

GAO

Report to the Ranking Minority
Member, Committee on Armed
Services, House of Representatives

February 2004

DOD PERSONNEL CLEARANCES

DOD Needs to
Overcome
Impediments to
Eliminating Backlog
and Determining Its
Size





Highlights of [GAO-04-344](#), a report to the Ranking Minority Member, Committee on Armed Services, House of Representatives

Why GAO Did This Study

Terrorist attacks and espionage cases have heightened national security concerns and highlighted the need for a timely, high-quality personnel security clearance process. However, GAO's past work found that the Department of Defense (DOD) had a clearance backlog and other problems with its process. GAO was asked to address: (1) What is the size of DOD's security clearance backlog, and how accurately is DOD able to estimate its size? (2) What factors impede DOD's ability to eliminate the backlog and accurately determine its size? (3) What are the potential adverse effects of those impediments to eliminating DOD's backlog and accurately estimating the backlog's size? GAO was also asked to determine the status of the congressionally authorized transfer of Defense Security Service (DSS) investigative functions and personnel to the Office of Personnel Management (OPM).

What GAO Recommends

GAO recommends that DOD improve its personnel security clearance program's management and oversight by matching workforce sizes to workloads; developing a strategic plan to overcome access to information problems; developing DOD-wide backlog definitions, measures, and reports; and completing work on the Joint Personnel Adjudication System. DOD concurred with three recommendations and partially concurred with one.

www.gao.gov/cgi-bin/getrpt?GAO-04-344.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Derek Stewart, (202) 512-5559, stewartd@gao.gov.

DOD PERSONNEL CLEARANCES

DOD Needs to Overcome Impediments to Eliminating Backlog and Determining Its Size

What GAO Found

DOD did not know the size of its security clearance backlog at the end of September 2003 and has not estimated the size of the backlog since January 2000. DOD cannot estimate the size of its backlog of overdue reinvestigations that have not been submitted for renewal, but prior estimates of this portion of the backlog suggest it was sizeable. Using September 2003 data from DSS, OPM, and nine adjudication facilities, GAO calculated the size of investigative and adjudicative portions of the backlog at roughly 270,000 and 90,000 cases, respectively. Because these estimates were made using time-based goals that varied from agency to agency, the actual backlog size is uncertain.

Several impediments hinder DOD's ability to eliminate—and accurately estimate the size of—its clearance backlog. Four major impediments slowing the elimination of the backlog are (1) the large numbers of new clearance requests; (2) the insufficient investigator and adjudicator workforces; (3) the size of the existing backlog; and (4) the lack of a strategic plan for overcoming problems in gaining access to state, local, and overseas information needed to complete investigations. Two other factors have hampered DOD's ability to develop accurate estimates of the backlog size. DOD has failed to provide adequate oversight of its clearance program, including developing DOD-wide backlog definitions and measures and using the measures to assess the backlog regularly. In addition, delays in implementing its Joint Personnel Adjudication System have limited DOD's ability to monitor backlog size and track when periodic reinvestigations are due.

DOD's failure to eliminate and accurately assess the size of the backlog may have adverse effects. Delays in updating overdue clearances for command, agency, and industry personnel who are doing classified work may increase risks to national security. Slowness in issuing new clearances can increase the costs of doing classified government work. Finally, DOD's inability to accurately define and measure the backlog and project future clearance requests that it expects to receive can adversely affect its ability to develop accurate budgetary and staffing plans.

In December 2003, advisors to OPM's Director recommended that the authorized transfer of DOD's investigative functions and personnel to OPM should not occur for at least the rest of fiscal year 2004. That recommendation was based on uncertainties over financial risks that OPM might incur. An alternative plan being discussed by DOD and OPM calls for leaving investigative staff in DSS and giving them training for, and access to, OPM's case management system. A DOD official estimated that using the OPM system, instead of DOD's current system, would avoid about \$100 million in update and maintenance costs during the next 5 years. Also, as of December 16, 2003, the Secretary of Defense had not provided Congress with certifications required prior to any transfer.

