United States General Accounting Office

GAO

Testimony

Before the Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform, House of Representatives

For Release on Delivery
Expected at 10:00 a.m.
Wednesday,
September 20, 2000

DOD PERSONNEL

More Accurate Estimate of Overdue Security Clearance Reinvestigations Is Needed

Statement of Carol R. Schuster, Associate Director
National Security Preparedness Issues
National Security and International Affairs Division

GAO
Accountability * Integrity * Reliability

GAO/T-NSIAD-00-246

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our recent evaluation of the Department of Defense's (DOD) backlog of overdue personnel security reinvestigations.[1] This evaluation was conducted at the request of the Subcommittee Chairman, who was concerned about the size of the backlog. In January 2000, DOD estimated that the backlog had grown to over 505,000, or about one out of every five individuals with a security clearance. However, DOD has also reported that it does not know the actual backlog size because existing personnel security databases cannot provide an accurate count of overdue reinvestigations.

To lessen the government's vulnerability to espionage and 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 An individual's security clearance is outdated if a reinvestigation has not been initiated in the past 5 years for top secret clearances, 10 years for secret clearances, and 15 years for confidential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.

Today, we will discuss (1) how DOD estimates the backlog, (2) the soundness of DOD's backlog estimates, and (3) DOD's plans to address the backlog problem. But first, we would like to provide a brief summary of our testimony.

Summary

In the absence of a Department-wide database that can accurately measure the reinvestigation backlog, DOD estimates the backlog on an ad-hoc basis. Since 1998, various DOD documents and statements have cited several widely divergent backlog estimates—ranging from about 452,000 to 992,000. More recently, DOD has attempted to develop formal and more accurate estimates 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. Using the sampling method,

[1] *DOD Personnel: More Actions Needed to Address Backlog of Security Clearance Reinvestigations* (GAO/NSIAD-00-215, Aug. 24, 2000).

DOD uses statistical analysis to refine rough—and known to be inaccurate—estimates extracted from existing security databases.

However, the reliability of DOD's recent formal backlog estimates is questionable because the estimates had methodological limitations, were 6 or more months old by the time they were reported, and excluded thousands of overdue reinvestigations. For example, using the counting method, DOD reported in January 2000 that the backlog totaled about 505,000. However, the military services used inconsistent methods and different time periods to determine their backlog counts, and DOD did not verify the accuracy of the counts. Using the sampling method, a DOD contractor reported in February 2000 that the backlog also totaled about 505,000. However, only half of the individuals sampled responded to the survey, and the necessary follow-up was not performed to make the estimate statistically valid. Moreover, both estimates excluded as many as 94,000 overdue reinvestigations that had been submitted for processing but were not yet completed as of February 2000.

Knowing the accurate size of the backlog is an important step towards effectively managing and eventually eliminating the backlog. DOD recognizes this and plans to implement a new personnel security database in mid-2001 designed to include information that could allow real-time counts of overdue reinvestigations. However, DOD has not specified how it plans to use the information in the new database to help manage the reinvestigation program or ensure that future reinvestigation requests are submitted when they are due. Our August 2000 report recommended that DOD design routine reports that show the full extent of the backlog and that DOD develop incentives to keep reinvestigation information current and have requests for reinvestigations submitted on time. DOD agrees with these recommendations and has begun to implement them.

Background

The federal government uses personnel security investigations to determine whether an individual should be granted access to classified information. In addition to requiring an initial investigation, federal standards require periodic reinvestigations of individuals granted access to classified information. Although such investigations do not guarantee that individuals will not later engage in espionage activities, they remain a critical part of 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 has not been conducted precisely within 5 years for top secret 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 when reinvestigations are overdue.

Although DOD has historically reported a large backlog of overdue reinvestigations,[2] the size of 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 longer completion times.

[2]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.

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

DOD does not have a Department-wide information system to track the status of security clearances. 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 of individuals with overdue reinvestigations and statistical sampling techniques to refine rough estimates of overdue reinvestigations from existing databases. DOD's primary existing 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 clearances 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.

Reliability of DOD's Backlog Estimates Is Questionable

DOD's two most recent backlog 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. The process team's estimate originated in November 1999, when the Deputy Secretary of Defense formed the 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 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 by asking the services to count the number of individuals overdue for a reinvestigation.

The team's estimate contained three key limitations that raise questions about the reliability of the estimate. First, the team did not review the methods used or the accuracy of the backlog counts reported by the services. Second, the services were inconsistent in the way they arrived at their counts and used different points in time to determine their 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 (1) counted overdue reinvestigations of civilian personnel in one major command as of September 1999 and, on the basis of that count, extrapolated an estimate of its total civilian personnel backlog; (2) estimated its 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.

- Rather than performing another count of its backlog, the Air Force adjusted an April 1999 backlog estimate to approximate its backlog as of December 1999. To do this, the Air Force 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.

The third limitation was that, rather than developing new backlog counts, the team used previously developed estimates of overdue reinvestigations among DOD agencies and contractors, even though these accounted for about one-third of the 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 were overdue.

