



Directive

Subject: Personnel Security and Suitability Program

Directive Number: PM 05-17

Effective Date: 08/30/2016

Originator: WSD

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1. **PURPOSE:** This Directive establishes the policy for the Pension Benefit Guaranty Corporation's (PBGC) Personnel Security and Suitability Program, detailing the roles and responsibilities to designate position risk levels, initiate security processing for onboarding and separating Federal and contractor employees, and adjudicating the suitability or fitness of all Federal and contractor employees.
2. **EFFECTIVE DATE:** This Directive replaces PM 05-01 *Entrance on Duty and Separation Procedures for Federal and Contractor Employees*, dated 10/19/2010, as well as PM 05-06 *Personnel Security and Suitability Program*, dated 2/22/2011. For convenience and clarity, personnel security policies within PM 05-01 and PM 05-06 are consolidated in PM 05-17 effective on the date shown above.
3. **SCOPE:** The provisions of this Directive apply to all PBGC Federal and contractor employees. The Collective Bargaining Agreement (CBA) and any agreements made pursuant to the CBA, shall take precedence over any conflicting provision in this Directive for bargaining unit employees only.
4. **AUTHORITIES:**
 - a. 5 CFR 731.
 - b. 5 CFR 732.
 - c. 5 CFR 1400.
 - d. Executive Order 10450, *Security Requirements for Government Employment*.

- e. [Executive Order 10577, Amending the Civil Service Rules and Authorizing a New Appointment System for the Competitive Service.](#)
 - f. [Executive Order 12968, Access to Classified Information.](#)
 - g. [Executive Order 13467, Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information.](#)
 - h. [Executive Order 13488, Granting Reciprocity on Excepted Service and Federal Contractor Employee Fitness and Reinvestigating Individuals in Positions of Public Trust.](#)
 - i. [Federal Information Processing Standard 201, Personal Identity Verification of Federal Employees and Contractors.](#)
 - j. [Homeland Security Presidential Directive 12, Policy for a Common Identification Standard for Federal Employees and Contractors.](#)
 - k. [M 16-03, Fiscal Year 2015-2016 Guidance on Federal Information Security and Privacy Management Requirements.](#)
 - l. [National Archives and Records Administration, General Records Schedule 18, Security and Protective Services Records.](#)
 - m. [OMB Circular A-130, Management of Federal Information Resources.](#)
 - n. [Privacy Act of 1974, 5 U.S.C. § 552a.](#)
 - o. [U.S. Office of Personnel Management, Federal Investigative Services Division, Position Designation System Handbook with Glossary.](#)
 - p. [PBGC Directive GA 10-12, Guidelines for the Usage of Foreign Nationals in PBGC Contracts.](#)
 - q. [PBGC Directive IM 15-03, PBGC Records Management Program.](#)
5. **BACKGROUND:** Parts [731](#) and [1400](#) of Title 5, Code of Federal Regulations (CFR) establish the requirements to evaluate relevant covered positions for a position sensitivity and position risk designation commensurate with the duties and responsibilities of those positions. The authority to handle suitability case processing and adjudication is delegated to the PBGC by the Office of Personnel Management (OPM) in [Title 5 CFR part 731](#). Additionally, the authority to establish position designation risk levels for each Federal position is delegated to the PBGC in [Title 5 CFR part 731.106\(a\)](#). [Executive Order 13467](#) allows agencies to complete fitness determinations for contractor personnel. This Directive serves as PBGC’s personnel security and suitability program policy document of record.
6. **DEFINITIONS:**
- a. **Adjudication.** The evaluation of pertinent data in a background investigation, as well as any other available information that is relevant and reliable, to determine whether an individual is: suitable for Federal Government employment; eligible for logical and physical access; eligible for access to classified information; eligible to hold a sensitive position; or, fit to perform work for or on behalf of the Government as a contractor employee in accordance with applicable law and regulation.

