finalized the plans to begin a 90-day NBIS sprint effort to understand and address the acquisition approach, financial status, technology approach, and requirements governance in partnership with our DoD colleagues—the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)), the Chief Digital and Artificial Intelligence Officer, and other Department experts. The Department's holistic approach looked at multiple facets and interdependencies of the program. The Department began that effort on 1 April, and we have worked together closely throughout the process.

Upon approval from the Acquisition Milestone Decision Authority, USD(A&S), key outcomes from the recovery plan will include the baseline and alignment of resources around clearly defined requirements, the delivery of a capability roadmap for internal and external planning and programming, the stand-up of a new NBIS leadership team with clear roles and responsibilities, a disciplined contracting strategy, and the establishment of a reliable funding profile to stabilize and sustain the program.

The OUSD(I&S), as the Program Sponsor for NBIS, will drive collaboration across the Department and lead a new NBIS requirements process. This will improve requirements management and allow DCSA to sharpen its focus on NBIS delivery. As Program Sponsor, OUSD (I&S) is updating the Capability Needs Statement and the User Agreement, two foundational documents that define the program and drive requirements and user governance.

DoD transferred the NBIS Milestone Decision Authority from DCSA to the USD(A&S) for acquisition oversight. We are moving through the stages of the approval process, which will culminate in an in-progress review meeting in early July. The elevation of oversight adds rigor and discipline to the acquisition process necessary to guide a major program of NBIS' size through the software acquisition pathway.

OUSD(I&S) and DCSA have together hired new leadership. In addition to my appointment as Director on 24 March, DCSA has upskilled the NBIS team by hiring a highly experienced and knowledgeable NBIS Executive Program Manager (EPM) and Program Executive Officer (PEO) to lead and supervise the program.

Working with this new team, I directed an internal NBIS program restructuring to comply with proper governance, business, and security protocols. We are also strengthening NBIS cybersecurity as recommended in a recent GAO cybersecurity report. We continue to work in partnership with the Defense Digital Service to focus on human-centered design and understanding the user experience to inform our modernization activities.

In order to aid my strategic guidance and to ensure internal accountability, I have also directed our DCSA Inspector General (IG) to audit the NBIS program to assess whether and to what extent: 1) funding was expended, and capabilities were delivered to functional and end users; 2) quality metrics exist, and if so, whether they are accurately measured and reported; and 3) internal controls are in place, appropriately designed, and operating effectively to provide reasonable assurance that the performance objectives of the program are being achieved. The DCSA IG will collect all historical documentation to support his assessment with a focus on FY21 to FY24. I will ensure he has the full cooperation of the DCSA workforce and full access to DCSA records.

Way Forward on NBIS

DCSA will prioritize five actions over the next 18 months: modernizing and migrating NBIS applications, aligning acquisition and development actions, adapting our NBIS workforce, aligning program cost and service pricing, and strengthening cybersecurity protections.

First, we will conduct a wholesale digital transformation to implement the proposed capabilities in the NBIS capability roadmap over the next 18 months. Subject to approval by our Acquisition Decision Authority, I will put in motion the migration of select systems to the DoD Joint Warfighting Cloud Capability (JWCC). This will give NBIS a stable, modern platform, security, the ability to scale and will

provide application developers and investigative service providers access to modernize to their specific needs. In time, this move will allow for shared services. The proposed 18-month NBIS capability roadmap includes milestones of ongoing product delivery and support to the mission owners, and the underlying data and engineering elements required to effectively operationalize capabilities in the cloud.

Second, we will assess, review, initiate technical and contractual actions to support the implementation of the NBIS capability roadmap in an 18-month timeframe in close coordination and subject to approval by our oversight authority.

Third, we will implement the recommendations of a manpower skill review to include targeted hiring, internal restructuring, and training of our NBIS team to ensure we have the required deep technical expertise and senior acquisition expertise required for a program of this magnitude and complexity.

Fourth, I am working with my Chief Financial Officer, the OUSD(I&S), the DoD Comptroller and OMB to assess cost and pricing impacts due to the delay in NBIS deployment to develop courses of action to minimize the impact to our customers. The milestones in the NBIS capability roadmap will drive the costs and impact. DCSA will communicate any potential impact of product and service rates charged to our customers. Aligned with prior year practices, the Department announced preliminary FY26 rates at the Enterprise Investment Board meeting on June 27, 2024, and will set final rates for FY26 in August 2024.