Contents

Letter		1
	Results in Brief	4
	Background	6
	DOD Unable to Estimate the Size of Its Clearance Backlog	8
	Multiple Impediments Slow DOD's Progress in Eliminating Its Backlog and Generating Accurate Backlog Estimates	13
	Backlogs and Poor Estimates May Lead to Increased National Security Risks, Higher Costs, and Workload Uncertainties	22
	Status Update on the Authorized Transfer of DSS Investigative Functions and Personnel to OPM	24
	Conclusions	26
	Recommendations for Executive Action	27
	Agency Comments and Our Evaluation	28
Appendix I	Recent Recommendations Related to DOD's Personnel Security Clearance Process	30
Appendix II	Scope and Methodology	36
Appendix III	Comments from the Department of Defense	39
Appendix IV	Related GAO Products	43
Tables		
	Table 1: Adjudicative Backlog Present at Each Central Adjudication Facility, as of September 30, 2003	12
	Table 2: Targeted and Actual Numbers of Requests Submitted to DSS and OPM during Fiscal Years 2001-2003	15

Figures

Figure 1: DOD's Personnel Security Clearance Process	7
Figure 2: Estimated Backlog Size at Each Stage in the Personnel Security Clearance Process, as of September 2003	9

Abbreviations

DOD	Department of Defense
DSS	Defense Security Service
JPAS	Joint Personnel Adjudication System
OPM	Office of Personnel Management
OASD (C3I)	Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence
OUSD (I)	Office of the Under Secretary of Defense for Intelligence

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



G A O

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

February 9, 2004

The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
House of Representatives

Dear Mr. Skelton:

Recent events, such as the terrorist attacks on the United States on September 11, 2001, and several high-profile espionage cases have heightened national security concerns and underscored the need for a timely, high-quality personnel security clearance process. Each year, the Department of Defense (DOD) processes hundreds of thousands of security clearance requests for service members, government employees, and industry personnel who are conducting classified work for the department and other government agencies. These requests include (1) periodic reinvestigations for individuals who already hold security clearances or initial investigations for individuals who have not held security clearances in the past and (2) adjudications to determine whether or not individuals are eligible for clearances, based on information collected during the investigations and reinvestigations.

Historically, DOD's Defense Security Service (DSS) had conducted almost all of the department's security clearance investigations. In 1999, however, DOD contracted with the Office of Personnel Management (OPM), and later with private-sector investigative firms, to process large numbers of new investigations and reinvestigations. Using information from the investigations, DOD's 10 central adjudication facilities provide the eligibility-for-clearance determinations.

Since at least the late 1990s, the timeliness of DOD's personnel security clearance process has been at issue. In our October 1999 report,¹ for example, we identified serious problems with the adequacy of DOD's investigations; this work prompted the department to declare its

¹ U.S. General Accounting Office, *DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks*, [GAO/NSIAD-00-12](#) (Washington, D.C.: Oct. 27, 1999).

investigative function a systemic weakness² under the Federal Managers' Financial Integrity Act of 1982.³ In our August 2000 report, we noted that DOD estimated it had a backlog of more than 500,000 overdue reinvestigations that had not yet been submitted for renewal and found that DOD had no established method for monitoring or estimating the total number of periodic reinvestigations that were overdue but not submitted.⁴ Moreover, in our 2001 report, we found that DOD's adjudicators did not consistently document adverse security conditions, and we identified other factors that hindered the effectiveness of the adjudication process.⁵ Along with our reviews, several reports issued in 2000 and 2001 by the DOD Office of the Inspector General have also documented problems with various aspects of the security clearance process.⁶ In agency comments to GAO and DOD Office of Inspector General recommendations (see app. I for recommendations), DOD identified many actions it had taken or planned to take to address problems in its investigative and adjudicative processes. For example, in response to a recommendation in our August 2000 report, DOD noted that the Joint Personnel Adjudication System

