



*Office of Personnel Management*

# Federal Investigative Services

**Annual Report to Our Stakeholders**

*Fiscal Year 2013*

## Table of Contents

Federal Investigative Services.....	3
From the Associate Director.....	4
How We're Organized.....	5
Where to Find Us in the United States.....	6
Where We Serve Internationally.....	7
FY 2013 Major OPM FIS Accomplishments.....	8
Investigations.....	9
From the Deputy Associate Director for Operations.....	13
Counterintelligence.....	14
From the Deputy Associate Director for Quality.....	16
From OPM FIS Management Services.....	19
Contract Workforce.....	20
Federal Employment Suitability.....	21
From the Deputy Associate Director for External Affairs.....	22
Customer Service.....	24
Freedom of Information/Privacy.....	25
Training .....	26
Finances.....	28
Looking Ahead.....	31

## Federal Investigative Services

The Office of Personnel Management's Federal Investigative Services (OPM FIS) has over 60 years of experience conducting background investigations for the Federal Government. We conduct background investigations for over 95% of the Federal Government. Through a combination of centralized automated record searches, written inquiries and personal contacts made by our nationwide network of skilled professionals, OPM FIS meets suitability and security investigative needs of over 100 federal agencies. Our investigations are used to determine whether individuals meet the suitability or fitness requirements for employment, or are eligible for access to Federal facilities, automated systems or classified information. By providing a standardized quality investigative product, OPM FIS enables reciprocity throughout the Federal Government, saving our customers significant expenditures in time, money, and resources.

## From the Associate Director

It gives me great pleasure to provide you, our stakeholders, the *second* annual Federal Investigative Services (FIS) report providing a detailed review of our key investigative operations, in terms of workload, productivity, quality, and costs. Highlights from the FY2013 annual report include the following accomplishments:



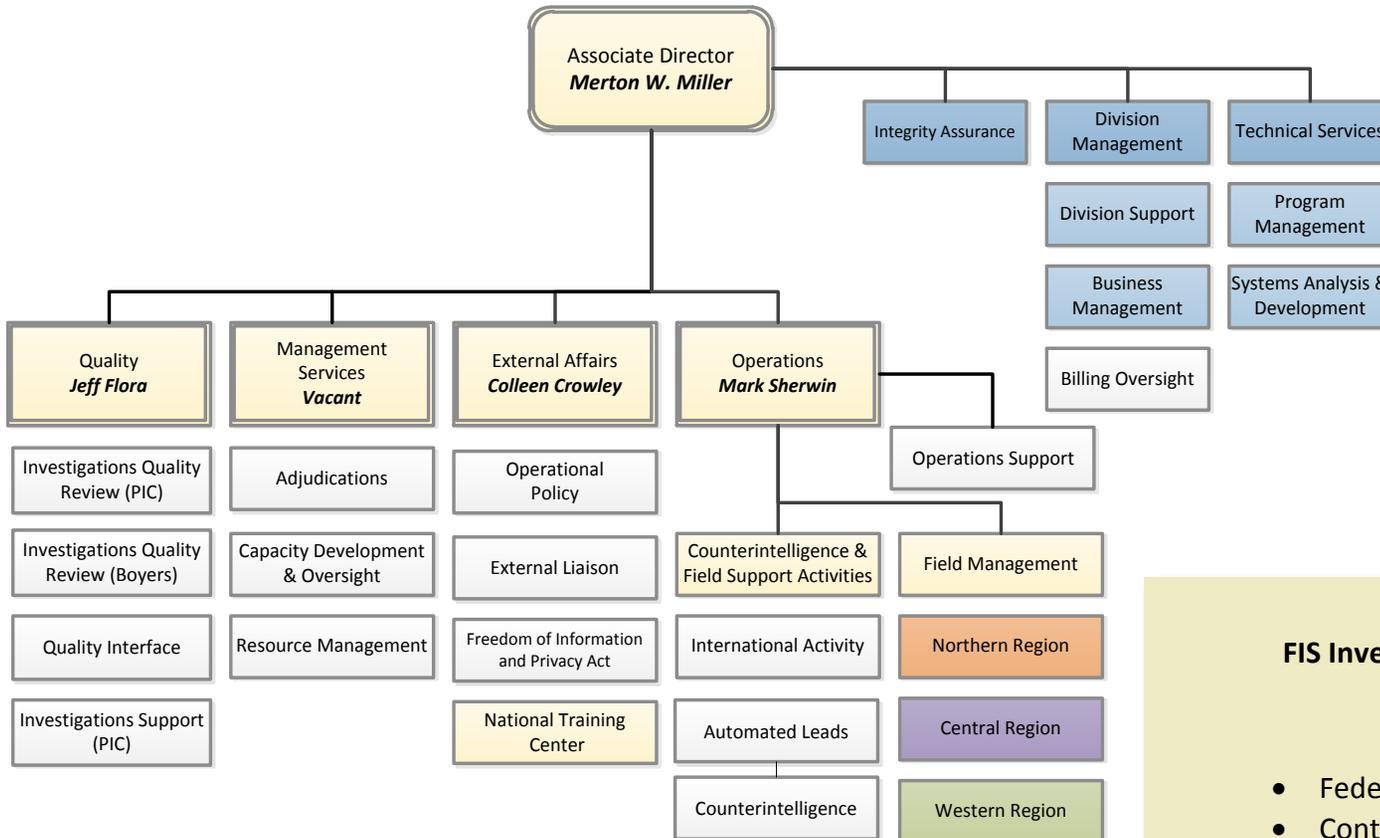
**Merton W. Miller**  
**Associate Director**  
**Federal Investigative Services**

- Completed 577,952 initial security investigations in an average of 35 days (Top Secret 77 Days, Secret 29 days), with 99.8% meeting quality standards
- Conducted 24,381,932 investigative leads (record number) to produce 2.3 million investigative products
- United critical quality review, assessments, and evaluation resources into FIS Quality Center of Excellence
- Made over 2000 counterintelligence referrals for over 120 agencies, providing significant analysis, enhanced reporting, and developed additional leads in cases with CI, counterterrorism, and insider threat issues
- Addressed over 25,000 first party FOIA requests, 15,000 FOIA/PA hotline calls and 5,000 releases for litigation purposes
- Received training accreditation for Federal Background Investigations and Essentials of Suitability adjudication courses
- Expanded Automated Record checks and investigative consolidated leads capabilities
- Developed 2014 pricing using new Cost Allocation Model (CAM) focused on activity based costing
- Delivered revised field reporting format that emphasizes issues, highlights discrepancies, and presents information in a clear organized way to support adjudicative reviews
- Answered over 75,000 e-mails and almost 20,000 phone calls
- Issued \$24.5M targeted pricing reductions to our customers

Last year, I commented in my annual report message that despite our *collective* success in implementing critical improvements across the personnel security community, “we must not lose focus....significant challenges still remain.” Key events during FY2013 provided all of us who serve in the security community several unambiguous reminders that our work for improving all aspects of the security program must continue.....AND with an increased “sense of urgency.” Without question, Edward Snowden’s momentous disclosures of classified information and the horrifying shooting rampage at the Washington Navy Yard by Aaron Alexis highlights the critical need to *fast track* improvements across the security community. While these events have been very difficult, they have brought much needed attention and partnership from the Executive, Legislative, and Judicial Branches of government to explore opportunities to remove long standing road blocks to investigative completeness and find solution to improving current investigative and adjudicative processes.

While FY 2013 represented a year with significant progress to advance the background investigative program, it also exemplified through several stark reminders that our collective work to improve the security process (personnel, physical, logical access, etc.) is never done. The Federal Investigative Services looks forward to working with our partners and significant stakeholders on finding solutions to close critical gaps in the current process and implementing many key and ongoing initiatives; on implementing new Federal Investigative Standards, Training standards (investigation and adjudicative), and government-wide investigative quality standards; on moving towards a living investigative product (Rapback, credit, etc.), enhancing reciprocity; and more importantly on better protecting our citizens and supporting national security.

## Federal Investigative Services Office of Personnel Management



### FIS Investigations Program Staff

FY 2013

- Federal 2,517
- Contract\*\* 7,091
- **TOTAL 9,608**

\*\*Full time, part time, and intermittent

OPM FIS closely manages its federal workforce to ensure we are optimally sized to meet our customers' needs. Since 2011, we reduced our federal staff by over five percent, primarily through attrition. A more experienced workforce and program efficiencies allows OPM FIS to provide quality and timely products and services to our customers.

