

FY 2002 Amended Budget Submission Defense Security Service (DSS)



June 2001

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2002 Amended Budget Submission
Appropriation Highlights

(Dollars in Millions)

Summary:

The Defense Security Service (DSS) is under the direction, authority and control of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence). DSS provides security services to the Department of Defense (DoD) through the integration of personnel security, industrial security, security training and education, information systems security and counterintelligence. Due to the integration of security services, combined with intelligence threat data, the DSS is uniquely positioned to facilitate the application of threat-appropriate security countermeasures.

The three primary business areas that comprise the DSS mission are the Personnel Security Investigations (PSI), whose investigations are used by the DoD adjudicative facilities to determine an individual's suitability to enter the armed forces, to access classified information, or to hold a sensitive position within the DoD. The National Industrial Security Program (NISIP), which primarily ensures that private industry, colleges, and universities that perform government contracts or research safeguard classified information in their possession. The Security Training and Education Program (the DSS Academy-DSSA) provides security education and training programs to support DSS components, DOD agencies, military departments and contractors. The Academy offers formal classroom training, computer-based training, correspondence and distance learning. The remainder of the DSS budget funds NFIP/JMIP counterintelligence activities and O&M/R&D activities of Department of Defense Polygraph Institute (DoDPI).

The majority of the DSS workload is driven by executive order requirements to ensure that appropriate security measures are taken when safeguarding classified material, either by DoD or contractor personnel.

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2002 Amended Budget Submission
Appropriation Highlights

	<u>(Dollars in Millions)</u>						
	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
BA 3: Training and Recruiting	7.455*	0.162	(0.201)	7.416	0.113	0.061	7.590
BA 4: Administration and Service-wide Activities Activities	102.661	1.669	24.218	128.548	4.160	(-45.590)	87.118

* The DFAS DD 1002 Report for period ending 30 Sep 00 incorrectly indicates BA 3 FY 2000 actuals are \$6,610 thousand. This is due to DoDPI Training (non-pay) being incorrectly identified as BA 4; it should be identified as BA 3. DFAS corrected this for DD 1002 reports beginning in March 2001.

Narrative Explanation of Changes:

BA 3: Training and recruiting

FY2001 to FY2002: Price change is due to civilian pay and non-pay inflation. Program changes are negligible (less than 1%).

BA 4: Administration and Activities

FY2001 to FY2002: Price change is due to civilian pay and non-pay inflation. Program decrease is primarily due to a one-time National Industrial Security Program requirements of \$40.0 million in FY 2001; and a net change of -\$5.0 million from the 16 Aug 99 Program Decision Memorandum (\$10 million plus-up in FY 2001 and \$5 million plus-up in FY 2002-2005) for Case Control Management System interface requirements.

DEFENSE SECURITY SERVICE
 FY 2002 Amended Budget Submission
 Operation and Maintenance, Defense-Wide
 Summary of Increases and Decreases
 (Dollars in Millions)

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
FY 2001 President's Budget Request	7,445	126,929	134,374
1. Congressional Adjustments			
a. Congressional Earmarks		(253)	(253)
b. Congressional (Undistributed)	(29)	(234)	(263)
FY 2001 Appropriation Enacted	7,416	126,442	133,858
2. FY 2001 Rescission; Section 1403 of P.L. 106-554		(294)	(294)
3. Program Changes			
a. Reprogramming (National Industrial Security Program)		2,400	2,400
Revised FY 2001 Current Estimate	7,416	128,548	135,964
4. Price Growth	113	4,160	4,273
5. Transfers			
a. Transfers In			
b. Transfers Out			
6. Program Increases			
a. Annualization of New FY 2001 Program			
b. One-Time FY 2002 Costs			
DWCF (DFAS)		200	200
Congressional Earmarks		453	453
Congressional Adjustments (Undistributed)	61	703	764
FY 2001 Rescission; Section 1403 of P.L. 106-554		294	294
c. Program Growth in FY 2002			
Defense Joint CI Program		630	630

DEFENSE SECURITY SERVICE
 FY 2002 Amended Budget Submission
 Operation and Maintenance, Defense-Wide
 Summary of Increases and Decreases
 (Dollars in Millions)

