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SECURITY LINE OF BUSINESS INTEGRATION AND MANAGEMENT

I. Purpose

This Management Directive (MD) establishes the Department of Homeland Security's (DHS) vision and direction regarding the authorities and responsibilities of the leadership of the Department's Chief Security Officer (DHS CSO). It reinforces our commitment to create a unified 21st Century department in both mission accomplishment and support systems performance as quickly as possible. As such, this MD is the principal document for leading, governing, integrating, and managing the Security functions throughout DHS. Essential to the success of Departmental operations is an integrated, progressive support infrastructure designed to function in a highly dynamic environment. Our Strategic Goal of Organizational Excellence mandates a collaborative approach from every entity within DHS.

Creating functional excellence, as described herein, requires every executive, manager, and employee in DHS to create the environment that rewards collaboration, promotes best practices, and shares accountability for the performance of the management support systems that enable DHS to fulfill its mission. This concept of joint accountability mandates that both Component Heads and key departmental functional experts share responsibility for organizational excellence. The Line of Business Chief described herein will be held accountable for designing the system to optimize the Security function, setting the standards for functional performance, creating DHS-wide policies and processes, providing the automated solutions to yield greater efficiencies, and nurturing the development and success of centers of excellence. Component Heads will be accountable to support these progressive business functions as a key part of their commitment to mission accomplishment.

In all efforts of this magnitude, when so much is to be gained, the integration and alignment of each function requires strong communication, respect for both individuals and process, and a shared resolve to find solutions that benefit both mission accomplishment and functional excellence. DHS leadership across the Department must challenge traditional approaches, communicate, and execute as a team to design and execute these support functions in a manner that will epitomize progressive 21st Century excellence in governance.

II. Scope

This MD applies to all DHS Components except where exempted by statute. However, as part of the larger DHS team, even exempted DHS Components will collaborate and participate in the efforts described herein to further both operational and organizational effectiveness and efficiency, and to ensure their security policies and procedures are in concert with DHS security objectives.

III. Authorities

This MD is governed by numerous Public Laws, regulations, rules, and other MDs, including but not limited to:

- A. Public Law 107-296, Homeland Security Act of 2002, codified in Title 6, U.S. Code.
- B. Classified Information Procedures Act (Public Law 96-456).
- C. Executive Order 12333, as amended, United States Intelligence Activities, December 4, 1981.
- D. Executive Order 10450, as amended, "Security Requirements for Government Employees," April 27, 1953.
- E. Executive Order 12829, as amended, "National Industrial Security Program," January 6, 1993.
- F. Executive Order 12958, as amended, "Classified National Security Information," April 17, 1995.
- G. Executive Order 12968, as amended, "Access to Classified Information," August 2, 1995.
- H. 6 CFR Part 7, "Department of Homeland Security, Classified National Security Information."
- I. Director of Central Intelligence Directive (DCID) 6/1, "Security Policy for Sensitive Compartmented Information and Security Policy Manual," March 1, 1995.
- J. DCID 6/3, "Protecting Sensitive Compartmented Information Within Information Systems," June 5, 1999.
- K. DCID 6/4, "Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information," July 2, 1998.

- L. DCID 6/9, "Physical Security Standards for Sensitive Compartmented Information Facilities," November 18, 2002.
- M. DHS Delegation 8150, "Delegation to Chief, Office of Security, of Determination Authority and Cognizant Security Authority."
- N. DHS Delegation 8001, "Delegation to the Chief, Office of Security, for Security Clearances of Personnel."
- O. DHS Delegation 8100.2, "Delegation of Original Classification Authority."
- P. DHS Delegation 7035.1, "Delegation of the Chair of the Interagency Security Committee to the Chief Security Officer," February 7, 2005.
- Q. DHS Delegation 12000, "Delegation to Designate Officers and Agents."
- R. Delegation of Authorities from Chief, Security Center, Central Intelligence Agency to Chief Security Officer, Department of Homeland Security, April 15, 2005.
- S. Secretary of Homeland Security Memorandum, March 3, 2004; Subject: Designation of the Chief Security Officer as Senior Agency Official.
- T. Secretary of Homeland Security Memorandum, March 24, 2005; Subject: Department of Homeland Security Special Access Programs.
- U. Secretary of Homeland Security Memorandum, August 12, 2004; Subject: Functional Integration Effort.
- V. Deputy Secretary of Homeland Security Memorandum, August 13, 2004; Subject: Guidance for DHS Functional Integration Effort.
- W. Securing Our Homeland, US Department of Homeland Security Strategic Plan, February 2004.