**Where to Find Us in the United States**

**Western Region**

- Tacoma, WA
- Salt Lake City, UT
- Sacramento, CA
- Denver, CO
- Menlo Park, CA
- Colorado Springs, CO
- Los Angeles, CA
- Oklahoma City, OK
- San Diego, CA
- Dallas, TX
- Las Vegas, NV
- El Paso, TX
- Phoenix, AZ
- San Antonio, TX
- Tucson, AZ
- Austin, TX
- Albuquerque, NM
- Houston, TX

**Central Region**

- Harrisburg, PA
- Atlanta, GA
- Slippery Rock, PA
- Jacksonville, FL
- Minneapolis, MN
- Orlando, FL
- Great Lakes, IL
- Miami, FL
- Chicago, IL
- Tampa, FL
- Flint, MI
- Gulf Breeze, FL
- Worthington, OH
- St. Louis, MO
- Knoxville, TN
- Kansas City, KS
- Clarksville, TN
- Omaha, NE
- Fayette, NC

**Northern Region**

- Syracuse, NY
- Manchester, NH
- Boston, MA
- Groton, CT
- New York, NY
- Mt. Laurel, NJ
- Philadelphia, PA
- Aberdeen, MD
- Ft. Meade, MD
- Andrews AFB, MD
- Arlington, VA
- Virginia Beach, VA
- Stafford, VA

## Where We Serve Internationally

### Greenland

Thule AB

### Cuba

Guantanamo Bay

### United Kingdom

RAF Alconbury

Cheltenham

Croughton

Feltwell

Hycombe

RAF Lakenheath

London Area

RAF Mildenhall

Menwith Hill

Molesworth

Northwood (NATO)

Plymouth

Portsmouth

Ruslip (NCIS)

Welford

Yeovil

### Netherlands

### Luxembourg

### Belgium

Brussels

Chievres AB

Kleine Brogel

S.H.A.P.E.

### France

### Spain

Madrid

Moron AB

Rota

Valencia

### Portugal

### Azores

### Italy

Aviano AB

Camp Darby

Gaeta

Naples

Rome

Sicily

Vicenza

### Germany

Darmstadt

Garmisch

Grafenwoehr

Heidelberg

Hohenfels

Kaiserslautern

Landstuhl

Mainz Kastel

Ramstein AB

Spangdahlem AB

Stuttgart

Vilsek

Wiesbaden

Wurzburg

### Greece

Crete

### Cyprus

### Turkey

Adana

Ankara

Incirlik AB

Istanbul

Izmir

### Bahrain

### South Korea

Camp Casey

Camp Coiner

Camp Humphreys

Kunsan AB

Osan AB

Pusan

Seoul

Taegu

Tongduchon

Uijonbu

Yongsan

### Japan

Iwakuni

Misawa AB

NAF Atsugi

Okinawa

Camp Fuji

Camp Zama

Camp Butler

Camp Courtney

Camp Foster

Camp Hansen

Camp Kinser

Camp Schwab

Camp Shields

Kadena AB

Torii Station MCAS

Futenma

White Beach

Sasebo

Tokyo

Yokohama

Yokosuka

Yokota AB

### Thailand

### Singapore

### Australia

Alice Springs

Canberra

Melbourne

Perth

Sydney

### Guam

### American Samoa

Pago Pago

### N. Mariana Islands

Rota

Saipan

Tinian

### Marshall Islands

Kwajalein

### Diego Garcia

#### Locations - Color Key

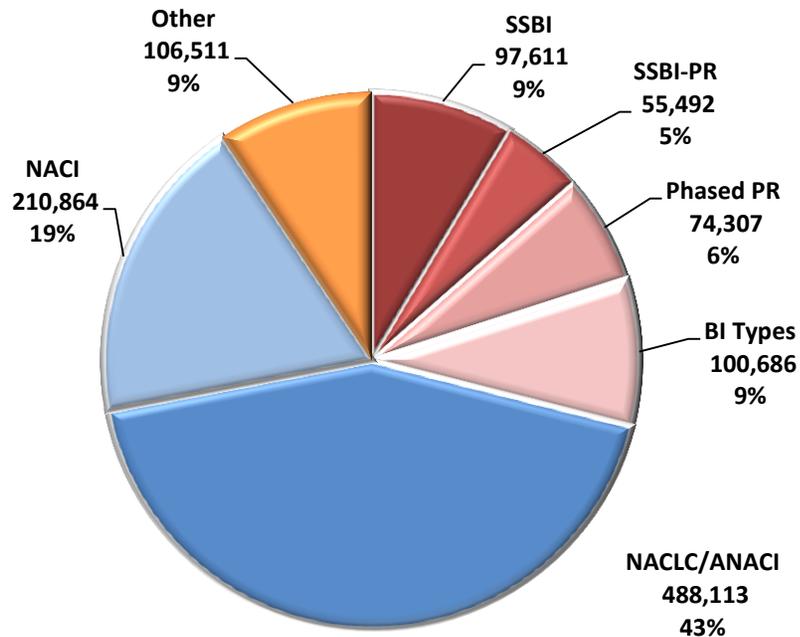
**Black:** OPM FIS Agents only

**Red:** OPM FIS and State  
Department Agents

## FY 2013 Major OPM FIS Accomplishments



Background investigations are our core business line. In FY 2013, we received the largest number of investigation requests since FY 2005, when the Department of Defense’s personnel security investigation program transferred to OPM. In response to these requests, FIS delivered 2,333,631 investigation products. We saw increases in most of the fieldwork-intensive investigation types (i.e., SSBI, SSBI-PR, Phased PR, and BI).



## Work Completed (Products)

### Fieldwork-Intensive

- Single Scope Background Investigation (SSBI)
- Single Scope Background Investigation – Periodic Reinvestigation (SSBI-PR)
- Phased Periodic Reinvestigation (Phased PR)
- Background Investigation (BI types)

### Less Fieldwork-Intensive

- National Agency Check with Law and Credit (NACL/ANACI)
- Access National Agency Check with Inquiries (ANACI)
- National Agency Check with Inquiries (NACI)

### Other

- Investigations to support unique agency authorities and hiring rules

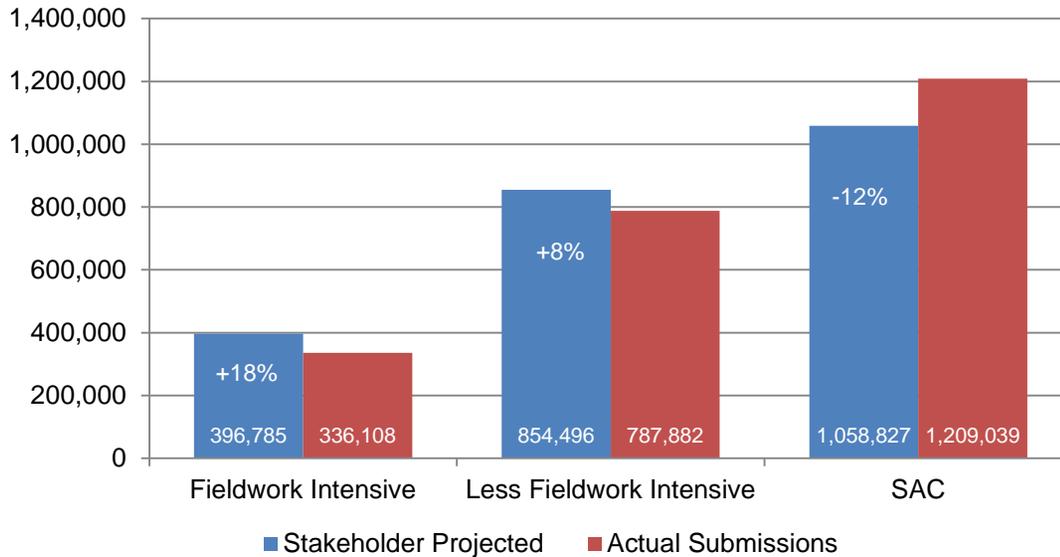
Additionally, in FY 2013, OPM FIS completed over **1.2 million *Special Agreement Checks*** for our customers, supporting pre-employment determinations and interim Personal Identity Verification (PIV) decisions.

