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DOD PERSONNEL

More Actions Needed to Address Backlog of Security Clearance Reinvestigations

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National Security and
International Affairs Division

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The Honorable Christopher Shays
Chairman, Subcommittee on National Security,
Veterans Affairs, and International Relations
Committee on Government Reform
House of Representatives

Dear Mr. Chairman:

At the end of fiscal year 1998, about 2.4 million Department of Defense (DOD) military, civilian, and contractor personnel held security clearances granting them access to classified information. To lessen the government's vulnerability to espionage and thereby reduce national security risks, federal standards require a periodic reinvestigation of individuals with security clearances. An individual's security clearance is outdated if a reinvestigation has not been initiated in the past 5 years for top secret clearances, 10 years for secret clearances, and 15 years for confidential clearances. Undertaking reinvestigations on time is particularly important because DOD regulations permit individuals to maintain access to classified information regardless of whether and how long their reinvestigations are overdue. In January 2000, DOD estimated that its backlog of overdue reinvestigations had grown to over 505,000. However, DOD has also reported that the actual backlog size is unknown because existing personnel security databases cannot provide an accurate count of overdue reinvestigations.

This letter responds to your concerns about DOD's estimates of its reinvestigation backlog. Specifically, we (1) determined how DOD estimates the backlog, (2) assessed the soundness of DOD's backlog estimates, and (3) identified DOD's plans to address the backlog problem.

Results in Brief

In the absence of a Department-wide database that can accurately measure the reinvestigation backlog, DOD estimates the backlog on an ad-hoc basis, using two primary methods—manual counts and statistical sampling. Using the counting method, the military services and Defense agencies ask security managers to review their personnel and count those overdue for a reinvestigation. The counts are totaled to provide a DOD-wide backlog estimate. Using the sampling method, DOD makes a rough—and known to

be inaccurate—estimate from existing personnel security databases. It then selects a random sample of individuals from this estimate and surveys them to determine whether they are currently associated with DOD, currently require a security clearance, and are overdue for a reinvestigation. DOD uses this information and statistical analysis to develop a refined and more accurate estimate.

DOD's two most recent estimates each used a different method and arrived at similar results: about one of every five individuals with a security clearance is overdue for a reinvestigation. However, both estimates had methodological limitations, were 6 months old or older by the time they were reported, and excluded thousands of overdue reinvestigations because they used a restricted backlog definition. Primarily using the counting method, DOD reported in January 2000 that the backlog totaled 505,786. However, because the estimate was composed of unverified counts from the military services and other Defense agencies, and because these entities used inconsistent methods and different time periods, the accuracy of the estimate is questionable. Using the sampling method, a DOD contractor reported in February 2000 that the backlog totaled between 451,757 and 558,552 (with a mean estimate of 505,155). Despite a low survey response rate, the contractor assumed that there were no statistical differences between respondents and nonrespondents and did not perform the necessary follow-up to verify this assumption. Moreover, reinvestigations submitted for processing but not yet completed were not included in either estimate because the backlog definition excluded reinvestigations in process.[1] These totaled about 94,000 in February 2000, and, according to DOD, the vast majority of them were overdue.

DOD recognizes that the reinvestigation backlog is a problem. After not making progress in meeting an earlier goal to eliminate the backlog, the services and other Defense agencies, at the direction of the Deputy Secretary of Defense and the DOD Comptroller, have begun to formulate plans to eliminate the backlog by March 31, 2002. DOD also plans to implement a new personnel security database in mid-2001. Among other things, the database is designed to include information that could allow real-time counts of overdue reinvestigations. However, DOD has not specified how it plans to ensure that future reinvestigation requests are

[1]A reinvestigation is in process from the time an individual submits a reinvestigation request until the time the reinvestigation is completed and a decision is made on the individual's clearance.

submitted when they are due or use the information in the new personnel security database system to help manage the reinvestigation program.

We are recommending that DOD design routine reports that show the full extent of the backlog and develop incentives to keep reinvestigation information current and submit requests for reinvestigations on time. In its comments on our draft report, DOD agreed with these recommendations.

Background

The federal government uses personnel security investigations to determine whether an individual should be granted access to classified information.[2] In addition to requiring an initial investigation, federal standards require periodic reinvestigations of individuals granted access to classified information. DOD estimated in November 1999 that the typical cost to perform a top secret and a secret reinvestigation was about $1,800 and $250, respectively.[3] Although such investigations do not guarantee that individuals will not later engage in espionage activities, they remain a critical step in identifying those who can be trusted to access and safeguard classified information. Of the 2.4 million DOD military, civilian, and contractor employees with personnel security clearances at the end of fiscal year 1998, 96,000 held confidential clearances, 1.8 million held secret clearances, and 524,000 held top secret clearances.