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
7. Program Decreases			
a. One-Time FY 2001 Costs			
b. Annualization of FY 2001 Program Decreases			
c. Program Decreases in FY 2002			
NISP FY 2000 Backlog of Security Investigations		(2400)	(2400)
Joint Personnel Adjudication System (JPAS)		(47)	(47)
NFIP Manpower		(4)	(4)
Defense Finance & Accounting Service (DFAS)		(400)	(400)
NISP Periodic Reinvestigation Backlog		(40,000)	(40,000)
Military and Civilian Pay Raises		(8)	(8)
Case Control Management System		(5,000)	(5,000)
Savings Initiatives		(11)	(11)
FY 2002 Budget Request	7,590	87,118	94,708

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2002 Amended Budget Submission
Summary of Price and Program Increases
(Dollars in Thousands)

		FY00 Actuals	Price Growth	Program Growth	FY01 Estimate	Price Growth	Program Growth	FY02 Estimate
<u>CIVILIAN PERSONNEL COMPENSATION</u>								
101	Executive, General & Special Schedule	3321	123	720	4164	150	456	4770
106	Benefits to Former Employees	26	0	-26	0	0	0	0
199	TOTAL CIVILIAN PERSONNEL COMPENSATION	3347	123	694	4164	150	456	4770
<u>TRAVEL</u>								
308	Travel of Persons	237	4	280	521	9	12	542
399	TOTAL TRAVEL	237	4	280	521	9	12	542
<u>SUPPLIES & MATERIALS PURCHASES</u>								
416	GSA Managed Supplies & Materials	94	2	30	126	2	27	155
499	TOTAL SUPPLIES & MATERIALS PURCHASES	94	2	30	126	2	27	155
<u>OTHER FUND PURCHASES (EXCLUDE TRANSPORTATION)</u>								
678	Defense Security Service	105302	1684	10853	117839	3896	-44378	77357
699	TOTAL PURCHASES	105302	1684	10853	117839	3896	-44378	77357
<u>OTHER PURCHASES</u>								
921	Printing and Reproduction	23	0	-16	7	0	0	7
925	Equipment Purchases (non-Fund)	742	12	1931	2685	46	-2122	609
989	Other Contracts	371	6	10245	10622	170	476	11268
999	TOTAL OTHER PURCHASES	1136	18	12160	13314	216	-1646	11884
9999	TOTAL OPERATION & MAINTENANCE	110116	1831	24017	135964	4273	-45529	94708

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

I. Description of Operations Financed:

The Defense Security Service (DSS) operates under the auspices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C3I)). DSS participates in many of the committees and subcommittees operating under the direction of the Security Policy Board which is chaired by the Deputy Secretary of Defense and the Director of Central Intelligence. As recognized by the Joint Security Commission (JSC), the personnel security system is at the heart of the government's security mission. DSS performs:

Security Education and Training - to provide a standardized system of resident, on-site and customized security training in the varied and interdependent security disciplines to support a sound information assurance program throughout the Department of Defense (DoD), other federal agencies and Defense Industry. This includes the Department of Defense Polygraph Institute, which provides courses in forensic psychophysiology to both DoD and non-DoD personnel. DSS programming of O&M Defense-wide (Budget Activity 3) includes amounts for this effort. DSS also programs resources for Foreign Counterintelligence Activities, in Budget Activity 4, to support the integration of counterintelligence experience and knowledge into the background investigation process.

(1) Defense Security Service Academy (DSSA). DSSA offers worldwide security education, training, awareness, and professional development support to the Department's security countermeasure professionals and programs, DoD contractors, and selected foreign governments. Committed to professional development of the DoD Security Community, DSSA has taken on an expanded role in developing quality assurance metrics for products, instruction and responsiveness. Institutional effectiveness research provides a linkage to DSSA curriculum and career mapping.

DSSA focuses on improving the performance of security programs and professionals through the production of courses, continuing education, and publications, consulting services, promotion of security and security preparation and its work with the Department and National policy makers and forums. DSSA presents over 31 security courses annually

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

delivered in over 100 individual offerings. These include resident field extension, interdependent study, and interactive video. Customized courses are also provided. The DSSA selects and authorizes other organizations to present some of its courses, subject to quality control by the DSSA. DSSA also produces a series of select security modules and materials for organizations to train their personnel. DSSA publishes, collects, evaluates, and distributes security awareness materials for the DoD and its cleared contractors. It produces security awareness periodicals and videos as well as a wide range of training and program support materials. DSSA creates and distributes its products and training material in several media, including paper, magnetic and on-line. The principal customers of DSSA are Defense military, civilian and contractor activities and personnel. The DSSA offers support to foreign government representatives and supports the broader federal sector in several key areas on behalf of the Department.