### Investigation Elements Collected in FY 2013

In FY 2013, we completed over 2.3 million investigations with **24,381,932** investigative elements, a 5 percent increase over FY 2012. While each category saw movement, the most significant changes were related to policy and program changes. In the spring 2012, we implemented the Social Security Number (SSN) record checks. FY 2013 was the first full year the SSN check was conducted, an increase of 80% over FY 2012. In addition, we implemented new policies in FY 2013 that increased the number of personal references contacted in each background investigation and required fieldwork items to be scheduled under the appropriate category rather than as General Items. As a result, we saw a 17% increase in Personal References and a 20% decrease in General Items in FY 2013.

3,809,919	•Checks of prior background investigations conducted by OPM and other investigative agencies
3,544,331	•Searches of FBI investigation and arrest records
3,041,300	•Law enforcement checks
2,916,905	•Employment history checks
1,822,618	•Personal reference checks
1,135,272	•Checks of Defense Department investigative records
971,080	•Residence checks
864,618	•Credit report checks
670,634	•General checks of miscellaneous sources
650,318	•Education verification checks
479,336	•Subject interviews
4,475,601	•Other, such as verifications of birth, immigration status, financial health, Selective Service registration

### Agency Projections vs Actual Submissions

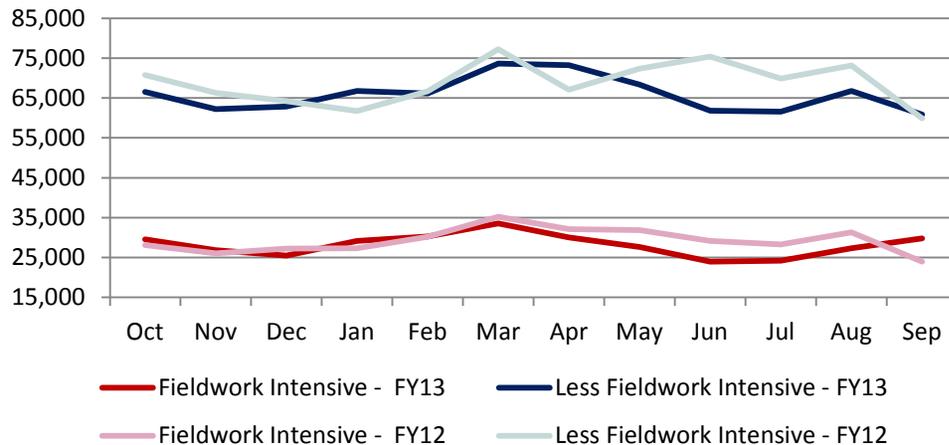


### Agency Projections

Following the implementation of the Intelligence Reform and Terrorism Prevention Act of 2004, agencies were asked to refine their workload projection to be within five percent of actual demand. In FY 2013, agency projection continued to be outside the goal, most significantly in area of fieldwork intensive investigations.

OPM FIS needs accurate projections to optimize federal staffing levels, refine case pricing, develop accurate annual budgets, and better manage investigative and support contractors.

### Investigation Requests



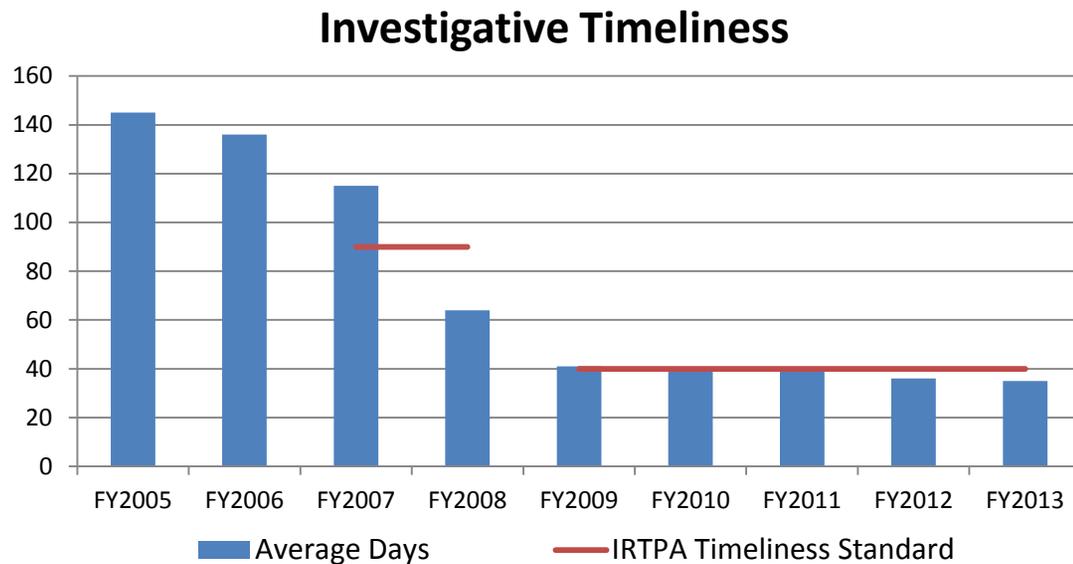
### Federal Government Sequestration

Because of budget constraints in FY 2013, Executive Branch agencies reduced hiring and furloughed employees. As a result, OPM FIS saw a decline in investigation receipts from March 2013 and through July 2013 when compared to the same period in FY 2012.

In all, the Sequester did not have a major impact on FIS' ability to conduct requested investigations in FY 2013. We ended the fiscal year completing an unprecedented 2.3 million investigations while exceeding timeliness expectations for security investigations.

**Timeliness**

The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) provides the statutory basis for security clearance investigation and adjudication timeliness requirements. The Director of National Intelligence is responsible for monitoring and reporting security clearance timeliness. IRTPA requirements were phased in, initially within the first two years requiring the fastest 80% of security clearance investigations be accomplished in an average of 90 days, and then by FY 2009 the fastest 90% of security clearance investigations be accomplished in an average of 40 days.



**Measuring Timeliness**

Under IRTPA, investigative timeliness is measured from the receipt date of the completed personnel security questionnaire forms and all required documents, including releases and fingerprint charts, by the investigative service provider to the date the final investigative file is forwarded to (or received electronically by) the adjudicative authority.

The 40-day investigation goal mandated by IRTPA remains in effect, however beginning October 1, 2012, a separate timeliness standard was established for top secret investigations by the Director of National Intelligence (DNI) in his role as Security Executive Agent. OPM FIS successfully met and exceeded this 80 day DNI standard by completing 90 percent of initial top secret investigations within an average of 77 days. In addition, we completed 90 percent of secret/confidential investigations within an average of 28 days. Combined, we delivered 90 percent of all clearance investigations in an average of 35 days, satisfying IRTPA requirements.

## From the Deputy Associate Director for Operations

In today's fluctuating environment, organizations must constantly review how they conduct business. The old must be revitalized and the new identified and incorporated. Operations is leading a cross-organizational effort to develop more flexible ways to measure, manage and distribute investigations, ways that promote quality and efficiency.

- **Level of Effort:** In order to update our universal metrics to measure work, FIS conducted an item-level time study that shows the level of effort that goes into an investigation and identifies alternative sources to replace investigative components in the field. The results also show the complexities facing each investigative element and will direct future training requirements and process enhancements.
- **Regional Contracting Pilots:** Regional contracts target geographic area(s) and will be used to expand capacity during the surges of work. This will assist in meeting customer demands without committing to a full time contract covering low demand areas.
- **Case Assignment Forecasting:** This concept will use the data collected in the Electronic Questionnaires for Investigations Processing (e-QIP) system to better forecast our future workloads. Before OPM receives the investigation submission, we will be able to determine what coverage is needed and adjust our investigation capacity accordingly.
- **Expansion of Automated Records:** We continue to transform the collection of information through technological advances, further expanding OPM's suite of automated record checks to support background investigations and the future of continuous evaluation.

These ongoing efforts contribute to the continuous improvement and refinement of the background investigation process, which enhance the quality and timeliness of our investigations and support the security clearance process.