The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) is responsible for DOD's personnel security program, including the periodic reinvestigation program. The Assistant Secretary oversees the Defense Security Service, which is responsible for investigations and reinvestigations of DOD's civilian and military personnel and contractors. Over 5,000 security managers within the services and Defense agencies are responsible for ensuring that individuals submit reinvestigation requests as their updates become due.

DOD Regulation 5200.2-R, Personnel Security Program, states that a clearance shall not be suspended or downgraded solely because a periodic reinvestigation was not conducted precisely within 5 years for top secret

[2]We recently reviewed DOD's personnel security investigative functions. See *DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks* (GAO/NSIAD-00-12, Oct. 27, 1999).

[3]A more detailed investigation is required for a top secret reinvestigation.

clearances and 10 years for secret clearances. The regulation requires that DOD agencies, in recognition of mission requirements, be flexible in administering the reinvestigation requirement. Thus, as a matter of practice, the services and DOD agencies normally do not suspend or downgrade individuals' access to classified information regardless of whether or how long their reinvestigations are overdue.

Historically, DOD has reported a large backlog of overdue reinvestigations.[4] In fiscal year 1986, DOD had a backlog of 300,000 overdue reinvestigations that had not been submitted to the Defense Security Service for an update. The backlog has reportedly increased significantly over the past few years due to several factors. First, new standards, approved in 1997, increased periodic reinvestigation requirements by shortening the time interval between reinvestigations for secret clearances from 15 to 10 years and by establishing a new, 15-year periodic reinvestigation requirement for confidential clearances. Second, for 4 years starting in fiscal year 1996, DOD tried to help the Defense Security Service clear up its backlog of pending investigations by imposing quotas on the number of reinvestigations the services and Defense agencies could request. This led to pent-up demand for reinvestigation requests. Finally, in October 1998, the Defense Security Service began having significant difficulties implementing a new automated case control management system. The problems led to reduced productivity and increased completion times.

Lack of Database Led DOD to Use Two Methods to Estimate Its Backlog

DOD is developing but currently does not have an information system that can routinely track and report on the status of security clearances. As a result, DOD headquarters cannot identify when security clearances are due to be updated, accurately project the investigative workload, or know the extent of the reinvestigation backlog without extra effort and resources. Without readily available information on the status of clearances, DOD has estimated its reinvestigation backlog on an ad-hoc basis using two primary methods—manual counting and statistical sampling.

[4]The backlog can include overdue reinvestigations from the following DOD services and agencies: Army, Navy, Air Force, Marine Corps, Uniformed Services University of the Health Sciences, National Imagery and Mapping Agency, Defense Advanced Research Project Agency, Defense Information Systems Agency, Defense Threat Reduction Agency, Washington Headquarters Services, National Security Agency, Inspector General, Defense Logistics Agency, Defense Contract Audit Agency, Defense Finance and Accounting Service, Defense Security Service, Defense Intelligence Agency, Joint Staff, and DOD contractors.

DOD Does Not Have a Database That Can Provide an Accurate Backlog Count

DOD does not have a Department-wide information system to track the status of security clearances. DOD's primary database containing personnel security information, the Defense Clearance and Investigations Index, contains about 28 million records of past and current military, civilian, and contractor personnel who have been the subjects of criminal or security clearance investigations. Managed by the Defense Security Service, the index is used to study policy options and to prepare required and ad-hoc reports on the functioning of the personnel security program. Although the index was not designed to provide real-time, actual counts of overdue reinvestigations, it can provide a rough estimate of the backlog. The problem is that the rough estimate overstates the backlog because the index includes (1) many individuals no longer employed by DOD, (2) many individuals eligible for clearance but no longer requiring access to classified information, and (3) data showing only the highest eligible classification level of many individuals who currently require access only at a lower classification level.

The Navy and the Air Force maintain personnel security databases for their personnel. However, according to service officials, these databases have many of the same limitations as DOD's index. As a result, the officials stated, their databases cannot provide an accurate count of reinvestigation backlogs. The Army does not maintain an Army-wide personnel security database. The Defense Security Service maintains information on DOD contractors in its new case control management system. However, this system has experienced implementation problems, and summary backlog information is not readily available on a real-time basis. Defense Security Service officials stated that despite this limitation, the system's data on contractor employees and their clearance details are accurate. Because overdue reinvestigations from other Defense agencies appear to comprise less than 5 percent of the total backlog, we did not determine the type of personnel security databases these agencies maintain.

