

This video is an Orientation to the DSS Facility Clearance Process for organizations that intend to work on classified contracts. Nothing in this Orientation is intended as legal or business advice and this Orientation should not be used as such. This Orientation is for informational purposes related to the DSS Facility Clearance Process only.

On behalf of the Defense Security Service, or DSS, welcome to the first step in the Facility Clearance Process and entering the National Industrial Security Program, also known as the NISP. DSS is delegated security administration responsibilities for the NISP and is the Cognizant Security Office on behalf of the Department of Defense.

We recently received a request from a Government Contracting Activity or cleared contractor to process your company for a Facility Clearance under the NISP for performance on a classified government contract.

This Orientation is designed to guide you through the Facility Clearance Process and provide you with the information you will need to set up your Security and Insider Threat Program. You may review this Orientation as many times as you would like and are encouraged to refer back to it throughout the Facility Clearance Process. You should also compile a list of questions you still have pertaining to this process that are not answered in this Orientation as you will have an opportunity to ask these questions later in the process.

After you review this Orientation, you must notify the Facility Clearance Branch Representative who advised you to review it that you are ready to start the Facility Clearance process. Once we receive your confirmation, you will receive an official Welcome Email, which marks Day 1 of the Facility Clearance Process. This email will provide the exact deadlines for the submission of required information.

Please be certain that you pay close attention to these deadlines as they are not flexible. If you do not meet these deadlines, the Facility Clearance Process will be discontinued and you will need to be responsored if there is still a valid need. Therefore, it is highly recommended that you take this opportunity to ensure you are prepared to meet these deadlines.

We are unable to provide specific timeframes needed to obtain a Facility Clearance as every company is different and timeframes vary widely depending on several factors. However, please note that the biggest opportunity to expedite your Facility Clearance Process is in being prepared to provide the required information and documentation quickly at each stage of the process.

The requirements, restrictions, and other safeguards that cleared companies must put in place are outlined in the National Industrial Security Program Operating Manual, referred to as the NISPOM. The NISPOM can be located on the DSS website, at www.dss.mil in the most requested links section. You are encouraged to review the chapters that are applicable to your security program at this time in order to understand the requirements of the agreement you are about to enter into.

The NISPOM defines a Facility Clearance as an administrative determination that, from a national security standpoint, a company is eligible for access to classified information at the same or lower classification level as the clearance being granted.

In order to obtain a Facility Clearance, a company must meet the eligibility requirements shown here and meet personnel security clearance requirements for certain Key Management Personnel, or KMPs, also discussed in NISPOM chapter 2, section 1.

With respect to the first eligibility requirement listed, it is important to understand that in order to be eligible for a Facility Clearance, an organization's employees must need access to information that is classified at the Facility Clearance level requested. A requirement to have background investigations to meet position or contract requirements or for access to a physical spaces is not the same as a requirement to access classified information and does not meet the eligibility requirement for a Facility Clearance. Please ensure you understand this requirement and how your company meets it as verification of this will be a point of emphasis throughout the Facility Clearance process.

The remaining eligibility requirements listed on this slide, along with the KMP personnel security clearance requirements, are the criteria that are assessed using the business documents and forms discussed later in this Orientation.

This is the Facility Clearance Process Roadmap. It outlines the process from Day 1 until after a company receives a Facility Clearance. You have not yet started Day 1 of the process. You are currently in the preparation stage. As a reminder, after you finish reviewing this Orientation and compiling your remaining questions, please respond to the email you were sent to have the Facility Clearance Branch officially initiate your Facility Clearance Process. As you will note from this roadmap, you will need to meet several requirements quickly during this process. Therefore, it is again strongly encouraged that you use this preparation stage to your advantage before officially beginning the process to avoid missing deadlines down the road. Please note that all Facility Clearance Process timeframes are quoted in calendar days.

Once the Facility Clearance Branch, or FCB, initiates Day 1 of the process, you will receive a Welcome Email with your specific deadlines. The email will also have the Facility Clearance Orientation Handbook attached to it. This handbook can be found on the DSS website under the most requested links for review at any point. You do not need to wait until you receive the email as you are encouraged to review the DSS website and the resources available there early and often in this process.

Also on Day 1, you will receive an email with instructions for logging into a system called e-FCL, which will be used to submit your business documents and forms. During this preparation stage, you should review the Facility Clearance Orientation Handbook and this Orientation presentation in detail and collect and review the documents and forms you will need to submit so that you can submit them quickly once you have access to e-FCL.

A Commercial and Government Entity, or CAGE, code is required to complete the Facility Clearance Process. If you do not yet have a CAGE code, you will need to obtain one at this

point. This should be done immediately as the Facility Clearance Process will need to be discontinued if you do not meet deadlines as a result of not having a CAGE code.

You should ensure you review and understand the FCL Process and the FSO Toolkit, which is available via the Security Toolkits link in the most requested links section on the DSS website. The FSO Toolkit is an excellent reference tool for new FSOs.

