



United States Department of State
Bureau Of Diplomatic Security
Industrial Security Branch

Frequently Asked Questions

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Frequently Asked Questions – Industrial Security

- **Why do some procurements issued by the Department of State require a contractor to have a facility security clearance (FCL)?** An FCL is required of any contractor that is selected to perform on a classified contract with the Department of State. With regards to Requests for Proposals..., an FCL is required before any classified material can be provided to a contractor during the bid phase of a classified contract.
 - **What is a classified contract?** A classified contract is one that requires the contractor to have access to classified information or to provide personnel with security clearances to perform on a contract. A classified contract can take many forms...a formal contract, a Request for Proposal, a purchase order, an indefinite quantity contract... In most cases, the actual procurement documentation is NOT classified. In some instances, though, contractors are provided with classified material during the bid phase and/or during contract performance.
 - **What is a facility security clearance (FCL)?** An FCL is a determination made by the Government that a contractor is eligible for access to classified information. A contractor must have an FCL commensurate with the highest level of classified access (Secret or Top Secret). It is a clearance of the business entity; it has nothing to do with the physical office structure.
 - **Can a contractor request its own FCL?** No. A contractor cannot request its own FCL.
 - **How can a contractor obtain an FCL?** An uncleared contractor must be sponsored for an FCL either by the U.S. Government or by another cleared contractor that wants to utilize a contractor's services on a classified contract.
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- **What are the requirements that must be met so a contractor can be sponsored for an FCL?** There must be a bonafide procurement requirement for access to classified information before the U.S. Government or another cleared contractor can request an FCL.
- **Does the Department of State issue FCLs to contractors?** No. The Defense Security Service (DSS) issues all FCLs (and personnel security clearances) for contractors working for the Department of State (DOS). The Department of State is a User Agency under the National Industrial Security Program (NISP) which is administered by DSS.
- **What are the basic elements of an FCL?** As stated above, an FCL is a clearance of the business entity. There are three major elements of a facility clearance: (1) clearance of the key management personnel (KMP), (2) review of the corporate structure and (3) resolution/mitigation of any foreign ownership, control or influence (FOCI).
- In order to be issued an FCL, the KMP must be granted PCLs. DSS determines which contractor personnel are KMP, based on its corporate structure. For example, KMP for a corporation would usually include the President, Vice President, Secretary, Treasurer and Facility Security Officer. The denial of a clearance for a KMP will negatively affect the FCL processing of a contractor.
- Additionally, a thorough review of the corporate structure (to include ownership) must be researched by DSS. Corporate home offices must always be cleared; American parent companies must either be cleared or formally excluded from access to classified information.
- The third element of an FCL is the resolution/mitigation of any FOCI, as foreign influence over a cleared contractor is certainly a concern of the U.S. Government. In cases where the FOCI is excessive, DSS must work with the company to minimize the control a foreign entity may exercise over the U.S. contractor (through voting trusts, proxies...). In some instances, though, the FOCI cannot be mitigated and the contractor cannot be issued an FCL.



- **Can foreign companies be issued an FCL?** No.
- **Can foreign-owned U.S. companies be issued an FCL?** Yes, in some instances foreign-owned companies can be issued an FCL, but it depends on the country from which the foreign ownership is derived. Foreign ownership can render a company ineligible for an FCL. Additionally, even if DSS can work to mitigate the FOCI, there may be restrictions on the FCL, which could make the contractor ineligible to work on some DOS efforts.
- **What is the role of Defense Security Service (DSS)?** As stated above, DSS administers all aspects of the NISP. As such they process DOS contractors for FCLs and process contractor personnel for PCLs. Additional information can be found on their website, www.dss.mil.
- **What is the National Industrial Security Program Operating Manual (NISPOM)?** The NISPOM is the manual that provides guidance to contractors on all industrial security matters. A copy of the NISPOM is provided to all cleared contractors (and contractors in process for FCLs). A copy is also available on the DSS website, www.dss.mil.
- **How does a cleared contractor process its personnel for personnel security clearances (PCLs)?** Contractors submit Electronic Personnel Security Questionnaires (EPSQs) for their personnel directly to DSS, Defense Industrial Security Clearance Office (DISCO) in Columbus, Ohio. EPSQs must be submitted on all KMP and on all contractor personnel who are required to be cleared to perform on a classified contract (or access classified information during a classified procurement). Individual contractor personnel cannot be issued PCLs until the KMP have been issued PCLs and the FCL has been issued.
- **Does a cleared contractor always have to store classified documents at its location?** No, not in all instances. In some instances, their only access to classified information is at DOS locations. A contractor cannot store classified material or generate classified material on any computer system until DSS has granted them approval to do so.



- **Who handles the security responsibilities for a cleared contractor?** All cleared contractors must designate an individual to be their Facility Security Officer (FSO). The FSO is considered a key management personnel (KMP) and will be responsible for all security matters. An FSO would typically submit the EPSQs to DISCO, brief and debrief cleared employees, submit visitor authorization requests/letters to DOS, log-in all classified material, maintain frequent contact with their DSS representative, ensure that all security aspects of the contract are being met (to include computer security).
- Some DOS contractors have FSOs whose exclusive responsibilities are handling industrial security matters for their company. For many DOS contractors, though, FSO duties are a collateral duty in conjunction with their main duties (as an architect, an engineer, a secretary...). Bear in mind that all contractors must provide extensive support to their FSOs to ensure that they are able to successfully meet the requirements of their job. They should be advised of all classified procurements, from the beginning, and should be kept in the loop at all times.
- **Who do I contact at the Department of State if I have questions regarding Department of State contracts with facility and personnel security clearance requirements?** The Industrial Security Branch of Diplomatic Security, DS/ISP/INB, is the office of primary responsibility. The office is located at 1400 Wilson Boulevard, Suite 100, Arlington, VA. 22209 (Fax # 703-312-3687). There is a staff of industrial security specialists with varied responsibilities within DS/ISP/INB; the main points of contact for OBO efforts are Ms. Kimberly Baugher, 703-312-3670, Ms. Kristin Pelkowski, 703-312-3160 and Ms. Cheri Blanks, 703-312-3163. The Chief of the Branch is Ms. Andrea Jones, 703-312-3667.