DOD Has Used Two Primary Methods to Make Backlog Estimates

Without a central database to help it determine the reinvestigation backlog, DOD has used two primary methods for ad-hoc estimates of the backlog—manual counts and statistical sampling techniques to refine rough estimates. Using the counting method, the military services and Defense agencies ask security managers at units, installations, and command levels to review their personnel and count those that are overdue for a reinvestigation. The overdue counts are totaled to provide a DOD-wide backlog estimate. Performing a manual count in this fashion requires input from a large number of security managers, according to service officials—

about 300 in the Army, 1,500-2,000 in the Navy, over 3,200 in the Air Force, and 150-200 in the Marine Corps. DOD officials stated that because security managers are responsible for knowing the clearance status of individuals under their cognizance, this method should result in an accurate estimate of the backlog.

Using the sampling method, first a rough backlog estimate is made using information in the Defense Clearance and Investigations Index and other databases of current military, civilian, and contractor personnel. This estimate is known to be inaccurate because it is higher than the actual backlog. Then, a sample of individuals included in the rough estimate is selected, and the individuals are surveyed to determine whether they are currently associated with DOD, require a security clearance, and are overdue for a reinvestigation. DOD uses this information and statistical analysis to make a more accurate backlog estimate.

Reliability of DOD's Backlog Estimates Is Questionable

DOD's two most recent attempts to determine the backlog size had methodological limitations, produced estimates that were 6 months old or older by the time they were reported, and did not include thousands of overdue reinvestigations that had been submitted for reinvestigation. The two estimates—one by a DOD process team and the other by a contractor, the MITRE Corporation—were developed independently and used different estimating methods but coincidentally arrived at similar estimates of about 505,000 overdue reinvestigations, or about 1 overdue reinvestigation for every 5 individuals with a security clearance. These estimates differed from several previous backlog estimates that have been cited in various DOD documents and statements.

Limitations of the DOD Process Team's Backlog Estimate

In November 1999, the Deputy Secretary of Defense formed the Personnel Security Overarching Integrated Process Team to review the accuracy of the reinvestigation backlog and develop solutions to manage and eliminate the backlog. To develop its backlog estimate, the team first defined the backlog and included only reinvestigations that were (1) overdue according to the time lapsed since the individual's last investigation, (2) currently required, and (3) not yet submitted to the Defense Security Service for an update. Also, individuals with security clearances were to be evaluated according to the classified access level required to do their current jobs and not according to the highest level of classified access for which they were eligible. For example, an individual needing only a secret clearance but

holding a top secret clearance was not considered overdue for a reinvestigation until 10 years, not 5 years, after the last investigation.

The team then calculated its estimate using the counting method. The team asked the services to determine their reinvestigation backlog using the established backlog definition. For DOD agencies and contractors, however, the team used previously developed estimates rather than developing new backlog counts. The team did not verify the accuracy of these prior estimates or of the backlog counts reported by the services. After tallying the results, the team reported in January 2000 that the reinvestigation backlog totaled 505,786 (see table 1). On February 16, 2000, the Defense Security Service Director cited this estimate in testimony before the Subcommittee on National Security, Veterans Affairs, and International Relations of the House Committee on Government Reform.

Table 1: Process Team's Backlog Estimate

	Clearance level			
DOD component	**Top secret[a]**	**Secret and confidential**	**Total**	**Percent**
Army	17,367	145,330	**162,697**	32
Navy and Marine Corps	23,533	96,665	**120,198**	24
Air Force	11,407	30,084	**41,491**	8
Contractors	31,999	134,156	**166,155**	33
Other	9,975	5,270	**15,245**	3
Total	**94,281**	**411,505**	**505,786**	**100**

[a]Includes sensitive compartmented information clearances.

Source: Assistant Secretary of Defense (Command, Control, Communications, and Intelligence).

A key limitation of the team's estimate was the inconsistency with which individual services arrived at their estimates. Each service used a different method and a different point in time to determine its backlog.