² In DOD's *Annual Statement of Assurance, FY 1999 Volume I*, DOD stated that "[i]n the upcoming annual assurance statement, Defense Security Service (DSS) will identify the Personnel Security Investigations Program as being a material weakness and will provide an action plan that addresses corrective actions needed to bring the program back into compliance with performance expectations and with existing security policies." However, in both the fiscal year 2000 and 2001 Annual Statement of Assurance, the personnel security investigations program was listed as a systemic weakness. According to the fiscal year 2001 Statement of Assurance, "Material weaknesses are management control problems that affect only one Component and do not significantly impact mission accomplishment. Systemic weaknesses are management control problems that affect more than one DOD Component and may jeopardize the Department's operations." Department of Defense, *Annual Statement of Assurance, Vol. I* (Washington, D.C.: 1999).

³ Pub. L. 97-255 (Sept. 8, 1982).

⁴ U.S. General Accounting Office, *DOD Personnel: More Actions Needed to Address Backlog of Security Clearance Reinvestigations*, [GAO/NSIAD-00-215](#) (Washington, D.C.: Aug. 24, 2000).

⁵ U.S. General Accounting Office, *DOD Personnel: More Consistency Needed in Determining Eligibility for Top Secret Security Clearances*, [GAO-01-465](#) (Washington, D.C.: Apr. 18, 2001).

⁶ Department of Defense, Office of Inspector General Audit Report, *Program Management of the Defense Security Service Case Control Management System*, Report No. D-2001-019 (Arlington, Va.: Dec. 15, 2000); Department of Defense, Office of Inspector General Audit Report, *Acquisition Management of the Joint Personnel Adjudication System*, Report No. D-2001-112 (Arlington, Va.: May 5, 2001); and Department of Defense, Office of Inspector General Audit Report, *Security Clearance Investigative Priorities*, Report No. D-2000-111 (Arlington, Va.: Apr. 5, 2000).

(JPAS) would be implemented in fiscal year 2001 and would provide an automated means of tracking and counting overdue but-not-submitted requests for reinvestigation.

More recently, the National Defense Authorization Act for Fiscal Year 2004 authorized the transfer of DOD's personnel security investigative functions and 1,855 investigative employees to OPM.⁷ Under the Act, a transfer of functions can only be made after the Secretary of Defense certifies that certain conditions can be met and that the Director of OPM concurs with the authorized transfer. Among the conditions requiring Secretary of Defense certification are "[t]hat the Office of Personnel Management is fully capable of carrying out high-priority investigations required by the Secretary of Defense within a timeframe set by the Secretary of Defense" and "[t]hat the Office of Personnel Management has undertaken necessary and satisfactory steps to ensure that investigations performed on Department of Defense contract personnel will be conducted in an expeditious manner sufficient to ensure that those contract personnel are available to the Department of Defense within the timeframe set by the Secretary of Defense."

You asked us to conduct a follow-up review of DOD's personnel security process. As agreed with your office, this report addresses three questions: (1) What is the size of DOD's security clearance backlog, and how accurately is DOD able to estimate its size? (2) What factors impede DOD's ability to eliminate the backlog and accurately determine its size? (3) What are the potential adverse effects of those impediments to eliminating DOD's backlog and accurately estimating the backlog's size? In addition to answering these three questions, you asked us to determine the status of the congressionally authorized transfer of DSS investigative functions and personnel to OPM.

To conduct our work, we reviewed DOD and OPM regulations, instructions, policy guidance, and available empirical data and procedural information on the personnel security clearance process. In addition, we obtained information during meetings with DOD, OPM, and other officials who are responsible for the oversight, investigative, and adjudicative functions of the personnel security clearance process. We also referred to prior GAO, DOD Office of Inspector General, and congressional reports. We conducted our work from February through December 2003 in

⁷ Pub. L. 108-136 § 906 (Nov. 24, 2003).

accordance with generally accepted government auditing standards. Additional information on our scope and methodology is presented in appendix II.