- b. **Contracting Officer.** A person with the authority to enter into, administer, and/or terminate contracts, and to make related determinations and findings.
- c. **Contracting Officer's Representative (COR).** A Federal employee, designated in writing by the Contracting Officer to perform technical functions under the contract.
- d. **Contractor Employee.** Any individual providing services to PBGC under contract or purchase order or any individual who is an employee of a firm or entity that provides services to the PBGC under a contract or purchase order.
- e. **Debarment.** Subject to the provisions of [5 CFR 731.205](#), when PBGC finds an applicant or appointee unsuitable for reasons listed in [5 CFR 731.202](#), PBGC may deny that person examination for, and appointment to, all or specific positions within PBGC for a specified period from the date of determination of unsuitability. OPM, in its sole discretion, determines the duration of any period of debarment imposed.
- f. **Electronic Questionnaire Investigation Processing (e-QIP) System.** The automated request for personnel security investigations and clearances submitted by a Federal agency to the Office of Personnel Management for the purpose of completing background investigations on the agency's Federal and contractor employees.
- g. **e-QIP Application.** An electronic application used to collect required personal information in order to conduct a background investigation.
- h. **Federal Employee.** A current Federal employee is a person who officially occupies a position in the Federal government. For the purposes of this Directive, the term "Federal employee" could also refer to an applicant or appointee during differing stages of the hiring process.
- i. **Federal Manager.** Department Director, Division Manager, Supervisor or their designated Federal alternate.
- j. **Fitness Determination.** Fitness determination is applicable to excepted service positions and contractor employees ([Executive Order 13488](#)). Fitness determination refers to the decision by a Federal agency that an individual has or does not have the required level of character and conduct necessary to perform work for or on behalf of a Federal agency as an employee in the excepted service (other than a position subject to suitability) or as a contractor employee.
- k. **Foreign National.** An individual who is a citizen of any country other than the United States (U.S.).
- l. **Homeland Security Presidential Directive 12 (HSPD-12).** A mandate issued by President George W. Bush in 2004 as a Federal standard for secure and

reliable forms of identification for Federal and contractor employees to gain physical access to Federally-controlled facilities and logical access to Federally-controlled information systems.

- m. **National Archives and Records Administration (NARA).** The official Federal record keeper, NARA maintains or sets guidelines for the maintenance, retention, and destruction of all documents and materials created in the course of business conducted by the United States Federal Government.
- n. **Office of Personnel Management (OPM).** OPM is the regulatory authority over the Federal suitability and position designation program within the Federal Government. The Office of Personnel Management, Federal Investigative Services (OPM-FIS) provides investigative products and services for over 100 Federal agencies to use as the basis for suitability and security clearance determinations as required by Executive Orders and other rules and regulations.
- o. **Personnel Investigation.** An examination of personal traits and qualifications, including education, reputation, suitability, loyalty, qualifications, and other pertinent factors, conducted by personal contact, written inquiry, letter, or electronic linkage with the sources of information.
- p. **Position Description.** An official statement of the major duties, supervisory relationships and qualification requirements of a position, whether occupied by one or more Federal employees.
- q. **Position Designation Program.** Applies to Federal positions only. The assignment of a risk level which is commensurate with the responsibilities and attributes of the Federal position as they relate to the efficiency of the service. The risk levels are ranked according to the potential degree of adverse impact on the integrity and efficiency of the organization's mission.
- r. **Position Designation Risk Level.** Also referred to as the "Suitability Risk Level". An assessment of risk and sensitivity of a Federal or contractor employee position in the Federal Government; it determines the type of investigation that is required and how closely an applicant or incumbent is screened for a position.
- s. **Pre-screening.** A process by which an applicant is fingerprinted and a Special Agreement Check is completed before a final offer is conveyed to the applicant. Pre-screening identifies preliminary suitability and/or fitness issues before an applicant is granted access to PBGC facilities, systems, and/or information.
- t. **Reciprocity.** Reciprocity occurs when an agency recognizes and accepts investigations and security eligibilities of an individual by a former Federal agency, provided those investigations meet or exceed the scope and standards required for the new position.

