

GAO

Report to the Chairman, Subcommittee on
Environment, Energy and Natural
Resources, Committee on Government
Operations, House of Representatives

November 1988

NUCLEAR SECURITY

DOE Actions to Improve the Personnel Clearance Program





United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

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November 9, 1988

The Honorable Mike Synar
Chairman, Subcommittee on Environment,
Energy and Natural Resources
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

As you requested on February 17, 1988, we have determined the status of the Department of Energy's (DOE) implementation of recommendations in our two reports on DOE's personnel security clearance program.¹ Our recommendations were aimed at improving the timeliness, accuracy, and efficiency of personnel security clearance decisions. Specifically, our objective was to determine and report on steps DOE is taking to implement our recommendations.

In summary, we found that DOE has either initiated action or is studying ways to address all the recommendations, but none of the recommendations have been completely implemented. The effectiveness of the DOE actions will depend, in part, on the adequacy of its internal control system for overseeing and evaluating program operations.

Background

As discussed in our March and December 1987 reports, DOE's personnel security clearance program is intended to provide reasonable assurance that personnel with access to classified information and materials are trustworthy. The Department requests that the Office of Personnel Management or the Federal Bureau of Investigation collect personal data on each person who requires such access to do his or her job. Based on these background investigations, DOE officials authorize individuals whose personal histories indicate that they are trustworthy to have access to classified information, secured facilities, and controlled materials as needed to perform their jobs. DOE has five types of these authorizations or personnel security clearances and must update information on personnel holding each type at 5-year intervals to confirm their continuing reliability. The five types are based on the types of security interests to which the person needs access, e.g., persons needing nuclear weapons-related data must have a Q clearance, and persons with a top secret

¹DOE's Reinvestigation of Employees Has Not Been Timely (GAO/RCED-87-72, Mar. 1987) and DOE Needs a More Accurate and Efficient Security Clearance Program (GAO/RCED-88-28, Dec. 1987).

We made recommendations in four areas. We recommended better enforcement of pre-employment screening requirements by DOE contractors and expansion of employment suitability criteria to include consideration of drug and alcohol abuse. We also recommended use of time standards and process streamlining to achieve more timely decisions to grant, deny, and revoke clearances. Additionally, we recommended reconciliation of information between contractors and DOE's security personnel to improve data base accuracy and better updating techniques to maintain accuracy. Finally, we recommended development of better guidance and training materials on the need-to-know principle.

DOE concurred with our recommendations and initiated actions to comply with all of them. Internal evaluations of how to improve contractor compliance with pre-employment requirements and how to expedite the decision-making process for security clearances are now in progress. A project to upgrade the central personnel security clearance data base is underway as well. In February 1988, DOE issued revised guidance that defines and explains how to implement the need-to-know principle, and it is developing new security training materials. Details are presented in appendix II.

Observations on Ways DOE Could Enhance the Effectiveness of Its Corrective Actions

DOE can enhance the overall efficiency and effectiveness of changes it makes in the personnel security program by considering each area now being studied as an internal control problem. The effectiveness of changes adopted at the conclusion of the studies will depend, in part, on how well the control objectives and techniques meet government standards, as specified in GAO's Standards for Internal Controls in the Federal Government, published in 1983. As decisions are made on which alternatives to adopt for improving contractor performance of pre-employment investigations, for example, the specific control objective to be accomplished must be determined first. Then reliable techniques to achieve the objective, particularly techniques to give DOE oversight of internal controls exercised by contractors, can be selected.

Scope and Methodology

We reviewed documents, including plans prepared by field offices and staffing analyses for the reinvestigation program. We also analyzed data provided by DOE on current numbers of clearances requiring reinvestigation and total numbers and levels of personnel clearances. Finally, we interviewed personnel who are directing ongoing projects related to our recommendations. Our work was conducted at DOE headquarters.