You should also review your legal documentation and identify your business structure, parent companies, and KMPs as outlined in your legal business documents so that you are prepared to upload these once you have access to e-FCL.

An FCB representative will schedule a 15-30 minute Telephonic Survey between day 5 and 10 of the Facility Clearance Process.

The purpose of the Telephonic Survey is to discuss the requirement for a Facility Clearance for your company. You must be able to describe what employees of your company will be doing on the contract that will require them to have access to classified information, your business structure, and how the company is managed. If you have any remaining questions on the process that were not covered in the Orientation, you will have an opportunity to ask these during the Telephonic Survey. It is highly recommended that you have all the information for your e-FCL package either submitted or ready to submit at the time of the Telephonic Survey to ensure you do not have additional questions pertaining to e-FCL that would cause an incomplete package to be submitted and the process discontinued.

A complete e-FCL package is due by Day 20 of the Facility Clearance Process. An initial submission by Day 20 will not meet this deadline if it is incomplete.

To accomplish this, you will need to gather the required documents for submittal. The specific documents required for each business structure will be discussed later in this Orientation.

You will need to upload this documentation and any applicable tiered parent information in e-FCL and complete necessary forms.

This includes citizenship verification in the form of a U.S. Passport, Birth Certificate, or Certificate of Naturalization for all KMPs requiring personnel security clearance processing.

Finally, the complete e-FCL package must be submitted to DSS for review. Please note that DSS cannot review your documents and forms until the e-FCL package is fully submitted.

An e-FCL package consists of two main types of documents: business records that need to be uploaded and forms that need to be completed.

The business records required will be discussed later for each type of business structure but in general, you will need to submit documentation that demonstrate your existence as a legal business entity, information on the management and ownership of the organization, and documentation of any significant changes.

Once your business records have been uploaded, you will need to complete several forms.

The Standard Form 328 or SF-328 Certificate Pertaining to Foreign Interests is a 10- question questionnaire used to assess foreign ownership, control, or influence. You will need to complete this e-form in e-FCL and upload an ink-signed version. The responses on the e-form and signed version must match. The e-form defaults to Yes answers so please ensure you have saved the e-form after changing any answers to No. You should also ensure that any affirmative answers are fully explained and any supplemental information or documents are also uploaded.

Both the SF-328 and the DD Form 441, which we'll discuss in a moment, must be printed and signed in duplicate. Your local field office will keep one original-signature copy of each on file at the field office and you will maintain one matching original-signature copy for your files.

The summary data sheet is a brief questionnaire about your organization. The most common issue with this form is that the information provided does not match the information in other business documents. Please verify that all responses are consistent with other business documents uploaded.

We will discuss the KMP list in terms of which individuals should be listed for each business structure. However, as a general note, it is extremely important that you verify the KMP list is accurate and complete. Typos or inconsistencies on this document may cause incorrect information to be entered into a system of record, which may make it impossible to meet future deadlines.

If the business entity applying for a Facility Clearance is owned by other business entities, these must be listed in the tiered parent list.

The DD Form 441 is the agreement between your organization and the United States government detailing security responsibilities we have to one another pertaining to your participation in the NISP. Please read this agreement carefully before signing. As noted for the SF-328, two copies of the DD Form 441 should be printed and signed.

You should complete the DD Form 441 leaving the top sections blank. These sections will be completed with the date of the agreement when it is countersigned by the Government Representative.

Your company's Senior Management Official or other KMP should sign the Contractor Representative section.

Any adult witness may witness the Contractor Representative's signature and complete the Witness section. You will then upload this version in e-FCL.

Please note the Government Representative section will be blank. You will not have a fully executed version of this document for your initial e-FCL package as it is not countersigned until just before the FCL is issued.

A DD Form 441-1 is a separate form that is only needed if the Facility Clearance is for a branch/division office. Please do not upload a DD Form 441-1 if you are not representing a cleared branch office.

The miscellaneous documents section can be used for anything not listed elsewhere. Examples include citizenship verification for KMPs requiring personnel security clearance processing, meeting minutes, FSO and ITPSO letters of appointment, excluded parent documents, additional agreements, or supplemental information.

An exclusion resolution is necessary for certain people or companies that are in a position of some control over the business entity applying for the Facility Clearance but who will not require access to classified information and do not occupy a position that would enable them to adversely impact the company's programs and policies in support of classified contracts. Exclusion resolutions will be discussed later in this Orientation.

You will be asked to upload a copy of any DD Form 254s that have been issued to your company. If your sponsor did not provide you with a copy of the DD Form 254 that was submitted as justification for your Facility Clearance, you should contact them now to obtain this.

While the same basic information is generally required for all business structures, documents have different names based on the type of business entity and the jurisdiction where it is registered. Other requirements may also differ by jurisdiction. Additionally, KMP titles vary for different types of business structure. We will discuss business documents and KMP identification for each type of business structure listed here. Please note that this Orientation provides general guidelines regarding the requirements that are typical of each business structure. You should carefully review your business documents and the Facility Clearance Orientation Handbook to determine if they follow the typical pattern and consult your legal advisor, if necessary, to understand your business structure.