DOD's other recent backlog estimate—made by a contractor using statistical sampling—originated from a 1999 Defense Security Service study to measure the backlog and determine how the Service should prioritize backlog cases so that those with the highest security risk could be completed first.[3] As a starting point, the Defense Security Service obtained a rough, and known to be inaccurate, estimate of the reinvestigation backlog using existing databases. This estimate indicated that 954,445 individuals were overdue for reinvestigation as of June 30, 1999. From this estimate, a random sample of 1,200 cases was taken. Each case was surveyed to determine whether it was a true backlog case—meaning that the individual held an active clearance, needed access to classified information at the clearance level indicated, and had no clearance update request in process. When the contractor wrote its report, it had received 617 survey responses (51 percent of the sample cases). Of these, 246 identified true backlog cases.

The contractor's estimate also included limitations that raise questions about its reliability. One was the low survey response rate. No survey follow-up was performed to increase the response rate, and because responses were fewer than 1,200, the estimate rested on 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 were required; but neither was performed.

Another key limitation of the contractor's estimate was that, similarly to the process team's estimate, it did not include all overdue reinvestigations. The estimate excluded overdue confidential reinvestigations, which number about 15,000, according to Defense Security Service officials. The estimate also excluded overdue reinvestigations pending at the Defense Security Service. In February 2000, when the contractor issued its report, about 94,000 reinvestigations were in process, and DOD officials stated that the vast majority of these were overdue.

Other 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 the contractor because they included

[3]The contractor's study 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.

different clearance levels and were developed using different methods, time periods, and criteria for determining when an individual is overdue for a reinvestigation. Appendix I summarizes key data on reinvestigation backlog estimates by DOD and others.

DOD Is Taking Steps to Address 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 called for shifting some Defense Security Service workload to the Office of Personnel Management and to private investigative companies to expand DOD's investigative capacity. 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.

Although DOD shifted initial investigations and reinvestigations (except overseas investigations) of its civilian personnel to the Office of Personnel Management in 1999, the services and Defense agencies did not submit overdue reinvestigation requests at the rate required to eliminate the backlog by September 30, 2000. The services and Defense agencies had planned to submit 505,786 overdue reinvestigation requests (the same number estimated by the process team) in fiscal year 2000, plus 131,000 that were becoming due. DOD 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. This was only about 34,000 more than the number of reinvestigations expected to become due during this period, indicating 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 (about 250,000) by the end of April.

According to DOD officials, the services and Defense agencies did not submit more overdue reinvestigations primarily because they had not budgeted the additional funds needed to cover the costs of the increased workload and did not shift funds from other programs. Recognizing the problem, subsequent DOD memorandums issued on March 31, 2000, and June 22, 2000,

- extended the deadline for eliminating the backlog to March 31, 2002 (now extended to September 30, 2002);

- directed that all secret and confidential initial investigations and reinvestigations of military personnel be transferred to the Office of Personnel Management to further reduce the Defense Security Service's investigative workload;[4]

- 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; and

- directed the services and other components to (1) allocate funds from existing resources 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.

Neither memorandum issued in 2000 stated that clearances would be cancelled 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 also implementing a new personnel security database, the Joint Personnel Adjudication System, to consolidate its security clearance data systems and provide real-time input and retrieval of clearance-related information. Assuming that the data will be accurate and reliable, DOD officials stated, the system will be able to provide 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, that they had not yet determined how and when the system's periodic reinvestigation information will be extracted and used to monitor program performance.

DOD Is Implementing Our Recommendations

To improve the management of DOD's personnel security reinvestigation program, we recommended that DOD (1) 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 (2) develop appropriate

[4]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.

incentives to encourage agency security managers to keep information in the database current and to submit reinvestigation requests on time. DOD agreed with the contents of our report and our recommendations and stated that it would take steps to implement the recommendations. DOD stated, for example, that it would require that security clearances be downgraded or cancelled for those individuals who do not have a current clearance or who have not had the request for a periodic reinvestigation submitted to the Office of Personnel Management or the Defense Security Service by September 30, 2002.

Mr. Chairman and Members of the Subcommittee, this concludes our formal statement. We will be happy to answer any questions you may have.

Contact and Acknowledgments

For future contacts regarding this testimony, please contact Carol Schuster at (202) 512-5140. Individuals making key contributions to this testimony included Christine Fossett, Gary Phillips, and James Ellis.

Estimates of DOD's Periodic Reinvestigation Backlog

Various entities have estimated the extent of the Department of Defense's (DOD) periodic reinvestigation backlog, 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	Estimated 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.

Source: GAO analysis of data provided by DOD.

(702095)

Ordering Information

Orders by Internet

For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to:

Info@www.gao.gov

or visit GAO's World Wide Web home page at:

http://www.gao.gov

To Report Fraud, Waste, and Abuse in Federal Programs

Contact one:

Web site: http://www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

1-800-424-5454 (automated answering system)