Results in Brief

DOD did not know the size of its security clearance backlog at the end of September 2003 and has not estimated the size of the backlog since January 2000. DOD cannot estimate the size of its backlog of overdue reinvestigations that have not yet been submitted for renewal, but prior estimates of this portion of the backlog have been sizeable. For example, we noted in our 2000 report that DOD estimated its number of overdue-but-not-submitted reinvestigations at 300,000 cases in 1986 and at 500,000 cases in 2000. Based on September 2003 data that we obtained from DSS, OPM, and adjudication facilities, we estimated the potential size of DOD's investigative and adjudicative backlogs to be roughly 270,000 and 90,000 cases, respectively. Because these estimates were developed using time limits for completing investigations or adjudications that varied from agency to agency, uncertainty is present regarding the actual size of the backlog.

A number of impediments hinder DOD's ability to eliminate its security clearance backlog and accurately estimate the size of the backlog. Four major impediments have slowed DOD's progress in eliminating the backlog. (1) The large number of new requests for clearances has hampered DOD's efforts to draw down the number of cases already in DOD's current backlog. (2) The sizes of the investigator and adjudicator workforces have not been sufficient to eliminate the backlog, even though DOD has taken steps to increase the number of requests that can be processed. For example, according to an OPM official, roughly 8,000 full-time-equivalent investigative personnel are needed to eliminate the backlog, but our calculations showed that DOD and OPM have around 4,200 full-time-equivalent government and contract investigative staff as of December 2003. (3) The mere size of the existing backlog has prevented the timely processing and completion of new requests for clearances. (4) The lack of a strategic plan for overcoming problems in gaining access to state, local, and overseas information has slowed the completion of investigations and thereby has impeded the reduction of the backlog. In addition, two other factors have hampered DOD's ability to develop accurate estimates of the backlog. DOD has failed to provide adequate oversight for the security clearance program, including developing DOD-wide definitions and measures of the backlog and using the measures to assess the backlog regularly. In addition, delays in implementing JPAS

have limited DOD's ability to, among other things, monitor backlog size and track when periodic reinvestigations are due.

DOD's failure to eliminate its large security clearance backlog and to accurately estimate the size of the backlog may have adverse effects. For example, delays in updating overdue clearances for command, agency, and industry personnel performing classified government work may increase risks to national security. Similarly, delays in issuing initial clearances caused by the backlog and other impediments can increase the costs of doing classified government work. In addition, DOD's inability to accurately define and measure the backlog and project the number of future clearance requests it expects to receive can adversely affect DOD's ability to develop accurate budgetary and staffing plans. For example, DOD's difficulty in estimating its workload was evidenced in fiscal year 2002 when DOD expected 720,000 requests for investigations and actually received more than 850,000 requests—or 18 percent more.

In December 2003, advisors to the Director of OPM recommended that the congressionally authorized transfer of DOD's investigative functions to OPM should not take place for at least the rest of fiscal year 2004. That recommendation was based on uncertainty about the financial risks that OPM might incur from the transfer. The advisors recommended an alternative plan that is currently being discussed by DOD and OPM officials. The alternative plan would keep DSS's investigative staff in DOD; provide DSS with access to OPM's case management system, which, according to a DOD official, would save about \$100 million in costs associated with continuing to update and maintain DOD's current case management system; and train DSS staff to use that system. Also, as of December 16, 2003, the Secretary of Defense had not provided Congress with the certifications that are required before the transfer could take place.

In order to eliminate the personnel security clearance backlog and increase the accuracy of DOD's security clearance backlog estimates, we are recommending that DOD take steps to improve the management and oversight of the personnel security clearance program: match both investigative and adjudicative workforce sizes to workloads; develop a strategic plan to overcome access to information problems; develop DOD-wide backlog definitions and measures and monitor the backlog; and complete the implementation of JPAS.