In the slides that follow, the KMPs that generally require personnel security clearances in connection with the facility clearance are shown with an asterisk. To evaluate this, DSS looks at the roles and responsibilities in addition to the titles used. The titles discussed in the slides that follow are based on the typical responsibilities associated with that role. Please refer to the Facility Clearance Orientation Handbook for a description of the key roles and responsibilities typically associated with these position titles.

As a general note for all business types, organizations must register their business with a physical address. The physical address is the actual address where the organization is located and does not have to be in the state of incorporation/organization. This is the address DSS uses for the Facility Clearance and is considered the home office. The CAGE code registration must also match this address. Organization may also have a registered agent address, which typically must be in the state of incorporation/organization and is usually the address documents and notices, such as annual report filings, are mailed to by the Secretary of State.

Also note that documents such as fictitious name certificates and business licenses must be included in your e-FCL package, regardless of business structure, if they exist. These will not exist for every organization.

Finally, please note that some states and jurisdiction do not require certain types of organizations to have all documents referenced. In these cases, it may be very difficult for DSS to determine if and when the organization meets NISPOM requirements. Some documentation outlining the governance and structure of the organization and the roles and responsibilities of the organization's officials will be required to determine eligibility for a Facility Clearance.

We'll discuss the specific business types and KMP lists for each type next. However, we first want to define a few KMP terms.

The term KMP encompasses those individuals holding the positions of Facility Security Officer (FSO), Insider Threat Program Senior Official (ITPSO), all owners (if people), officers, and members of the management or executive board (including the Chairman). All persons holding these positions, as described in the business records, should be listed on the KMP list, regardless of whether they require a personnel security clearance or access to classified information. Those holding KMP positions that have control or authority that requires them to be cleared in connection with the Facility Clearance are called Essential KMPs.

With the exception of the FSO and ITPSO, individuals listed on the KMP list must be identified in the business records. The most common confusion stems from the title of Vice President in a corporation. For example, a corporate Vice President listed in the by-laws would be listed on the KMP list. A Senior Vice President of Operations would not generally be listed on the KMP list since Senior Vice Presidents of Operations are not typically designated or described in the bylaws.

One of the biggest reasons for rejection of e-FCL packages is that information provided does not match business documents. It is not uncommon for an organization's officials to use a different title, in practice, than they hold in the business documents. The most common example of this is a Chief Executive Officer, or CEO, of a Limited Liability Company, or LLC. Most LLCs are governed by members or managers and do not designate corporate-style officers, such as a CEO, in their Operating Agreements. However, the people managing these companies often use the title of CEO because it is more recognizable in the business world. For the purposes of the KMP List and e-FCL package, an organization must use the official titles recorded in business documents. If a person's actual responsibilities do not align with those outlined in the business documents, it may not be possible for DSS to determine when, or if, the organization meets the eligibility requirements for a Facility Clearance.

Likewise, any positions required on the KMP list that are indicated as required for the organization in its business records must be listed on the KMP list, even if they are vacant. If a required position is vacant, the position title should be added using the "Add Vacancy" feature in e-FCL. An example of this is a corporation whose bylaws state that its Board of Directors consists of 3 Directors but it has only elected 2 Directors. This corporation would list the 2 elected Directors and make a third Director entry using the "Add Vacancy" feature. On the other

hand, if a corporation's bylaws state that it may have up to 3 Directors, this corporation would enter only the 2 elected Directors on the KMP list.

The FSO and ITPSO must be listed on the KMP list for all facilities. These positions are the only KMP positions that are not required to be designated and described within legal business documents. However, a letter of appointment for the person holding these positions should be uploaded in the Miscellaneous Documents section of e-FCL. The Senior Management Official is a NISP-specific designation of the official at the company with the senior management authority based on the description of their role in legal business documents. It is not a position title that must be referenced in business documents. The FSO, ITPSO, and SMO must be US citizens, employees of the company, and cleared to the level of the Facility Clearance.

The business documents required for a privately or publicly held corporation include the Certificate or Articles of Incorporation, which are filed with the Secretary of State's office in the state or jurisdiction where the corporation is incorporated, Corporate Bylaws describing the rules governing the regulation of a corporation's internal affairs, initial and most recent Shareholder and Board of Directors Meeting Minutes, as well as those approving any significant changes to the Corporation, a stock ledger listing the individuals and organizations that hold stock in or shares of the corporation or SEC filings for publicly-held corporations, and a legal organization chart showing the corporation's ownership and its connections to other business entities. You may also wish to include a legal organization chart showing the internal management structure of the company.

The KMP list for a corporation must include all shareholders, if they are people, directors, and officers.

Shares or stock of a corporation may be held by either people or other organizations. If held by people, these people are called share or stock holders and must be listed on the KMP list with their ownership percentages. If organizations, they are considered "tiered parents" and will be listed on the tiered parent list. Shareholder control and authority varies. Shareholders, either people or organizations, are not typically required to be cleared simply because they are shareholders. However, if they have significant control or authority over the cleared corporation, they may require a clearance.