Finally, we continue to work closely with GAO on ongoing assessments. The team is actively addressing process and satisfying administrative deficiencies that were identified in a forthcoming GAO report on cybersecurity compliance. I have prioritized these efforts and have instructed my teams to fully integrate cybersecurity oversight and governance of NBIS with DCSA Chief Information Officer and the Chief Information Security Officer.

TW 2.0 Is Being Successfully Implemented

Before closing, I want to share several major TW 2.0 milestones that DCSA has helped the DoD and federal agencies implement to improve efficiencies and reduce risk in the trusted workforce to include deploying case initiation capabilities for DCSA customer agencies and industry to initiate vetting within NBIS, establishing and delivering Continuous Vetting services for DCSA customers, and improving reciprocity timeliness.

- Transition from e-QIP to eApp. All 115 customer agencies and more than 10,000 industry companies have been onboarded into the front end of NBIS. This allows these entities to initiate cases in NBIS

and for applicants to use the Electronic Application (eApp) to complete their vetting forms, replacing the previous application, Electronic Questionnaires for Investigative Processing (e-QIP) and improving the applicant experience.

- Tool to standardize position designation decisions. The Position Designation Tool, mentioned earlier, is used by all Federal agencies to assign position sensitivity and risk determinations. The tool helps ensure positions are properly designated to protect national security, public trust, and the integrity of government operations and establishes consistency across all agencies for the level of investigation needed for that position.

- Rapid reciprocity decisions to increase workforce mobility. Reciprocity timeliness remains at all-time lows for transfers into DoD. Through process improvements, we reduced the time to make a reciprocity decision into DoD to an average of one day, down from 65 days in mid-2020.Continuous Vetting serves to replace periodic reviews. Our Continuous Vetting services are being used across the DoD and more than 90 non-DoD entities, enrolling more than 3.8 million personnel. The program is preparing to expand to wider Federal populations this summer. Continuous Vetting enables DCSA to identify and mitigate risk in the trusted workforce in a matter of days and weeks, rather than years under the periodic reinvestigation construct.

The TW 2.0 Continuous Vetting model, especially, delivers a comprehensive and efficient vetting process, helping risk management decision-making by focusing in-depth investigations on specific issues of greatest concern. Continuous Vetting involves regularly reviewing an individual's background through automated records checks, time or event-driven investigative activity, and information such as self or command reporting, security incidents and violations, and insider threat information. The implementation of Continuous Vetting has been crucial in ensuring that the personnel vetting process continues to make improvements in security, quality, and efficiency.

In addition to the success of Continuous Vetting, the fastest 90% of end-to-end timeliness of DCSA-provided background investigations has gone from over 400 days for a top-secret investigation in April 2018 to an average of 187 days in May 2024. This current average is up by 80 days from its lowest point in FY2021, due to a recent surge in demand for background investigations. Through a combination of process improvements, technology adoption, and an increase in workforce size, DCSA and its predecessor agencies were successful in reducing the amount of time it takes to process a clearance, getting trusted personnel to work more quickly in critical positions. Reductions of timelines allow our government employees to commence work more quickly, ensuring that key talent is in place to fill important national security positions, while meeting the needs of the American people.

Continued implementation of TW 2.0 will further improve efficiencies in the personnel vetting process. TW 2.0 brings new data sources, new timeliness standards, and new enterprise tools such as the Personnel Vetting Questionnaire and self-reporting. With the aid of full NBIS delivery, the Federal government will see improved information sharing, and a risk-based trusted person model.

Conclusion

The Executive Branch and Congress have entrusted DCSA with delivering NBIS to enable full implementation of TW 2.0. When deployed, NBIS will support the personnel vetting mission and our customers who utilize NBIS for its secure and efficient investigation and adjudication process. DCSA and the DoD are committed to its development and fielding, and we will finish our part.

DCSA has several steady partners in examining NBIS and identifying the many challenges it faces. We are systematically addressing these issues raised by our partners and taking bold action to correct deficiencies as identified during our 90-day recovery plan. We've taken these lessons learned seriously and to task. DCSA will move forward with a program that instills confidence; a program that delivers capabilities to uphold mission without fail. I am confident in our path forward and expect to be held accountable. We've embraced collaboration with our oversight partners, GAO, DoD, the PAC members, and mission owners—together we will take NBIS on a sustainable pathway forward to ensure a trusted workforce, to protect the Nation and earn and secure the public's trust.