- u. **Re-investigation Requirement.** Per [5 CFR 731.106\(d\)](#), agencies must ensure that reinvestigations are conducted and a determination made regarding continued employment of persons occupying public trust positions at least once every five (5) years.
 - v. **Special Agreement Check (SAC).** A SAC is a limited investigation (or a series of checks) to be conducted on a Federal or contractor employee, done only through a special agreement between OPM and PBGC.
 - w. **Suitability.** Suitability determination is applicable to positions in the competitive service, positions in the excepted service where the incumbent can be noncompetitively converted to the competitive service, and career appointments to a position in the Senior Executive Service ([5 CFR 731](#)). Identifiable character traits and past conduct which are significant to determine whether an individual is likely or not likely to be able to carry out the duties of a Federal job or contractor position with appropriate efficiency, effectiveness, and integrity. Suitability is distinguishable from a person's ability to fulfill the qualifications requirements of a job, as measured by experience, education, knowledge, skills, and abilities.
 - x. **Suitability Action.** An action described in [5 CFR 731.203\(a\)](#) (i.e. cancellation of eligibility; removal; cancellation of reinstatement eligibility; or debarment) that may be taken by OPM or PBGC.
 - y. **Workplace Solutions Department (WSD).** The Department within PBGC's Office of Management and Administration (OMA) committed to planning and administering the corporation's facility management, administrative and office support; and, library services.
 - z. **WSD Security.** Located within WSD, WSD Security is responsible for the day-to-day administration of PBGC's Personnel and Physical Security Programs, as well as the agency's Position Designation Program.
7. **POLICY:** In compliance with Parts [731](#) and [1400](#) of Title 5 CFR, applicable executive orders, and Homeland Security Presidential Directive 12 ([HSPD-12](#)), PBGC is committed to the efficient and timely completion of investigations and adjudications. It is the policy of PBGC to comply with all Federal regulations in the evaluation and determination of position designation risk levels, and to adjudicate the suitability or fitness of all Federal and contractor employees, as warranted. PBGC shall retain those persons whose suitability or fitness is found to be clearly consistent with the standards set forth by the applicable authorities referenced within this Directive and PBGC.
8. **PROCEDURES:** The procedures and related documentation are available at [WSD Security](#).

9. **RESPONSIBILITIES:**

- a. **Department Directors.** Participates in the administration of the Personnel Security and Suitability Program to the degree necessary to promote the integrity and efficiency of Federal service.

- b. **Workplace Solutions Department (WSD).**
 - (1) **Director, WSD.**
 - (a) Directs PBGC's Personnel Security and Suitability Program.
 - (b) Delegates authority for security-related matters, as appropriate.

 - (2) **WSD Security.**
 - (a) Develops, administers, and implements this Directive for Federal and contractor employees to include the oversight of:
 - i. Pre-screening;
 - ii. Entrance-on-duty (EOD) security processing;
 - iii. eQIP initiation and review;
 - iv. Adjudication of background investigations and re-investigations; and
 - v. Separation clearances.
 - (b) Oversees the Position Designation Program for all PBGC employees, including the review for new positions, details, and promotions initiated by the Human Resources Department (HRD). WSD Security utilizes position descriptions, Position Risk Designation Management Survey, and OPM's Position Designation Automated Tool to determine appropriate risk designation level based upon and the most current OPM guidance.
 - (c) Provides guidance to PBGC CORs in the determination and assignment of risk levels for all contractor employees.
 - (d) Maintains a record of each disclosure of OPM investigative material, as applicable.
 - (e) Reviews Competitive Promotions Report from HRD and verifies the current risk level of personnel receiving a promotion/transfer. If there is a change in risk level, WSD initiates an upgraded background investigation, as appropriate.
 - (f) Upon email notice and receipt of [PBGC Form 169C, Separation Clearance for Contractor Employees](#), for a contractor position transfer, WSD initiates an upgraded background investigation, as appropriate, if a change in risk level occurs.
 - (g) Completes pertinent portions of separation clearance [Form 169, Separation Clearance for Federal Employees](#), and [Form 169C, Separation Clearance for Contractor Employees](#), and retains the original.