- The Army asked its commands and units for a backlog count as of September 30, 1999.
- Navy leaders did not want to ask commands and units to count overdue reinvestigations, stating that this would disrupt mission responsibilities. Instead, the Navy used a combination of different methods to estimate the backlog as of September 1999. For example, it (1) counted overdue

reinvestigations of civilian personnel in one major command and, on the basis of this count, estimated through extrapolation, the Navy's total civilian personnel backlog; (2) estimated the military personnel backlog by analyzing military jobs requiring clearances and the years of service of the individuals occupying those jobs (for example, individuals with over 6 years of service in jobs requiring a top secret clearance were considered overdue for a reinvestigation); and (3) used a count of overdue reinvestigations of civilian and military personnel in the Marine Corps as of September 10, 1999.

- In March 1999, the Air Force had asked its commands and units to count civilian and military personnel overdue for a reinvestigation. Using this information, the Air Force then developed an estimate of its backlog as of April 1999. The Air Force did not perform another count in response to the process team's request. Instead, it added all reinvestigation requests that it had submitted between May and December 1999, and subtracted them from its April 1999 estimate. The Air Force did not verify whether the requests subtracted from this estimate had been included in the original April 1999 estimate and it did not add individuals that had become overdue for a reinvestigation from May through December 1999.

Another limitation of the team's estimate was its use of prior estimates of overdue reinvestigations for DOD agencies and contractor personnel. Because Defense agencies accounted for a very small proportion of the backlog, the team did not ask them to count their overdue reinvestigations. Instead, the team used backlog estimates the agencies had previously developed for the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) in mid-1999. The team also used a prior Defense Security Service estimate of the contractor reinvestigation backlog, even though contractor personnel accounted for about one-third of the total backlog. Defense Security Service officials stated that the contractor backlog estimate was developed from the Service's database in May 1999. This estimate was adjusted to approximate the contractor backlog as of September 1999 by subtracting reinvestigation requests submitted to the Defense Security Service from June 1999 through September 1999. The team used this adjusted number as part of its estimate of the total DOD backlog.

Finally, the team's estimate used a definition of overdue reinvestigations that excluded those overdue reinvestigations submitted to but still pending at the Defense Security Service. Normally, the Defense Security Service does not open a reinvestigation immediately after it receives a request and

usually requires about 5 to 7 months to complete a reinvestigation. When the team reported its estimate in January 2000, about 86,000 reinvestigations were still pending at the Defense Security Service. According to DOD officials, the vast majority of these reinvestigations were overdue.

Limitations of the Contractor's Backlog Estimate

In 1999, the Defense Security Service initiated a study to identify the true size of the backlog and to determine how it should prioritize backlog cases so that those with the highest security risk could be completed first. The Defense Security Service contracted with the MITRE Corporation to assist in this effort, which used statistical sampling.

As a starting point, the Defense Security Service asked the Defense Manpower Data Center[5] to develop a rough estimate of the reinvestigation backlog using the Defense Clearance and Investigations Index and other DOD databases of current military, civilian, and contractor personnel. The Center reported that 954,445 individuals were overdue for reinvestigation as of June 30, 1999. MITRE then requested that the Center draw a random sample of 1,200 cases—400 at the sensitive compartmented information clearance level,[6] 400 at the top secret level, and 400 at the secret level—to refine the rough estimate, which was understood to overstate the backlog. Defense Security Service officials stated that overdue confidential clearances were not included in this process because the number was relatively small—about 15,000. At MITRE's request, the Defense Security Service surveyed the sampled cases by asking each individual's security manager whether the individual (1) currently held an active clearance under the manager's jurisdiction, (2) currently needed access to classified information at the clearance level indicated, and (3) had no clearance update request in process. To be considered a true backlog case, the security manager had to answer "yes" to all three questions.

[5]To support DOD's information requirements, the Center collects and maintains an archive of automated manpower, personnel, training, and financial databases.

[6]The sensitive compartmented information clearance level is a special top secret clearance.

When MITRE wrote its report, it had received 617 survey responses (51 percent of the sample cases).[7] Of these, 246 identified true backlog cases. On the basis of these responses, MITRE estimated that the backlog, as of June 30, 1999, totaled between 451,757 and 558,552, with a mean estimate of 505,155, as shown in table 2.

Table 2: Contractor's Backlog Estimate

Clearance level	Lower limit	Mean	Upper limit
Sensitive compartmented information	19,635	25,288	30,941
Top secret	36,680	44,375	52,070
Secret	382,954	435,492	488,029
Total[a]	**451,757**	**505,155**	**558,552**

[a]Total lower and upper limits were computed separately and do not sum up.

Source: MITRE.

