

Obtaining a Facility Security Clearance

A
Pinkerton Government Services
White Paper

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Obtaining a Facility Security Clearance

Introduction

I am doing work for a primary contractor with the U.S. Government (Prime) and they have asked us to participate in a classified project. How do I obtain a Facility Security Clearance (FCL)? As with all requirements of the government there are specific processes required for obtaining and maintaining the FCL. You do not have to endure this process alone. Resources available include the Prime's Facility Security Officer (FSO) and the government agency responsible for FCLs, the Defense Security Service (DSS). Adherence and compliance are the primary factors in obtaining a FCL. The information in this paper was compiled from the DSS web site's Frequently Asked Questions (FAQ) and other information can be obtained at www.dss.mil or by calling the local DSS Industrial Security Field Office and speaking with a DSS Industrial Security Representative (IS Rep).

Understanding the FCL

It is key to understand many of the terms as well as the process for the FCL. Obtaining and maintaining the FCL requires a commitment of personnel resources to administer the program and a commitment to comply with the requirements. All requirements for the FCL are set forth in the National Industrial Security Program (NISP) and the specifics are spelled out in the National Industrial Security Program Operating Manual (NISPOM).

A contractor, or prospective contractor, cannot apply for its own facility clearance. A procuring activity of the Government, or cleared contractor in the case of subcontracting, may request the clearance when a definite, classified procurement need has been established. This is why your Prime is an important part of the process.

The term facility is used within the NISP as a common designation for an operating entity consisting of a plant, laboratory, office, college, university, or commercial structure with associated warehouse, storage areas, utilities and components, which are related by function or location. It does not refer to Government installations.

A facility security clearance (FCL) is an administrative determination that, from a national security standpoint, a facility is eligible for access to classified information at the same or lower classification category as the clearance being granted. The FCL may be granted at the Confidential, Secret, or Top Secret level. The FCL includes the execution of a Department of Defense Security Agreement (DD Form 441). Under the terms of the agreement, the Government agrees to issue the FCL and inform the contractor as to the security classification of information to which the contractor will have access. The contractor, in turn, agrees to abide by the security requirements set forth in the National Industrial Security Program Operating Manual, commonly referred to as the NISPOM.

The facility must qualify as a bidder to a Government procurement activity or to a prime contractor or subcontractor performing on a Government contract. If the bid or potential subcontract involves access to classified information, the procuring activity or cleared prime contractor submits a request to clear the prospective bidder. Personnel from the

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Facility Clearance Branch at the Defense Industrial Security Clearance Office (DISCO) evaluate the request and assure that the request is valid. Part of this validation includes confirmation that the facility has a reputation for integrity and lawful conduct in its business dealings. Further, the contractor and its key managers must not be in a “barred” status from participating in Government contracts.

When the Facility Clearance Branch at DISCO determines that the request is valid, processing information is relayed to the appropriate DSS Industrial Security Field Office. The facility is then assigned to a DSS Industrial Security Representative (IS Rep). The IS Rep will obtain information concerning the facility, provide the facility with instructions on completing the necessary forms, and provide basic information about the NISP. The IS Rep will also provide guidance to the facility in establishing an industrial security program.

There is no direct charge to the contractor for processing a facility security clearance. However, the contractor is responsible for security costs associated with participation in the NISP (such as classified storage containers, etc.). Accordingly, contractors should determine their security requirements and related costs and consider such costs when submitting a bid. The IS Rep can assist the facility in determining the necessary security requirements.

The NISPOM prescribes the minimum security requirements that must be fulfilled by cleared contractors. The IS Rep can provide guidance to the contractor in implementing these requirements in their facility. The implementation of these requirements will ensure the adequate safeguarding of the classified information involved. In some cases, Government agencies have requirements for additional safeguards. For example, if your contract requires you to institute a Special Access Program, additional controls beyond those normally required will be necessary. Such controls can include special clearances and investigative requirements.

The facility clearance remains in effect as long as the Security Agreement, DD Form 441, is effective. This agreement may be terminated by either party by thirty days notice. Generally, most facility security clearances remain in effect as long as there is a need for the contractor to have access to classified information.

A periodic security review of all cleared contractors is conducted by the assigned IS Rep to ensure that safeguards employed by contractors are adequate for the protection of classified information. The IS Rep will determine the frequency of such formal reviews, but a review will normally be conducted annually.

Checklist for New Facility Security Clearances

Sponsorship: The very first step to clearing a company is for them to be sponsored for a facility clearance by either a government contracting activity (GCA) or another cleared company. The Facility Clearance Division has a [sample sponsorship letter](#) that the sponsoring organization may use to submit the sponsorship.

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DSS Begins the Process: Once the sponsorship letter has been received and accepted, the Defense Industrial Security Clearance Office, Facility Clearance Division, will send the sponsored organization a package that contains detailed information for a company that is beginning the facility clearance process. The Facility Clearance Division will also contact the local Industrial Security Field Office, which will assign an Industrial Security Representative to make contact with and begin processing the organization for a facility clearance.