Appendix IV Reduction of Reinvestigation Backlog for Selected DOE Offices From July 1986 to April 1988		16
Appendix V Clearances Based on Investigations 5 Years Old or Older for Selected DOE Offices April 1988		17
Appendix VI Major Contributors to This Report	Resources, Community, and Economic Development Division, Washington, D.C.	18

Abbreviations

ASDP	Assistant Secretary for Defense Programs
CPCI	Central Personnel Clearance Index
DOE	Department of Energy
FBI	Federal Bureau of Investigation
GAO	General Accounting Office
OPM	Office of Personnel Management

IV. The remaining backlog is still large, however, and appendix V illustrates that 43 percent of the total personnel security clearances managed by these offices are based on investigations 5 years old or older. Only one of these four offices, Richland, has an approved plan, which if successfully implemented will eliminate the backlog of reinvestigations by the end of fiscal year 1990. The Richland plan discusses staffing shifts and use of contractor support for clerical duties to provide the needed resources to clear the backlog 1 year earlier than DOE's goal. Each office with an approved plan is supposed to report its actual status in reaching compliance with DOE's reinvestigation requirements annually, beginning in November 1988, according to DOE security officials.

In addition to the Richland Operations Office, the Idaho and Chicago Operations Offices and the Pittsburgh Naval Reactors Office plans have been approved by the ASDP. Each plan discusses actions similar to those in the Richland plan for reducing the numbers of clearances, adjusting staff assignments or using contract services to meet the workload, and increasing requests to OPM for reinvestigations. If successful, Idaho plans to be current with reinvestigations by the end of fiscal year 1989, Chicago by the end of fiscal year 1991, and Pittsburgh by the end of fiscal year 1992.

The seven plans that have not yet been approved include requests for staffing increases to meet milestones for the reinvestigation program. Given the additional staff, four of these plans would achieve the fiscal year 1991 goal, but two others would take until fiscal year 1992 and one until fiscal year 1993 to clear the backlog of reinvestigations.

In October 1987, DOE's Manpower Management Directorate of the Assistant Secretary for Management and Administration staff reviewed the plans and performed a manpower analysis of DOE resources assigned to the personnel security program. By April 1988, this Directorate identified additional support service contracting as an alternative to increased permanent personnel authorizations that had not been adequately considered in the plans. The Directorate recommended that if additional personnel are still required after contracting possibilities and internal redistribution of slots have been exhausted, the field offices should be directed to make requests for personnel ceiling adjustments in the current year and increases for fiscal year 1990 through the internal resource budget process. The Director of Manpower Management told us that the personnel security program is second only to safety and environmental efforts as a budget priority, but personnel ceiling increases seem unlikely in the current constrained budget environment.

DOE Implementation of Recommendations in GAO's Report on the Accuracy and Efficiency of the Clearance Program

GAO Recommendation

To improve the effectiveness of pre-employment screening and ensure contractor compliance with requirements.

DOE Status

DOE concurred with this recommendation and is evaluating how to achieve better pre-employment screening by contractors. Each operations office has been directed to form a team of personnel security and industrial relations specialists to evaluate the nature and extent of non-compliance or incomplete compliance with departmental screening requirements. These teams are to submit recommendations to headquarters for developing possible changes to departmental regulations and procedural instructions. This evaluation effort is scheduled to be completed by March 30, 1989.

GAO Recommendation

Amend regulations to require contractors to address drug and other substance abuse in determining employee suitability.

DOE Status

Regarding our recommendation that contractors address drug and other substance abuse in determining employee suitability, DOE is relying on a Drug Free Workplace program to achieve this objective. As one part of this program, on February 19, 1988, DOE issued draft Order 3220 for internal comment on requirements to establish a drug free workplace in every DOE facility. The final order is planned for publication after the relevant federal regulations are changed in 1989. The draft order includes a provision that "applicants who have been tentatively selected for employment in a [drug] testing designated position will be given a drug test prior to final selection." As drafted, this order requires that employees in positions that require them to have access to, transport, or guard special nuclear materials, or in positions that affect the national security, are subject to the testing process. DOE also stated in reply to our December 1987 report that the majority of relevant contractors already test applicants for illegal drugs.

Screening for alcohol abuse will be handled differently, however. Because there is no "simple professionally recognized test" for alcohol abuse, DOE plans to improve screening of applicants "through better understanding and application of suitability criteria" applied during pre-employment inquiries and in the interview process. DOE expects further improvements when the Department-wide pre-employment screening assessment is completed in March 1989.

GAO Recommendation

Ensure a reliable and efficient security clearance data base by validating the accuracy and completeness of the central personnel clearance index compared to contractor files; developing updating techniques; and determining if one data base can serve all DOE clearance needs better than the current multilayered system.

