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United States Government Accountability Office
Washington, DC 20548

January 17, 2006

The Honorable George V. Voinovich
Chairman
The Honorable Daniel K. Akaka
Ranking Minority Member
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
Committee on Homeland Security and Governmental Affairs
United States Senate

Subject: Questions for the Record Related to DOD's Personnel Security Clearance Program and the Government Plan for Improving the Clearance Process

On November 9, 2005, I testified before your subcommittee at a hearing on "Access Delayed: Fixing the Security Clearance Process, Part II." This letter responds to three questions for the record that Senator Daniel K. Akaka posed. The questions and my responses follow.

- 1. The Government Accountability Office (GAO) in testimony before this Subcommittee in September 2004 and June 2005, indicated that the Office of Personnel Management (OPM) continues to use its investigations contractor to conduct personnel security clearance investigations for the contractor's employees even though GAO raised an internal control concern about this practice during its 1996 review. Would you please elaborate on these concerns, and describe whether you believe OPM has taken sufficient steps to addressing the internal control and quality-control problems identified by GAO?**

Although we have evidence that OPM has not taken steps to correct the cited internal control weakness that we identified nearly a decade ago, conclusions about the sufficiency of OPM's specific quality control procedures must wait until we complete other work requested by this subcommittee and others. When OPM was privatizing its investigative function in 1996, we identified an internal control concern—OPM's investigations contractor was conducting personnel security clearance investigations

on its own employees.¹ The February 2005 transfer of the Department of Defense's (DOD) federal investigators to OPM resulted in OPM again having federal investigators available to correct this internal control weakness, but OPM has not yet used the federal investigators for that purpose.² OPM officials have, however, indicated that they plan to have the federal investigators perform the personnel security clearance investigations of contract investigators starting in March 2006. If OPM follows through with this plan, it would correct the cited internal control weakness.

We have begun work requested by this subcommittee and others to obtain up-to-date information on the sufficiency of the specific procedures that OPM uses to monitor the quality of the investigative reports that it provides to its customers. Our examination of quality control procedures will include observing the training that investigators receive, conducting a site visit to OPM's investigations processing center to review the step-by-step process used to monitor quality, and reviewing a sample of the investigative reports that DOD adjudication facilities have used to determine eligibility for a security clearance.

2. Does GAO have a position on the use and measurement of timeliness for closed-pending investigative reports?

In our February 2004 report, we noted that OPM's issuance of closed pending cases—investigations sent to adjudication facilities without one or more types of source data—causes ambiguity in defining and accurately estimating the backlog.³ In our October 1999 report examining the completeness of clearance investigations supplied by DOD's Defense Security Service, we noted that risks to national security are posed when investigations do not fully comply with federal standards.⁴ To lessen the risk associated with incomplete investigative reports, we recommended DOD adjudication facility officials grant clearances only when all essential investigative work has been done. Adjudication facility officials said that they were reluctant to return incomplete investigations for further investigation because they were concerned about additional delays.

In fiscal year 2002 (the last year for which we have data), about 10 percent of the 283,480 DOD cases fully closed by OPM were initially delivered to DOD adjudication facilities as closed pending cases. When measuring the timeliness of its contractors' performance, OPM defined completed investigations as cases that (1) have the complete information required for the type of investigation, (2) are closed pending, or (3) have been discontinued. If the investigations have not been fully completed, we

¹See GAO, *Privatization of OPM's Investigations Service*, GAO/GGD-96-97R (Washington, D.C.: Aug. 22, 1996).

²According to OPM officials, these federal investigators are currently being used to help reduce the existing backlog of DOD security clearance investigations.

³GAO, *DOD Personnel Clearances: DOD Needs to Overcome Impediments to Eliminating Backlog and Determining Its Size*, GAO-04-344 (Washington, D.C.: Feb. 9, 2004).

⁴GAO, *DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks*, GAO/NSIAD-00-12 (Washington, D.C.: Oct. 27, 1999).

believe that closed pending cases should be included in the investigative portion of the backlog.

3. What are some of the primary criteria that GAO uses to determine whether or not to remove a program from its high-risk list, and what is needed for security clearances to be off the list?

In order for DOD's personnel security clearance program to be removed from our high-risk list, the program must address (1) the general criteria outlined in our fiscal year 2001 report and (2) the many recommendations that we have provided specific to DOD's program. In our 2001 report, we identified the following general criteria that are considered in designating and removing programs from our high-risk list:⁵

- a demonstrated strong commitment and top leadership support to address the risk(s);
- the capacity (that is, the people and other resources) to resolve the risk(s);
- a corrective action plan that defines the root causes, identifies effective solutions, and provides for substantially completing corrective measures in the near term, including but not limited to steps necessary to implement solutions we have recommended;
- a program instituted to monitor and independently validate the effectiveness and sustainability of corrective measures; and
- the ability to demonstrate progress in having implemented corrective measures.

Before removing the security clearance process from our high-risk list, we must determine whether DOD has satisfied all of the criteria we have established for removing a high-risk designation. As noted in our November 2005 testimony,⁶ DOD must undertake many corrective actions to implement our recommendations and to correct previously identified problems before its personnel security clearance program can be removed from our high-risk list. Perseverance by the administration in implementing our recommended solutions regarding the personnel security clearance process and continued oversight and action by Congress are both essential. When actions, including those in response to our recommendations, result in significant progress toward resolving a high-risk problem, we will remove the high-risk designation.

⁵GAO, *Determining Performance and Accountability Challenges and High Risks*, GAO-01-159SP (Washington, D.C.: November 2000).

⁶GAO, *DOD Personnel Clearances: Government Plan Addresses Some Long-standing Problems with DOD's Program, But Concerns Remain*, GAO-06-233T (Washington, D.C.: Nov. 9, 2005).

If you or other members of the subcommittee have any additional questions about DOD's personnel security program, please contact me at (202) 512-5559 or stewartd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this correspondence. GAO staff who made major contributions to the correspondence are listed in the enclosure.

Sincerely yours,

A handwritten signature in black ink that reads "Derek B. Stewart". The signature is written in a cursive style with a long, sweeping tail on the letter 't'.

Derek B. Stewart
Director, Defense Capabilities and Management

Enclosure

Enclosure

GAO Contact and Staff Acknowledgments

GAO Contact Derek B. Stewart, (202) 512-5559 or stewartd@gao.gov

Acknowledgments In addition to the contact above, Jack E. Edwards, Assistant Director, Kurt A. Burgeson, David Epstein, Sara Hackley, William J. Rigazio, and Jennifer Young made key contributions to this correspondence.

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