In commenting on a draft of this report, DOD fully concurred with three of our four recommendations and partially concurred with our recommendation to match workforce sizes to workloads.

Background

The Office of the Under Secretary of Defense for Intelligence (OUSD (I)) was created in 2002 with the passage of the Bob Stump National Defense Authorization Act for Fiscal Year 2003.⁸ Among the responsibilities of OUSD (I) are the coordination and implementation of DOD policy for access to classified information. At the time of our earlier review on the clearance process, these responsibilities belonged to the Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (OASD (C3I)).

Classified information is categorized into three levels—top secret, secret, and confidential—to denote the degree of protection required for information according to the amount of damage that unauthorized disclosure could reasonably be expected to cause to national defense or foreign relations.⁹ The degree of expected damage that unauthorized disclosure could reasonably be expected to cause is “exceptionally grave damage” for top secret information, “serious damage” for secret information, and “damage” for confidential information. To retain access to classified information, individuals must periodically go through the security clearance process. The time frames for reinvestigation are every 5 years for top secret, 10 years for secret, and 15 years for confidential.¹⁰

DOD’s personnel security clearance process has three stages: preinvestigation, which includes determining if a requirement for access exists and submitting an investigation request; the actual personnel security investigation; and adjudication, a determination of eligibility for access to classified information (see fig. 1). Since 1997, all federal agencies

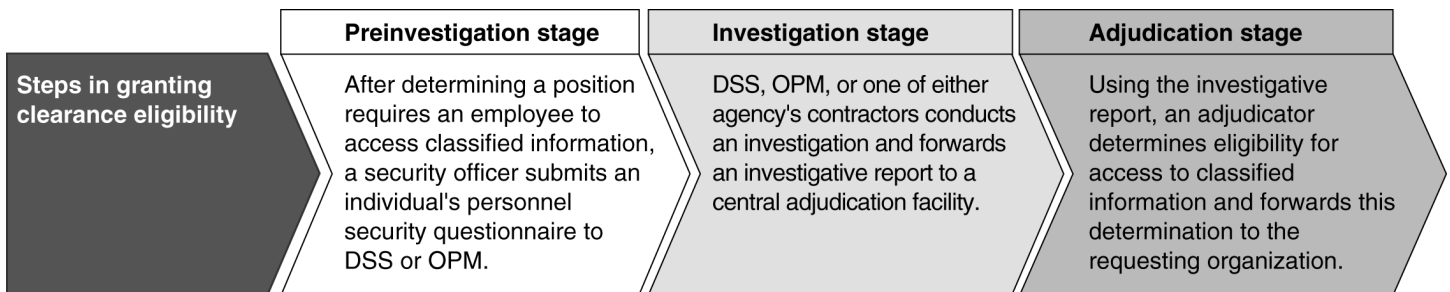
⁸ Pub. L. 107-314 § 901 (Dec. 2, 2002).

⁹ Classification of National Security Information, 5 C.F.R. §1312.4 (2003).

¹⁰ Adjudicative Guidelines for Determining Eligibility for Access to Classified Information, 32 C.F.R. Part 147, Subpart B, Attach. A and Attach. C (2003).

have been subject to a common set of personnel security investigative standards and adjudicative guidelines for determining whether service members, government employees, industry personnel, and others are eligible to receive a security clearance.¹¹ In 1998, DOD formally incorporated these standards and guidelines into its regulations governing access to classified information.¹²

Figure 1: DOD’s Personnel Security Clearance Process



Source: DOD.

The security officer begins the preinvestigation stage of the clearance process by determining whether a position requires access to classified information. If so, the current or future job incumbent completes a personnel security questionnaire that asks for detailed information about a wide range of issues. The impetus for an investigation request could be a need to (1) appoint, enlist, or induct an individual into the military; (2) staff a new program or contract with an individual who has a clearance; (3) replace a cleared job incumbent with someone else; (4) raise an existing clearance to a higher level; or (5) reinvestigate a previously cleared job incumbent whose clearance is due for reinvestigation.