Directors, not including the Chairman of the Board, typically do not hold authority that would prevent them from being effectively excluded but this may vary from corporation to corporation. The Chairman of the Board must always be cleared. If a corporation has a rotating Chairman, those who may hold this position must be cleared to the appropriate level prior to filling the role and should be processed for clearances accordingly.

In most corporations, those holding the titles of Chief Executive Officer and President typically hold the highest day-to-day management authority, and must be cleared. Most corporations also have a Secretary and Treasurer and possibly a Vice President or Vice Presidents. Traditional authority associated with these roles would allow them to be effectively excluded. Other officer titles designated in the bylaws must also be listed on the KMP list. Typically, these officers report to the CEO or President and can be effectively excluded.

Finally, the FSO and ITPSO must be listed on the KMP list with the appropriate checkbox indicating their role as the FSO or ITPSO and must be cleared or processed for a personnel security clearance at the level of the facility clearance requested.

For all shareholders, directors, and officers, each corporation should review the authorities and roles and compare these to the exclusion criteria in NISPOM 2-106 and the typical responsibilities associated with each role described in the Facility Clearance Orientation Handbook to make a preliminary determination about whether or not they can be effectively excluded. The assigned Industrial Security Representative will make the final decision regarding exclusion upon analyzing the corporation as a whole.

The business documents required for a Limited Liability Company, or LLC, include the Certificate or Articles of Organization, which are filed with the Secretary of State's office in the state or jurisdiction where the company is organized, an Operating Agreement, which describes the governance of the LLC's business and financial and managerial rights and duties, initial and most recent Member or Manager Meeting Minutes, as well as those approving any significant changes to the Company, a membership ledger that lists the individuals and organizations that hold membership interest in the company, and a legal organization chart showing the company's ownership and its connections to other business entities. You may also wish to include a legal organization chart showing the internal management structure of the company.

The KMP list for an LLC must include all members, if people, and managers, as well as officers, if they are described in the company's Operating Agreement.

LLCs are a relatively new type of business structure that allows for greater flexibility than the traditional business structures. As a result, their setup can vary widely. The legal requirements for an LLC also vary widely by state and jurisdiction.

Members of an LLC are the owners of the company, similar to shareholders of a corporation, and may be people or other organizations. In an LLC, the management of the company is either automatically vested in the members by virtue of their being members (called "member-managed") or vested in a separately designated manager, managers, or board of managers (manager-managed). Members are not generally required to be cleared simply because of their ownership interest. However, this will vary depending on their specific authority to control or influence the business.

Managers of an LLC are generally required to be cleared as it is extremely rare that they have a level of authority that would allow them to be effectively excluded. In an LLC with multiple managers with varying levels of interest or a Board of Managers or similar executive body, this may vary. However, the chairman or manager with majority interest will almost definitely be required to be cleared.

Because of the flexibility of an LLC, LLCs may create corporate-style officer positions but this is relatively rare. Often, members and managers refer to themselves using corporate-style titles, such as CEO and President, because they are more recognizable in the business world, without

outlining these in the business documents. For the purpose of the KMP list for DSS, companies should enter any and all titles that are outlined in business documents and refrain from including titles that are only used in practice. Whether or not the individuals in these positions require a clearance will depend on their role as described in the business documents. These titles vary from being essentially “in name only” titles to holding responsibility similar to that of a corporation so they can be difficult to assess.

Please note that because of the flexibility of LLCs, it is possible to have an LLC that is owned by another organization and member-managed, making the owning organization the manager. Most organizations that are set up this way did this by default without fully explaining how the owning organization would “manage” the day-to-day operations of the LLC. In most cases, the way these LLCs are operating does not align with the description in their business documents. It can be extremely difficult for DSS to determine if and when these LLCs meet NISPOM requirements for a facility clearance.

The FSO and ITPSO must be listed on the KMP list with the appropriate checkbox indicating their role as the FSO or ITPSO and must be cleared or processed for a personnel security clearance at the level of the facility clearance requested.

There are three common types of partnership: General Partnerships, Limited Partnerships, and Limited Liability Partnerships although other types may exist in some states or jurisdictions. A General Partnership consists of all General Partners. A Limited Partnership consists of one or more General Partners and one or more Limited Partners.

Limited Liability Partnerships are more similar to LLCs, with Partners being similar to Members, and are formed through Articles of Organization. For the purpose of this section, we will focus on General Partnerships and Limited Partnerships

For Limited Partnerships, a Certificate of Limited Partnership is filed with the Secretary of State’s office.

General Partnerships are typically formed without official registration with a Secretary of State, although some jurisdictions may require a Business License, a Fictitious/Trade Name Registration, or other similar documentation. Regardless, General Partnerships must provide documentation to DSS that demonstrates their legal existence as a General Partnership, the name they are doing business under, and the jurisdiction whose laws they are organized and operating under.