- (h) Grants and disables physical access to all PBGC facilities.
- (i) Maintains security files in accordance with NARA and OPM records management regulations, and [PBGC Records Management Program Directive IM 15-03](#).

c. **Office of Information Technology (OIT).**

- (1) Collaborates with WSD Security regarding information security-related issues.
- (2) Reviews all information security documents related to the administration of PBGC's Personnel Security and Suitability Program to ensure compliance with applicable information security regulations.
- (3) Provisions and manages user logical accounts.
- (4) Provides notifications regarding requests for new advanced permission (AP) accounts.
- (5) Completes pertinent portions of separation clearance [Form 169](#), [Separation Clearance for Federal Employees](#), and [Form 169C](#), [Separation Clearance for Contractor Employees](#).

d. **Human Resources Department (HRD).**

- (1) Provides applicant information to support WSD Security's pre-screening process.
- (2) Provides WSD Security with PBGC Federal Position Descriptions for review and Position Designation Risk Level assignment.
- (3) Maintains PBGC Federal Position Designation from WSD Security within HRD systems and forms.
- (4) Facilitates the completion of required new hire forms, escorts new employees for security processing, and conducts new employee orientation.
- (5) Provides WSD Security with a biweekly Competitive Promotions Report, including employee name, new position title, sensitivity, and risk level designation.
- (6) Completes pertinent portions of separation clearance [Form 169](#), [Separation Clearance for Federal Employees](#), for Federal employees only.

e. **Contracting Officer's Representative (COR).**

- (1) Coordinates with WSD Security to assign an appropriate risk level for any contractor employee working on PBGC Contracts, Delivery Orders, Purchase Orders, or Task Orders assigned to them.
- (2) Maintains a Monthly Staff Listing Report of all active, and separated, contractor personnel. Provides WSD Security with the Monthly Contractor Staffing Report, including employee name, start date, position title, location, and COR-identified risk level designation.

- (3) Informs WSD Security of all position transfers or changes in duty that may result in a change of risk level.
- (4) Ensures contractor compliance with all PBGC pre-screening, entrance-on duty, initial background investigation, re-investigation, and separation clearance procedures.
- (5) Reviews all official Federal record files (electronic mail messages, attachments, or electronic files deemed an official record) with the separating contractor employee, and will determine the disposition of those records prior to the final separation of the contractor employee.
- (6) Keeps Contracting Officer apprised in instances of key personnel separation.

f. **Federal Manager.**

- (1) Provides WSD Security with Position Risk Designation Management Survey, new hire forms, and separation clearance forms for Federal employees.
- (2) Reviews all official Federal record files (electronic mail messages, attachments, or electronic files deemed an official record) with the separating employee, and will determine the disposition of those records prior to the final separation of the Federal employee.

g. **PBGC Ethics Official.** Debriefs the separating employee on post-employment restrictions; provides a copy of “[Post Employment Restrictions and Reminder Regarding Removal of PBGC Records](#)” and signs the Certification by Ethics Official section of PBGC [Form 169, Separation Clearance for Federal Employees](#).

h. **PBGC Safeguard Officer.** Debriefs the employee on the “Guidelines on Safeguarding Policies and Regulations” and verifies PBGC [Form 169, Separation Clearance for Federal Employees](#), or [Form 169C, Separation Clearance for Contractor Employees](#), for any separating employee who has been authorized to access tax return information disclosed to PBGC by the Internal Revenue Service and/or the Social Security Administration.

10. **PRE-SCREENING:**

Pre-Screening is a process by which an applicant (Federal or contractor) is fingerprinted and a SAC is completed before a start date is conveyed to the applicant (Federal or contractor). Pre-screening identifies preliminary suitability and/or fitness issues before an applicant (Federal or contractor) is granted access to PBGC facilities, systems, and information.

Pre-Screening must be completed prior to entrance on duty (EOD) by an applicant (Federal or contractor) within five (5) days of receiving an email notification from WSD Security. Failure to comply may delay entrance-on-duty unless there are extenuating

circumstances. Pre-Screening is completed by the applicant enrolling within the USAccess system. WSD Security will review fingerprint check results in a preliminary capacity via OPM's Clearance Verification System (CVS). Favorable fingerprint check results are considered a preliminary verification of suitability and/or fitness, as all applicants must undergo a background investigation for a thorough suitability and/or fitness determination.