In the investigation stage, investigative staff members seek information pertaining to the subject’s loyalty, character, reliability, trustworthiness, honesty, and financial responsibility. The level of clearance is the primary

¹¹ The White House, “Implementation of Executive Order 12968,” Memorandum, (Washington, D.C.: Mar. 24, 1997). This memorandum approves the adjudicative guidelines, temporary eligibility standards, and investigative standards required by Executive Order 12968, Access to Classified Information, Aug. 2, 1995.

¹² Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, “Personnel Security Investigations and Adjudications,” Memorandum (Washington, D.C.: Nov. 10, 1998).

determinant of the types and sources of information gathered. For example, an investigation for a top secret clearance requires much more information than does the type of investigation required to determine eligibility for either a secret or confidential clearance. The types or sources of information might include an interview with the subject of the investigation, national agency checks (e.g., Federal Bureau of Investigations and immigration records), local agency checks (e.g., municipal police and court records), financial checks, birth date and place, citizenship, education, employment, public records for information such as bankruptcy or divorce, and interviews with references.

In the adjudication stage of the security clearance process, government employees in 10 DOD central adjudication facilities¹³ use the information gathered at the investigation stage to approve, deny, or revoke eligibility to access classified information. Once adjudicated, the security clearance is then issued up to the appropriate eligibility level, or alternative actions are taken if eligibility is denied or revoked.

DOD Unable to Estimate the Size of Its Clearance Backlog

DOD did not know the size of its personnel security clearance backlog and has not estimated the size of the backlog since January 2000. DOD was unable to estimate the size of its backlog for overdue reinvestigations that have not yet been submitted, but our estimates for overdue submitted investigation requests and overdue adjudications were roughly 270,000 and 90,000 cases, respectively, at the end of September 2003. These estimates are not based on a consistent set of DOD-wide definitions

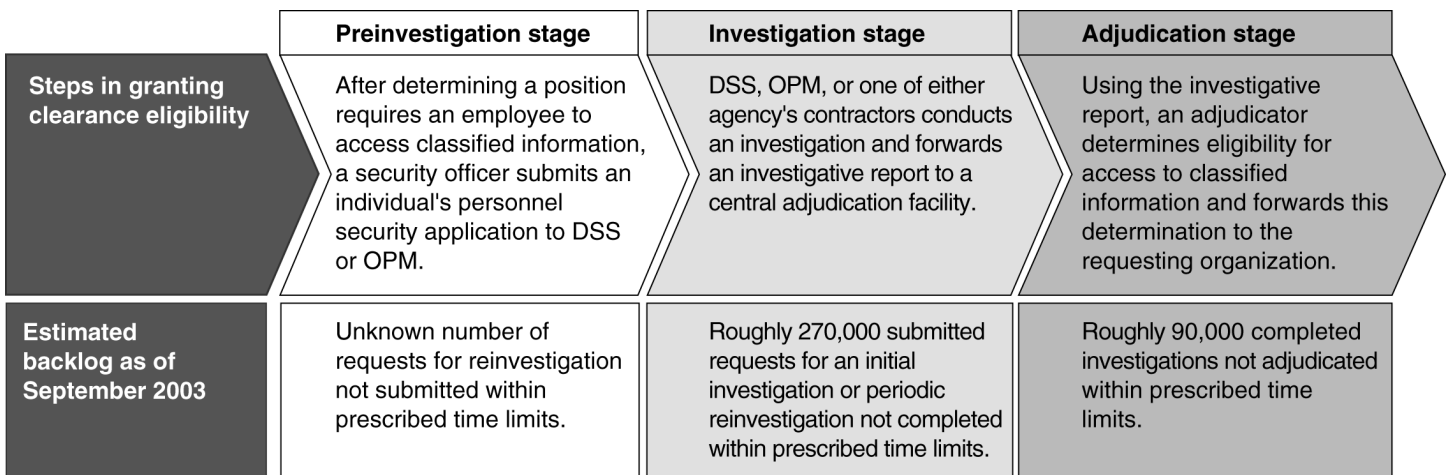
¹³ A Defense Personnel Security Research Center report provided the following distinctions in the roles of the 10 DOD central adjudication facilities. The Army, Navy, and Air Force facilities adjudicate all military and civilian clearances for their respective services, and the sensitive compartmented information clearances for industry employees working on the department's contracts. The Washington Headquarters Service facility adjudicates all clearances, except for sensitive compartmented information, for civilians assigned to Defense agencies. The National Reconnaissance Office, National Security Agency, and Defense Intelligence Agency facilities adjudicate all sensitive compartmented information clearances for their own employees, and the Defense Intelligence Agency also does the same for other Defense agency civilians. The Joint Chiefs of Staff facility adjudicates clearances for its own personnel. The Defense Industrial Security Clearance Office adjudicates investigations that contain favorable or minor derogatory information for issuance of top secret, secret, and confidential clearances for industry personnel. Industry investigations that contain major derogatory information are transferred to the Defense Office of Hearings and Appeals for adjudication. Ralph M. Carney et al., *Quality Assurance in Defense Adjudication: An Adjudicator Workshop for Defining and Assessing Quality*, (Monterey, Calif.: Defense Personnel Security Research Center, Mar. 2003).