### FY 2013

Completed 577,952 initial security clearance investigations within 35 days; Top Secret completed within an average of 77 days and Secret/Confidential completed within 29 days



**Mark Sherwin**  
*Deputy Associate Director  
Operations*

The OPM FIS Counterintelligence (CI) Activity serves as the operational focal point for all CI, counterterrorism (CT) and insider threat issues for OPM FIS. The CI Activity brings subject matter expertise in CI/CT, all-source intelligence analysis, human intelligence, personnel security, and training. Based in Crystal City, Virginia, FIS CI also has offices in Boyers, Pennsylvania and Fort Meade, Maryland, providing operational guidance and support to FIS employees throughout the United States and in more than 60 locations overseas. Continued emphasis on quality, timeliness, and greater interagency collaboration resulted in over 2,060 field referrals in FY 2013. In over 1,700 cases and for over 120 agencies, the CI Activity provided significant analyses, enhanced reporting and developed additional leads in cases with CI, CT and insider threat issues. We provided this information to our agency customers, provided instructions and additional comments on closing forms and external correspondence.

### ***Our Primary Functions***

***Threat Identification & Evaluation:*** Evaluates background investigations and related suspicious indicator reporting to identify potential CI, CT and insider threats in the federal workforce. We focus on individuals who have access to, or are seeking to infiltrate, the Federal Government as federal employees, contractors or members of our nation's defense forces.

***Operational Guidance & Support:*** Provides operational guidance and direction, technical expertise and liaison coordination for FIS investigations with CI, CT and/or insider threat indicators.

***Threat Information Sharing:*** Shares relevant threat information and closely collaborates with Federal Government agency senior security representatives, the U.S. Intelligence Community (IC) and Federal Law Enforcement to mitigate potential CI, CT and insider threats to national security.

***Training:*** Develops and delivers CI, CT and insider threat awareness and indicator recognition training to FIS personnel. The CI Activity also leverages IC and law enforcement training resources to enhance and supplement our threat training. Training enables FIS field & quality assurance staff to conduct initial threat indicator screenings on background investigations.

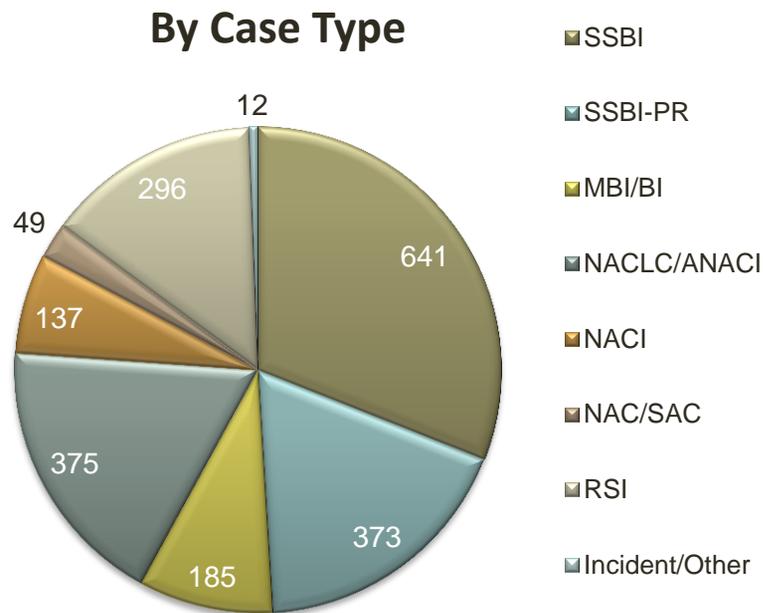
## Our Supporting Functions

**Liaison:** Conducts liaison to establish mutually beneficial partnerships between OPM/FIS, agency senior security representatives, the Intelligence Community (IC), and Federal Law Enforcement (LE) agencies. As part of this outreach, the CI Activity educates external partners on how FIS can uniquely support their CI, CT and insider threat efforts.

**Policy & Process Support:** Develops and revises FIS policy documents, guidelines and processes that may impact CI, CT or insider threat case handling and referrals. The CI Activity may also review interagency policies for their impact on the efficiency, timeliness and quality of background investigations with CI, CT, and insider threat issues.

**Support to OPM Insider Threat Program:** FIS CI supports the overall OPM Insider Threat Program by providing technical expertise, operational threat referrals, and liaison coordination.

## CI, CT, and Insider Threat Operational Referrals



### Case Examples

During an OPM background investigation, the neighborhood interviews identified a previously unreported foreign national girlfriend who was working in the nuclear field. Additional information was developed during the employment interviews that showed the subject of investigation was involuntarily terminated from two employments. The first was due to an arrest for soliciting a prostitute and the second was due poor judgment, lack of reliability and the loss of employer confidence.

During OPM expanded interview, the subject did not report his relationship with his foreign national girlfriend or a second employment termination.

This OPM referred background investigation significantly supported the arrest of the subject who is charged with communicating classified information to a foreign national.

## From the Deputy Associate Director for Quality

The Personnel Security Investigation process -- from front end through investigation to adjudication and beyond -- has been under intense scrutiny. With timeliness well in hand, FIS, along with the rest of the government, has redoubled our efforts to advance investigative quality. In early 2013, FIS restructured to better align resources and sharpen the focus on all matters related to the conduct and delivery of high quality background investigations to OPM's customers. This new organization is responsible for tackling key quality initiatives:

### ***Tracking In-Process Work***

This year we further refined an internal database used by our quality review staff to evaluate investigative reports completed by federal and contract investigators.

- ✓ During FY 2013, over 1 million report reviews and 350,000 case reviews were recorded in the database.
- ✓ Monthly, quarterly and yearly analysis reports were generated and used for trending and training purposes. We sent teams out to local field offices for hands on small group training sessions that utilized agent's own reports as training examples.
- ✓ In September we deployed a detailed Case Certification List (CCL) for Single Scope Background Investigations. The CCL is used by reviewers to ensure all elements required by the national investigative standards have been completed or justified before the final investigation is closed and forwarded to the customer for adjudication.

### ***New Report Formats***

During FY 2013, we also deployed two new enhancements to our final investigative product.

- ✓ The revised field reporting format provides clear and consistently formatted investigative reports using headers derived from each section of the investigative form to emphasize issues, highlight discrepancies and present information in a clear, organized way. In addition, the new format uses white space and paragraphs to eliminate the "block style" writing of our historical reports.

In addition to the look of the report, we developed an improved format for delivery of investigative results to customer agencies that addresses their desire to re-sequence the investigative information in a manner that is meaningful to the end users. This new format provides a completed investigation that is easier to navigate by grouping similar items together under specific headers. The enhanced design, referred to as the Re-sequenced Investigative Packet, includes a standardized index of content and categorized sequencing of information. Generally, the sequencing follows the order of the Standard Form with headings for subject, spouse/co-habitant, and National Agency Check (NAC) items. We will deploy this helpful enhancement to more agencies as they are ready to receive it via eDelivery.

### ***Executive Branch Quality Assessment Standardization***

The recently intensified scrutiny of personnel security investigations is casting light on some issues that have existed for decades. This has paved the way for serious discussions about quality. For example, what is the acceptable level of effort required for obtaining investigative information from non-cooperative sources? The good news is that the Security and Suitability Executive Agents already recognized these issues and formed the Quality Assessment Working Group (QAWG) last year. The group has over 20 agencies represented with OPM, DNI and DoD co-chairing the effort.

Sometimes coverage that was impossible to obtain was considered in the assessment of whether an investigation was “complete.” The existing standards didn’t help matters. Phrases like “The investigation *may be expanded as necessary*” and “to the extent practicable” and “Sworn Statements . . . *may be taken whenever appropriate*” and “Attempts to interview a *sufficient number* of sources” all opened the door for agency-specific definitions and interpretations.

After careful consideration, the QAWG came to consensus on a quality assessment model that clearly defines quality and completeness, establishes business rules for application of the definitions, and includes expectations for issue resolution. The proposed Quality Assessment Standards are not agency-specific and, once adopted, would be applied across the executive branch no matter which investigative service provider is used.

As the Director for Quality, I look forward to implementing the new standards and tools to shine a light on the improved quality products that FIS delivers today, a light that will provide transparency for our customers and allow us to obtain feedback that will make our products even better tomorrow.



