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DEPARTMENT OF
ENERGY

Problems in DOE's Foreign
Visitor Program Persist

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Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to discuss the Department of Energy's (DOE) controls over foreign nationals who visit, and/or participate in unclassified activities at, DOE's three nuclear weapons laboratories. These laboratories possess not only classified information but also other sensitive information that, although unclassified, could enhance nuclear weapons capability, lead to nuclear proliferation, or reveal advanced technologies such as computer systems designed for military applications. Each year, thousands of foreign nationals visit the weapons laboratories. Counterintelligence experts believe that the laboratories are targets of foreign espionage efforts, and investigations have shown that security has been jeopardized; however, details of these investigations are classified.

Concerns about security and the loss of sensitive information at the weapons laboratories are not new, and in 1988 we reported a number of specific problems associated with foreign visitors to these laboratories.¹ Almost 10 years later, Mr. Chairman, we reported that DOE's control over foreign visitors is still ineffective, and essentially the same problems we identified in 1988 were occurring. In 1997, we reported the following problems:²

- At two of the three laboratories, few background checks were performed on visitors from countries DOE views as sensitive. As a result, visitors suspected of having foreign intelligence connections obtained access to the laboratories without DOE's or the laboratories' advance knowledge of these connections.
- Visits involving sensitive subjects were not always identified. Some sensitive subjects, such as the detection of unsanctioned nuclear explosions, may have been discussed with foreign visitors without DOE's knowledge or approval.
- The security controls in areas most frequently visited by foreign nationals do not preclude them from obtaining sensitive information. Foreign nationals have been allowed after-hours and unescorted access to buildings. In some instances, they have had access to sensitive and classified information.
- DOE's headquarters and laboratory counterintelligence programs may not be fully effective in mitigating foreign intelligence efforts. These programs

¹Nuclear Nonproliferation: Major Weaknesses in Foreign Visitor Controls at Weapons Laboratories (GAO/RCED-89-31, Oct. 11, 1988).

²Department of Energy: DOE Needs to Improve Controls Over Foreign Visitors to Weapons Laboratories (GAO/RCED-97-229, Sept. 25, 1997).

have lacked comprehensive threat assessments to focus their efforts, as well as performance measures to evaluate their effectiveness.

In our view, these problems could lead to the loss of sensitive information to foreign countries regarded as posing a risk to our national security or nuclear nonproliferation goals. Our concerns have been heightened by recent events in India and Pakistan. It is clear that these countries have successfully developed nuclear weapons capabilities, and available evidence shows that others are trying.

Our reports in 1988 and 1997 made recommendations to strengthen controls over foreign visitors. While DOE is initiating actions to improve the management and oversight of foreign visits to the weapons laboratories, Mr. Chairman, DOE has not demonstrated a lasting commitment to improving controls over foreign visitors. Additionally, DOE's plan to devolve the authority for approving foreign visits to the laboratories may not be appropriate until significant recommendations that we have made are addressed.

Before I discuss these issues in greater detail, I will briefly provide some background on the activities conducted by the three laboratories and DOE's controls over foreign visitors' access to them.

Background

Three DOE laboratories—the Lawrence Livermore National Laboratory in California and the Los Alamos National Laboratory and the Sandia National Laboratories in New Mexico—have been the cornerstones of the nation's nuclear weapons program for over 40 years. These laboratories have developed all nuclear weapons in the U.S. stockpile, and they continue to conduct research and development to ensure the safety, security, and reliability of the nuclear weapons stockpile. Los Alamos and Sandia also have responsibilities for producing certain weapons components. In addition, the laboratories conduct other defense-related activities for DOE and the Department of Defense.

In recent years, the laboratories have expanded their efforts to include work that is not strictly related to defense or national security. They are now involved in such areas as high-performance computing, lasers, and microelectronics. In addition, they perform research in such diverse areas as biomedicine, environmental restoration, and global climate change, and they are working with industry to develop new technologies for the commercial market.

Because the laboratories perform such diverse activities and are world leaders in many technologies and scientific disciplines, many foreign scientists are attracted to them. In addition, many foreign scientists are invited to the laboratories to exchange information or participate in research activities. DOE's policy supports an active program of unclassified visits to the laboratories. This program benefits DOE and the United States by stimulating the exchange of ideas, promoting cooperation, and enhancing research efforts.