DOE Status

DOE is upgrading telecommunications services and equipment that support the Central Personnel Clearance Index (CPCI), a Department-wide data base of personnel security clearances. A project led by the Directorate of Information Systems is upgrading the CPCI to make data transmission faster and more reliable as well as to improve reporting capabilities that will make the data base more useful. It is scheduled for completion in December 1988.

According to DOE officials and the field office reinvestigation program plans, data reconciliation efforts for personnel security clearances are underway throughout DOE. The Office of Safeguards and Security Personnel Clearance Branch have recently completed a 100-percent DOE-wide reconciliation of social security numbers of employees listed in the index. Headquarters and the Richland Operations Office have also completed reconciliations of all the data they provide to the index, and the other field offices are in the process of doing so.

Employees involved in the CPCI upgrade project foresee a continuing problem maintaining the accuracy of the CPCI, however, because of the time lag between termination, suspension, or revocation of clearances and updating the data base. The project manager told us that this lag is a result of the way operations offices report transactions. He believes the problem would be virtually eliminated by using the new system that the CPCI upgrade is making available. Officials of the Office of Safeguards and Security do not believe, on the other hand, that they now have the authority to require all field offices to discontinue local, unique systems and to report personnel security clearance data via the on-line system. DOE's letter responding to our report said, however, that the decision on whether to impose a standard approach would be made in December 1988, the completion date for the upgrade project.

GAO Recommendation

Improve control of classified information by revising regulations to establish approval levels and procedures for need-to-know decisions.

Clearance Reductions for Selected DOE Offices From October 1986 to April 1988

Type	HQ	Richland	Oak Ridge	Albuquerque	Total
Q Sensitive					
Oct 86	3,591	205	1,114	3,969	8,879
Apr 88	2,017	80	793	3,287	6,177
Q Non-sensitive					
Oct 86	7,047	11,046	32,850	45,813	96,756
Apr 88	6,541	10,520	27,484	42,868	87,413
L					
Oct 86	833	4,966	6,183	1,246	13,228
Apr 88	705	3,352	5,939	563	10,559
Top Secret					
Oct 86	174	0	247	1	422
Apr 88	166	0	252	1	419
Secret					
Oct 86	925	1	1,311	3	2,240
Apr 88	715	0	685	2	1,402
Total					
Oct 86	12,570	16,218	41,705	51,032	121,525
Apr 88	10,144	13,952	35,153	46,721	105,970
Reduction					
	2,426	2,266	6,552	4,311	15,555
Percent reduction					
	19	14	16	8	13

Source: October 1986 data obtained from DOE Needs A More Accurate and Efficient Security Clearance Program, (GAO/RCED-88-28, Dec. 1987). April 1988 data provided by DOE.

Clearances Based on Investigations 5 Years Old or Older for Selected DOE Offices April 1988

	HQ	Richland	Oak Ridge	Albuquerque	Total
Clearances	10,144	13,952	35,153	46,721	105,970
Investigations > 5 years old	1,990	1,496	16,875	24,813	45,174
Percent needing reinvestigation	20	11	48	53	43

Source: Data provided by DOE.

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Major Contributors to This Report

Resources,
Community, and
Economic
Development Division,
Washington, D.C.

Keith O. Fultz, Senior Associate Director, (202) 275-1441
Carl J. Bannerman, Group Director-in-Charge
Beverly A. Daniel, Evaluator-in-Charge

Reduction of Reinvestigation Backlog for Selected DOE Offices From July 1986 to April 1988

	HQ	Richland	Oak Ridge	Albuquerque	Total
July 1986	3,434	8,911	29,940	33,314	75,599
April 1988	1,990	1,496	16,875	24,813	45,174
Reduction	1,444	7,415	13,065	8,501	30,425
Percent reduction	42	83	44	26	40

Source: July 1986 data obtained from DOE's Reinvestigation of Employees Has Not Been Timely (GAO/RCED-87-72, Mar. 1987). April 1988 data provided by DOE.

**Appendix II
DOE Implementation of Recommendations in
GAO's Report on the Accuracy and Efficiency
of the Clearance Program**

DOE Status

On February 12, 1988, DOE Order 5635.1A was issued to revise previous requirements for control of classified documents and information. Included in this guidance are a definition of "need to know," responsibilities for implementation of the principle, and procedures to control access to secret and confidential documents.