***Jeff Flora***  
***Deputy Associate Director***  
***Quality***

## Quality



### FIS Quality organization functions include:

- Quality review and closing of investigations conducted by both federal investigative staff and contractors\*
- Managing the re-contact letter program as part of OPM FIS' integrity program to validate investigative information at the source
- Operating a help desk to assist federal investigators nationwide on functional issues
- Liaison with local law enforcement and federal agencies, and obtain and maintain access to their records

*\*Effective February 2014, only federal employees conduct the final quality review before the product is delivered to the customer agency*

The Quality organization was formed in February 2013 and consolidates all FIS functional elements performing quality oversight and quality enhancements under one group. This organization is responsible for evaluating and improving the quality and timeliness of OPM's investigative products and meeting our customer's adjudicative needs.

In FY 2013, OPM FIS united critical quality review and evaluation resources under the new Deputy Associate Director for Quality. We also established a "Quality Center for Excellence" dedicated to continuous quality improvement and championing quality initiatives within FIS and across the Federal Government. For example, we implemented a new tool – the Case Certification List (CCL) for Single Scope Background Investigations – to ensure the OPM investigations meet the national investigation standards.

OPM FIS is also participating in the Quality Assessment Working Group, the goals of which are to establish an industry and governmentwide standard for assessing the quality of background investigations and to develop an assessment tool for use throughout the Executive Branch to provide feedback to all Investigative Service Providers. Moving forward, OPM is also working with the Office of the Director of National Intelligence on defining Executive Branch wide quality standards for background investigations and revising quality tools and metrics for universal applicability.

OPM continues to use the toll-free Quality Hotline and web-based Quality Assessment Tool to obtain feedback from our customer agencies. In addition, we closely monitor the requests for additional work we receive from our customer agencies to determine if the investigations contained deficiencies.

## From OPM FIS Management Services

Management Services provides a full range of administrative, contract development and oversight, and adjudicative services. Our focus is on the technical administration of the contracts for investigative support and fieldwork to ensure a product that meets investigative standards and timeliness expectations. In addition, our Adjudications program handles the suitability adjudication actions for the Executive Branch in accordance with regulation and the adjudication actions for the FIS contractors. Our Resource Management program facilitates agency building and maintenance requirements, labor reporting, travel coordination, acquisition services and much more to support the operations of the investigation program. Although our responsibilities are diverse, we have three main guiding principles which were in the forefront in FY 2013 and will continue in FY 2014:

### ***Oversight***

We reevaluated our oversight mechanisms to streamline approaches and apply a concentrated focus.

- We oversaw 7 contracts, valued at \$2.9B by conducting over 5,200 inspections of the contractor facilities and operations to ensure compliance to timeliness and quality standards.
- We ensured that the almost 7,000 FIS contractors met fitness standards and would protect national security while part of the OPM FIS investigation program.
- We reviewed over 3,400 favorable agency adjudicative actions of our background investigations and asked the agencies to review over 300 cases with potentially inappropriate decisions.

### ***Customer Service***

Whether the customer is external or internal to OPM FIS, the service, support and tools we provide enable the customer to conduct the background investigation or carry out their adjudicative action.

- We provided advice, outreach and training to federal agencies on the suitability adjudication process and regularly assisted agencies with delegated adjudicative responsibilities. We hosted multiple suitability roundtable sessions attended by nearly 300 agency personnel.
- We assisted with the implementation and provided instructors for 11 training sessions of the federally accredited Introduction to Suitability Adjudication and Essentials of Suitability Adjudication Program for over 200 agency personnel.
- We reviewed and developed new contract requirements as changes were introduced and implemented, and coordinated 214 contract modifications with various FIS personnel, contractors and customers.
- We processed nearly 20,000 labor reporting, travel and acquisitions transactions.

### ***Fiscal Responsibility and Efficiency***

We reviewed processes to challenge existing ways of doing things to save time and money.

- We utilized procedures to take advantage of excess supplies to save over \$430,000 in one area alone.
- We constantly engaged the contract companies on innovative and cost-saving improvements to provide higher quality and shorter processing times for our investigative products. Through 11 process changes and improvements, we negotiated more than \$3.2M in cost avoidance.

***Vacant***  
***Deputy Associate Director***  
***Management Services*** 19

### ***Evolution of the Workforce and Workload***

The following historical events shifted the dynamics of the OPM's investigation workforce and workload.

- 1994** Under the President's Reinventing Government initiative, OPM privatized its investigation program and shifted support and fieldwork functions to a contractor workforce.
- 2005** DSS transferred its personnel security investigation workload and staff to OPM, providing OPM with a blended workforce of federal and contract investigators.

OPM FIS has dealt with factors that require our program remain flexible, such as:

- Declines in the size of the Federal workforce that have limited hiring and thus the need for new background investigations
- Increases in background investigations because of national events and policy changes
- Temporary fluctuations in work due to government shutdowns and furloughs

OPM and our partners in the background investigation community are aware of shifting demands for the investigation workforce. Working with a blend of federal and contractor employees allows OPM to adjust its resources to meet our customers' investigative needs.

### ***Current Contractors***

Fieldwork: CACI, KeyPoint, USIS

Support: Equifax, LexisNexis, NT Concepts, USIS

**Oversight:** The need for contract oversight increased significantly after OPM expanded its contractor base and unbundled our contracts to provide for separate support and fieldwork contracts. Our contract oversight program is now responsible for the oversight of more than 750 individual investigation processes for investigation support and monitors daily performance of the contract companies that employ over 6,900 individuals.

### ***Who does the "Vetting"?***

The Director of National Intelligence, as the Security Executive Agent is responsible for establishing the criteria governing the conduct of background investigations related to determinations of eligibility for access to classified information. FIS Federal employees and contractors are not charged with deciding whether an individual should or will be found eligible for access to classified information. FIS has the responsibility to collect the appropriate information in accordance with the Federal Investigative Standards. The decision that an individual should receive access to classified information is ultimately, pursuant to Executive Order 12968, the exclusive responsibility of the head of the agency employing the individual, following national security adjudicative guidelines.

## Federal Employment Suitability

### Ensuring the Integrity of the Federal Service

**Suitability Adjudications:** OPM FIS identified 92% of the total number of cases considered for governmentwide debarment through its investigation review process.

**FY 2013**  
Evaluated major character and conduct issues for covered positions for over 8,500 cases, taking action where a Government-wide debarment is warranted (100-200 per year)

#### *FY 2013 Suitability Review*

	Cases Received	Adjudication Conversions
Agency Referrals	179	92
NACI's	2,853	752
ANACI's	2,898	131
SSBI's, BI's, MBI's	2,640	102
Total	8,570	1,077

### *Suitability in Government*

OPM FIS administers the governmentwide suitability program required by Executive Order 10577 to ensure individuals entering federal service have demonstrated appropriate conduct and character to promote the efficiency of the civil service and protect its integrity. Under part 731 of title 5, Code of Federal Regulations (5 CFR 731), agencies are required to refer falsification issues to OPM for adjudication. Agencies are also required to send OPM cases when it appears a governmentwide debarment may be warranted because of the serious nature of the conduct. As a service to agencies, FIS conducts an internal review of its investigations to determine whether debarment may be warranted. For all applicant and appointee cases not involving material, intentional falsification or refusal to furnish testimony, adjudicative authority is delegated to the hiring agency. FIS assists agencies by providing suitability advice, assessment, and training.

### Role of suitability adjudication in program outreach/oversight

**Agency outreach:** In FY 2013, OPM FIS facilitated roundtable discussions with six smaller agency participant groups on “Suitability Determinations and Reciprocity” and “What Happens When OPM Assumes Jurisdiction” and held a web-ex discussion on “INV 79A – Report of Agency Adjudicative Action on OPM Personnel Investigations” which reached 293 participants. We were also invited to provide a number of agency-specific presentations to share information about the suitability process.

**Hotline:** FIS operates a hotline to assist agencies making suitability determinations. In FY 2013, the hotline received an average of 72 calls per week.

**Oversight:** FIS reviews agency favorable suitability adjudications on major issue cases. In FY 2013, we reviewed 3,425 cases, resulting in 305 oversight letters being sent to agencies to initiate reviews of the adjudicative actions.

## From the Deputy Associate Director for External Affairs

OPM FIS products and services are guided by a vibrant understanding of the diverse needs, problems and goals of the federal agencies we serve and a determination to provide solutions that satisfy.