The Defense Security Service Academy (DSSA) is the sole training source in several security areas within the federal government and is an integral part of mandatory training required for security professionals in many agencies. DSSA provides the Department of Defense (DoD) a common unifying means to prepare individuals for their security program roles and to assist the development of effective security programs. DSSA currently concentrates its support on security management, risk management, information security, special programs security, personnel security investigation and adjudication, management and investigations, technical security, industrial security management and contractor security, acquisition systems security, systems security engineering, technology control, international program security, foreign disclosure and automated information systems security.

This organization is the primary DoD resource for security program training, education, awareness and program development support. DSSA presents more than 25 courses of instruction including resident, field extension, customized, electronically delivered, and independent study relating to National and DoD security programs. Its students are U.S. Government military personnel and designated civilian employees and representatives of U.S. industry. DSSA provides technical assistance to DoD components and other federal entities in the development and improvement of their security programs.

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

The Academy's mission is financed with DSS Operation and Maintenance Defense-wide dollars until the customer products and customer identification is developed. The FY 2001 DSS Operation and Maintenance Defense-wide contains \$4,767 thousand to pay for security training courses/products produced by the DSS Defense-wide Working Capital Fund (DWCF). 27 full-time equivalents are funded through the DWCF for DSSA beginning in FY 1999 and into the out years. When the customer delineation is complete, DSS will devolve these dollars to the customers. This funding will pay for 19 security and education courses attended by approximately 3,000 students and an enrollment of approximately 8,000 students in 41 independent study courses (including 35 CD-ROM course) from DoD Agencies and Military Departments and other federal agencies.

(2) Department of Defense Polygraph Institute (DoDPI).

The Department of Defense Polygraph Institute (DoDPI) is an educational, research and policy establishing institution for the forensic discipline of the psychophysiological detection of deception (PDD). The Institute offers graduate level initial PDD education as well as continuing education for local, state and federal agencies. The primary focus is to qualify federal PDD examiners for careers in law enforcement, intelligence, and the security fields. Since the inception of this program, DoDPI has modified its curriculum to accept both initial PDD and continuation education for all federal PDD examiners.

In addition to the instruction mission, DoDPI has been chartered to perform other distinct activities which include providing continuous effective research in forensic psychophysiology and alternative methods of credibility assessment and oversee a quality assurance review program that develops, establishes and monitors compliance with federal PDD standards; and maintain a certification of continuing education for all federal examiners. An overview of the DoDPI missions are more fully described below.

Instruction Division. The Department of Defense Polygraph Institute (DoDPI) Instruction Division provides students from local, state, and federal law enforcement and counterintelligence agencies with a graduate level academic education in forensic psychophysiology. DoDPI presents a minimum of three, 520 contact hour graduate level

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

semesters per year. The Instruction Division is responsible for the curriculum development, review, maintenance, and implementation of the advanced courses in forensic psychophysiology and related disciplines that constitute the Continuing Education Program. Members of the instructional faculty support the DoDPI Research Division by participating in polygraph research studies.

Research Division. Congress specifies three general areas of inquiry for the DoDPI Research Division. It is mandated that the DoDPI Research program evaluate the validity of PDD techniques used by the DoD, investigate countermeasures and counter-countermeasures, and conduct developmental research on PDD techniques. In addition to these congressional mandated missions, the DoDPI Research program is investigating alternative measures, technology, and analysis techniques such as voice analysis, thermal imaging, pulse transit time, visual activity, electroencephalography, electromyography, vagal tone, electrocardiology, high definition-ERP, fMRI, and Laser technologies. Recent mission changes have added a focus on applicant security screening. The Institute has established a Scientific Review Committee to develop a coherent research agenda to include independent, objective, and peer reviewed scientific research of the polygraph as a personnel security tool, and the identification of potential technological advances that would enhance the polygraph process. The Research Division of DoDPI proposes an aggressive agenda that accomplishes it's stated mission and more. The Research Division seeks to advance and communicate the body of knowledge in the field of behavioral and psychophysiological detection of deception in support of federal polygraph testing and instructional programs.