GAO Recommendation

Revise the security training program to develop more uniform training materials and to ensure that such training is provided annually to employees as required.

DOE Status

According to a DOE security official, a set of four security education video tapes is being developed. The first video tape deals with the need-to-know principle and how to implement it in practical situations. This tape is scheduled for completion and distribution to DOE facilities and offices with security functions early in fiscal year 1989.

GAO Recommendation

Improve the timeliness of security clearance processing and avoid unnecessary costs and adverse impacts on security and productivity by establishing required time frames for accomplishing major steps.

DOE Status

DOE established timeliness standards for the majority of the steps in the administrative review process in Order 5631.2B, published May 18, 1988. Chapter III, section 14, establishes time schedules of the working days to be allowed for steps in the process. A time frame was not established for resolution of derogatory information in initial processing. According to personnel security officials, DOE has minimal control over how quickly people submit additional information to resolve questions about their backgrounds. To enforce these time requirements, the order specifies that the Director of Safeguards and Security conduct periodic personnel security program reviews.

GAO Recommendation

Assign sufficient staff to adhere to time frames.

DOE Status

As discussed in appendix I, the problem of how to meet the personnel security clearance program's personnel needs is under continuing review by DOE. Such alternatives as contracting for support functions and temporarily hiring retirees are under consideration for meeting the unique needs of each office. As of mid-October 1988, DOE had not approved increases in permanent personnel resources requested in plans for meeting reinvestigation milestones.

GAO Recommendation

Assess whether a simplified administrative review process is appropriate.

DOE Status

Alternatives for streamlining the administrative review process are being developed and analyzed by the committee chaired by the Acting Assistant Secretary for Operations discussed in appendix I. The chairman told us that numerous potential changes in decision-making levels and procedures are under consideration, but he will not release details until the committee completes its deliberations and the recommendations are approved by the ASDP and the Under Secretary in the first quarter of fiscal year 1989.

Appendix I
DOE Implementation of Recommendations in
GAO's Report on the Timeliness of
Employee Reinvestigations

In light of this continuing imbalance between personnel security program staffing and workload, the ASDP has directed the Acting Assistant Secretary for Operations to chair a committee composed of the Deputy Assistant Secretary for Security Affairs, the Deputy General Counsel, the Directors of Safeguards and Security for the Albuquerque and San Francisco Operations Offices, and the directors of Lawrence Livermore, Sandia, and Los Alamos national laboratories to review the policy, practices, and procedures of the clearance system, "with the intent of validating its virtues and developing improvements to repair any deficiencies." The chairman sees this committee's objective as finding ways to increase program efficiency. The members are forming work groups from their staffs to collect and analyze data as well as search for ideas (1) to further reduce the numbers of clearances, (2) to expedite personnel clearance decision-making, and (3) to reduce potential security risks while the backlog of reinvestigations is being cleared. The chairman tentatively plans to brief the ASDP and the Under Secretary and to have an implementation plan in the first quarter of fiscal year 1989.

DOE Implementation of Recommendations in GAO's Report on the Timeliness of Employee Reinvestigations

GAO Recommendation

To bring headquarters and the field offices into compliance with DOE's Personnel Security Program Order, the Secretary of Energy should develop a plan that addresses how to reduce the numbers and levels of clearances and what resources are needed to handle the reinvestigation workload. Also, the Assistant Secretary for Defense Programs (ASDP) should review and approve the plans, monitor their implementation, and report annually on compliance with the order.

DOE Status

DOE concurred with the GAO recommendation and provided guidance to offices with personnel security functions in June 1987. The guidance identified areas to be addressed in developing the plans. Accordingly, the office plans discussed actions taken or planned for each area. These areas were (1) actions to downgrade or terminate clearances, (2) analysis of staffing requirements and methods for acquiring the needed resources, and (3) milestones for meeting reinvestigation program requirements.

Eleven DOE offices prepared plans to show how they plan to eliminate the reinvestigation backlog by 1991, a DOE goal. By October 1987, all of the plans had been submitted to the ASDP for approval. The Assistant Secretary for Management and Administration also reviewed the plans to determine if additional personnel authorizations should be approved.

