

NORTHROP GRUMMAN SHIPBUILDING - NEWPORT NEWS VISITOR BACKGROUND INVESTIGATION REQUIREMENTS

December 2008

It is the policy of Northrop Grumman Shipbuilding - Newport News ("Sector") to require background investigations of contract labor personnel and all other visitors to the Sector who are badged for 30 days or more during a 12 month period. Such investigations must be completed and the results reviewed prior to assignment of personnel to the Sector. A background investigation is also required when any short-term exempted individual's tenure is extended beyond 30 days, or when subsequent work assignments, following a break in service, cause the individual's accumulated tenure with the Sector to exceed 30 days during the preceding 365 days.

Note: This requirement does not apply to the following:

- ✚ Northrop Grumman employees from other Sectors.
- ✚ Consultants who can establish that they hold a current U.S. Government security clearance as verified in JPAS.
- ✚ Customer and program contractor personnel who are badged residents at this Sector:
 - Defense Contract Audit Agency (DCAA)
 - Defense Contract Management Agency (DCMA)
 - Defense Security Service (DSS)
 - Naval Criminal Investigative Service (NCIS)
 - Naval Reactors Resident Office (NRRO)
 - Navy Ships Force Personnel
 - Reactor Plant Contractor Office (RPCO)
 - Supervisor of Shipbuilding Conversion and Repair (SupShip)

PROCEDURE

- A. This directive outlines the minimum standards for onsite service supplier, contract labor, and consultant personnel who are issued long-term company visitor badges by any Sector element. It also provides guidance with respect to the adjudication of unfavorable information that may be disclosed by a background investigation.
- B. To ensure compliance with the standards and requirements set forth in J105, all background investigations will be performed by the company that holds the Northrop Grumman Corporate Award for Background Investigations on the date the investigation is ordered.
- D. Additionally, all companies who submit visit requests for their employees to be badged for unescorted access to the Sector must screen their employees through E-Verify (formerly known as the Basic Pilot/Employment Eligibility Verification Program). E-Verify is an Internet-based system operated by the Department of Homeland Security in partnership with the Social Security Administration that allows participating employers to electronically verify the employment eligibility of their newly hired employees. E-Verify is free and is the best means available for determining employment eligibility of new hires and the validity of their Social Security Numbers.

On June 6, 2008, the President issued Executive Order 13465 "Economy and Efficiency in Government Procurement through Compliance with Certain Immigration and Nationality Act Provisions and the Use of an Electronic Employment Eligibility Verification System," providing that "Executive departments and agencies that enter into contracts shall require, as a condition of each contract, that the contractor agree to use an electronic employment eligibility verification system designated by the Secretary of Homeland Security to verify the employment of: (i) all persons hired during the contract term by the contractor to perform employment duties within the United States; and (ii) all persons assigned by the contractor to perform work within the United States on the federal contract." The Federal Acquisition Regulation (FAR) was therefore amended to require federal contractors to use E-Verify, which is the system designated to implement the Executive Order. For subcontracts



that flow from those prime contracts, the rule extends the E-Verify requirement to subcontracts for services or for construction with a value over \$3,000. For more information please visit the following:

http://www.dhs.gov/ximgtn/programs/gc_1185221678150.shtm

<http://www.uscis.gov/portal/site/uscis/menuitem.5af9bb95919f35e66f614176543f6d1a/?vgnextoid=cb2a535e0869d110VgnVCM1000004718190aRCRD&vgnnextchannel=75bce2e261405110VgnVCM1000004718190aRCRD>

E. Background Investigation Requirements

1. As long as a company/supplier has a background investigation report on file, which meets the requirements outlined herein, a new report is not needed unless the employee has a break in service from that company of 90 days or more. However, where an individual has previously been investigated in accordance with this directive and the results are readily available for review, the scope of any subsequent investigation is limited to employment, education, criminal, and credit history, as otherwise required, since the date of the prior investigation.
2. If the company/supplier does not have a proper background investigation report on file for the person for whom they are requesting a badge a background investigation must be conducted and the results adjudicated prior to submitting the request for badging.

F. Background Investigation Standards

1. Information that must be verified with all employers for seven (7) years prior to the date of application, or the individual's 18TH birthday, whichever period is shorter:
 - Dates of employment
 - Position
 - Salary
 - Reason for termination
2. Information that should be solicited and reported only if received:
 - Eligibility for rehire
 - Reputation for honesty, integrity, reliability, stability, and competence
 - Acts of violence or erratic behavior
3. Verification with the designated educational institutions of the highest or latest claimed college degrees. For consultant and service supplier personnel, verification of college degrees and professional licenses or certifications are only required when this information is relevant to the nature of the work being performed for the Sector.
4. Review of public records in each jurisdiction the individual has worked and/or lived for the past seven (7) years, or the individual's 18TH birthday, to determine criminal conviction history, including appropriate state Department of Motor Vehicles (DMV) to determine violation conviction history. Only conviction information can be solicited, collected, retained, or considered.
5. Determine whether contract labor personnel and/or visitors are former Northrop Grumman employees.

