

**Bureau of Diplomatic Security**  
**INDUSTRIAL SECURITY PROGRAM BRIEFING**

**Frequently Asked Questions – Industrial Security Clearances**

- **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 regard to Requests for Proposals (RFPs), 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 (RFP)
    - ✦ A purchase order
    - ✦ An Indefinite Delivery Indefinite Quantity contract (IDIQ)
  - ✦ 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) required for contract performance.
    - ✦ 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 the contractor's services on a classified contract.
  
- **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.
    - ✦ The Department of State is a User Agency under the National Industrial Security Program (NISP) which is administered by DSS.

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**Frequently Asked Questions – Industrial Security Clearances (continued)**

● **What are the requirements that must be met for a contractor to be sponsored for an FCL?**

There must be a bona fide procurement requirement for access to classified information before the U.S. Government or another cleared contractor can request an FCL.

● **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:

- ✦ Clearance of the key management personnel (KMP),
- ✦ Review of the corporate structure, and
- ✦ 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 (FSO).
- ✦ The denial of a personnel security clearance for a KMP will negatively affect the FCL processing of a contractor facility.

◆ 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, etc.).
- ✦ 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 U.S. 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 with the company to mitigate the FOCI, there may be restrictions on the FCL, which could, in turn, make the contractor ineligible to work on some DoS efforts.