The first steps in each plan were to reduce the numbers and levels of clearances. For the four offices we originally reviewed—Richland, Albuquerque, and Oak Ridge Operations Offices and headquarters personnel security branch—an overall reduction of 15,555 clearances (13 percent) was achieved between October 1986 and April 1988, as illustrated in appendix III. The Richland Operations Office, for example, is taking such steps as increasing numbers of areas that will not require clearances for access; reconciling contractor and DOE records to remove names of former employees; developing an annual review process to assess contractor clearance needs; and applying new DOE criteria that reduce the need for the most expensive clearances. According to the Acting Deputy Assistant Secretary for Operations, further reductions are expected after a task force which he heads completes studying the issue in the first quarter of fiscal year 1989.

Between July 1986 and April 1988, the four offices included in our review of the reinvestigation program had reduced their overall backlog of reinvestigations by 30,425 cases (40 percent), as shown in appendix

Contents

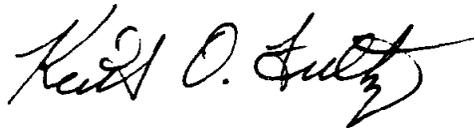
Letter		1
Appendix I	GAO Recommendation	8
DOE Implementation	DOE Status	8
of Recommendations		
in GAO's Report on		
the Timeliness of		
Employee		
Reinvestigations		
Appendix II		11
DOE Implementation	GAO Recommendation	11
of Recommendations	DOE Status	11
in GAO's Report on	GAO Recommendation	11
the Accuracy and	DOE Status	11
Efficiency of the	GAO Recommendation	12
Clearance Program	DOE Status	12
	GAO Recommendation	12
	DOE Status	12
	GAO Recommendation	12
	DOE Status	12
	GAO Recommendation	13
	DOE Status	13
	GAO Recommendation	13
	DOE Status	14
	GAO Recommendation	14
	DOE Status	14
Appendix III		15
Clearance Reductions		
for Selected DOE		
Offices From October		
1986 to April 1988		

We discussed the information provided in this report with DOE program officials, who verified its factual accuracy. Their comments have been incorporated as appropriate. As agreed with your office, however, we did not obtain agency comments on a draft of this report. Our work was performed in accordance with generally accepted government auditing standards and was primarily conducted between April and September 1988.

Unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days from the date of this letter. At that time, we will send copies to the appropriate congressional committees, the Secretary of Energy, and the Director, Office of Management and Budget. We will also make copies available to others upon request.

Major contributors to this report are listed in appendix VI.

Sincerely yours,



Keith O. Fultz
Senior Associate Director

clearance can have access to national security data classified as top secret.

Actions Taken on Recommendations

In our March 1987 report, we found that the offices we reviewed had no plans for meeting the Department's clearance reinvestigation requirements by the date DOE directed. In July 1986, DOE headquarters directed all offices that issue personnel security clearances to complete reinvestigations of persons with clearances based on investigations 5 years old or more by 1991. Responsible officials in the field offices told us, however, that they could not meet that goal with existing resources. We recommended development of plans to balance workload and resources and to include steps to reduce the numbers and levels of clearances. We also recommended annual compliance reporting to show the status and progress in meeting the requirements.

DOE concurred with our recommendations and, in June 1987, directed 11 offices that have personnel security clearance functions to prepare plans and resource needs for review and approval by the Assistant Secretary for Defense Programs. All of the plans were submitted by October 1987, but only four of them had been approved as of mid-October 1988. The remaining seven plans include requests for increased permanent staffing and have been undergoing evaluation and analysis. Details are presented in appendix I.

Our December 1987 report addressed the remainder of DOE's personnel security program. DOE regulations prescribe procedures for contractors to use in screening and investigating job applicants. We found deficiencies in DOE contractor performance of pre-employment investigations. DOE regulations prescribe screening procedures for contractors to avoid hiring unreliable personnel. We also found that DOE's process for requesting personnel investigation reports from the Office of Personnel Management (OPM) and the Federal Bureau of Investigation (FBI), reviewing the reports, and making decisions about clearances was too slow. In addition, we found that the central personnel clearance data base, the Department's source of standard data on personnel security clearances, was not accurate. Finally, we found that DOE had incomplete guidance and training for implementing the need-to-know principle, which requires that classified information can be given only to persons who can justify their need for it.