External Affairs (EA) leads OPM FIS in external engagement and translating identified needs, problems and goals into operational policy, internal and external training, and requirements for automated tools geared at satisfying the greater Executive Branch needs.

### **Engagement**

#### ***Direct Customer Engagement***

- Responded to 75,159 email queries and 19,691 phone requests for information /support, 7,835 of which were in support of connectivity to OPM information systems.
- Established 977 new connections to electronic fingerprint machines
- Conducted over 300 agency assist visits to provide guidance and relevant information
- Provided over 5,000 agency performance data reports
- Answered over 25,000 first party FOIA requests, 15,000 FOIA/PA Hotline calls and 5,000 information releases for litigation purposes.
- Trained 514 executive branch personnel on use of OPM developed information systems including e-QIP, CVS, position designation tool

#### ***Executive Branch Wide Engagement***

- Hosted the annual Suitability/Security Professionals Seminar benefiting 46 agencies and 400 attendees
- Chaired monthly Background Investigations Stakeholder meetings and bi-annual small client agency meetings attended by over 70 agencies, focused on program management and cost transparency
- Hosted bi-annual Delegated Investigative Agency meetings, focused on best practices and performance
- Co-Chaired the Federal Investigative Standards Implementation Planning Working group, the Quality Assessment Working Group, the Training Standards Working Group all geared at delivering standardized quality products in support of reciprocity
- Participated in the Data Standards Working Group, the Continuous Evaluation Working Group, and the Security Executive Agent Advisory Committee developing new programs in support of information sharing
- Provided primary support to the Director, OPM as the Suitability Executive Agent under the Performance Accountability Council
- Conducted 14 agencies Program Appraisals

## From the Deputy Associate Director for External Affairs

### Outcome

- Issued an Annual Report to officially inform agencies regarding OPM FIS fiscal and performance data
- Drafted an Federal Investigative Standards Implementation Plan
- Drafted a Community Handbook to support implementation of Federal Investigative Standards
- Drafted a Federal Training Standards Implementation Plan
- Obtained FLETA accreditation of our personnel security investigations training program in April 2013, training 72 background investigators and 220 adjudicators
- Drafted Revisions to Standard Forms 85, 86C and 86 and posted in the federal register for comment
- In conjunction with ODNI, Drafted Revisions to Position Designation regulations and posted in the federal register for comment
- Developed and implemented automated “Daily Notification” reports to permit agencies to track progress of investigation requests
- Expanded CVS data fields and OF-79 reports to enable delegated investigative agencies to provide pending and completed investigation status supporting reciprocity
- Identified CVS expansion requirements with State, Local, Tribal and Private Sector to promote data sharing

The more you engage with customers the clearer things become and the easier it is to determine what you should be doing.

- John Russell, President, Harley Davidson

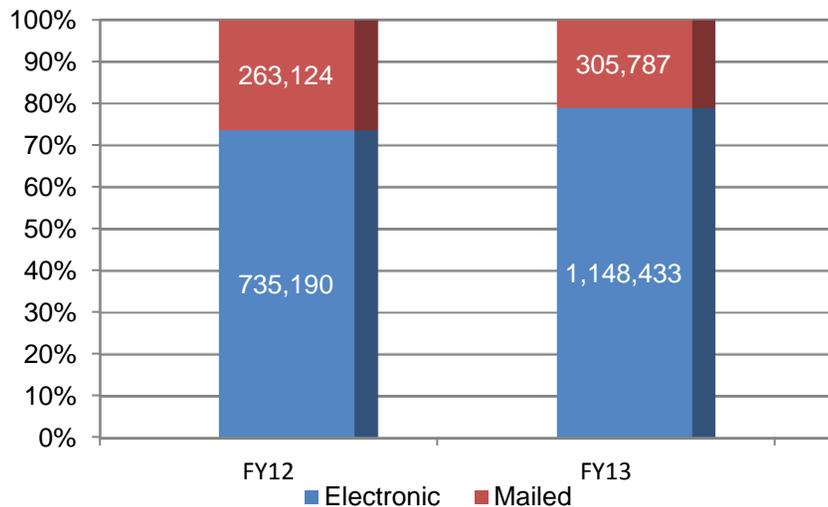
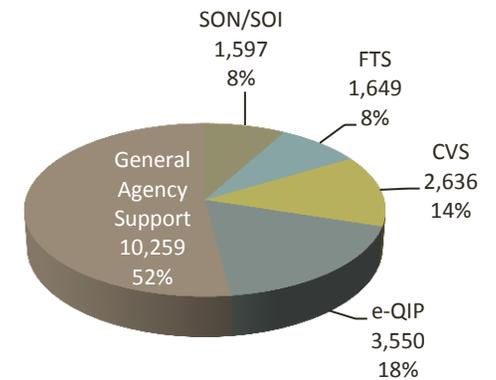


**Colleen Crowley**  
**Deputy Associate Director**  
**External Affairs**

**OPM FIS Customer Service 2013**

- OPM FIS Liaisons (our customer service specialists) conducted over 300 visits and meetings with federal agencies' security and human resource offices providing guidance and leadership regarding the investigative process.
- External Liaison answered almost 20,000 phone calls and approximately 75,000 emails supporting federal agencies with their systems and processing questions.
- We hosted the Suitability/Security Professionals Seminar (SSPS). This seminar is designed for suitability and personnel security professionals from our customer agencies and addresses issues relating to federal regulations, national reform efforts, investigative standards and FIS processes. The SSPS features workshops, presentations and a unique opportunity for attendees to learn and exchange ideas with professional colleagues related to initiating, reviewing and adjudicating background investigations and promoting process efficiencies.
- We provided agencies over 5,000 agency requested data reports that allowed them to better manage their investigative workloads.

**Phone Calls by Category**



**Electronic Fingerprint Submissions**

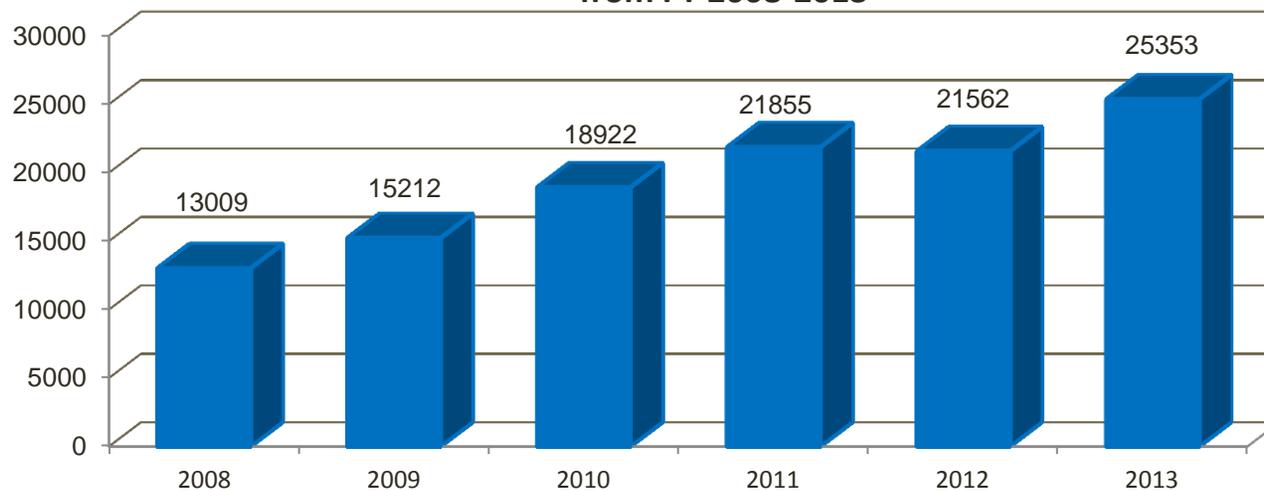
In FY 2013, OPM FIS connected and validated almost 1,000 electronic fingerprint machines (669 for DOD; 308 for non-DOD agencies). This enabled agencies to have a higher quality submission and faster processing timeliness. Because of the increased number of fingerprint machines, agencies submitted 56 percent more fingerprints electronically in FY 2013.

