



Highlights of [GAO-08-350](#), a report to congressional committees

Why GAO Did This Study

The Department of Defense (DOD) industry personnel security clearance program has long-standing delays and backlogs in completing clearance requests and difficulties in accurately projecting its future needs for investigations to be conducted by the Office of Personnel Management (OPM). In 2006, Congress mandated that DOD report annually on the future requirements of the program and DOD's efforts to improve it, and that GAO evaluate DOD's first report. Specifically, GAO was required to report on (1) the extent to which the report responds to the issues in the mandate, (2) the number and cost of clearance investigations and adjudications in fiscal years 2000-2006, and (3) the extent to which DOD has developed procedures to estimate future needs, plans to reduce delays and backlogs, and plans to provide funding for the program. To accomplish these objectives, GAO obtained and reviewed laws, executive orders, policies, reports, and other documents related to the security clearance process and interviewed officials from a range of government offices concerned with the clearance process.

What GAO Recommends

GAO recommended that DOD augment future reports with information on funding needs for additional future years, timeliness data on clearance process phases in addition to the investigation (e.g., adjudication), and measures of quality in the clearance process, to be developed. DOD concurred with each recommendation.

To view the full product, including the scope and methodology, click on [GAO-08-350](#). For more information, contact Brenda Farrell at (202) 512-3604 or farrellb@gao.gov.

DOD PERSONNEL CLEARANCES

Improved Annual Reporting Would Enable More Informed Congressional Oversight

What GAO Found

Although DOD's first annual report responded to the issues specified in the mandate, it did not include certain important information that was available on funding, processing times, and quality. DOD's report limited the funding requirements information for its industry security clearance program to 2007 and 2008, even though the department asserted before Congress in May 2007 that it would need tens of millions of dollars in the future to maintain the infrastructure supporting the program and to cover operating costs. While DOD reported the average total time for DOD industry clearances and the average time to complete all clearance investigations, it did not include information on the time to complete any of the other phases (e.g., adjudication). GAO's September 2006 report suggested that longer delays are found in some phases of the process than in others and that quantifying those delays would be useful. The DOD report was largely silent on measures of quality in the clearance process, which is crucial if agencies are to accept the validity of clearances from other agencies. By not including these types of information, DOD limited the information available to Congress as it oversees the effectiveness of DOD's industry personnel security clearance program.

GAO was unable to report the number and unit cost of investigations and adjudications for fiscal years 2000 through 2004 because data were either unavailable or insufficiently reliable. However, DOD reported that OPM conducted 81,495 and 138,769 investigations of industry personnel in fiscal years 2005 and 2006, respectively, and DOD granted clearance eligibility to 113,408 and 144,608 industry personnel in fiscal years 2005 and 2006, respectively. In estimating unit costs, DOD and OPM did not account for all factors affecting the cost of a clearance—factors that would have made the DOD-provided estimates higher. These factors included (1) the cost of special interviews that are sometimes necessary to resolve discrepancies in information and (2) that top secret clearance adjudications normally take about twice as long as those for secret/confidential clearances.

DOD's procedures and plans are evolving, including procedures for projecting the number of future investigations it will need and plans to reduce backlogs and delays, as well as steps to fund the industry clearance program. In ongoing efforts to address the continued inaccuracy of its projections of future clearance needs, DOD has taken several steps. For example, DOD made its voluntary annual survey of contractors performing classified government work accessible through the Internet in 2006 and began encouraging industry staff to complete it. The response rate increased to 86 percent of industry personnel in 2007. Further, while DOD does not have its own plan to address the funding of its clearance program and its delays in processing clearances, it is currently participating in a governmentwide effort to make clearance processes more efficient and cost-effective. Streamlining and improving the efficiency of its clearance process is also one of DOD's top transformation priorities. In its 2004 report, GAO recommended that DOD implement a comprehensive plan and improve its estimates of future investigation needs.