IV. Definitions

- A. **Center of Excellence**: An organizational entity with expertise, capabilities, and resources in a specific security discipline area chartered to support DHS-wide requirements. The mission, charter, roles, responsibilities, resources, authority, implementation plans, and service level agreements for each Center will be reviewed by the DHS CSO Council and approved by the DHS CSO.

B. **Component:** Components, previously referred to as Organizational Elements, are identified in MD 0010.1 Management Directive System and DHS Announcements.

C. **Component Chief Security Officers:** The senior-most federal security executive designated by the Component Head in the following Components.

1. U.S. Coast Guard.
2. U.S. Secret Service.
3. Customs and Border Protection (CBP).
4. U.S. Immigration and Customs Enforcement (ICE).
5. Transportation Security Administration (TSA).
6. U.S. Citizenship and Immigration Services (CIS).
7. Federal Emergency Management Agency (FEMA).
8. Federal Law Enforcement Training Center (FLETC).

D. **Component Heads:** The highest-ranking individual within each of the Components.

E. **CSO Council:** The DHS functional advisory body that assists the DHS Chief Security Officer in evaluating and determining the best course of action for the Security function. The CSO Council is chaired by the DHS Chief Security Officer and includes the Chief Security Officers and Key Security Officials of each Component.

F. **DHS Chief Security Officer:** The DHS Chief Security Officer is the DHS official who exercises leadership and authority over security policy and programs DHS-wide in partnership with Heads of the Components.

G. **Functional Integration:** A transformation process that ensures efficient and effective use of resources by establishing unified policies and business processes, the use of shared or centralized services and standards, and automated solutions. Functional integration is a structured cooperation and collaboration approach among DHS Components and functional Line of Business Chiefs for the purpose of achieving excellence in support of Departmental mission and objectives. This is accomplished by decreasing fragmentation and duplication, providing enhanced integrated services, and increasing efficiency and quality of management lines of business.

H. **Key Security Officials (KSOs)**: The senior-most federal security executive designated by the Component Head in each of the following Components, or as otherwise identified by the DHS CSO:

1. The Science and Technology Directorate.
2. The Preparedness Directorate.
3. The Office of the Assistant Secretary for Intelligence and Analysis.

I. **Line of Business Chief (LOB)**: This includes the DHS Chief Security Officer, DHS Chief Procurement Officer, DHS Chief Administrative Services Officer, DHS Chief Financial Officer, the DHS Chief Human Capital Officer, and the DHS Chief Information Officer.

J. **Security Function**: The personnel resources, assets, budgets, and processes used to deliver mission and services to protect and safeguard DHS's personnel, property, facilities, and information. The Security Function includes the areas of personnel security, physical security, administrative security, special security, internal security and investigations, and security training and awareness.

K. **Service Level Agreement (SLA)**: A formal agreement that defines customer service expectations and responsibilities between DHS Mission Components and support service providers, whether internal or external. SLAs are defined or renewed annually and are used to communicate baseline mission service requirements. SLAs pertinent to the conduct of Security functions will be signed by the responsible official providing the service, the responsible official receiving the service, and the DHS CSO.

V. Responsibilities

A. **The Secretary** has ultimate authority, accountability, and responsibility for all security management within DHS. As permitted by law and regulation, the Secretary has delegated those authorities to the DHS Chief Security Officer.

B. **The Under Secretary for Management**: The Under Secretary for Management is responsible for establishing the general policy direction for all Management programs within DHS. As permitted under law and regulation, in order to carry out these responsibilities, the Under Secretary for Management, through this MD, re-delegates certain authorities not already delegated to the DHS CSO. The Under Secretary is also primarily responsible for ensuring the strategic plans of the DHS CSO are coordinated with, and mutually supportive of, the other Line of Business Chiefs. This continuous review by the Under Secretary serves to ensure that supportive and complementary integration between or among functions, as well as within functions, is identified and completed.