A key limitation of the MITRE estimate was its low survey response rate. First, no survey follow-up was performed to increase the response rate. Second, because responses were fewer than 1,200, the estimate rested upon the assumption that there were no statistical differences between respondents and nonrespondents. However, to determine whether this assumption was true, sampling and follow-up of nonrespondents was required; but neither was performed. In fact, MITRE stated in its report that the assumption probably was not true because security managers were more likely to respond to the survey if an individual still held and needed a security clearance than if an individual no longer held or needed a clearance. On the basis of this belief, MITRE stated that its estimate was probably biased on the high side, somewhat overstating the true size of the backlog.

[7]*The Defense Security Service's Backlog of Periodic Reinvestigations: Statistical Analysis and Risk Prioritization Procedure*, the MITRE Corporation (Feb. 2000). The MITRE study also developed an algorithm to prioritize reinvestigation requests on the basis of security risk. By comparing historical data on clearance revocations with information submitted with each individual's reinvestigation request, the algorithm predicts the likelihood that the individual's clearance might be revoked. Defense Security Service officials stated that they plan to begin using the algorithm during summer 2000 to give priority to those reinvestigations considered the riskiest.

Another limitation of the MITRE estimate was that, like the process team's estimate, it did not include all overdue reinvestigations. Specifically, the estimate excluded overdue confidential reinvestigations and, by definition, overdue reinvestigations pending at the Defense Security Service. Defense Security Service officials have estimated that about 15,000 confidential reinvestigations are overdue. In February 2000, when MITRE issued its report, about 94,000 reinvestigations were pending at the Defense Security Service. DOD officials stated that the vast majority of these were overdue.

Prior DOD Backlog Estimates

Several widely divergent backlog estimates have been cited in various DOD documents and statements in 1998 and 1999. However, these estimates cannot be compared either with each other or with the more recent estimates by the process team and MITRE because they included different clearance levels and were developed using different methods, time periods, and criteria for determining when an individual is overdue for a reinvestigation. For example, the Joint Security Commission II[8] used a statistical survey and estimated that about 73,160 top secret and sensitive compartmented information clearances were overdue for reinvestigation in October 1998. The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) used the counting method and estimated that the backlog totaled 624,215 for all clearance levels in September 1999. The Defense Manpower Data Center used existing databases, with no statistical sampling, to develop three prior rough estimates, which ranged between 611,652 and 992,231. Although these estimates were known to be overstated due to database problems, they have been occasionally cited, without qualification, as representing the reinvestigation backlog.

Appendix I summarizes key data related to DOD's two recent and other reinvestigation backlog estimates.

DOD Is Taking Steps to Address the Backlog

DOD has taken several steps to deal with the reinvestigation backlog problem, including setting goals to eliminate the backlog, requiring the services and Defense agencies to formulate plans to meet the goals, and expanding DOD's investigative capacity by shifting some Defense Security

[8] The Joint Security Commission, established by the Secretary of Defense and the Director of Central Intelligence, was convened twice to review U.S. security policies and procedures. It issued reports on its work in 1994 and 1999.

Service workload to the Office of Personnel Management. DOD also plans to implement a new personnel security database with the capability of providing accurate data on overdue reinvestigations.

DOD Is Formulating Plans to Eliminate the Backlog

In a June 9, 1999, memorandum, the Deputy Secretary of Defense directed the services and Defense agencies to eliminate the backlog by the end of fiscal year 2000 by ensuring that (1) all individuals had current clearances in accordance with national standards or (2) all requests for reinvestigation were submitted and in process. The memorandum also

- stated that, contrary to established practice, clearances were to be administratively terminated or downgraded if they were not based upon a current investigation or were not in process for a reinvestigation by September 30, 2000;
- directed each service and agency to submit to the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) a phased quarterly plan for eliminating the backlog in fiscal year 2000;
- directed the services and agencies to fund the additional costs of eliminating the backlog from their existing budgets, acknowledging that the costs of performing reinvestigations to eliminate the backlog had not been planned; and
- called for shifting some Defense Security Service workload to the Office of Personnel Management and to private sector investigative companies, thereby expanding DOD's investigative capacity.

Beginning in October 1999, DOD shifted all initial investigations and reinvestigations (except overseas investigations) of its civilian personnel to the Office of Personnel Management. Although this part of the Deputy Secretary's memorandum was implemented, analyses showed that the services and other agencies were not submitting overdue reinvestigation requests at the rate that was required to eliminate the backlog by September 30, 2000. During fiscal year 2000, the services and Defense agencies had planned to submit 505,786 overdue reinvestigation requests (the same number estimated by the process team) plus 131,000 that were becoming due. Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) and Defense Security Service analyses of the first 7 months of fiscal year 2000 showed that the services and agencies submitted only about 28 percent of the anticipated reinvestigation requests from October 1999 through April 2000. The Defense Security Service estimated that the submitted reinvestigation requests were only about 34,000 more than the number of reinvestigations expected to become

due during this period. On the basis of the backlog estimate, this would indicate only a modest drop—about 7 percent—in overdue reinvestigations not submitted for update. To meet the goal of eliminating the entire backlog by September 30, 2000, the backlog should have been reduced by over 50 percent by the end of April.