Note that organizations that use General Partnership, General Partners, or GP in the name are rarely actually General Partnerships. Most often, they register as another business type such as an LLC. For example, ABC General Partners, LLC is an LLC and not a General Partnership for the purpose of NISP participation and you should refer to the section of this Orientation on LLCs for the business document and KMP requirements. However, if there is a Partnership Agreement in addition to an Operating Agreement in this scenario, both should be provided to DSS.

A partnership agreement is a contract between two or more business partners that establishes the responsibilities of each partner and general rules about the partnership. Partnership Agreements may not be required for all partnership types in all states. However, DSS will need to be provided with some documentation that outlines the responsibilities of the partners and the basic rules and structure of the partnership in order to determine if or when it meets the eligibility requirements for a Facility Clearance.

You must provide a legal organization chart showing the partnership's ownership and any connections to other business entities. You may also wish to include a legal organization chart showing the internal management structure of the company.

The KMP list for a General or Limited Partnership should include all General and Limited Partners who are people. General or limited partners that are organizations must alternatively be listed on the tiered parent list.

General partner is the name given to partners that have active involvement in managing the partnership. As such, General Partners must be cleared. Both General Partnerships and Limited Partnerships have at least one General Partner.

Limited partner is the name given to a partner that does not participate in management of the business. As such, Limited Partners can generally be effectively excluded. General Partnerships do not have any Limited Partners. Limited Partnerships may have one or more Limited Partners in addition to their General Partner(s). Like Members of an LLC and Shareholders of a Corporation, Partners may be people or other organizations. If a General Partner is an organization, it must be clear in business documents what person or people are managing the business and how they are doing so. If this is not clear in business documents, it may be difficult or impossible for DSS to determine when or if the Partnership meets eligibility requirements for a Facility Clearance.

The FSO and ITPSO must be listed on the KMP list with the appropriate checkbox indicating their role as the FSO or ITPSO and must be cleared or processed for a personnel security clearance at the level of the facility clearance requested.

Educational institutions vary widely in how they are established and governed, which may change the required business documents and KMP identification significantly. Each institution should review its record thoroughly and compare its structure to that of other business types, if applicable.

In general, a charter is given by provincial, state, regional, and sometimes national governments to legitimize the university's existence. If the charter does not describe how the organization is run and who has authority to manage the organization, a separate document, such as bylaws or a constitution, must be provided.

Board Meeting Minutes from a Board of Regents/Trustees/Directors/Managers or other executive or governing board must be provided if they are needed to support existence of or

significant changes to the organization or the designation or elections of members of the board or officers.

A legal organization chart must be provided to show the organization's ownership, if applicable, and any connections to other business entities. You may also wish to include a legal organization chart showing the internal management structure of the organization.

The KMP list for colleges and universities varies. However, in general, it must include all officials described as having a role in the governance of the organization in governance documents.

Typically, the President of a University or College is the highest management authority and must be cleared. The management of the business affairs of the organization may be accomplished through a Board of Regents/Trustees/Directors/Managers or other type of executive or governing body. Depending on their level of authority, all or some may be able to be effectively excluded. However, a chairman or quorum may need to be cleared. In a college or university, another official, such as a program manager or director, may be responsible for classified contracts. This person must be cleared.

The FSO and ITPSO must be listed on the KMP list with the appropriate checkbox indicating their role as the FSO or ITPSO and must be cleared or processed for a personnel security clearance at the level of the facility clearance requested.

In accordance with ISL 2006-02, #12 when only one person within an organization requires access to classified information and that person and members of their immediate family are the sole owners of the organization, that person should work as a consultant and would not require a Facility Clearance. This applies to any business type and is not specific to sole proprietors. However, sole proprietorships are frequently a source of this question.

The requirements for legal registration of a sole proprietorship vary by state and jurisdiction and there are often multiple options. DSS requires documentation demonstrating that the sole proprietorship is legally organized and existing as a sole proprietorship and identifying the jurisdiction whose laws it is operating under. Depending on the state, this may be a business license, a fictitious name certificate, a certificate of sole proprietorship or another similar document.

The KMP list for a sole proprietorship must include the sole proprietor. The sole proprietor is the owner of a sole proprietorship and must always be cleared to the level of the Facility Clearance.

Additionally, the FSO and ITPSO must be listed on the KMP list with the appropriate checkbox indicating their role as the FSO or ITPSO and must be cleared or processed for a personnel security clearance at the level of the facility clearance requested.

A branch office or division is a separate location of an existing legal entity, referred to as a multiple facility organization. Because a branch office is part of the same legal entity as its

home office, they must have the same legal name. In most cases, only the home office requires a facility clearance. A branch office or division only requires a separate Facility Clearance issued by DSS if it will need to be able to safeguard collateral classified information within that office. If it will need to exclusively safeguard classified information that is not under DSS cognizance, a Facility Clearance issued by DSS is not required, but other requirements will need to be met as determined by the organization that does have cognizance. If no safeguarding is needed at the branch office, administrative security requirements, such as personnel security clearance processing and training, are handled by the home office via its security program.