11. **ENTRANCE-ON-DUTY (EOD):**

- a. **Federal Employee EOD.** Upon successful completion of pre-screening, WSD Security will coordinate with HRD to schedule an EOD appointment on the first Monday of a new pay period. During the appointment, all new hire paperwork will be reviewed and verified before issuing an identification credential (i.e. an HSPD-12 PIV card or interim ID/access card). Once an identification credential is issued, the new employee will proceed to the OIT Service Desk to receive their logical access credentials. WSD Security will initiate an investigation based on the position risk level, as appropriate.
- b. **Contractor Employee EOD.** Upon successful completion of pre-screening, WSD Security will coordinate with the COR or designee to schedule an EOD appointment. During the appointment, all onboarding paperwork will be reviewed and verified before issuing an identification credential (i.e. an HSPD-12 PIV card or interim ID/access card). Once an identification credential is issued, the new contractor employee will coordinate with the OIT Service Desk to receive their logical access credentials. WSD Security will initiate an investigation based on the position risk level, as appropriate.

12. **PERSONNEL BACKGROUND INVESTIGATIONS:**

- a. **Investigative Authority.** OPM is the investigative authority. Background investigations for PBGC Federal and contractor employees are conducted by the OPM Federal Investigative Service (OPM-FIS). OPM-FIS conducts a full range of background investigations, the level of which varies based on the position risk level designation.
- b. **Investigation Requirements.** All PBGC Federal employees and contractor employees are required to submit to a background investigation commensurate with the duties and responsibilities of their position. Changes in risk level for Federal or

contractor employees will result in WSD's initiation of an upgraded background investigation, as appropriate.

WSD Security reserves the right to investigate if suitability or fitness criteria is in question and whenever new information has been received impacting suitability or fitness of a Federal or contractor employee.

- c. **Position Promotions and Transfers.** During the course of employment, a Federal or contractor employee may be promoted or transfer positions. It is important that WSD Security be made aware of all position changes, as a change in duty may result in a change in the position risk level, and therefore, may require a change in the appropriate level of investigative requirements.
- d. **Investigation Requirements for Foreign Nationals.** All aforementioned investigation requirements apply. Foreign Nationals who are legal residents must possess a minimum of three (3) consecutive years of residential history within the U.S. or its territories. Additionally, the contractor employee shall provide a copy of their VISA (work permit) or alien registration card (Form I-151) to demonstrate they have been lawfully authorized to work and/or admitted for permanent residence. For guidance regarding the usage of Foreign Nationals in PBGC contracts, refer to [PBGC Directive GA 10-12, Guidelines for the Usage of Foreign Nationals in PBGC Contracts](#).
- e. **Reciprocity.** Acceptance will be granted if the previous investigation meets or exceeds the investigative type required by the designated risk level for Federal or contract employees. Reciprocal acceptance will be granted if all requirements are met as set forth by [Executive Order 13488](#). A SAC will be conducted for all Federal employees or appointees regardless of whether or not an investigation will be reciprocally accepted.
- f. **Re-investigation.** PBGC complies with the re-investigation requirements set forth by the applicable authorities referenced within this Directive. The appropriate level of re-investigation is conducted by WSD Security at five (5)-year intervals.

13. **EXCEPTIONS TO INVESTIGATIVE REQUIREMENTS:**

Exceptions are made to certain Federal or contract positions, as determined by WSD Security, provided PBGC conducts such checks as it deems appropriate to ensure that the employment or retention of such a person is clearly consistent with the efficiency and integrity of the service. For example, employment of a Federal or contractor employee that will not exceed a term greater than 30 days does not require the completion of a full background investigation. However, the temporary Federal or contractor employee must have a SAC). A SAC is a limited investigation (or a series of checks) conducted on a subject, done only through a special agreement between OPM and PBGC.