According to officials in the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence), the services and Defense agencies have not been implementing their plans primarily because they have not budgeted the additional funds needed to cover the costs of the increased workload and have not shifted funds from other programs. Recognizing the problem, the Deputy Secretary of Defense issued a memorandum on March 31, 2000, that superseded the June 9, 1999, memorandum. The new memorandum

- extended the timeline for eliminating the backlog to March 31, 2002;
- directed that all secret and confidential initial investigations and reinvestigations of military personnel be transferred to the Office of Personnel Management to reduce the Defense Security Service's investigative workload; and
- stated that the Defense Security Service would continue to perform overseas investigations, top secret initial investigations and reinvestigations of military personnel, and all investigations and reinvestigations of contractor personnel.

In a June 22, 2000, memorandum, the DOD Comptroller further discussed DOD's revised plan to address the backlog. This memorandum

- estimated that an additional $201.6 million was needed to pay for work transferred to the Office of Personnel Management in fiscal years 2001 and 2002;
- directed the services and other components to (1) allocate funds from existing resources (as per the Deputy Secretary's June 9, 1999, memorandum) to pay for investigations performed by both the Defense Security Service and the Office of Personnel Management during fiscal year 2001 and (2) include all investigation funding that would be required for fiscal year 2002 in their budget submissions;
- directed the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to issue implementing guidance for the revised plan within 60 days; and
- directed each service and component to (1) establish procedures for monitoring and executing plans to eliminate the backlog and (2) appoint

a senior official to monitor submissions of personnel security investigations.

Neither memorandum issued in 2000 stated that clearances would be canceled or downgraded if reinvestigations were not current or in process by the new deadline. Thus, unlike the Deputy Secretary of Defense's initial June 9, 1999, memorandum, they did not provide the same incentive urging security managers to submit future reinvestigation requests on time.

DOD Is Implementing a New Personnel Security Database

Officials in the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) told us that they are overseeing implementation of a new DOD-wide personnel security database system that, among other things, will have the capability to provide current and accurate data on overdue reinvestigations. The system, the Joint Personnel Adjudication System, is intended to consolidate all critical DOD and service data systems involved in the security clearance process and provide real-time input and retrieval of clearance-related information by security managers throughout DOD. According to the officials, local security managers will be responsible for ensuring that the new data system contains each individual's current required security access level. Assuming that the data will be accurate and reliable, the officials stated, the system will be able to provide current and accurate information on the status of security clearances, including counts of overdue reinvestigations. With this capability, DOD should no longer need to expend resources to produce ad-hoc estimates of the backlog. The officials said, however, they had not yet developed a framework that specifies how and when the system's periodic reinvestigation information will be extracted and used to monitor program performance. The new data system is scheduled to undergo initial operational testing beginning in September 2000, with full implementation planned by late spring or summer 2001.

Conclusions

DOD does not have an accurate count of security clearances overdue for reinvestigation because it (1) does not have an information system capable of identifying all overdue security clearances, (2) used different means with methodological limits to estimate the size of the backlog, and (3) used a definition that excluded a significant portion of the backlog from its estimates.

DOD needs to know the full extent of its reinvestigation backlog, including reinvestigations overdue but not yet submitted for reinvestigation and those in process, to properly manage its reinvestigation program. DOD's planned Joint Personnel Adjudication System is intended to be capable of providing DOD managers with more accurate projections of the full extent of the backlog. However, to date, DOD has not specified how it plans to use the information in this new personnel security database to help manage this program or how it will ensure that data in the system is kept current. Effective use of this database, once tested and validated, could allow DOD to know the full extent of its backlog and enable it to better plan and budget the investigative resources needed to effectively manage the program. Routine reports displaying reinvestigation information would facilitate more effective management and eliminate DOD's inefficient practice of estimating the backlog on an ad-hoc basis. However, appropriate incentives, such as the downgrading or termination of an individual's clearance that is overdue for reinvestigation, must be in place to ensure that the military services and Defense agencies keep information in the database current and submit cases for reinvestigation on time.