Quality Assurance Division. The Quality Assurance Program (QAP) was initiated based upon JSC-I recommendations involving the standardization of PDD practices. The federal government, through DoDPI in May 1997, developed and implemented a compendium of federal standards titled the Federal PDD Examiner Handbook. The standards included in the Handbook have been adopted by the federal agencies. Currently 24 federal agencies adhere to the federal standards addressing instruction and certification of polygraph examiners and 23 federal agencies participate in the QAP Inspection Program (compliance with these standards is inspected on a biennial basis by the QAP). Three additional agencies, the Federal Protection Service, Federal Probation Service and the Washington, D.C.,

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

Metropolitan Police Department are considering adoption of these standards in the near future. The QAP also provides quality control of individual PDD examinations, when requested, to assure compliance with federal standards prior to an examination being admitted into a legal tribunal. The QAP also provides direct quality control of individual complex PDD examinations, when requested by PDD programs. DoDPI provides technical assistance, based upon requests, for specific PDD examinations usually involving complex sensitive examinations.

The DoDPI support staff provides infrastructure support to the three line divisions by providing a wide-range of administrative and logistical support to the academic, research, and inspection missions through its operation of the Learning Resource Center, Precision Measurement Equipment Laboratory, Security Office, Supply Center Administrative Support Branch, Financial Management, Contract Administration and Information Management. These support activities focus on improving the work and training environments through state of the art facilities and equipment. Life-cycle management of equipment ensures well-maintained, updated equipment is available to the staff and students.

Thirty-two full time equivalents and \$2,715 thousand have been programmed in FY 2002 for DoDPI in the Operation and Maintenance Defense-wide Budget Activity 3.

II. Force Structure Summary: Not applicable to DSS

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 2000 <u>Actuals</u>	FY 2001			FY 2002 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	Current <u>Estimate</u>	
1. DSS Academy	4,669	4,767	4,748	4,748	4,864
2. DoD Polygraph Institute	2,786	2,678	2,668	2,668	2,726
Total	7,455*	7,445	7,416	7,416	7,590

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

* The DFAS DD 1002 Report for period ending 30 Sep 00 incorrectly indicates FY 2000 actuals are \$6,610 thousand. This is due to DoDPI Training (non-pay) being incorrectly identified as BA 4; it should be identified as BA 3. DFAS corrected this for DD 1002 reports beginning in March 2001.

III. Financial Summary (O&M: \$ in Thousands): (Continued)

B. <u>Reconciliation Summary:</u>	Change	
Change	<u>FY 2001/FY 2001</u>	<u>FY 2001/FY 2002</u>
1. Baseline Funding	7,445	7,416
a) Congressional Adj (Distributed)		
b) Congressional Adj (Undistributed)		(29)
c) Congressional Adj (General Provision)		
d) Congressional Earmarks		
2. Appropriated Amount (Subtotal)	7,416	7,416
a) Adjustments to meet Congressional Intent		
b) Across-the-board Reduction (Recission)		
c) Approved Reprogrammings/Transfers		
3. Price Change		113
4. Program Changes		61
5. Current Estimate	7,416	7,590
C. <u>Reconciliation of Increases and Decreases:</u>	<u>Amount</u>	<u>Totals</u>
FY 2001 President's Budget Request		7,445
1. Congressional Adjustment		(29)
a) Distributed Adjustments		
b) Undistributed Adjustments		
1) DJAS	(29)	

DEFENSE SECURITY SERVICE
 Operation and Maintenance, Defense-wide
 FY 2002 Amended Budget Submission
 Budget Activity 3: Training and Recruiting

c) Adjustments to Meet Congressional Intent
 d) General Provisions
FY 2001 Appropriated Amount (subtotal) **7,416**
 2. Program Increases and Decreases
 a) Transfers
 (i) Transfers In
 (ii) Transfer Out

