

Fiscal Year (FY) 2003 Budget Estimates

Defense Security Service (DSS)



February 2002

DEFENSE SECURITY SERVICE
Fiscal Year (FY) 2003 Budget Estimates
Operation and Maintenance, Defense-Wide
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 (NISP), 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.

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	(Dollars in Millions)						
	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</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	7.392	0.191	-0.034	7.549	0.275	2.065	9.889
BA 4: Administration and Service-wide Activities	130.282	2.131	-17.621	114.792	7.085	48.570	170.447

Narrative Explanation of Changes:

BA 3: Training and Recruiting

FY2002 to FY2003: Price change is due to civilian pay and non-pay inflation. Program change due to transfer from Personnel Security Investigations Program into DSS Academy to properly realign manpower and nonpay resources (\$2.065 million).

BA 4: Administration and Activities

FY2002 to FY2003: Price change is due to civilian pay and non-pay inflation. Program change due to transfer from Personnel Security Investigations Program into Industrial Security Program to properly realign manpower and nonpay resources (\$14.954 million); increased workload for Personnel Security Investigations for Industry (\$27.616 million); and Case Control Management System funding adjustment (\$6.000 million). \$6.000 million is the DSS portion of the \$15.0 million increase for CCMS. The customers will identify the remaining \$9.0 million in their budget submissions.

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Summary of Increases and Decreases
(Dollars in Thousands)

	<u>BA 3</u>	<u>BA 4</u>	<u>Total</u>
FY 2002 Amended President's Budget Request	7,590	87,118	94,708
1. Congressional Adjustments			
a. Specified Adjustments			
Improper Budget Adjustments		(1,500)	(1,500)
b. Undistributed Congressional Adjustments			
Management Headquarters Reduction		(662)	(662)
Defense Joint Accounting System		(158)	(158)
c. General Provisions			
Section 8123 - Reduction for Business Process Reform	(41)	(629)	(670)
Section 8102 - Reduction in Travel Costs		(19)	(19)
Section 8146 - Savings from Government Purchase Card		(6)	(6)
d. Congressional Earmarks Billpayers			
Section 8047 - Indian Lands Mitigation		(122)	(122)
Section 8154 - Commission on Future Aerospace Industry		(18)	(18)
Section 8155 - Memorial 9/11/01, Somerset County, PA		(12)	(12)
FY 2002 Appropriated Amount	7,549	83,992	91,541
2. Program Increase			
- Increased customer workload for Personnel Security Investigations for Industry		30,800	30,800
3. Revised FY 2002 Current Estimate	7,549	114,792	122,341
4. Price Growth	275	7,085	7,360

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5.	Transfers			
	- Transfers In - Realignment of resources from The Personnel Security Investigations to DSS Academy and Industrial Security Program to properly align manpower and nonpay resources.	2,065	14,954	17,019
6.	Program Increases			
	- Case Control Management System (DSS portion of the \$15 million increase for CCMS. The customers will identify the remaining \$9 million in their budget submissions.)		6,000	6,000
	- Increased customer workload for Personnel Security Investigations for Industry.		27,616	27,616
7.	FY 2003 Budget Request	9,889	170,447	180,336

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Personnel Summary

	FY 2001	FY 2002	FY 2003	Change FY 2002/ FY 2003
Active Military End Strength (E/S) (Total)				
Officer	0	0	0	0
Enlisted	0	0	0	0
Reserve Drill Strength (E/S) (Total)				
Officer	0	0	0	0
Enlisted	0	0	0	0
Civilian End Strength (Total)				
U.S. Direct Hire	58	62	62	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	58	62	62	0
Foreign National Indirect Hire	0	0	0	0
(Military Technician Included Above (Memo))	0	0	0	0
(Reimbursable Civilians Included Above (Memo))	7	0	0	0
 Additional Military Technicians Assigned to USSOCOM	 0	 0	 0	 0
Active Military Average Strength (A/S) (Total)				
Officer	0	0	0	0
Enlisted	0	0	0	0

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Personnel Summary

				Change
	FY 2001	FY 2002	FY 2003	FY 2002/ FY 2003
Reserve Drill Strength (A/S) (Total)				
Officer	0	0	0	0
Enlisted	0	0	0	0
Reservists on Full Time Active Duty (A/S) Total)				
Officer	0	0	0	0
Enlisted	0	0	0	0
Civilian FTEs (Total)				
U.S. Direct Hire	52	62	62	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	52	62	62	0
Foreign National Indirect Hire	0	0	0	0
(Military Technician Inlcuded Above (Memo))	0	0	0	0
(Reimbursable Civilians Included Above (Memo))	7	0	0	0
 Military End Strength	 0	 0	 0	 0
Reserve Drill End Strength	0	0	0	0
Reservists on Full Time Active Duty (E/S)	0	0	0	0
Civilian FTEs	0	0	0	0
(Military Technician Included (Memo))	0	0	0	0
(Reimbursable Civilians Included Above (Memo))	0	0	0	0