However, allowing foreign nationals to visit the weapons laboratories is not without risk. These laboratories contain information that DOE views as sensitive because it has the potential to enhance nuclear weapons capability, lead to nuclear proliferation, or reveal other advanced technologies. Of particular concern is keeping this information away from countries that DOE views as sensitive because of concerns about national security, nuclear proliferation, regional instability, or support for terrorism. Accordingly, DOE has established procedures to control unclassified visits to its facilities. These procedures include obtaining a national security background check to determine if appropriate U.S. government agencies have information about an individual, such as an affiliation with a foreign intelligence organization, that should be communicated to DOE and the laboratories. Furthermore, all visits involving sensitive subjects or security facilities where classified work is conducted must be reviewed and approved by DOE.

Results of GAO'S 1988 Review of the Foreign Visitor Program

Even though the Cold War was not yet over, thousands of foreign nationals came to the weapons laboratories each year during the mid- to late 1980s. Between January 1986 and September 1987, an average of over 3,800 foreign nationals visited these laboratories annually, of whom over 500 were from countries considered to be sensitive, such as China, India, and the Soviet Union.³ (See app. I.)

In 1988, we reported three significant areas of weaknesses in DOE's controls over foreign visitors. First, background checks were performed for only a limited number of foreign visitors prior to their visits. DOE was obtaining the required background information in advance for fewer than 10 percent of the visitors from communist and sensitive countries. As a result, visitors with questionable backgrounds—including suspected foreign agents—and individuals from foreign facilities suspected of

³At the time of our 1988 report, DOE made a distinction between communist and sensitive countries. Currently, DOE designates all communist countries and the countries that were part of the former Soviet Union as sensitive.

conducting nuclear weapons activities obtained access to the laboratories without DOE's knowledge.

Second, DOE and the laboratories were not always aware of visits at which sensitive subjects would be discussed. Visits were occurring that involved subjects, such as isotope separation and inertial confinement fusion, that DOE specifically identified as sensitive. Furthermore, other visits were occurring that involved subjects that were not specifically identified as sensitive but were nevertheless related to nuclear weapons, such as high explosives and special cameras to record detonations. Consequently, information useful to weapons programs may have been provided to foreign nationals without DOE's knowledge.

Third, the internal controls over the foreign visitor program were ineffective. For example, visits were approved by laboratory officials without appropriate authority, the laboratories failed to notify DOE of some visits, and security plans and postvisit reports were not prepared. Furthermore, DOE had no integrated systems to collect or disseminate information on foreign visitors, and its foreign visitor database—used to help determine trends in foreign information-gathering activities—was incomplete.

At an October 1988 hearing on this subject, DOE acknowledged problems with its controls over the foreign visitor program and subsequently set out to resolve the problems. DOE revised its foreign visitor order in 1989—and again in 1992—to clarify the controls, responsibilities, and duties of all parties involved in initiating, reviewing, and approving foreign visits to DOE facilities. In addition, DOE established an Office of Counterintelligence at DOE headquarters with responsibility for, among other things, analyzing the foreign intelligence threat and implementing appropriate policies and procedures to meet this threat. DOE also created an integrated computer network for obtaining and disseminating data on foreign visitors.

Results of GAO'S 1997 Review of the Foreign Visitor Program

With the easing of global tensions since the end of the Cold War, the number of foreign visits to the laboratories has increased significantly. From 1994 through 1996, the average annual number of foreign visitors was about 6,400. Moreover, the average annual number of visits by foreign nationals from sensitive countries increased to over 1,800 during this period—an increase of more than 250 percent over the level of the late 1980s. This increase is attributable primarily to visitors from China, India, and former Soviet states. (See app. II.)

In 1997, we reported to the full Committee on the controls over foreign visits to the three weapons laboratories. We found that despite changes made by DOE since 1988, most of the problems with controls over foreign visitors persist. First, we found that revised procedures for obtaining background checks had not been effectively implemented. In 1994, because of processing costs and backlogs, DOE granted the Los Alamos and Sandia laboratories a partial exception to DOE's foreign visitor order that largely avoided the requirement for background checks for those laboratories. Since then, background checks have been obtained for only 5 percent of the visitors from sensitive countries to these two facilities. Our review of available data from the Federal Bureau of Investigation on some foreign visitors who were not checked by DOE showed that, as in 1988, visitors with connections to foreign intelligence organizations were gaining access to the laboratories without DOE and/or laboratory officials' advance knowledge of the visitors' connections.