G. Adjudication of Background Investigation Results



1. Adjudication is the formal process of judging an individual's character, honesty, integrity, reliability, stability, competence and overall suitability for employment or continued tenure with or for the Sector, based on credible data provided by the background investigation process.
2. When a completed background investigation discloses *no* unfavorable information regarding a candidate, or where a contract labor or service supplier firm certifies the absence of any unfavorable information, the offer of employment, or acceptance of the contract labor, consultant or service supplier employee, may be finalized.
3. All companies which have been tasked to conduct background investigations on their employees being badged for long term access to the Sector will perform an initial adjudication. They then certify to the Sector, on Form NN 9327, whether or not the investigation disclosed any unfavorable information. Where there is unfavorable information they must either disqualify their candidate from assignment to Sector duties or disclose the results to the Security Department O15 Investigators Office and seek the Sector's approval for the proposed assignment. In that case the adjudicative process continues as described here.
4. Adverse or unfavorable information is credible information regarding an individual indicating some sort of personal misbehavior, flaw or problem that may reflect adversely on the individual's character, honesty, integrity, reliability, stability, and/or competence as it relates to the individual's overall suitability for unescorted access to the Sector. Security Department O15 must be immediately notified if any indication arises of adverse information regarding any employee, badged contract labor employee, consultant, or service supplier employee.
5. Except as may be required by law, adverse information never automatically disqualifies any candidate; however, evidence of material misrepresentation of job qualifications or denial or intentional omission of significant adverse information, indicative of basic dishonesty, will normally cause rejection of a candidate. In all other cases a judgment on the individual's overall suitability for a position with the Sector will be made based on the unique facts of each case and the following considerations:
 - ✚ How serious is the adverse situation?
 - ✚ How recent is the adverse information/situation?
 - ✚ Are there repeated incidents/situations of a specific problem versus a single isolated situation?
 - ✚ Are there examples of *different types* of misbehavior or adverse situations? (A pattern of dishonesty or disregard for lawful behavior in multiple situations over time may indicate that such a pattern is likely to continue.)
 - ✚ How does the adverse information relate to the proposed job position?
How may the adverse information affect the individual's ability to immediately support the customer? (For example, will the adverse information preclude or unduly delay assignment or access to a customer location, or the issuance of a government security clearance or special access?)
6. In the event that a Company/Supplier or other entity becomes aware of Adverse Conduct regarding their employee who is badged for access to the Sector, they shall promptly notify the Sector Security Department O15 of that fact. Examples of Adverse Conduct which must be reported are as follows:
 - ✚ The individual has been convicted of an offense involving violent behavior (or a threat thereof) or fraudulent or dishonest conduct, including, but not limited to, fraud, theft, embezzlement, misappropriation, larceny, burglary, drug distribution or possession with intent to distribute, any crime involving a firearm, assault, battery, rape, sexual assault, murder, manslaughter, involuntary homicide, or stalking.
 - ✚ The individual does not hold the degree(s), professional certifications, and licenses that Supplier or the Contract labor personnel has represented to Northrop Grumman.
 - ✚ For positions involving financial matters or other positions of trust, the individual has a record of default on any debt or a debt exceeding 90 days past due on more than three occasions within the three years immediately preceding the date of this Background investigation.
7. Quest Diagnostics currently holds the Corporate Award for the background investigation. Quest Diagnostics has agreed to charge Northrop Grumman subcontractors and technical representatives the Northrop



Grumman corporate rate of \$79.95 per background investigation. See Enclosure 2, Northrop Grumman Sub-contractor Background Investigation Set-up Process Map.



**Northrop Grumman Sub-contractor
Background Investigation Set-up
Process Map**

1. Subcontractor requests Quest BI and/or Drug Testing Account setup:
 - a. E-mail request to: esnationalaccounts@questdiagnostics.com
 - i. E-mail requests received before 2PM (Eastern Time) will be responded to by end of business same day.
 - ii. E-mail requests received after 2PM (Eastern Time) will be responded to by noon the following day.
 - b. Phone request to 866-573-3161.
 - i. All voice messages will be returned within 24 hours.

Please note: E-mail is the preferred method of communication. In addition to providing subcontractors with a more timely response, e-mail correspondence allows Quest to maintain exact customer touch time lines.

2. ES National Accounts e-mails required documents to subcontractor.
 - i. Required documents will be e-mailed to subcontracts before end of business day if initial request is made before 2 PM (Eastern Time).
 - ii. Required documents will be e-mailed to subcontractors by noon of the following day for requests made after 2 PM (Eastern Time).



iii. Required documents will be e-mailed to subcontractor within 24 hours of a voice mail request.

Please note: The following States required Motor Vehicle Record (MVR) Search documents. Sub-contractor should sign all that apply:

California	Colorado	Georgia	Michigan
Ohio	Pennsylvania	Virginia	Washington

3. Subcontractor faxes signed documents back to 800-975-6342.
 - i. ES National Accounts Support team will verify receipt of all required documents and will reach out to sub-contractor for missing forms if needed.
4. Upon receipt of properly executed documents sub-contractor's account is set up in Quest system and e-code (Quest/Axiom internal use) is requested to ensure FCRA compliance.
 - i. Within 3 - 5 days of receipt properly executed documents.
5. User Names, IDs, supporting BI documents and training instructions are emailed to authorized sub-contractor contact.
 - i. Within 4 hours of completion of account setup.

Please note: Group-training sessions are conducted every Thursday at 11:00 AM (Eastern Time) or as requested by sub-contractor.

