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United States Government Accountability Office
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March 25, 2008

The Honorable Solomon P. Ortiz
Chairman
The Honorable J. Randy Forbes
Ranking Member
Subcommittee on Readiness
Committee on Armed Forces
House of Representatives

Subject: *DOD Personnel Clearances: Questions for the Record Related to the Quality and Timeliness of Clearances*

On February 13, 2008, Mr. Jack Edwards—an Acting Director in our Defense Capabilities and Management team—testified before your subcommittee at a hearing on the Department of Defense (DOD) security clearance processes.¹ This report responds to your request for additional information on that subject. Your questions, and our responses, follow.

1. In the report that GAO issued today to this committee and your testimony statement, you discussed a need for more emphasis on quality in clearance products and processes. What have agencies been using as quality measures, and are they sufficient?

Through our reports and testimonies, we have emphasized a need to build more quality and quality monitoring into the clearances process. As we have reported, since 1999 government agencies have relied on a measure of quality—the percentage of investigative reports returned by requesting agencies to the investigating agency because of incompleteness—and this measure is insufficient. We find this measure to be problematic because the number of investigations returned for rework is not by itself a valid indicator of the quality of investigative work. One reason for this is that according to adjudication officials, they were reluctant to return incomplete investigations in anticipation of further delays.² Additionally, this metric pertains only

¹GAO, *DOD Personnel Clearances: DOD Faces Multiple Challenges in Its Efforts to Improve Clearance Processes for Industry Personnel*, GAO-08-470T (Washington, D.C.: Feb. 13, 2008).

²For example, GAO, *DOD Personnel Clearances: Additional OMB Actions Are Needed to Improve the Security Clearance Process*, GAO-06-1070 (Washington, D.C.: Sept. 28, 2006); *DOD Personnel Clearances: Government Plan Addresses Some Long-standing Problems with DOD's Program, But Concerns Remain*, GAO-06-233T (Washington, D.C.: Nov. 9, 2005); and *DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks*, GAO/NSIAD-00-12 (Washington, D.C.: Oct. 27, 1999).

to the investigation phase of the clearance process, and there are no metrics for the other five phases of the investigative process (the clearance process has six phases: the requirements setting, application-submission, investigation, adjudication, appeal, and clearance updating).

2. Do you believe that DOD, OMB, and OPM have made the necessary commitment to improve the security clearance process? What steps need to be taken to ensure that on-going initiatives continue past this Administration?

As noted in our February 13, 2008 report,³ we are encouraged by some department-specific and governmentwide efforts that have improved DOD's personnel security clearance program. Examples of improvements to the process include (1) DOD's ability to electronically submit a clearance applicant's form authorizing the release of medical information and (2) a governmentwide effort that has resulted in the increased use of the Office of Personnel Management's (OPM) Electronic Questionnaires for Investigations Processing.

In addition, as we have previously reported, we have been encouraged by the commitment that the Office of Management and Budget (OMB) and OPM have demonstrated in the development of a governmentwide plan to address clearance-related problems.⁴ The OMB Deputy Director met with us to discuss OMB's general strategy for addressing the problems that led to our high-risk designation for DOD's clearance program. Demonstrating strong management commitment and top leadership support to address a known risk is one of the requirements for us to remove DOD's clearance program from our high-risk list.

Nevertheless, as we noted in our February 13, 2008 statement, we have identified a number of challenges in our past work that will require long-term commitment from this and subsequent administrations to further improve the security clearance process. Specifically, in our statement we emphasized the need for initiative in five areas: (1) improvement in projecting future industry investigation needs, (2) eliminating delays in the clearance processes, (3) supplementing the limited information on quality of clearance products and procedures, (4) increasing the amount of clearance-related funding information available to Congress to improve oversight, and (5) developing and implementing a department-specific plan to address clearance problems.⁵

³GAO, *DOD Personnel Clearances: Improved Annual Reporting Would Enable More Informed Congressional Oversight*, GAO-08-350 (Washington, D.C.: Feb. 13, 2008).

⁴GAO, *DOD Personnel Clearances: Questions and Answers for the Record Following the Second in a Series of Hearings on Fixing the Security Clearance Process*, GAO-06-693R (Washington, D.C.: June 14, 2006).

⁵GAO-08-470T.

In another recent testimony,⁶ we emphasized that current and future efforts to reform personnel security clearance processes should consider, among other things, the following four key factors: (1) determining whether clearances are required for a specific position, (2) incorporating quality control steps throughout the clearance processes, (3) establishing metrics for assessing all aspects of clearance processes, and (4) providing Congress with the long-term funding requirements of security clearance reform.

3. The Intel Reform Act requires that timeliness statistics be reported to Congress. Do the timeliness statistics provide a full picture of how quickly clearances are being issued? If there are additional statistics that would add to the Congress's oversight of clearance timeliness, what types of factors should be considered in identifying additional metrics?

