



Highlights of [GAO-04-202T](#), a testimony before the House Committee on Government Reform

Why GAO Did This Study

Because of increased awareness of threats to national security and efforts to privatize federal jobs, the demand for security clearances for government and industry personnel has increased. Industry personnel are taking on a greater role in national security work for the Department of Defense (DOD) and other federal agencies. Because many of these jobs require access to classified information, industry personnel need security clearances. As of September 30, 2003, industry workers held about one-third of the approximately 2 million DOD-issued security clearances.

Terrorist attacks have heightened national security concerns and underscored the need for a timely, high-quality personnel security clearance process. However, GAO's past work found that DOD had a clearance backlog and other problems with its process. GAO was asked to review the clearance eligibility determination process and backlog for industry personnel.

This testimony presents our preliminary observations on the security clearance process for industry personnel and describes (1) the size of the backlog and changes in the time needed to issue eligibility determinations, (2) the impediments to reducing the backlog and delays, and (3) some of the initiatives that DOD is considering to eliminate the backlog and decrease the delays. Later this month, we plan to issue our final report.

www.gao.gov/cgi-bin/getrpt?GAO-04-202T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory Wilshusen at (202) 512-6244 or wilshusen@gao.gov.

DOD PERSONNEL CLEARANCES

Preliminary Observations Related to Backlogs and Delays in Determining Security Clearance Eligibility for Industry Personnel

What GAO Found

On the basis of our preliminary observations, long-standing backlogs and delays in determining security clearance eligibility for industry personnel continue to exist and can have adverse effects. DOD's security clearance backlog for industry personnel was roughly 188,000 cases as of March 31, 2004. The backlog included estimates by the Defense Security Service (DSS)—the agency responsible for administering DOD's personnel security investigations program—that consisted of

- more than 61,000 reinvestigations (required for renewing clearances) that were overdue but had not been submitted to DSS,
- over 101,000 new DSS investigations or reinvestigations that had not been completed within DOD's established time frames, and
- over 25,000 cases awaiting adjudication (a determination of clearance eligibility) that had not been completed within DOD's established time frames.

From fiscal year 2001 through fiscal year 2003, the average time that it took DOD to determine clearance eligibility for industry personnel increased by 56 days to over 1 year. Delays in completing reinvestigations of industry personnel and others doing classified work can increase national security risks. In addition, delays in determining clearance eligibility can affect the timeliness, quality, and cost of contractor performance on defense contracts.

Several impediments hinder DOD's ability to eliminate the backlog and decrease the amount of time needed to determine clearance eligibility for industry personnel. Impediments include a large number of new clearance requests; an increase in the proportion of requests for top secret clearances, which require more time to process; inaccurate workload projections for both the number and type of clearances needed for industry personnel; and the imbalance between workforces and workloads. Industrial contractors cited the lack of full reciprocity (the acceptance of a clearance and access granted by another department, agency, or military service) as an obstacle that can cause industry delays in filling positions and starting work on government contracts. Furthermore, DOD does not have an integrated, comprehensive management plan for addressing the backlog and delays.

DOD is considering a number of initiatives to supplement actions that it has implemented in recent years to reduce the backlogs and the time needed to determine eligibility for a security clearance. Additional initiatives include (1) conducting a phased, periodic reinvestigation; (2) establishing a single adjudicative facility for industry; and (3) reevaluating investigative standards and adjudicative guidelines. GAO's forthcoming report will provide a more complete discussion of these and other initiatives.