For branch offices that do require a Facility Clearance, the home office must always be cleared to the same or a higher level as the branch office. If you are a branch office or division and your home office is not cleared or in-process for a facility clearance, please contact the DSS Knowledge Center immediately.

Because the majority of the legal business documents and forms required are provided by the home office, the e-FCL requirements for a branch office or division are minimal. The required documents include any business records of the legal entity that apply specifically to the branch office, such as meeting minutes establishing a new office location, a KMP list, a DD Form 441-1, which is signed by home office, and a legal organization chart.

The KMP list for a branch office is the only type of KMP list in which the individuals listed are not required to be designated in legal business documents. The KMP list for a branch office should include an SMO specific to the site, which is the person who has senior management authority at that office, the branch office FSO and the ITPSO. The ITPSO must be listed on the branch office KMP list even if this is a corporate-wide ITPSO.

Joint Ventures are becoming more and more popular. Joint Ventures, or JVs, can be formed in a couple of ways.

A JV by Contract is generally a team of two or more legal business entities that has entered into a contract together to work on a specific project. They do not form a separate legal operating entity, but have a contract that outlines the terms of their arrangement.

Alternatively, a JV can be formed following a similar agreement between two or more organizations to form a legal operating entity, such as a Corporation, an LLC, or a Partnership to serve as the JV.

There are 2 key points to consider with JVs:

First, in accordance with NISPOM 2-102b, in order to be eligible for a Facility Clearance, an organization must be legally organized and existing in the United States. Therefore, JVs by contract that have not formed a legal registered operating entity are not eligible for a Facility Clearance.

Second, JVs may be either populated or unpopulated. This means that the JV entity either itself has employees or does not have employees, in which case the employees remain employees of

the organizations that make up the JV. In accordance with NISPOM 1-201, 1-202b, 2-104, the FSO, the ITPSO, and the SMO must be employees of the organization holding the Facility Clearance. Therefore, the JV must have an employee(s) who hold these positions. There may be regulations that provide that a JV may not be populated with individuals intended to perform contracts awarded to the JV. That is, the JV may have its own separate employees to perform administrative functions, but may not have its own separate employees to perform on contracts awarded to the JV. Note that this scenario does not conflict with the NISPOM requirements to have employees performing administrative security functions.

If a classified contract is awarded to the JV, the JV needs a Facility Clearance. If the contracts is exclusively awarded to one or both JV partners, those organizations require Facility Clearances.

Business records and KMP requirements are determined by the type of legal entity. For example, many JVs organize as LLCs. This organization should have Articles of Organization, and an Operating Agreement. Although, it may also have a JV Agreement or it may cover the operation of the organization as both an LLC and a JV in one or the other. Both the Operating agreement and the JV Agreement should be provided to DSS, if both exist.

Organizations with existing Facility Clearances that are being processed for an upgrade in Facility Clearance level should review any existing e-FCL packages to verify that the package includes the required information outlined in this orientation for your business structure, is accurate and up-to-date, and has been submitted by you and approved by DSS. If any updates or additions are required, please submit these in e-FCL as soon as possible.

Please note that cleared companies applying for an upgrade are required to process essential KMPs for upgraded personnel security clearances, as needed. You will not be able to submit these investigation requests until you are officially in process. However, you should ensure that KMPs are aware they will need to submit a new investigation request in e-QIP and have begun to gather the required information and that your organization has the necessary active JPAS accounts to process these.

In addition to the FSO, SMO, and ITPSO, some KMP positions must also be occupied by individuals who are cleared to the level of the Facility Clearance, while others may be occupied by individuals who are excluded in accordance with NISPOM 2-106. Note that it is not enough to say the person will not require access to classified information in order to “exclude” them. They must also not be in a position that would enable them to adversely affect classified contracts. The most common example of this is a person who is authorized to enter into contracts on behalf of the company. You should make a preliminary identification of KMPs who may be excluded and prepare, execute, and provide appropriate exclusion resolutions in your e-FCL package. This will be evaluated through analysis of the complete e-FCL package upon receipt.

The decision regarding who must be cleared and who can be effectively excluded as KMPs of a cleared company will take into account the need to keep clearances to a minimum while also operating in the best interest of national security. Any KMP who requires access to classified information must be cleared regardless of their position title or role.

Tiered Parents are business entities that own a majority of the organization being cleared. Tiered parents are generally evaluated for exclusion using the same criteria applied to key management personnel. If a tiered parent is being excluded, the tiered parent's business records for the appropriate business structure must be uploaded in e-FCL to support this evaluation. These documents should be uploaded in the Excluded Entities section, if available, or the Miscellaneous Documents section, if it is not.

Once the e-FCL package is submitted, your assigned Industrial Security Representative, or IS Rep, from your local field office will review the package. If the package is complete, the IS Rep will forward the package for additional internal reviews and notify FCB to process any KMP personnel security clearances that are needed.