Second, we found, as in 1988, that procedures for identifying sensitive subjects lack clear criteria and controls to ensure that visits potentially involving such subjects are reviewed by DOE. Although the laboratories identified 72 visits involving sensitive subjects during the period from 1994 through 1996, other visits occurred without DOE's review and approval that might have involved sensitive subjects. For example, we found that a laboratory did not obtain DOE's approval to assign an Indian citizen from a defense-related facility in India to a long-term project involving the structure of beryllium compounds. Beryllium metal is used in nuclear weapons.

Third, security controls, such as access restrictions, in the areas most often visited by foreign nationals do not preclude their obtaining access to sensitive information, and problems with the control of this information have occurred. We found several instances in which sensitive and classified information was improperly released to foreign nationals, as well as other instances in which laboratory personnel did not follow security requirements and controls. For example, at one laboratory, six boxes of papers marked "sensitive material" in red letters on the outside were left in an open hallway accessible to foreign visitors. Furthermore, foreign nationals have been allowed after-hours and unescorted access to buildings. Finally, DOE has not evaluated the effectiveness of the security controls over this information in those areas most frequented by foreign visitors.

Lastly, DOE's and the laboratories' counterintelligence programs have lacked comprehensive threat assessments that identify facilities, technologies, and programs likely to be targeted by foreign intelligence. Such assessments are needed to examine the nature and extent of foreign espionage activities. Furthermore, DOE has not developed performance measures needed to guide the laboratories' counterintelligence programs or to gauge their effectiveness.

A number of actions have occurred since we issued our 1997 report. In that report, we made five recommendations intended to strengthen DOE's controls over foreign visitors and protect sensitive information at the laboratories. DOE concurred with these recommendations and is taking specific actions to implement them. Among other things, DOE is developing a comprehensive assessment of the foreign intelligence threat to its laboratories and other facilities, strictly adhering to its background check requirements, and initiating efforts to revise its foreign visitor order to better identify visits involving sensitive subjects and improve the collection and reporting of data on foreign visitors. In addition, DOE plans to devolve to the directors of the various laboratories the authority to approve visits by foreign nationals from sensitive countries or visits involving sensitive subjects because headquarters' approval has been slow and cumbersome.

In addition, the President, in March 1998, directed DOE and others to improve their controls over foreign visitors and the counterintelligence program. While most of the details of the directive are classified, some of the unclassified actions include placing control of the counterintelligence program under a senior official of the Federal Bureau of Investigation and giving that individual access to the highest levels of management in DOE and the intelligence community. In addition, the President directed that goals, objectives, and performance measures be established for the counterintelligence program and included in existing laboratory contracts.

Conclusions

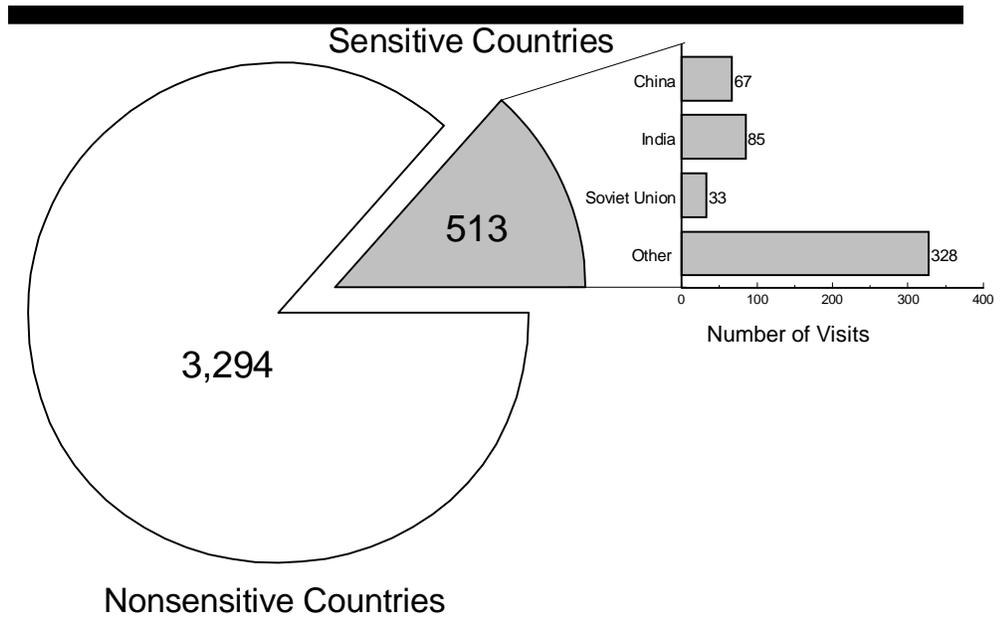
In 1988, and again in 1997, we identified significant weaknesses in this program and made a number of recommendations. They were aimed at strengthening the controls over foreign visitors to the weapons laboratories to prevent security breaches concerning nuclear weapons-related information or other sensitive technologies. The President's directive and DOE's recent actions to improve controls over foreign visitors appear responsive to the weaknesses we have identified, and, if implemented, should help alleviate them. However, Mr. Chairman,