The timeliness statistics that OMB and OPM have provided to Congress may not convey the full magnitude of the time required to complete clearance investigations and adjudications. In May 2007, we reported the following five concerns with the transparency of the government's timeliness statistics: (1) limited information on reinvestigations for clearance updating, (2) not counting the total number of days to finish the application-submission phase, (3) shifting some investigation-related days to the adjudication phase or not counting them, (4) not counting the total number of days to complete closed pending cases, and (5) not counting the total number of days to complete investigations sent back for rework.⁷ Our preliminary observations of OMB's February 2008 *Report of the Security Clearance Oversight Group* and recent OPM congressional testimony indicate that there may be continuing problems in these areas.

- *Limited information on reinvestigations for clearance updating:* In previous OMB reports and OPM congressional testimony, the government provided limited information on the time to complete reinvestigations. However, OMB included in its 2008 *Report of the Security Clearance Oversight Group* information on the timeliness of reinvestigations.
- *Not counting the total number of days to finish the application-submission phase:* Our preliminary observations of OMB's February 2008 report raise concerns that some activities occurring in the initial part of the application-submission phase may not be included when counting the time to complete the application-submission phase. For example, OMB's February 2008 report noted that investigation timeliness was "calculated from receipt of the full request for investigation;" however, some activities may be excluded in timeliness measurements depending on how OMB interprets the "full request for investigation."

⁶GAO, *Personnel Clearances: Key Factors to Consider in Efforts to Reform Security Clearance Processes*, GAO-08-352T (Washington, D.C.: Feb. 27, 2008).

⁷GAO, *DOD Personnel Clearances: Delays and Inadequate Documentation Found for Industry Personnel*, GAO-07-842T (Washington, D.C.: May 17, 2007).

- *Shifting some investigation-related days to the adjudication phase or not counting them:* In our September 2006 report, we raised concerns about how the time to complete the adjudication phase was measured because OMB included mailing time in reporting the timeliness of the adjudication phase.⁸ This practice continues as noted in OMB's February 2008 report to Congress: timeliness statistics for adjudications "include . . . up to 15 days in mail and handling between OPM and the adjudicating agency." Including time to mail and handle investigative reports from OPM to adjudicating agencies shifts a portion of the time to complete the investigation to the adjudication phase.
- *Not counting the total number of days to complete closed pending cases:* OPM may be combining two kinds of investigations, which may overstate the timeliness of completed investigations. In her February 13, 2008, congressional testimony statement, the Associate Director in charge of OPM's investigations unit did not indicate whether the investigation timeliness statistics presented in her statement included closed pending investigations in the calculation of the average times to complete all investigations. Closed pending investigations are investigative reports sent to adjudication facilities without one or more types of source data required by the federal investigative standards. In our February 2004 report, we noted that closed pending cases should continue to be tracked separately in the investigations phase of the clearance process because a closed pending investigation may be reopened when the missing data are supplied. The time measurement of a closed pending case is suspended for an undetermined amount of time, which is not accounted for if the pending cases are reopened later and included in the timeliness calculations of fully completed investigations.
- *Not counting the total number of days to complete investigations sent back for rework:* In 2006, we reported that in instances when investigative reports are returned to OPM to address investigative insufficiencies, OPM's procedure has been to replace the investigative time recorded for providing the initial report to the adjudication agency with the investigation time to rework the report to address the insufficiencies. Reworking the investigative report could take less time than the earlier effort to complete the initial investigative report. While reworking cases occurs approximately in 1 to 2 percent of investigative reports, replacing the initial investigative time with the time to complete the reworked investigations as the total number of days to complete investigations does not provide a full picture of how quickly clearances are being issued. OMB's February 2008 report does not clarify its timeliness statistics to show how or if it is addressing this issue.

Finally, during the hearing, each of the panel members was asked to respond for the record to a series of questions about a database that may record statistics on the reciprocity of clearances. Specifically, we were asked which government agency is maintaining a database that records instances of nonreciprocity, what agencies have the most cases of nonreciprocity, how many waivers were granted in the last year, and why such information about reciprocity was not provided in OMB's annual report

⁸GAO, *DOD Personnel Clearances: Additional OMB Actions Are Needed to Improve the Security Clearance Process*, GAO-06-1070 (Washington, D.C.: Sept. 28, 2006).

to Congress. We are not aware of a database maintained by any government agency that records information on reciprocity.

If you or other members of the subcommittee have any additional questions about DOD's personnel security clearance processes, please contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov. In addition, contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this correspondence. GAO staff members who made major contributions to this correspondence are listed in the enclosure.



Brenda S. Farrell
Director, Defense Capabilities and Management

Enclosure

Enclosure I: GAO Contact and Staff Acknowledgments

GAO Contact

Brenda S. Farrell, (202) 512-3604 or farrellb@gao.gov

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