- C. **The DHS Chief Security Officer.** The DHS CSO is responsible for:
1. Conducting security program reviews and, in turn, recommending program improvements, corrective actions, and if necessary, revocation of delegated authorities.
 2. Exercising the authorities delegated by law, executive order, regulation, or as assigned by the Secretary.
 3. Advising and assisting the Secretary, Deputy Secretary, Under Secretary for Management, Component Heads, and other senior officials in carrying out DHS' responsibilities for all activities relating to the security programs and operations of DHS.
 4. Communicating and implementing the Secretary's and Under Secretary for Management's leadership direction related to the Security function.
 5. Designing, in collaboration with the CSO Council, the optimum structure and processes to support both the Departmental and Component Security mission and goals and to achieve functional excellence. This includes defining functional performance metrics and the use of SLAs by which the Components can measure the performance of delivered services on an annual and ongoing basis.
 6. Establishing Department security priorities, policies, processes, standards, guidelines, and procedures.
 7. Collaborating with Component Heads in recruiting and selecting Component Chief Security Officers and Key Security Officials, in the following manner:
 - a. Concurring on the qualification standards including knowledge, skills, and abilities or competencies for said position(s) with the Component Head;
 - b. Assisting in identifying candidates for consideration;
 - c. Opting to participate in the interview process of the best qualified list of candidates; and
 - d. Concurring in the final selection made by the Component Head.

8. The DHS CSO will provide input to the Component Chief Security Officers and Key Security Officials' written performance objectives for the Security area at the start of the performance cycle. The DHS CSO will also provide input/feedback to the Component rating official for the Component CSOs' and KSOs' accomplishment of those objectives, and will provide input on bonus or award recommendations, pay adjustments, and other forms of commendation.
9. Re-delegating certain authorities to Component CSOs and KSOs, as necessary, to ensure the appropriate and efficient administration of the Security function.
10. Providing DHS's Secretary, Deputy Secretary, Senior Official(s) of the Intelligence Community, and Component Heads an annual evaluation of security program performance. This will include an assessment of each Component's functional performance. Reports will be prepared by the end of the first quarter of each fiscal year and will include the President's Management Agenda, the DHS Strategic Plan, and other program metrics as they are established.
11. Analyzing workforce requirements for functional personnel to establish recommended staffing and resource level parameters and guidelines for each Component to consider.
12. Establishing and chairing a DHS CSO Council.
13. Establishing training and development guidelines for security professionals.
14. In coordination with the DHS Chief Information Officer (CIO) and Designated Approval Authorities, establishing and maintaining a program to ensure that DHS's information technology systems are properly secured.
15. In coordination with the DHS Chief Procurement Officer (CPO), establishing and maintaining an Acquisitions Security Program that addresses and incorporates security considerations into the life cycle of the acquisition process.
16. Coordinating with DHS's emergency planning and incident response efforts and activities.
17. Coordinating with the Assistant Secretary of Intelligence & Analysis and the Intelligence Community on security issues and the protection of information received from the Intelligence Community.

D. **Component Heads:**

1. The Component Head, in addition to other duties, is responsible for:
 - a. Ensuring that security management duties, as defined in this MD, are carried out effectively and efficiently in support of mission accomplishment and functional integration goals.
 - b. Supporting and enforcing the tenets of functional excellence as defined by the DHS CSO.
 - c. Supporting and implementing the annual goals established in collaboration with the DHS CSO.
 - d. Incorporating DHS CSO input into performance appraisals, bonus or award recommendations, pay adjustments, and other forms of commendation of Component Chief Security Officers and Key Security Officials.
 - e. Collaborating with the DHS CSO in recruiting and selecting Chief Security Officers and Key Security Officials in the following manner:
 - (1) Seek concurrence of the DHS CSO on the qualification standards including knowledge, skills, and abilities or competencies for said position(s);
 - (2) Seek the assistance of the DHS CSO in identifying candidates for consideration;
 - (3) Provide the DHS CSO the opportunity to participate in the interview process of the best qualified list of candidates; and
 - (4) Seek the concurrence of the DHS CSO on final selection.
 - f. Ensuring the Component CSO and KSO is organizationally placed at a senior level and is included in the strategic leadership team in the Component.
 - g. Ensuring that the structure and organization of the Security function is aligned with security best practices, as determined by the CSO Council.
 - h. Advising and collaborating with the DHS CSO on any Component reorganization or restructuring plans that will result in Security function realignments.

i. With the DHS CSO, and through their Component CSOs and KSOs, collaborating to ensure that the appropriate Security resources are made available for Department-wide security services and providing the direction required to achieve Security functional excellence.