III. Financial Summary (O&M: \$ in Thousands): (Continued) **Amount** **Totals**

C. Reconciliation of Increases and Decreases: (Continued)

b) Program Increases
 (i) One-Time Costs
 (ii) Program Growth

 c) Program Decreases
 (i) One-Time Costs
 (ii) Program Reductions

Baseline Funding (subtotal) **7,416**

3. Reprogrammings/Supplemental
 a) Anticipated Supplemental
 b) Reprogrammings (Requiring 1415 Actions)
 (i) Increases
 (ii) Decreases

Revised FY 2001 Estimate

4. Price Change	113	113
5. Transfers		
a) Transfers In		
b) Transfers Out		
6. Program Increases:		
61		
a) Annualization of New FY 2001 Program		
b) One-Time FY 2002 Costs		
Congressional Undistributed	61	
c) Program Growth in FY 2002		
7. Program Decreases:		
a) Equipment purchase reduction		

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

- b) Annualization of FY 2001 Program Decreases
- c) Program Decreases in FY 2002

FY2002 Budget Request
7,590

IV. Performance Criteria and Evaluation Summary:

<u>Workload</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
A. <u>Defense Security Service Academy</u>			
1) Courses (Classroom)	29	42	40
2) Student Output 1/	5,832	4,000	5,000
3) Courses (Independent Study)	5	5	5
4) Student Output 2/	4,984	5,000	5,200
5) Internal CBT	30	30	30
6) Student Output 3/		831	900
B. <u>Department of Defense Polygraph Institute (DoDPI)</u>			
Academic			
PDD enrollment 4/	91	97	84
Continuing education enrollment	531	465	580
Course iterations	31	28	34
Research			
External projects 5/	9	11	5
Internal projects	13	5	5
Quality Assurance			
Inspections 6/	14	12	12

- 1/ For FY 2000, number is comprised of student enrollments. Effective in FY 2001, DSSA is measuring student completions.
- 2/ For FY 2000, number is comprised of student enrollments. Effective in FY 2001, DSSA is measuring student completions.
- 3/ Internal DSS CBT completion was included in Student Classroom Output. Effective in

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

- FY 2001, CBT has been separated from the classroom completions.
 4/ Includes roll-over of students in the summer PDD Course that cross two fiscal years.
 5/ DoDPI received approximately \$1 million from external sources to fund external research.
 6/ Includes 2 re-inspections.

V. Personnel Summary:

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>Change FY 2001/FY 2002</u>
<u>Civilian End Strength (Total)</u>	35	40	32	(8)
U.S. Direct Hire	35	40	32	(8)
<u>Civilian FTEs (Total)</u>	35	40	32	(8)
<u>U.S. Direct Hire</u>	35	40	32	(8)

FY 2000 and FY 2001 totals include eight reimbursable FTEs that were added to DoDPI effective FY 2000. These eight reimbursable FTEs will be transferred to the DSS DWCF appropriation in FY 2002.

VI. Outyear Summary: N/A

VII. OP 32 Line Items as Applicable (Dollars in Thousands):

		FY 2000		Program FY 2001		Price Program		FY 2002
		Actuals	Growth	Growth	Estimate	Growth	Growth	Estimate
101	Exec,GS Sched	2,041	76	50	2,167	78	2	2,247
106	Ben-form Emp	21	0	-21	0	0	0	0
308	Travel	35	1	91	127	2	0	129
416	GSA Supplies	55	1	28	84	1	0	85
678	DSS	4,669	74	5	4,748	27	89	4,864
92	Printer	7	0	0	7	0	0	7

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 3: Training and Recruiting

1								
92 5	Equipment	458	7	-414	51	1	-52	0
98 9	Other Contracts	169	3	60	232	4	22	258
		7,455	162	-201	7,416	113	61	7,590

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

I. Description of Operations Financed:

The Defense Security Service (DSS) operates under the auspices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C3I)). DSS administers the Personnel Security Investigations Program and serves as the Department of Defense (DoD) cognizant security authority for the National Industrial Security Program (NISP). As recognized by the Joint Security Commission, the personnel security system is at the heart of the government's security mission. Under the auspices of the NISP, DSS works in partnership with industry performing on classified government contracts or engaging in classified research and development to assist them in establishing and maintaining threat-appropriate security countermeasure systems. DSS participates in many of the committees and subject-specific subcommittees operating under the direction of the Security Policy Board which is chaired by the Deputy Secretary of Defense and the Director for Central Intelligence. In Budget Activity 4 DSS has three primary mission areas:

(1) National Industrial Security Program (NISP). The primary focus of DSS' industrial security efforts is in support of DoD implementation of the NISP. In this regard, DSS works to advance and communicate the DoD's directives to protect classified information. The NISP is intended to ensure that private industry, while performing on classified government contracts, properly safeguards the related classified and sensitive information in its possession and employee access thereto. Other aspects of the DSS industrial security mission include support for the Critical Assets Assurance Program; Arms, Ammunition and Explosives Program; and Acquisition Protection Program.