14. **ADJUDICATION OF CASES:**

WSD Security shall adjudicate all investigative reports received from OPM. All adjudicative actions must be transmitted to OPM within 90 days of the case closing transmittal date.

WSD Security must consider all the information of record, both favorable and unfavorable, and assess it in terms of its currency, relevance, and seriousness. WSD Security will determine suitability and fitness in a manner that will promote the integrity and efficiency of Federal service while assuring fair, impartial, and equitable treatment of the individual.

- a. **Federal Employees.** If a favorable determination cannot be made on a background investigation for a Federal employee, HRD will be notified so that appropriate action can be taken (refer to Directive section “Unfavorable Suitability or Fitness Determinations”). If OPM assumes jurisdiction of the adjudication, PBGC will comply with OPM’s adjudicative decision. Employees and appointees may appeal an unfavorable suitability determination to the Merit Systems Protection Board.
- b. **Contractor Employees.** If a favorable fitness determination cannot be made on a background investigation for a contractor, WSD Security will directly contact the contract company’s HRD and request the immediate removal of the contractor. A statement of reasons will be provided to the contractor employee and will not be released to any other parties, except in accordance with the Privacy Act of 1974 and PBGC’s published System of Records Notices.

15. **UNFAVORABLE SUITABILITY OR FITNESS DETERMINATIONS:**

- a. **Federal Employees.** In accordance with [5 CFR 731.501](#), when OPM or an agency acting under delegated authority under this part takes a suitability action against an employee, he or she may appeal the action to the Merit Systems Protection Board. Once review is final, OPM or an agency will determine whether the action taken is appropriate based on the sustained charges and this determination will be final without any further appeal to the Merit Systems Protection Board. Procedures for filing an appeal can be found within [5 CFR 1201](#).
- b. **Contractor Employees.** Per [Executive Order 13488](#), Section 3, agency heads have the discretion to determine whether their criteria are equivalent to suitability standards established by the Office of Personnel Management. As a result, PBGC has elected to utilize the suitability criteria as set forth in [5 CFR 731](#) for its fitness determination criteria. PBGC has sole jurisdiction over contractor personnel adjudications. Therefore, fitness determinations are authorized by WSD Security and resulting actions taken by WSD Security are final.

16. **SAFEGUARDING AND DISPOSITION OF INVESTIGATIVE CASES:**

For investigative disclosure, a written request for release of a specific investigative case must be sent to OPM-FIS directly. PBGC is not authorized to release background investigation results to the subject of the background investigation.

Investigative case files received from OPM will be secured in a locked cabinet to ensure privacy while in the possession of PBGC officials. Access to investigative cases will be limited to those persons with an official need to know as determined by WSD Security. A written record of such access shall be maintained by WSD Security.

After suitability or fitness determinations are made, the investigative files are destroyed in accordance with NARA and OPM records management regulations. The *Case Closed Transmittal (CCT) Form, INV Form 79A* (“*Report of Adjudicative Action on OPM Personnel Investigations*”), *Certification of Investigation (COI)*, the signed *Fair Credit Reporting Act* form, and any other applicable records will be retained for five (5) years from the date of separation or transfer, contract expiration, or upon notification of death.

17. **SEPARATION FROM EMPLOYMENT:**

- a. **Separation Form Requirements.** A completed PBGC [Form 169, Separation Clearance for Federal Employees](#), or [Form 169C, Separation Clearance for Contractor Employees](#), is required to separate a Federal or contractor employee from PBGC. Each section of the respective form must be completed in its entirety and certified by each department listed. Each department is responsible and accountable for completing all separation actions upon certification.
- b. **Disposition of Records upon Separation.** Federal and contractor employees are responsible for ensuring all relevant files and records are retained by PBGC after departure. Federal or contractor employees may seek assistance in identifying official Federal records and non-record material from their Departmental Records Coordinator or PBGC’s Records Management Officer. Records created or acquired in the course of PBGC business are the property of the PBGC and departing employees are not authorized to remove official PBGC records. PBGC records cannot be removed from PBGC custody under any circumstances.