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Summary of Price and Program Increases
(Dollars in Thousands)

			FY01	Price	Program	FY02	Price	Program	FY03
			Actuals	Growth	Growth	Estimate	Growth	Growth	Estimate
<u>CIVILIAN PERSONNEL COMPENSATION</u>									
Total	101	Executive, General & Special Schedule	<u>3776</u>	<u>166</u>	<u>1464</u>	<u>5406</u>	<u>437</u>	<u>0</u>	<u>5843</u>
	199	TOTAL CIVILIAN PERSONNEL COMPENSATION	3776	166	1464	5406	437	0	5843
<u>TRAVEL</u>									
	308	Travel of Persons	<u>363</u>	<u>6</u>	<u>-82</u>	<u>287</u>	<u>4</u>	<u>0</u>	<u>291</u>
	399	TOTAL TRAVEL	363	6	-82	287	4	0	291
<u>OTHER FUND PURCHASES (EXCLUDE TRANSPORTATION)</u>									
	678	Defense Security Service	<u>130225</u>	<u>2098</u>	<u>-16404</u>	<u>115919</u>	<u>6909</u>	<u>50635</u>	<u>173463</u>
	699	TOTAL PURCHASES	130225	2098	-16404	115919	6909	50635	173463
<u>TRANSPORTATION</u>									
	771	Commerical Transportation	<u>28</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>28</u>
	771	TOTAL TRANSPORTATION	28	0	0	28	0	0	28
<u>OTHER PURCHASES</u>									
	920	Supplies & Materials (Non-Fund)	109	2	0	111	2	0	113
	921	Printing and Reproduction	18	0	0	18	0	0	18
	922	Eqpt Maintenance by Contract	3	0	0	3	0	0	3
	925	Equipment Purchases (non-Fund)	276	4	0	280	4	0	284
	989	Other Contracts	<u>2876</u>	<u>46</u>	<u>-2633</u>	<u>289</u>	<u>4</u>	<u>0</u>	<u>293</u>
	999	TOTAL OTHER PURCHASES	3282	52	-2633	701	10	0	711
9999		TOTAL OPERATION & MAINTENANCE	137674	2322	-17655	122341	7360	50635	180336

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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 71 security courses annually delivered in more than 166 iterations. These include resident, field extension, distributive learning courses, Computer Based Training (CBT), and Video Tele-Conferencing (VTC). Customized courses are also

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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.

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 2002 DSS Operation and Maintenance Defense-wide contains \$4,838 thousand to pay for security training

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courses/products produced by the DSS Defense-wide Working Capital Fund (DWCF). DSSA's full-time equivalents are funded through the DWCF. When the customer delineation is complete, DSS will devolve these dollars to the customers.

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

The Department of Defense Polygraph Institute (DoDPI) is a graduate level 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 is 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 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

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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 1999, 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). 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 complex sensitive examinations, when requested by PDD programs to assure the propriety of the opinion rendered or to identify possible countermeasures. DoDPI provides technical assistance, based upon requests, in establishing quality control procedures for individual agencies.

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

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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.

II. **Force Structure Summary:** Not applicable to DSS

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

A. <u>Subactivity Group</u>	FY 2001 <u>Actuals</u>	FY 2002		FY 2003 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	
1. DSS Academy	4,748	4,864	4,838	6,991
2. DoD Polygraph Institute	2,644	2,726	2,711	2,898
Total	7,392	7,590	7,549	9,889

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B. <u>Reconciliation Summary:</u>	Change	Change
	<u>FY 2002/FY 2002</u>	<u>FY 2002/FY 2003</u>
1. Baseline Funding	7,590	7,549
a) Congressional Adj (Distributed)		
b) Congressional Adj (Undistributed)		
c) Congressional Adj (General Provision)	(41)	
d) Congressional Earmarks		
2. FY 2002 Appropriated Amount (Subtotal)	7,549	7,549
3. Price Change		275
4. Program Changes		2,065
5. Current Estimate	7,549	9,889
C. <u>Reconciliation of Increases and Decreases:</u>	<u>Amount</u>	<u>Totals</u>
FY 2002 Amended President's Budget Request		7,590
1. Congressional Adjustment (General Provisions)		(41)
Section 8123 - Reduction for Business Process Reform	(41)	
FY 2002 Appropriated Amount		7,549
2. Price Change	275	275
3. Transfers		
a) Transfers-In	2,065	2,065
Realignment of Resources from Personnel Security Investigations (PSI) to DSS Academy (DSSA) to properly align manpower and nonpay resources. Historically, the PSI program provided much of the personnel and IT support for DSSA, as the original devolvement of funds for these programs did not take into account the funding support provided by the PSI program. As DSS transitions to a fee for service organization, it is imperative that costs are aligned to the appropriate programs.		
b) Transfers Out		
3. Program Increases:		
4. Program Decreases:		