it is important to note that DOE agreed with our recommendations in 1988 but never fully implemented them. Consequently, DOE has not demonstrated an ability to maintain a long-term commitment to improving its controls over foreign visitors. Periodic congressional oversight will likely be needed to monitor DOE's progress in, and lasting commitment to, fully implementing our recommendations.

Also, DOE's plan to devolve the authority for approving foreign visitors to the laboratories in order to expedite the slow and cumbersome approval process may not be appropriate at this time. In the past, when DOE gave the laboratories additional responsibilities in controlling foreign visitors, the results were not successful. In our view, the solution is not necessarily to devolve responsibility to the laboratories. Any important action such as devolution should be made after DOE has addressed the significant recommendations we have made, particularly those for improving the counterintelligence program. Only then can DOE devise a control strategy, including the role of the laboratories in approving foreign visitors, that will be effective.

This concludes our testimony. We would be pleased to respond to any questions that you or Members of the Subcommittee may have.

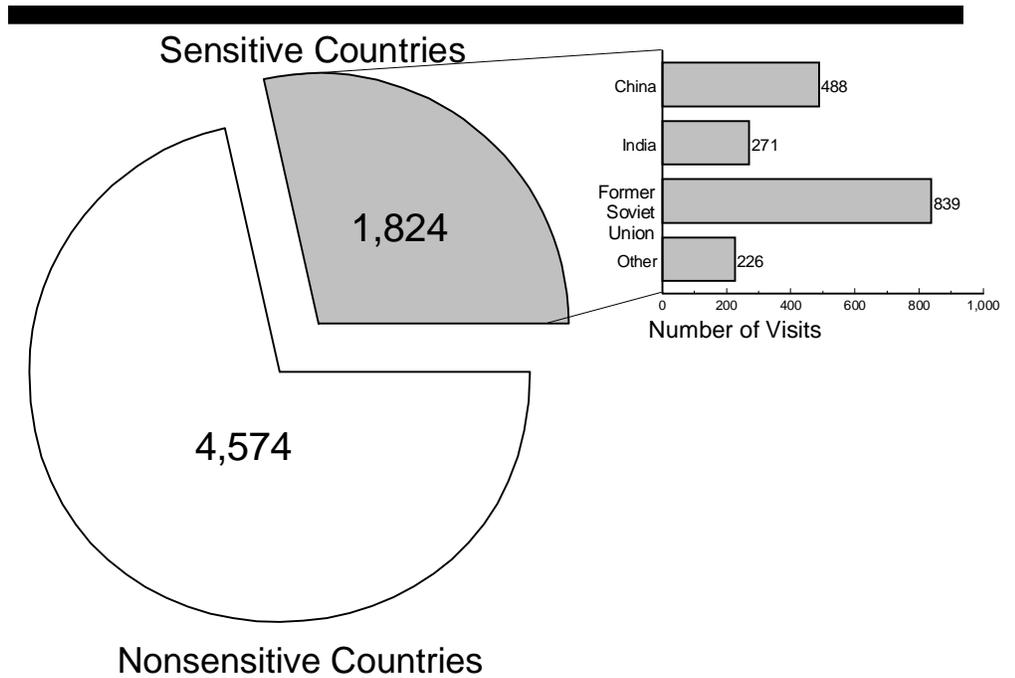
1988 GAO Report: Average Annual Visits to Weapons Laboratories (3,807 Total)



Note: The 1988 GAO report included data on visits from January 1986 through September 1987.

Source: GAO/RCED-89-31.

1997 GAO Report: Average Annual Visits to Weapons Laboratories (6,398 Total)



Note: The 1997 GAO report included data on visits from 1994 through 1996.

Source: GAO/RCED-97-229.

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