



UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-5000

JUN 24 2019

INTELLIGENCE

MEMORANDUM FOR DEFENSE SECURITY SERVICE PERSONNEL
NATIONAL BACKGROUND INVESTIGATIONS BUREAU
PERSONNEL

SUBJECT: Defense Counterintelligence and Security Agency and Leadership Appointment

Today marks an important date in our implementation of Executive Order 13869, "Transferring Responsibility for Background Investigations to the Department of Defense," as the Department of Defense (DoD) assumes primary responsibility for background investigations for the Federal Government.

We are at a key moment in time and have a unique opportunity ahead of us, as we bring together the missions and workforces of the National Background Investigations Bureau (NBIB) and Defense Security Service (DSS). Foreign threats to our personnel, technology, information, and facilities are pervasive and growing. They demand that we elevate our focus on security, modernize our processes and capabilities, and better integrate our efforts to allow trusted people and technology in, while keeping adversaries out. This combined team is well positioned to bring greater focus and alignment to U.S. Government-wide efforts to strengthen our trusted workforce, mitigate supply chain threats, protect sensitive information, and bolster counterintelligence capabilities.

To that end, the Acting Secretary of Defense has renamed DSS as the Defense Counterintelligence and Security Agency (DCSA), to reflect this broader set of missions. This also provides us the preamble to start fresh, to shape an integrated, responsive organization, and to foster a culture that reflects the best of both NBIB and DSS.

I am also pleased to announce that Mr. Charles S. Phalen, Jr. ("Charlie") has been appointed to serve as the Acting Director of the DSS, now DCSA, effective July 1, 2019, and until a permanent director has been appointed. Mr. Phalen will serve in a dual-status role, as both NBIB Director and DCSA Acting Director.

Mr. Phalen has the full support and confidence of the Acting Secretary of Defense, the Acting Director of the Office of Personnel Management, and myself. His current position, background, and experience in both government and industry make him well qualified to serve as the Acting Director, DCSA. He will provide the steady leadership, continuity, and depth of knowledge necessary to successfully transfer the background investigation mission to DoD and to integrate the workforces into a cohesive team.



We will have an opportunity in the coming weeks to recognize the accomplishments of the current DSS Director, Mr. Dan Payne, as he prepares for retirement. In the meantime, I ask that you provide your full support to Dan and Charlie as they execute the hand-off. Please keep focused on your mission, and build the cohesive new team necessary for success.

I greatly value the partnership between DoD, the Office of Personnel Management, and NBIB. I also appreciate the perspectives and ideas from personnel across the NBIB, DSS, industry, and other security elements as to how we can enhance our mission execution, combine our workforces for greater effect, and provide outstanding customer support. We need your talent, dedication, and collaboration to be successful, and I look forward to seeing all that this team can do to advance our Nation's security.



Joseph D. Kernan

cc:
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