Commercial and Government Entity Code (CAGE Code): Please go to the web site for Central Contractor Registration (CCR), <http://www.ccr.gov/> and register with the CCR. When registration is complete, your organization will be issued a CAGE Code. If your organization has already registered with the CCR and has a CAGE Code, a search on this web site will remind you of what your CAGE Code is. Obtaining a CAGE Code is a prerequisite to being granted a Facility Clearance. It is the number that DSS uses to track basic facility information.

Prepare for DSS' Visit:

EPSQ: Download the Electronic Personnel Security Questionnaire (EPSQ). This is the software that you will use to submit personnel clearance applications for your Key Management Personnel.

NISPOM: Download the National Industrial Security Program Operating Manual (NISPOM). Becoming familiar with the NISPOM also will take a great deal of time and will, likewise, require a determined effort.

Prepare Organizational Documentation/Information: Obtain and have available the following documents for your first visit from your Industrial Security Representative from DSS.

Articles of Incorporation, Stock Records, Minutes of Board Meetings, and Corporate by-laws.

Federal Tax ID Number.

Any 10K Reports filed with the Securities Exchange Commission.

Key Management Personnel List (KPM). The DSS web site has a form you can download to submit the KPM. The senior management official, the prospective Facility Security Officer (FSO), all executive committee members, and all board members including the Chairman should be listed. NISPOM paragraph 2-104 provides some guidance, and additional guidance will be provided by your Industrial Security Representative during the first visit.

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Brief summary of your company's primary business or services provided.

E-mail, Fax, and complete address information for the last ten years--include the last four extension on your zip code.

Proof of US Citizenship for prospective Facility Security Officer (FSO) (see NISPOM para 2-207).

Personnel Security Clearance: In order for your company to be cleared, specified Key Management Personnel (KMP) must be cleared. Other KMP may be excluded, unless they will require access to classified information. Your Defense Security Service Industrial Security Representative will help you identify those that must be cleared and those that may be excluded. This must be done as soon as possible!

EPSQ: As soon as possible read the instructions and then begin to fill out an electronic SF 86 for the prospective FSO and other KMP that will be cleared. This will take a great deal of time and will require a determined effort. The EPSQ hotline is 1-888-282-7682; use this for technical support of the EPSQ software. [Click Here](#) to see more helpful information on EPSQ.

Download two versions if more than one person will be cleared in your organization: Subject and Security Officer editions.

Read the EPSQ Manual carefully.

Provide Subject Editions of the EPSQ to KMP (other than the FSO) that will be cleared.

Validate data, certify the form, and then transmit the form.

Note that fingerprint Cards should be reviewed for completeness and accuracy before being sent. Insure that the proper, DSS provided forms (FD 258) are used.

Fingerprint Cards (FD 258): These forms will be in the initial package mailed to you by the Facility Clearance Division and should be mailed to the NARP (see below). Only use the forms that are provided to you--other types of fingerprint cards, such as local law enforcement forms, will be rejected.

NATIONAL AGENCY RECORDS PROCESSING GROUP (NARP)
DEFENSE SECURITY SERVICE
601 10TH STREET SUITE 125
FORT GEORGE G MEADE MD 20755-5134

DEFENSE SECURITY SERVICE FACILITY PROCESS FORMS: Complete the following documents for review by your Industrial Security Representative from Defense Security Service.

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DD Form 441 This is the Department of Defense Security Agreement. It is an agreement between your organization and the United States Government that details the security responsibilities of both the cleared organization and the United States Government. Submit it in duplicate. Do not date it; the date will be added when the Facility Clearance is granted by the authorized government representative.

Corporations: Show name as it appears on Articles of Incorporation. All forms must be signed by a corporate officer, and the Certificate portion must be signed by a second officer such as the corporate secretary. No witnesses are required. All forms must be impressed with the corporate seal, if there is one.

Partnership: Show the correct legal name of the business and full names of all general partners. All forms must be signed by a partner. Two witnesses' signatures are required.

Proprietorship: Show the full name of the owner and the correct legal name of the business. All forms must be signed by the owner. Two witnesses' signatures are required.

DD Form 441-1 This is an attachment to the DD Form 441 that lists cleared divisions or branch offices that are included in and covered by the provisions of the organization's Security Agreement and Certificate Pertaining to Foreign Interest. Submit in duplicate only if you are a division of a Home Office with a Facility Clearance. The Date of Security Agreement will be affixed by the authorized government representative. Show the correct legal name of the business organization. It should be signed by an official of the company authorized to do so, such as the Corporate President. When the executed copy is returned, one copy each of both the Security Agreement and Appendage should be sent to every facility listed.

SF 328 Certificate Pertaining to Foreign Interest: The Certificate Pertaining to Foreign Interest is used to report your organization's foreign involvement. Submit one copy and retain one executed copy. Fully explain all "yes" answers.

KMP List: Submit one copy and retain one copy. All copies must be dated and signed by a corporate officer, partner or owner. When one person is both an officer and a director, show both positions. The position of facility security officer must be shown. If there is an executive committee, designate members of such committee.

Summary

Pinkerton Government Services has years of experience working in cleared environments. The information contained in this paper is only an outline of the basic requirements. It is vital that you involve DSS in any consideration of obtaining a FCL. DSS has extensive training programs for all relevant areas of the NISP that can be used by your FSO to train and obtain additional resources to assist in your security program.