If the package is not complete or requires corrections, it will be returned to you with comments. You should monitor e-FCL carefully during this time as automated email notifications may be routed to junk email folders. If your e-FCL package is returned after the 20-day deadline, the Facility Clearance Process will be discontinued at that time, and you will need to request that your sponsor responsor you once the issues that led to an inability to meet this deadline are resolved. Therefore, it is imperative that you make every effort to provide a complete and accurate initial e-FCL package submission. If your e-FCL package is returned to you prior to the 20-day deadline, you must resubmit the package with all required changes before the original 20-day deadline or the Facility Clearance Process will be discontinued.

Once the e-FCL package has been determined to be complete by your IS Rep and forwarded for internal reviews, FCB will initiate background investigation requests, as required, in the Electronic Questionnaires for Investigation Processing system, or e-QIP. Further instructions will be sent to the FSO at this time and should be disseminated to the appropriate KMPs. KMPs should attempt to log in to e-QIP as soon as possible upon receiving this email to confirm they will not encounter any technical difficulties with the login process. Investigation requests must be submitted within e-QIP for all essential KMPs requiring processing by Day 45 of the Facility Clearance Process. The Facility Clearance Process will be discontinued if e-QIPs are not received by this deadline.

Note that due to review and coordination timeframe, this may require a quick turnaround to complete e-QIPs. If you do not receive the e-QIP instruction email by Day 30 of the Facility Clearance process, contact the DSS Knowledge Center.

All KMPs submitting investigation requests via e-QIP must also submit electronic fingerprints, which will be discussed in more detail momentarily.

Essential KMPs must be cleared to the same or higher level as the Facility Clearance requested. That is, if the company is being processed for a Top Secret Facility Clearance, all essential KMPs must have Top Secret personnel security clearance eligibility before the Top Secret Facility Clearance can be issued. Any essential KMPs who do not have personnel security clearance eligibility, have not held a personnel security clearance in more than 24 months, or whose background investigations are out of scope will need to complete a Standard Form 86, or the SF

86, and submit electronic fingerprints. You will not have access to e-QIP until you receive instructions to do so. However, it is strongly encouraged that you obtain a copy of the SF 86 and begin to gather the data that will need to be entered in e-QIP. Please note that the PDF or paper version of the SF 86 cannot be submitted. You must enter this information in e-QIP. However, the questions are the same and the PDF version can be used to assist you in gathering the necessary data.

Electronic fingerprints must be submitted within 14 calendar days of e-QIP submission. Note that this is not 14 days after the e-QIP deadline. As such, the fingerprint deadline may be different for different KMPs.

Electronic fingerprints must be submitted to the Office of Personnel Management, or OPM, via the Secure Web Fingerprint Transmission, or SWFT pronounced SWFT, site. Please refer to DMDC's website for SWFT, which can be found in the most requested links section of the DSS website, for more information on submitting electronic fingerprints. There are numerous methods for submitting electronic fingerprints. Most companies that are new to the NISP either receive assistance with this from their prime contractor or another cleared company or they use the services of a third party service provider. A list of third party service providers can be found on DMDC's website. Please note that the locations listed are headquarters offices and do not indicate this is the only area the provider serves. Many providers have nationwide locations or provide fingerprint card conversion services, in which a hard copy fingerprint card can be mailed to them for conversion to the proper electronic format and uploading to SWFT. Whatever method you use, you should verify that the fingerprints are being submitted to OPM via SWFT as many organizations submit fingerprints to other agencies via other systems.

During the Telephonic Survey, you will be provided with a name and contact information for your assigned IS Rep. Your IS Rep will schedule a time to meet with you at your office for a Facility Clearance Orientation Meeting. This meeting will occur after DSS has all administrative information from you to include your e-FCL package and submission of all required e-QIPs and electronic fingerprints. The purpose of this meeting is to discuss the requirements for setting up your security and insider threat program per the NISPOM.

Once DSS has validated that there is no unmitigated foreign ownership, control, or influence, and that KMPs required to be cleared in connection with the Facility Clearance have at least interim personnel security clearance eligibility, and this onsite meeting has occurred, FCB will issue an Interim or Final Facility Clearance, depending on the personnel security clearance eligibility of KMPs.

Approximately 120 days after the Facility Clearance has been issued, the IS Rep will conduct an Initial Compliance Contact with you. The purpose of this meeting is to determine if work has started on the classified contract, to ensure that a security and insider threat program is set up, and to ensure that you have a JPAS account and two account managers.

If your company fails to meet any of the deadlines outlined in the Facility Clearance Process or fails to provide additional information requested in a timely manner, the Facility Clearance

Process will be discontinued. If the Facility Clearance Process is discontinued, your sponsor will be notified of the reason for discontinuation.

If discontinued, you should discuss the situation with your sponsor. If they are willing to re-sponsor your company, you should advise them not to do so until you have resolved any issues that led to the company's inability to meet the deadlines initially.