## Freedom of Information and Privacy Act

The Freedom of Information and Privacy Act (FOI/PA) office provides guidance and controls needed to satisfy Freedom of Information Act (FOIA) and Privacy Act (PA) requirements to safeguard personal information and preserve the public trust throughout the investigative process. FOI/PA supports reciprocity by overseeing the pre-placement file release process to ensure agencies can obtain copies of previously conducted investigations needed to make informed suitability and security decisions. Additionally, FOI/PA responds to requests for FIS records made under the FOIA and PA.

Since 2008, FOIPA has seen a **48.7% increase** in request volume.

### Receipts Volume Increase from FY 2008-2013



#### ***Requester Services***

- FOI/PA saw a 22.5% decrease in the number of incomplete requests following implementation of the new INV 100 request form in May 2013.
- Overdue FOI/PA requests went from nearly 1,100 at the end of FY 2012 to 33 at the end of FY 2013.

#### ***Case Processing***

Total Requests Processed = Over 29,000

- Over 23,000 first party access and FOIA requests
- Over 4,700 releases for litigation, administrative proceedings or law enforcement activities
- 52 amendment requests

#### ***FOIA/PA Hotline Services***

- 14,559 calls answered
- Over 2,400 hours devoted to researching and answering calls

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### *OPM and ODNI leading national training standards implementation planning efforts*

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FY 2013 saw the OPM and ODNI-led Training Standards Implementation Working Group established as directed by the Security and Suitability Executive Agents to assist agencies in developing implementation plans and to inform and guide the design of an overarching governmentwide implementation plan. Implementation of standardized Programs of Instruction and other Course Control Documents will ensure each federal and contractor investigator and adjudicator receive comparable training covering core competences and provide assurance that each employee possesses the baseline training necessary to effectively complete work requirements. Implementation of training standards with compliant Programs of Instruction and Course Control Documents will provide a verifiable baseline for all investigative and adjudicative programs, and will promote the consistent application of adjudication and investigation standards across the Government and reciprocal acceptance of agency decisions.

On April 25, 2013, the Federal Law Enforcement Training Accreditation (FLETA) Board announced it granted initial accreditation status to the OPM's Federal Background Investigator Training Program (FBITP) and Essentials of Suitability Adjudication Program (ESAP). The FBITP prepares background investigators to conduct efficient, effective, accurate, timely, and complete investigations that meet agency requirements. FBITP is an instructor-led classroom training program offered at the OPM FIS National Training Center (NTC) in Slippery Rock, Pennsylvania. The ESAP, also delivered at the NTC and exported nationally, equips suitability adjudicators with the necessary tools and knowledge of the suitability review and adjudication processes outlined in the suitability regulations and the Suitability Processing Handbook, to enable them to evaluate and adjudicate a person's suitability for federal employment. The ESAP provides students the principles governing suitability review and adjudication under title 5, Code of Federal Regulations, part 731 (5 CFR 731). Students learn the fundamentals for the entire suitability process, beginning with initial application screening, through investigation review and issue resolution, and making a suitability determination. These are the first OPM training programs to achieve FLETA accreditation and the only federally-accredited personnel security investigation training programs.

The FLETA Board is the accrediting body for all federal law enforcement training and support programs. To achieve accreditation, agencies submit to an independent review of their academy and/or program to ensure compliance with the FLETA Standards and Procedures in the areas of: Program Administration, Training Staff, Training Development, and Training Delivery, with an additional 20 standards for Academies.

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*FIS has the first and only federally accredited personnel security investigation training course in the United States.*

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On August 27-29, 2013, two external agency assessors completed a FLETA Academy Accreditation assessment on the entire National Training Center (Academy). The assessors found the NTC to be in compliance with all 72 FLETA Academy standards, and certified the NTC as ready for the accreditation assessment in December 2013. The anticipated date of FLETA Academy Accreditation by the FLETA Board is early 2014.

It is this same cadre of federal certified instructors that teach our accredited background investigator training program who also conduct regular audits on the contractors' investigator training programs to ensure all training and related materials are in compliance with OPM FIS policies and procedures. Yearly audits, at a minimum, are conducted in person on entire training programs. Audits are also conducted on materials alone when there are any changes to OPM FIS policy and procedures or when there has been no audit that has been conducted within the fiscal year quarter. During an audit contractors must correct any areas that are not fully in line with policies and procedures in order to obtain approval. Audits not only address needed revisions but also include suggestions for consideration to address quality and effectiveness improvements of contractor training programs and/or materials. In FY 2013, the NTC conducted 24 audits of contractors' training; 7 of those were "in-person" audits of classroom training and 17 were audits of training materials.

OPM oversees the contractor's training program to ensure their programs meet the training standards, requirements and qualifications required in the contracts. Contractors are responsible for providing training plans which outline how they will meet those contractual requirements. Serving as the liaison between the contractor and the NTC, FIS Oversight conducts both formal and informal inspections to ensure compliance of the contract.

### **Agency Training Courses**

**Introduction to Suitability Adjudication** is a self-paced, online course that provides an overview of 5 CFR 731 and the suitability process. It is a prerequisite to the Essentials of Suitability Adjudication Program (ESAP)

**Essentials of Suitability Adjudication Program (ESAP)** is an accredited in-depth training program on the adjudication of character and conduct made under title 5 of the Code of Federal Regulations, part 731. The scenarios challenge the adjudicator-in-training by recreating realistic case situations where he/she practices and demonstrates command of the adjudication process

**e-QIP Train-the-Trainer** provides in-depth training on the Electronic Questionnaires for Investigative Processing (e-QIP) system, which is used by agencies requesting investigations to submit standard forms electronically. This course is designed to provide attendees with the necessary skills to train additional employees at their agency on the e-QIP system

**Central Verification System (CVS)** provides in-depth training on CVS, which contains information on security clearances, suitability determinations, investigations, and Homeland Security Presidential Directive 12 data. The course explains the importance of maintaining and updating this system to support reciprocity

**Position Designation** provides in-depth training on the Position Designation Automated Tool (PDT), which is used to appropriately designate the risk and sensitivity levels of all Federal competitive positions and any position that can be converted to competitive

<b><i>FY 2013 Agency Training</i></b>		
	<b>Classes</b>	<b>Students</b>
<b>ESAP</b>	11	224
<b>e-QIP</b>	12	213
<b>CVS</b>	8	133
<b>PDT</b>	12	168
<b>Total</b>	43	734

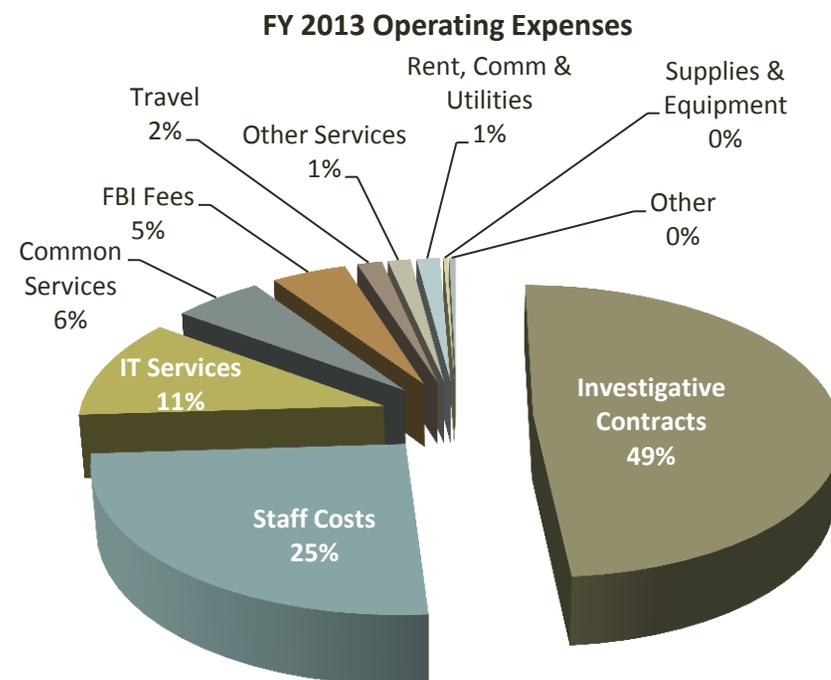
*FIS National Training Center conducted 24 audits of contractors' training programs in FY 2013.*

### Operating Expenses

For FY 2013, our revenues were \$998M, a 2.2% decrease from FY 2012. Our FY 2013 operating and non-operating expenses of approximately \$1.079B increased by about 5.9% compared to FY 2012. Our major operating expenses for FY 2013 continue to be Investigative Contracts (49%), Staff Costs (25%), and IT Services (11%).