DSS administers the NISP on behalf of DoD and 22 other Federal Government departments and agencies with whom the Secretary of Defense (or designee) has signed Memoranda of Agreement. Industrial security is an integration of information, personnel, and physical security principles applied to the protection of classified information entrusted to industry. The objective of industrial security is to ensure that security systems are established and maintained to (1) deter and detect against acts of espionage and (2) to counter the threat posed by traditional and nontraditional adversaries which target the classified information in

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

the hands of industry. DSS provides proactive, full-service industrial security countermeasure support to more than 13,000 cleared contractor facilities. As part of its NISP efforts, DSS maintains oversight for certain Special Access Programs in industry. The DSS

I. Description of Operations Financed: (Continued)

Counterintelligence office enhances the accomplishment of the traditional security countermeasure mission by (1) providing threat information and awareness training for the early detection and referral of cases of potential espionage and (2) assisting industry in the recognition and reporting of foreign intelligence collection attempts. NISP also processes international visit requests.

In addition to the NISP, DSS also has responsibility for three other industrially oriented security programs. The Arms, Ammunition and Explosives Program provides for the protection of sensitive conventional arms, ammunition and explosives in the custody of, or produced by, contractors associated with the DoD. The Critical Assets Assurance Program promotes the security of facilities that provide critical industrial production and services, thereby, ensuring emergency mobilization preparedness capability. The Defense Security Service (DSS) also provides service to contractors participating in the Acquisition Protection Program. Support is also provided to the On-Site Inspection Agency in connection with Arms Control Treaties.

The Defense Industrial Security Clearance Office (DISCO), located in Columbus, Ohio, processes and grants facility security clearances to industrial facilities sponsored for clearance by DoD, cleared contractors or any of the 22 other federal agencies. DISCO operates a customer service activity that provides information and assistance to industrial facilities, DoD activities, other agencies and the general public.

The NISP is financed through the Defense-wide Working Capital Fund (DWCF) in FY 2000 on a reimbursable basis. Operation and Maintenance Defense-wide funding for the NISP is held in the Security and Investigative Activities program element. The NISP funds remaining with DSS will maintain 11,950 NISP facility clearances in FY 2002. In the

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

program years, the NISP remains financed through the Operation and Maintenance, Defense-wide appropriation until a clearly defined customer base can be developed. Future year budgets will show a devolvement of these funds to NISP customers.

I. Description of Operations Financed: (Continued)

(2) Foreign Counterintelligence Program (FCIP). The DSS FCIP, as executed through the DSS Counterintelligence (CI) Office, provides for the early detection and referral of cases of potential espionage, and assists the defense industry in the recognition and reporting for foreign collection attempts. The DSS FCIP also provides the application of security countermeasures in a threat-appropriate manner. Additionally, the DSS FCIP provides to the intelligence community, analytical referrals indicative of foreign collection interests and methods of operation against cleared defense contractors. The FCIP resources provided the DSS CI office are nine full-time equivalents and \$1,415 thousand in O&M Defense-wide.

The Department of Defense Polygraph Institute (DoDPI) is a federally funded institution providing introductory and continuing education courses in forensic psychophysiology. Its purpose is to qualify DoD and non-DoD federal personnel for careers as forensic psychophysicologists; provide continuous research in forensic psychophysiology and credibility assessment methods; manage the continuing education certification program for all federal agencies; and manage the Quality Assurance Program that maintains quality standards and provides technical assistance to the federal polygraph programs. Congress specifies three general areas of inquiry for the DoDPI research division. It is mandated that the DoDPI Research program (a) evaluate the validity of PDD techniques used by the DoD; (b) investigate countermeasures and anti-countermeasures; and (c) conduct developmental research on PDD techniques, instrumentation, and analytical methods. Recent mission changes have added a focus on applicant security screening. The Institute has established a Scientific Review Committee to develop a coherent research agenda to include