and measures; instead, the time limits for defining and measuring the backlog varied from agency to agency.

DOD Unable to Estimate the Number of Overdue Reinvestigations Not Yet Submitted

DOD could not estimate the number of personnel who had not requested a reinvestigation, even though their clearances exceeded the governmentwide time frames for reinvestigation (see fig. 2). As we mentioned earlier, the governmentwide time frames for renewing clearances are 5, 10, or 15 years depending on an individual's clearance level. We, therefore, defined this portion of the backlog as any request for reinvestigation that had not been submitted within those time frames.

Figure 2: Estimated Backlog Size at Each Stage in the Personnel Security Clearance Process, as of September 2003



Source: GAO analysis of DOD data.

In our 2000 report, we indicated that DOD estimated its overdue but-not-submitted reinvestigation backlog at 300,000 cases in 1986 and 500,000 cases in 2000.¹⁴ Our 2000 report also noted that the 500,000-case backlog estimate was of questionable reliability because of the ad hoc methods used to derive it. Between 2000 and 2002, DOD took a number of steps to reduce this backlog, including mandating the submission of requests and requiring senior service officials to provide monthly submission progress reports. On February 22, 2002, DOD concluded this backlog reduction

¹⁴ [GAO/NSIAD-00-215](#).

effort by issuing an OASD (C3I) memorandum directing that “[b]y September 30, 2002, if a clearance is not based upon a current or pending investigation, or if the position does not support a requirement for a clearance, the clearance must be administratively terminated or downgraded without prejudice to the individual.” DOD is unable to show that the overdue but-not-submitted reinvestigations backlog was eliminated by these actions.

Roughly 270,000 Submitted Requests for Investigations Overdue for Completion

At the end of September 2003, the investigative portion of the backlog consisted of roughly 270,000 submitted requests for either reinvestigation or initial investigation that had not been completed within a prescribed amount of time. We calculated this estimate from information provided in response to the data requests that we made to DSS and OPM. This number represents an estimated 163,000 cases at DSS and 107,000 cases contracted to OPM that had not been completed within the time limits. In our August 2000 report, DOD stated that a vast majority of 94,000 submitted requests for reinvestigation were overdue for completion, and those cases were not part of DOD’s estimate of 500,000 overdue but-not-submitted reinvestigations discussed in the prior section. At that time, DOD had not included either submitted reinvestigations or initial investigations that exceeded specified time limits as part of the DOD-wide backlog. An estimate of the initial investigations exceeding the time limit was not a focus of that work.

The existence of varying sets of time limits for completing investigations makes it difficult to develop accurate estimates of the size of DOD’s investigative backlog.