E. **Component Chief Security Officers and Key Security Officials** are responsible for:

1. Serving as the principal advisor to the Component Head on security issues.
2. Ensuring that security programs meet the mission needs of DHS and the Component.
3. Advising (e.g., in writing or orally) the DHS CSO concerning the security requirements of their Component.
4. Advising and partnering within their respective Component to ensure that Security staffs provide quality and timely support to mission requirements.
5. Participating in the development of DHS-wide security direction and policies as members of the CSO Council, and implementing DHS-wide security policies within their respective Component.
6. Coordinating with their respective Intelligence Chiefs in the development of security policies to ensure appropriate consideration of protection requirements for Sensitive Compartmented Information.

F. **The CSO Council** is responsible for:

1. Development of a Departmental Security strategic plan and establishment of priorities for the Security function.
2. Security assessment and accountability, which includes coordination and consolidation of Component security projects/activities and implementation of shared services as appropriate.
3. Security management policies, processes, best practices, performance measures, and decision criteria for managing the delivery of security programs and services to enhance efficient and effective security management.
4. Implementing Security Centers of Excellence, boards, and working groups tied to DHS CSO Council priorities.

G. **All DHS Employees** are responsible for being knowledgeable of and complying with policies and programs established by the DHS CSO and appropriate Component Chief Security Officers and Key Security Officials and for conforming to applicable laws and regulations. DHS will provide training and/or guidance to assist employees, including Chief Security Officers/Key Security Officials and other senior executives, to develop their knowledge of laws, regulations, operations, policies, procedures, and programs related to the Security function.

VI. Policy & Procedures

A. **Policy.**

1. It is the policy of DHS that the Office of the DHS CSO shall serve as the DHS organization through which all Security functions and services throughout DHS will be overseen, defined, and measured.
2. **Authority and Accountability for Integration.** The DHS CSO, through the DHS CSO Council and its Security centers of excellence, shall design, direct, and oversee the implementation of the integration of Security Management across DHS to improve mission support quality and efficiency. Component Heads, Component Chief Security Officers /Key Security Officials, and the DHS CSO will all share accountability to the Secretary for successful planning and implementation of functional integration and adherence to this MD.
3. Nothing in this directive shall limit the authority of the Office of Inspector General (OIG) as prescribed by DHS Management Directive 0810.1 and the Inspector General Act of 1978, as amended.

B. **Principles.**

Functional integration of Security will rely on the following principles:

1. Focus on Mission.
2. Recognize our employees as our most valuable asset and make investments in their career development and professional growth.
3. Plan rigorously and implement when success is likely.
4. Continuously assess and improve operational effectiveness.

C. **Procedures.**

1. Security functional integration will be driven by the following:

- a. **Policies & Processes:** DHS will standardize security policies and appropriate procedures across DHS to ensure functional excellence. This will be an ongoing effort.
 - b. **Systems:** DHS will continue to consolidate and integrate systems supporting DHS's Security functions, ensuring such action results in efficiencies and does not compromise mission effectiveness.
 - c. **Organizations:** A guiding principle of the DHS CSO will be to consolidate organizations that perform the same function and create centers of excellence, ensuring such action results in efficiencies and does not compromise mission effectiveness.
2. **Integration Milestones.** The DHS CSO, in collaboration with the Component Heads and CSO Council, will annually establish milestones for the functional integration of security activities.
 3. **Performance Metrics.** The DHS CSO ensures the use of Department-wide performance standards and metrics, and appropriate reporting systems. To track progress of Component Chief Security Officers and Key Security Officials and security organizations, the DHS CSO will annually recommend certain key performance metrics to Component Heads and Component Chief Security Officers/Key Security Officials. Some suggested performance metrics will be relevant to all DHS Components, and some will differ by Component.
 4. **Service Level Agreements.** All SLAs between DHS Components and support service providers (both internal and external) will include:
 - a. Resources Required
 - b. Performance Period
 - c. Performance Metrics and Reporting
 - d. Responsibilities
 - e. Funding Mechanism
 - f. Terms and Pricing for Services
 - g. Dispute Resolution Process
 - h. Corrective Action Plans
 - i. Termination Policy

- j. Continuous Improvement Goals
- k. Signatures of the Responsible Director for the Provider, the Receiver of Service, and the DHS CSO
- l. Other content as determined by the DHS CSO Council.

VII. Questions

Address all questions or concerns regarding this MD to the Office of the DHS Chief Security Officer.