Once all issues are resolved, please request that your sponsor resubmit the sponsorship request to DSS.FCB@mail.mil. Please note that it will go back into the queue for review and you will be starting over from step 1.

JPAS is the Joint Personnel Adjudication System and is the system of record for personnel security clearances, also known as PCLs. All PCL eligibility and access records for KMPs and those requiring access to classified information must be kept up-to-date in JPAS.

Because a person cannot view or take action on their own JPAS record, cleared companies must have at least two (2) JPAS account holders to comply with NISPOM requirements.

The Defense Manpower Data Center (DMDC) is the functional manager of JPAS. Full JPAS Account Request procedures are available on their website, which can be found in the most requested links section of the DSS website.

The requirements to obtain an account include that you must have an active owning or servicing Security Management Office relationship. FCB will provide this for 30 days from the date the FCL is issued. As such, you must have your accounts set up and have taken over ownership of your PCL records within 30 days of issuance of a Facility Clearance.

The requirements for your Insider Threat Program can be found in section 1-202 of the NISPOM. DSS issues Industrial Security Letters, or ISLs, as supplements to the NISPOM to explain certain requirements in more detail. It is highly recommended that you review the ISL pertaining to Industry Insider Threat requirements.

You are required to nominate an ITPSO. This person will be considered a KMP along with the FSO, SMO, and other KMPs. The ITPSO can be the same individual as the FSO, or it can be a different person. Corporate families are able to nominate a corporate ITPSO.

The ITPSO MUST take training within 30 days of being formally appointed ITPSO. The ITPSO may choose to use an existing training course to meet this requirement. This course is offered on the Security Training, Education and Professionalization Portal, or STEPP, which is available in the most requested links section of the DSS website. The course is called Establishing an Insider Threat Program for Your Organization.

The ITPSO must also certify that a written Insider Threat Program is in place. Your IS Rep will talk to you more about this when they are onsite for the Facility Clearance Orientation Meeting. Additional information, including a plan template and job aid, is available at the Industry Insider Threat and Resources link in the most requested links section of the DSS website.

Not only is Insider Threat Training offered in STEPP, but this is also the system in which you will take the required FSO training. There is a link to STEPP under information systems and in the most requested links section on the DSS website. You will set up a user account and register for the applicable training.

Required FSO Training is listed in the FSO Toolkit. FSO's of companies that will require safeguarding should sign up for the FSO Program Management for Possessing Facilities. FSO's of companies that do not require safeguarding should sign up for FSO Orientation for Non-Possessing Facilities. The sooner you take this training, the easier it will be to set up your security program and understand your requirements under the NISP. You will need to take each course as well as the corresponding exam.

ISFD is the system of record for Facility Clearances. ISFD stands for the Industrial Security Facilities Database. Upon receiving your Facility Clearance, you will receive an email from FCB that will advise you that changes were made to this company's record in ISFD. It will also provide you detailed instructions on how to obtain an ISFD account. You will have to follow the directions in order to determine if you company has a Facility Clearance. You will need to access ISFD to determine if you have been granted an Interim or Final Facility Clearance and to verify the level of the Facility Clearance granted.

ISFD is behind a system called NCAISS. This is the NISP Central Access Information Security System. This web-based application provides PKI-based authentication for DSS applications. You will need a PKI certificate to obtain access to NCAISS and ISFD as well as JPAS.

The FSO Toolkit will be one of your most important resources while you are participating in the NISP. It is a one stop shop for all your FSO needs. During the process of obtaining your Facility Clearance, you may want to utilize the Facility Clearance section to: provide your parent company a PDF of the Certificate Pertaining to Foreign Interest or review e-FCL frequently asked questions. It is highly recommended that you review the Job Aid for Understanding Your e-FCL Submission Requirements before submitting e-FCL. You may also find the Personnel Clearance Section helpful if any of your KMPs will require personnel security clearance processing.

After you have reviewed this Orientation as many times as necessary and understand what is required to successfully complete the Facility Clearance Process, please notify FCB that you are ready to proceed. This notification must be received no more than ten days after the date of the email that was sent to you with this Orientation attached. You may refer back to this Orientation at any point. You should have completed or be in the process of collecting your business documents. In addition, you should know what KMPs will need to be cleared and if you are going to try to exclude any. For KMPs that will need to be cleared, those individuals should be collecting the information necessary to process their background investigation. In addition, you should have a plan on how to process the electronic fingerprints when that time comes.

Finally, these are a few resources that provide additional information on the Facility Clearance Process and e-FCL Submission Requirements.

The Facility Clearance Process takes preparation and attention to navigate successfully. We appreciate your partnership in this process to assist us with this important step in protecting national security. Once you have reviewed this Orientation and the Facility Clearance Orientation Handbook and have gathered and reviewed the required business documents and forms, please let us know that you are ready to proceed with the Facility Clearance Process per the instructions in the email you received. If you have questions in the meantime, please contact the DSS Knowledge Center.