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FY 2003 Budget Request

9,889

IV. Performance Criteria and Evaluation Summary:

<u>Workload</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY2003</u>
A. <u>Defense Security Service Academy</u>			
1) Courses (Classroom)	43	43	48
2) Student Output 1/	4,770	5,000	6,000
3) Courses (Independent Study)	5	5	6
4) Student Output 2/	4,737	6,000	7,265
5) Courses (CBT & WEB-based) 3/	36	36	40
6) Student Output	1,283	800	1,000
B. <u>Department of Defense Polygraph Institute (DoDPI)</u>			
Academic			
PDD enrollment	66	84	84
Continuing education enrollment	548	600	650
Course iterations	34	31	33
Professional lectures/presentations 4/	1567	1600	1700
Research			
External projects 5/	11	6	5
Internal projects	3	4	5
Quality Assurance Inspections 6/	12	12	12

- 1/ For FY 2001, the number is comprised of student enrollments. Effective in FY 2002, the DSSA is measuring student completions.
- 2/ For FY 2001, the number is comprised of student enrollments. Effective in FY 2002, the DSSA is measuring student completions.
- 3/ Includes both internal and external CBT and Web based training.
- 4/ Reflects attendance for 13 events.
- 5/ In FY 2001 DoDPI received approximately \$1 million from external sources to fund external research.

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6/ For FY 2001 data includes two re-inspections.

V. Personnel Summary:

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Change FY 2002/FY 2003</u>
<u>Civilian End Strength (Total)</u>	34	32	32	(0)
U.S. Direct Hire	34	32	32	(0)
<u>Civilian FTEs (Total)</u>	33	32	32	(0)
<u>U.S. Direct Hire</u>	33	32	32	(0)

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:

	<u>FY 2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
O&M (Dollars in Thousands)	10,180	10,382	10,574	10,960
Civilian FTEs	32	32	32	32

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

	FY 2001 Actuals	Price Growth	Program Growth	FY 2002 Estimate	Price Growth	Program Growth	FY 2003 Estimate
101 Exec,GS Sched	2,069	91	458	2,618	186	0	2,804
308 Travel	94	2	-82	14	0	0	14
678 DSS	4,748	90	0	4,838	88	2065	6,991
771 Transportation	7	0	0	7	0	0	7
920 Supplies	33	1	0	34	1	0	35
921 Printer	12	0	0	12	0	0	12
925 Equipment	7	0	0	7	0	0	7
989 Other Contracts	422	7	-410	19	0	0	19
Total	7,392	191	-34	7,549	275	2065	9,889

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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 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

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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 continues to be financed through the Defense-wide Working Capital Fund (DWCF) since 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 approximately 11,700 NISP facility clearances in FY 2002. In the 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.

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(1) Foreign Counterintelligence Program (FCIP). The DSS FCIP is executed by DSS in two distinct areas:

a. As executed through the DSS Counterintelligence (CI) Office, FCIP 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.

b. The Department of Defense Polygraph Institute (DoDPI) is a graduate level educational, research and policy establishing institution for the forensic discipline of the psychophysiological detection of deception (PDD). 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 psychophysiological detection of deception (PDD) examiners; 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 (QAP). The QAP develops, implements, and provides oversight of polygraph standards as well as providing technical assistance to 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 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 is funded entirely with appropriated funds and is not included in the DSS DWCF.

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2) 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. 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 2001 <u>Actuals</u>	FY 2002			FY 2003 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. Investigative Activities	94,379	52,008	49,745	80,545	109,915
2. Industrial Security	31,084	31,391	30,536	30,536	56,455
3. Foreign Counterintelligence*	3,970	2,339	2,339	2,339	2,528
4. Defense Joint CI Program	727	1,380	1,372	1,372	1,549
5. Counterdrug Program **	122	0	0	0	0
Total	130,282	87,118	83,992	114,792	170,447

* FCIP was increased in FY 2001 in support of a required DoD FCIP CI information system.

** Only shown for execution purposes. Counterdrug funding is received in the year of execution and is not included in the DSS's FY 2002-2007 funding.

