

Opening Statement of Senator George V. Voinovich

Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia

Security Clearance Reform: The Way Forward

May 22, 2008

Mr. Chairman, thank you for calling today's hearing to examine the federal government's security clearance process. While I commend the Joint Security and Suitability Reform Team for producing its April 30 reform document, I have a hard time understanding why it took the federal government four years to get to this point – a ten page outline on how to transform our current process. I am hopeful, however, that this effort will finally result in sustainable reform.

Since 2004, we have been attempting to bring a performance-based approach to how the government manages access to sensitive national security information. In June 2005, following our first hearing on this matter after the Department of Defense (DoD) security clearance process was added to GAO's 2005 high risk list, I believed significant progress could be made in the short term and this management challenge would be removed from GAO's 2007 high risk list. At the rate we are going, I am afraid the process will remain on the list in 2009.

Thus far, the most meaningful reform effort appears to be the hiring of additional investigative staff by the Office of Personnel Management (OPM) to support a cumbersome process reliant on antiquated computer systems. More investigative staff has helped – for our first hearing on this matter in June 2005, GAO estimated a backlog of about 270,000 clearance investigations for DoD alone; in February 2008, OPM had reduced that number to about 42,000 pending investigations over 180 days old for all agencies it conducts investigations for.

However, additional reforms are needed, including the use of twenty-first century technologies. OPM highlights its success in transferring virtual files among agencies, but those files are printed prior to adjudication. This “automated” system, which is essentially a computerized fax machine that does not allow for online manipulation of case files, isn’t really the type of system I envisioned when Senator Akaka and I began working on this management challenge.

Senator Akaka and I held a hearing earlier this month to examine the federal government’s outdated hiring process. At that hearing, witnesses tried to tout the ability of individuals to apply for federal jobs using an online process. But many of those individuals, after wading through the federal government’s hiring process and receiving a job offer, are being told they then have to apply on paper for a security clearance and that the process could take months.

As Senator Akaka and I discussed at that hearing, generation X and Y job seekers get frustrated with the lack of response from our agencies when applying for jobs. Imagine their level of frustration when they are told their clearances for such jobs could take months, reinforcing their impression of an inflexible bureaucracy. The delay in clearing credible individuals simply adds to the overall hiring delay and gives the wrong impression to those seeking public service. The federal government needs to create a seamless hiring and clearing process. Until we do so, our human capital crisis will be exacerbated. The federal government is trying to find the best and brightest employees in an increasingly competitive era when we are losing highly skilled potential employees to a private sector that offers higher salaries and better benefits. We need to move expeditiously to hire individuals with the skill sets we need, but even when we find qualified individuals who are willing to be public servants, we subject them to a

cumbersome hiring process and an outdated security clearance system. It is no wonder we lose qualified potential employees.

The February 2008 report by OMB and the Security Clearance Oversight Group identifies several obstacles which impede the current security clearance process.

First, agencies had an April 2006 deadline to transmit all of their security clearance applications to OPM electronically. After failing to meet that deadline, the 2007 Security Clearance Oversight Group report indicated that all agencies had plans in place to transmit 100 percent of their applications electronically in fiscal year 2007.

However, the 2008 report shows we failed to meet this goal, reaching 83 percent compliance government-wide. The Department of Defense bears most of the burden for this failure – for the first quarter of fiscal year 2008 it submitted only 77 percent of its applications electronically to OPM. Electronic transmission of applications can cut weeks out of the investigation process, and agencies need to fully utilize this tool.

I was also disheartened to see that the issue of security clearance reciprocity seems to be getting less and less attention. Reciprocity was not listed as a priority challenge in the February 2008 report. The word reciprocity appears only five times in the April 30 reform outline, and that outline makes no real recommendations on how we can achieve reciprocity.

Reciprocity is a real problem – on two occasions Secretary England has told me how the Department of Homeland Security re-cleared him when he moved from being Secretary of the Navy to Deputy Secretary of DHS and how DoD re-cleared him again when he returned to the Department as Deputy Secretary. Our efforts to resolve the security clearance backlog will be diminished if agencies continue to re-investigate and re-adjudicate individuals with valid clearances rather than recognize the reciprocity of those clearances.

Third, the February 2008 report highlighted a new shortcoming in our current piecemeal approach to security clearance reform – completing investigations in a more timely manner has simply shifted the security clearance backlog from the investigation to the adjudication phase. At the time of that report, DoD had more than 76,000 adjudications over 45 days old. I am anxious to hear how our witnesses intend to address this growing backlog.

Lastly, the Security Clearance Oversight Group's February 2008 report shows that our clearance system is not utilizing readily available technology. As important as technological growth has been in the past century, it is likely to be even more important in the coming years. However, making full use of new capabilities will only be possible in a system that values the need for investment in new technology over adding band-aids to antiquated systems such as PIPS.

Technology provides us the opportunity to expedite the security clearance process while minimizing time, cost, and effort. "Automation," as described in some of the testimony today, does not mean the ability to email a PDF file, it means using a paperless system at each step of the process and allowing for continuous reinvestigation based on risk.

We must address all of these issues and find a way to achieve meaningful and lasting reform of the current security clearance process. Failure to do so costs us in many ways.

First, there is the economic cost. An August 2007 DoD report on Personnel Security Investigations for industry estimated it takes an average of 208 days to process DoD industry secret clearances. For every day the intelligence community doesn't clear a contract employee, it costs the taxpayer approximately \$684 in lost salary and benefits. Over 208 days, failure to complete a secret clearance for one person costs more than \$140,000 – almost three times the 2006 median U.S. household income of \$48,200.

The delay in processing industry top secret clearances is even more costly. DoD's August 2007 report on industry investigations indicates that in July 2007, there were 5805 top secret security clearance investigations that had been pending for more than 360 days. At \$684 per day, that's a cost to the taxpayers of more than \$1.4 billion.

More importantly, our intelligence community is deprived of the industry support it needs to identify and react to threats.

In addition, we have the opportunity cost of losing highly-skilled potential employees, including first and second generation American heritage speakers with language skills in high demand who simply cannot afford to wait for a job offer and clearance.

The ability to clear personnel in a timely manner becomes increasingly important as we prepare for the transition to a new Administration that will occur next year. I think the recent Joint Reform Team report is valuable in that it sets forth the vision for a modern clearance system, but overall I am terribly disappointed in how little progress has been made to remove the DoD security clearance process from GAO's high risk list. The Chairman knows how conscientious I am about GAO's high risk list, and I know he shares that concern.

I have also told Mr. Johnson that if I were in his shoes, I would do everything I could to get this process off the high-risk list. And yet, after several meetings and hearings, after the passage of legislation and issuance of executive orders, after the creation of working groups and development of reports, the security clearance process will probably remain on GAO's 2009 high risk list.

What frustrates me the most is the fact that the security clearance problem, contrasted with issues surrounding DoD's supply chain management, is a problem we could solve in the near

term. More should have been done over the past four years so that this Administration could truthfully say they resolved the problem instead of passing the buck to the next team.

I would like to thank our witnesses for their participation this afternoon, and I look forward to reviewing subsequent reform recommendations, which will be key to achieving a workable solution.

Thank you, Senator Akaka.