Recommendations

To improve the management of DOD's personnel security reinvestigation program, we recommend that the Secretary of Defense direct the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to

- design routine reports with key data from the Joint Personnel Adjudication System database to show the full extent of overdue reinvestigations, including those overdue but not yet submitted for update and those in process and
- develop appropriate incentives to encourage agency security managers to keep information in the database current and to submit reinvestigation requests on time. Changes in existing regulations, policies, and procedures may be necessary to provide such incentives.

Agency Comments

In written comments on a draft of this report, DOD agreed with the contents of the report and concurred with the recommendations. DOD stated that the Joint Personnel Adjudication System database will be linked to databases at the Defense Security Service and the Office of Personnel Management to track investigations in progress. This system will also be used to provide reports on many personnel security clearance areas. While

we believe that these actions should help, we believe that it is important that DOD also identify the specific information related to the backlog that will be provided and the time frames for the reports to ensure that this problem is routinely monitored. DOD further stated that those personnel who have not had a request for their periodic reinvestigation submitted to the Office of Personnel Management or the Defense Security Service by September 30, 2002, would have their security clearances downgraded or canceled. This date corresponds to the planned completion of DOD's most recent effort to eliminate its reinvestigation backlog. To help minimize the chances of future reinvestigation backlogs, it is important that DOD use this or other similar incentives on a continuing basis.

DOD's comments are presented in their entirety in appendix II. DOD also provided technical comments that we incorporated.

Scope and Methodology

We performed our work at the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence); the Defense Security Service; the Defense Manpower Data Center; and the headquarters of the Army, the Navy, the Air Force, and the Marine Corps. At each site, we interviewed cognizant officials and reviewed pertinent regulations and documents. We also discussed the backlog and related audit work at the Office of the DOD Inspector General. Because available information indicated that overdue reinvestigations from other Defense agencies comprised less than 5 percent of the total backlog, we did not visit any of these agencies.

To determine how DOD estimates the backlog, we identified DOD's recent backlog estimates and discussed with DOD officials how the estimates were made. We also documented DOD's definition of the reinvestigation backlog and discussed the reliability and usefulness of existing personnel security databases in making backlog estimates.

To assess the soundness of DOD's most recent backlog estimates, we determined whether the methods used to develop the estimates were reasonable, were applied consistently, and included all individuals with overdue reinvestigations. We also discussed methodology details with a MITRE representative who helped develop the MITRE estimate. Further, we documented the reasons why many past DOD backlog estimates have varied and are not directly comparable with each other. We did not verify the accuracy of the data DOD used to develop the estimates.

To identify DOD's plans for addressing the backlog problem, we interviewed officials in the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) and the Defense Security Service and reviewed past and present strategies to eliminate the backlog. We also discussed with DOD officials their plans for implementing a new personnel security database system, but we did not review the development and acquisition process for the new system.

We conducted our review from March through July 2000 in accordance with generally accepted government auditing standards.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days after its issue date. At that time, we will send copies to the Honorable William S. Cohen, Secretary of Defense; the Honorable Louis Caldera, Secretary of the Army; the Honorable Richard Danzig, Secretary of the Navy; the Honorable F. Whitten Peters, Secretary of the Air Force; and General James L. Jones, Commandant of the Marine Corps. We will also make copies available to appropriate congressional committees and others upon request.

If you or your staff have any questions concerning this report, please call Christine Fossett at (202) 512-2956 or me at (202) 512-5140. Major contributors to this report were Gary Phillips, Jim Ellis, and Jack Edwards.

Sincerely yours,

Carol R Schuster

Carol R. Schuster
Associate Director
National Security Preparedness Issues

Estimates of DOD's Periodic Reinvestigation Backlog

Various entities estimated the extent of DOD's periodic reinvestigation backlog in 1998 and 1999, as shown in the following table. To determine whether an individual is overdue for a reinvestigation, DOD normally considers the reinvestigation interval standard for the clearance access level required to do the job. According to DOD officials, many individuals are eligible for a higher clearance than required to do the job. Existing databases always include the individual's eligibility level, but they do not always include the individual's required access level. The last column in the table shows which basis was used to determine the number of overdue investigations.