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

independent, objective, and peer reviewed scientific research of the polygraph as a personnel security tool, and the identification of potential technological advances that would enhance the polygraph process. The Research Division of DoDPI proposes an aggressive agenda that accomplishes it's stated mission and more. The Research Division seeks to advance and communicate the body of knowledge in the field of behavioral and psychophysiological detection of deception in support of federal polygraph testing and instructional programs. The FCIP resources furnished to DoDPI are nine full-time equivalents, \$924 thousand in Operation and Maintenance Defense-wide and \$664 thousand in Research, Development, Technology and Evaluation.

The FCIP is funded entirely with appropriated funds and is not included in the DSS DWCF.

(3) Defense Joint Counterintelligence Program (DJCIP). Technology Protection and Correlation Tools is a new FY 2001 Joint Military Intelligence Program (JMIP) initiative to develop and sustain a data correlation and threat modeling capability at the Joint Counter-Intelligence Assessment Group (JCAG) under the DJCIP (PE 0305146). This capability will allow the JCAG to map the threats against the DoD critical technologies and research programs/facilities, many of which reside in the cleared defense contractor community. The initiative will finance hardware, software, and data correlation tools. The DSS DJCIP resources are for twelve full-time equivalents and \$1,380 thousand will allow for continuous DSS analytical support for this critical new capability in FY 2002.

DJCIP is funded entirely with appropriated funds and is not included in the DSS DWCF.

II. Force Structure Summary: Not applicable to DSS

III. Financial Summary (O&M: Dollars in Thousands):

A. <u>Subactivity Group</u>	FY 2000 Actuals	FY 2001			FY 2002 Estimate
		Budget Request	Appropriation	Current Estimate	
1. Investigative Activities	72,799	92,564	92,200	94,380	52,008
2. Industrial Security	27,845	31,281	31,158	31,084	31,391

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

3. Foreign Counterintelligence	2,017	2,334	2,334	2,334	2,339
4. Defense Joint CI Program	0	750	750	750	1,380
Total	102,661*	126,929	126,442	128,548	87,118

* The DFAS DD 1002 Report for period ending 30 Sep 00 incorrectly indicates FY 2000 actuals are \$103,506 thousand. This is due to DoDPI Training (non-pay) being incorrectly identified as BA 4; it should be identified as BA 3. DFAS corrected this for DD 1002 reports beginning in March 2001.

III. Financial Summary (O&M: Dollars in Thousands): (Continued)

B. <u>Reconciliation Summary:</u>	<u>Change</u>	<u>Change</u>
<u>2002</u>	<u>FY 2001/FY 2001</u>	<u>FY 2001/FY</u>
1. Baseline Funding	126,929	128,548
a) Congressional Adj (Distributed)		
b) Congressional Adj (Undistributed)	(234)	
c) Congressional Adj (General Provision)		
d) Congressional Earmarks		
e) Congressional Earmark Billpayers	(253)	
2. Appropriated Amount (Subtotal)	126,442	128,548
a) Adjustments to meet Congressional Intent		
b) Across-the-board Reduction (Recission)		(294)
c) Approved Reprogrammings/Transfers	2,400	
3. Price Change		4,160
4. Program Changes		(45,590)
5. Current Estimate	128,548	
87,118		

DEFENSE SECURITY SERVICE
 Operation and Maintenance, Defense-wide
 FY 2002 Amended Budget Submission
 Budget Activity 4: Administration and Servicewide Activities

<u>C. Reconciliation of Increases and Decreases:</u>	<u>Amount</u>
<u>Totals</u>	
FY 2001 President's Budget Request	126,929
1. Congressional Adjustment	(487)
a) Distributed Adjustments	
b) Undistributed Adjustments	
1) DJAS	(234)
2) Congressional Earmarks	(253)
c) Adjustments to Meet Congressional Intent	
d) General Provisions	
Appropriated Amount (subtotal)	126,442