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B. Reconciliation Summary:

	Change	Change
	<u>FY 2002/FY 2002</u>	<u>FY 2002/FY 2003</u>
1. Baseline Funding	87,118	114,792
a) Congressional Adj (Distributed)	(1,500)	
b) Congressional Adj (Undistributed)	(820)	
c) Congressional Adj (General Provision)	(654)	
d) Congressional Earmarks	(152)	
2. FY 2002 Appropriated Amount (Subtotal)	83,992	114,792
3. Price Change		7,085
4. Program Changes	30,800	48,570
5. Current Estimate	114,792	170,447

C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
FY 2002 Amended President's Budget Request		87,118
1. Congressional Adjustments		(3,126)
a) Distributed Adjustments		
Improper Budget Adjustments	(1,500)	
b) Undistributed Adjustments		
Management Headquarters Reduction	(662)	
Defense Joint Accounting System	(158)	
c) Congressional Earmark Billpayers		
Section 8047 - Indian Lands Mitigation	(122)	
Section 8154 - Commission on Future Aerospace Industry	(18)	
Section 8155 - Memorial 9/11/01, Somerset County, PA	(12)	
d) General Provisions		
Section 8123 - Reduction for Business Process Reform	(629)	

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Section 8102 - Reduction in Travel Costs	(19)	
Section 8146 - Savings from Government Purchases Card	(6)	
FY 2002 Appropriated Amount		83,992
2. Program Increases		30,800
Increased customer workload for Personnel Security Investigations for Industry based upon a customer survey performed by the DSS in FY 2002.	30,800	
Revised FY 2002 Estimate		114,792
3. Price Change	7,085	7,085
4. Transfers		14,954
a) Transfers-In		
Realignment of Resources from Personnel Security Investigations (PSI) to Industrial Security Program (ISP) to properly align manpower and nonpay resources. Historically, the PSI program provided much of the infrastructure and overhead support for the ISP, e.g., leased space, communications, and IT costs as the original devolvement of funds for these programs did not take into account the funding support provided by the PSI program.	14,954	
b) Transfers-Out		
5. Program Increases:		33,616
- Case Control Management System (The DSS portion of a \$15 million increase for CCMS. The customers will identify the remaining \$9 million in their budget submissions.)	6,000	
- Increased customer workload for Personnel Security Investigations for Industry based upon a customer survey performed by the DSS in FY 2002.	27,616	
6. Program Decreases:		

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FY 2003 Budget Request

170,447

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.

	<u>FY 2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Estimate</u>	<u>FY 2003</u> <u>Estimate</u>
Personnel Security Investigations			
Security Products Carry-In	89,449	92,300	68,496
Security Products New Orders	108,296	129,000	134,000
Security Products Completed	<u>105,445</u>	<u>152,804</u>	<u>147,596</u>
Security Products Carry-Out	92,300	68,496	54,900

B. Industrial Security Program (ISP)

 Industrial Facility Actions (In Thousands)

	<u>FY 2001</u> <u>Actual</u>	<u>FY 2002</u> <u>Estimate</u>	<u>FY 2003</u> <u>Estimate</u>
Facility Clearances Maintained	11.5	11.7	11.8
Initial Facility Clearances	1.1	1.3	1.5

V. Personnel Summary:

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Change</u> <u>FY 2002/FY 2003</u>
<u>Civilian End Strength (Total)</u>	24	30	30	0

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U.S. Direct Hire	24	30	30	0
<u>Civilian FTEs (Total)</u>	19	30	30	0
<u>U.S. Direct Hire</u>	19	30	30	0

VI. <u>Outyear Summary:</u>	<u>FY 2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
O&M (Dollars in Thousands)	106,218	108,697	111,433	114,098
Civilian FTEs	30	30	30	30

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

		FY 2001	Price	Program	FY 2002	Price	Program	FY 2003
		Actuals	Growth	Growth	Estimate	Growth	Growth	Estimate
101	Exec,GS Sched	1,707	75	1,006	2,788	251	0	3,039
308	Travel	269	4	0	273	4	0	277
678	DSS	125,477	2,008	-16,404	111,081	6,821	48,570	166,472
771	Transportation	21	0	0	21	0	0	21
416	GSA Supplies	76	1	0	77	1	0	78
921	Printer	6	0	0	6	0	0	6
922	Equipment Maint	3	0	0	3	0	0	3
925	Equipment	269	4	0	273	4	0	277
989	Other Contracts	2,454	39	-2,223	270	4	0	274
	Total	130,282	2,131	-17,621	114,792	7,085	48,570	170,447