Source of the estimate	Estimate backlog size	Clearance levels[a]	Estimating method	Backlog "as of" date	Basis for determining overdue reinvestigations
Recent refined estimates					
Process team[b]	505,786	TS, S, C	Head count	Sept./Dec. 1999	Access
MITRE[c]	505,155[d]	TS, S	Statistical survey	June 1999	Access
Prior refined estimates					
Assistant Secretary of Defense (Command, Control, Communications, and Intelligence)	624,215	TS, S, C	Head count	Sept. 1999	Access, but eligibility was used for many individuals
Joint Security Commission II	73,160[e]	TS	Statistical survey	Oct. 1998	Access
Unrefined estimates					
Defense Manpower Data Center for the Defense Security Service	992,231	TS, S, C	Rough estimate/ existing databases	June 1999	Access, if information was in the database; otherwise eligibility
Defense Manpower Data Center for the Assistant Secretary	868,943[f] 611,652[g]	TS, S, C	Rough estimate/ existing databases	Oct. 1998	Access, if information was in the database; otherwise eligibility

[a]Top secret (TS), including sensitive compartmented information. Secret (S). Confidential (C).

[b]Estimate made by Personnel Security Overarching Integrated Process Team.

[c]Estimate made by the Defense Security Service and its contractor, the MITRE Corporation.

[d]The estimate was between 451,757 and 558,552 with a mean estimate of 505,155.

[e]The estimate was between 64,790 and 81,685 with a mean estimate of 73,160.

[f]Based on lapsed time since last investigation date.

[g]Based on lapsed time since the individual's case was adjudicated; that is, the date the decision was made to grant the clearance.

Comments From the Department of Defense

ASSISTANT SECRETARY OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE

August 14, 2000

Ms. Carol R. Schuster
Associate Director, National Security
Preparedness Issues
National Security and International Affairs
Division
U.S. General Accounting Office
Washington, DC 20548

Dear Ms. Schuster:

This is the Department of Defense (DoD) response to the GAO draft report, "DOD PERSONNEL: More Actions Needed to Address Backlog of Security Clearance Reinvestigations," dated July 21, 2000, (GAO Code 702049/OSD Case 2055).

The report on the DoD periodic reinvestigation backlog was both comprehensive and accurate, especially given the complexity of the subject matter. The Defense Manpower Data Center (DMDC) offered a minor clarification with regards to data contained in Appendix I, page 21, which was addressed separately with GAO.

All DoD Components concurred with the contents of the report as well as the two recommendations. More detailed comments pertaining to the two recommendations are at Enclosure 1.

I appreciate the opportunity to comment on this report. Any questions pertaining to the contents of this memorandum may be referred to Mr. Peter Nelson, 703-697-3969.

Sincerely,

Arthur L. Money

Enclosures

GAO DRAFT REPORT – DATED JULY 21, 2000
GAO CODE 702049/OSD CASE 2055

"DOD PERSONNEL: MORE ACTIONS NEEDED TO ADDRESS BACKLOG OF SECURITY CLEARANCE REINVESTIGATIONS"

DEPARTMENT OF DEFENSE COMMENTS TO THE RECOMMENDATIONS

RECOMMENDATION 1: To improve the management of DoD's personnel security reinvestigation program, the GAO recommended that the Secretary of Defense direct the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to design routine reports to capture key data from the Joint Personnel Adjudication System database that would show the full extent of overdue reinvestigations, including those overdue but not yet submitted for update and those in process.

DOD RESPONSE: Concur. The DoD Joint Personnel Adjudication System (JPAS) goes into Beta testing in September 2000 through January 31, 2001. Upon full implementation in FY01, JPAS will have the capability to provide recurring reports showing the accurate number of DoD cleared personnel requiring a periodic reinvestigation, by Component and type of investigation. JPAS will also be linked to the Defense Security Service Case Control Management System and the Office of Personnel Management Security Investigations Index in order to track those investigations in progress. JPAS will provide both recurring and ad hoc reporting capabilities in these and many other areas relating to the personnel security clearance process.

RECOMMENDATION 2: To improve the management of DoD's personnel security reinvestigation program, the GAO recommended that the Secretary of Defense direct the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to develop appropriate incentives to encourage agency security managers to keep information in the database current and to submit reinvestigation requests on time. Changes in existing regulations, policies, and procedures may be necessary to provide such incentives.

DOD RESPONSE: Concur. As discussed above, JPAS will provide OASD(C3I) with the capability of monitoring the status of overdue periodic reinvestigations (PR) on a regular basis. At the completion of the two-year effort to eliminate the PR backlog by September 30, 2002, those personnel who have not had their PR submitted to OPM or DSS at that time will have their security clearance/access downgraded or administratively terminated. This policy will be included in the forthcoming ASD(C3I) memorandum, which will implement the June 22, 2000 Comptroller "spend plan."

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