III. Financial Summary (O&M: \$ in Thousands): (Continued)

<u>C. Reconciliation of Increases and Decreases:</u>	(Continued)	<u>Amount</u>
<u>Totals</u>		
2. Program Increases and Decreases		
a) Transfers		
(i) Transfers In		
(ii) Transfers Out		
b) Program Increases		
(i) One-Time Costs		
(ii) Program Growth		
c) Program Decreases		
(i) One-Time Costs		
FY 2001 Rescission; Section 1403 of P.L. 106-554		(294)
(ii) Program Reductions		
Baseline Funding (subtotal)		126,148
3. Reprogrammings/Supplemental		

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

a) Anticipated Supplemental		
b) Reprogrammings (Requiring 1415 Actions)		
(i) Increases		
National Industrial Security Program		
2,400		
(ii) Decreases		
Revised FY 2001 Estimate		128,548
4. Price Change	4,160	4,160
5. Transfers		
a) Transfers In		
b) Transfers Out		
6. Program Increases:		2,280
a) Annualization of New FY 2001 Program		
b) One-Time FY 2002 Costs		
DWCF (DFAS)	200	
Congressional Earmarks	453	
Congressional Undistributed	703	
Congressional Rescission		294

III. Financial Summary (O&M: Dollars in Thousands): (Continued)

C. Reconciliation of Increases and Decreases: (Continued) Amount
Totals

c) Program Growth in FY 2002			
Defense Joint CI Program	630		
7. Program			Decreases:
(47,870)			
a) One-Time FY 2001 Costs			
b) Annualization of FY 2001 Program Decreases			
c) Program Decreases in FY 2002			
NISP FY 2000 Backlog of Security Investigations	(2,400)		
Joint Personnel Adjudication System	(47)		
NFIP Manpower	(4)		
Defense Finance & Accounting Service	(400)		

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

NISP Periodic Reinvestigation Backlog	(40,000)
Military and Civilian Pay Raises	(8)
Case Control Management System (Aug 99 PDM)	(5,000)
Savings Initiatives	(11)

FY2002 Budget Request

87,118

IV. Performance Criteria and Evaluation Summary:

A. National Industrial Security Program (NISP) Personnel Security Investigation (PSI)

The security product measurement shown finances the Industrial personnel security investigations according to the rate established in the Defense-wide Working Capital Fund budget.

	FY 2000	FY 2001	FY 2002
	<u>Est</u> <u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Security Investigations			
Security Products Carry-In	58,500	89,500	27,800
Security Products New Orders	130,400	117,900	61,100
Security Products Completed	99,400	179,600	74,400
Security Products Carry-Out	89,500	27,800	14,500

IV. Performance Criteria and Evaluation Summary: (Continued)

B. Industrial Security Program (ISP)

Industrial Facility and Personnel Clearance Actions (In Thousands)

	FY 2000	FY 2001	FY 2002
	<u>Est</u> <u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Facility Clearances Maintained	10.6	10.8	11.0
Initial Facility Clearances	0.8	1.0	1.0

V. Personnel Summary:

	FY 2000	FY 2001	FY 2002	Change
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2001/FY 2002</u>
<u>Civilian End Strength (Total)</u>	16	24	30	6

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-wide
FY 2002 Amended Budget Submission
Budget Activity 4: Administration and Servicewide Activities

U.S. Direct Hire	16	24	30	6
<u>Civilian FTEs (Total)</u>	16	24	30	6
<u>U.S. Direct Hire</u>	16	24	30	6

VI. Outyear Summary: N/A

VII. OP 32 Line Items as Applicable (Dollars in Thousands):

		FY 2000 Actuals	Price Growth	Program Growth	FY 2001 Estimate	Price Growth	Program Growth	FY 2002 Estimate
10 1	Exec,GS Sched	1,280	47	670	1,997	72	454	2,523
10 6	Ben-form Emp	5	0	-5	0	0	0	0
30 8	Travel	202	3	189	394	7	12	413
41 6	GSA Supplies	39	1	2	42	1	27	70
67 8	DSS	100,633	1,610	10,848	113,091	3,869	-44,467	72,493
92 1	Printer	16	0	-16	0	0	0	00
92 5	Equipment	284	5	2345	2,634	45	-2070	609
98 9	Other Contracts	202	3	10,185	10,390	166	454	11,010
	Tota442	102,661	1,669	24,218	128,548	4,160	-45,590	87,118