Contract costs rose in FY 2013 because of the increased number of fieldwork intensive investigations the contractors conducted and an increase in the overall rates charged by our contractors. Note, however, our FY 2013 investigative contract costs were more than \$32M less than FY 2011 cost. Staffing costs rose just slightly (\$9.1M or 3.6%) due to typical grade and step increases. Also, continued investments in EPIC and other IT investments increased our IT Services by 16.6%.

	FY 2012	FY 2013	Change \$	Change %
<b>TOTAL EXPENSES</b>	<b>1,018.9 M</b>	<b>1,079.8 M</b>	<b>60.9 M</b>	<b>6.0%</b>
<b>Operating Expenses</b>	<b>988.1 M</b>	<b>1,050.2 M</b>	<b>62.1 M</b>	<b>6.3%</b>
Investigative Contracts	456.3 M	514.0 M	58.5 M	12.8%
FIS Staff Costs	256.7 M	265.8 M	9.1 M	3.6%
IT Services	100.5 M	117.2 M	16.7 M	16.6%
OPM Common Services & Direct Support*	58.8 M	60.3 M	1.5 M	2.6%
FBI Fees	47.9 M	48.0 M	0.1 M	0.1%
Travel	16.5 M	16.0 M	(0.5 M)	-2.9%
Rent, Communication & Utilities	15.2 M	16.2 M	1.0 M	6.4%
Supplies & Equipment	10.4 M	2.8 M	(7.6 M)	-73.1%
Other**	25.6 M	9.0 M	(16.6M)	-64.8%
<b>Non-Operating Expenses</b>	<b>30.8 M</b>	<b>29.6 M</b>	<b>1.2 M</b>	<b>-3.9%</b>



\*Please note that starting in FY 2013 OPM Direct Support was recorded with the Common Services category, whereas in previous fiscal years OPM Direct Support was spread throughout the other categories according to the type of expense. Therefore, adjustments were made to the FY 2012 numbers for comparisons sake. In the future, this is how these expenses will be recorded.

\*\*Other is comprised of miscellaneous non-IT and non-Investigative related expenses to include Management/Professional Support, Operations and Maintenance of Facilities, Training Services, Food and Medical Service contracts, Transportation of Things (Shipping), Judgments, Settlements, Interest, and all other minor categories that did not fit into the other categories. In FY 2012, this category was split into "Other Services" and "Other"; however, for FY 2013 these were collapsed into one category.

### Overall Stable Pricing for FIS Products

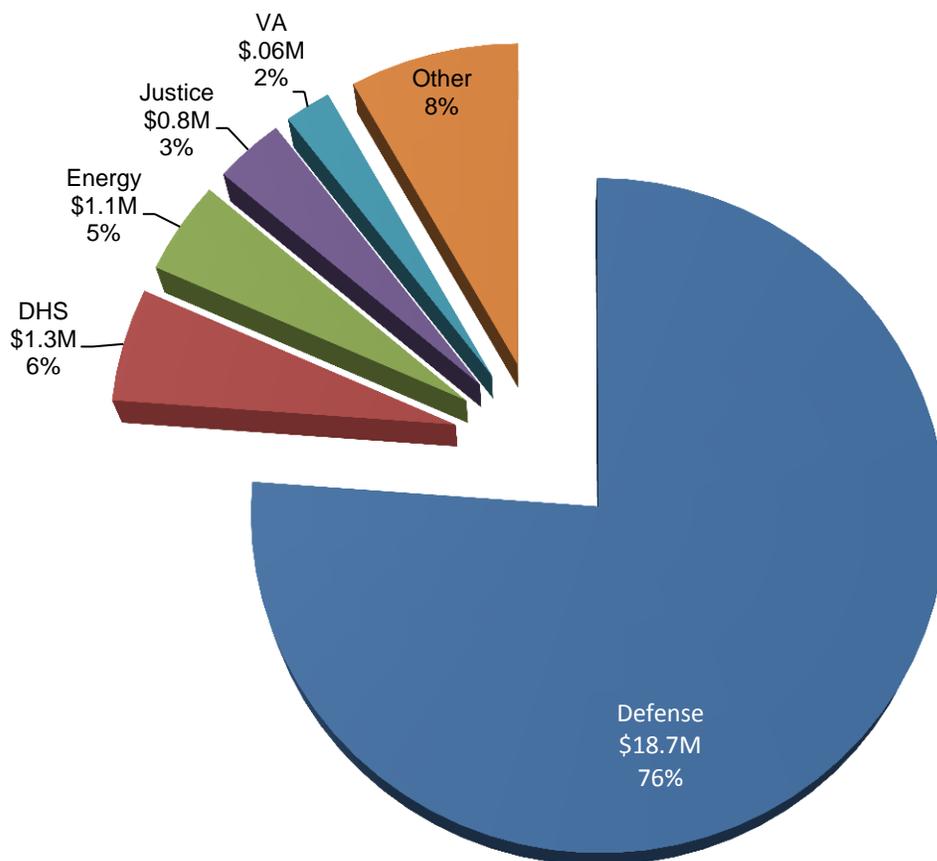
Since October 1, 2009, OPM has had only two across-the-board price increases for FIS investigative products. The FY 2011 price increase of 3% was necessary to cover the costs of reform alignment and enhanced investigative requirements. In FY 2014, prices were adjusted (both up and down) to best align case type prices with our cost associated with each case type as determined by the Cost Allocation Model (CAM).

Products*	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SSBI	\$3,888		\$4,005			\$3,959
SSBIPR	\$2,632		\$2,711			\$2,768
NACLC	\$221	Same as FY 2009	\$228	Same as FY 2011	Same as FY 2011	\$210
ANACI	\$252		\$260			\$272
BI	\$3,096		\$3,189			\$3,045
MBI	\$591		\$752			\$855
NACI	\$121		\$125			\$122

\*Price for Standard (Code C) Products

*Baselining of our cash reserve structure resulted in a rebate to our customers through targeted discount pricing in FY 2013*

**FY 2013 Stakeholders Rebate**



In early FY 2013, we commissioned an independent third-party study of our retained earnings to determine the ideal balance and an effective strategy for its optimal management. Although we have not raised our case prices for the past three years and executed only a minor price adjustment in FY 2014, we believed we had a responsibility to our customers and stakeholders to fully understand commercial best practices for optimally managing our budgetary resources. As a result of this study, we reduced the corpus of the Revolving Fund by \$25M and returned this funding, in the form of a rebate, to you our valued customers. We returned these dollars in the form of FY 2013 credits based porportionally on the volume of FY 2012 business from each of our federal agency customers.

Last year, as we issued the first Annual Report to our stakeholders, we looked forward to FY 2013 in anticipation of a year of steady progress and continuing improvements, building on the strong foundations laid down in FY 2012. While we moved ahead with our plans, FY 2013 also proved to be a year of challenges, challenges that have tested OPM FIS employees and their work. These challenges have focused us on what is good about FIS: our core values, quality and integrity assurances, good business practices and timely products; and have illuminated the path ahead for continued improvement.

### ***In FY 2014 we will:***

- Continue to build quality into every product at every step
- Achieve the highest level of integrity in our Federal and contractor workforce, while maintaining and improving the timeliness of our investigations
- Provide core training to build a cadre of investigators and adjudicators across the Federal Government who will enable reciprocity with all its fiscal and time-saving advantages.
- Add new automated records checks, such as the Defense Manpower Data Center and the FBI's RAP BACK
- Participate in Social Media pilots
- Support a Continuous Evaluation pilot
- Establish data standards to enable information exchanges
- Standardize the automation and sharing of adjudicatively relevant record information between federal entities and State and local law enforcement
- Obtain OPM FIS National Training Center and Investigations Case Analyst Program accreditation
- Implement:
  - New Federal Investigative Standards
  - Training Standards
  - Quality Metrics for investigations and adjudications
  - Background Investigator National Training Standards
  - Suitability Adjudicator National Training Standards
- Develop a transparent, multi-year pricing strategy

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