- DSS’s performance goals are 120 days for a periodic reinvestigation for a top secret clearance, 90 days for an initial top secret clearance, and 75 days for either a secret or confidential clearance being issued initially.¹⁵ In addition, some requests for investigations receive priorities over other requests.
- OPM has timeliness categories that DOD and other agencies use to request various types of investigations. The timeliness categories are

¹⁵ DSS’s performance goal is to complete at least 75 percent of each type of investigation within the specified time limits, but monitoring of the backlog requires a determination of whether each investigation was completed by the time limit—not whether an aggregate performance goal was met for a particular type of investigation.

35 days for priority investigations, 75 days for accelerated investigations, 120 days for standard investigations, and 180 days for extended service agreements.¹⁶

The lack of a standard set of time limits is a long-standing problem. In 1994, the Joint Security Commission reported on this issue, and among other things (1) found there was no performance standard for timeliness in completing investigations and adjudications, (2) stated it repeatedly heard from the customer community that 90 days is an appropriate standard for completing an average investigation and adjudication, and (3) recommended “[s]tandard measurable objectives be established to assess the timeliness and quality of investigations, adjudications, and administrative processes and appeals performed by all such organizations within DOD and the Intelligence Community.”¹⁷

OPM’s issuance of closed pending cases—investigations sent to adjudication facilities without one or more types of source data—presents another ambiguity in defining and accurately estimating the backlog. In our October 1999 report, we found that DSS had similarly delivered incomplete investigations to DOD adjudicators.¹⁸ After we recommended that DOD adjudication facility officials grant clearances only when all essential investigative work has been done, DSS monitored the cases returned from the adjudication facilities and identified reasons for the returns. Overall, about 10 percent of the 283,480 DOD cases fully closed by OPM in fiscal year 2002 were initially delivered to central adjudication facilities as closed pending cases. When measuring the timeliness of its contractors’ performance, OPM defines 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 within OPM-contracted time limits, we believe that closed pending cases should be included in the investigative portion of the backlog.

¹⁶ OPM’s performance goals for its contractor are to complete 90 percent of the 35-day service requests by the agency date, 92 percent of the 75-day service requests by the agency date, 95 percent of the 120-day service requests by the agency date, and 95 percent of the extended service agreements by the agency date.

¹⁷ Joint Security Commission, *Redefining Security: A Report to the Secretary of Defense and the Director of Central Intelligence* (Washington, D.C.: Feb. 28, 1994).

¹⁸ [GAO/NSIAD-00-12](#).

DOD-Wide Estimate of Adjudicative Backlog Exceeds Roughly 90,000 Cases

Central adjudication facilities' responses to our request for adjudicative backlog estimates as of September 30, 2003, indicated that roughly 90,000 completed investigations had not been adjudicated within prescribed time limits (see table 1). Differences in the sizes of the backlog at the various central adjudication facilities are due to a combination of factors. For example, the military service departments generally perform more adjudications than do DOD agencies; some facilities have increased their staffing of government employees to decrease the backlog; and some facilities have contracted for support services to decrease the backlog. We later discuss the large number of requests that have resulted over the last few years. DOD officials attributed this extra adjudicative workload to, among other things, increased operations related to the war on terrorism.

Table 1: Adjudicative Backlog Present at Each Central Adjudication Facility, as of September 30, 2003

Central Adjudication Facility	Size of Adjudicative Backlog
Army	35,226
Air Force	25,493
Defense Industrial Security Clearance Office	12,793
Navy	12,606
Defense Office of Hearings and Appeals	4,487
Washington Headquarters Services	1,296
Defense Intelligence Agency	1,046
National Security Agency	0
Joint Staff	does not track
Total	92,947

Source: DOD.

Note: We did not attempt to gather information from the National Reconnaissance Office because of the sensitive nature of its mission.

An ambiguous picture of the adjudicative backlog size is present because the central adjudication facilities use different time limits to define when cases become part of the backlog. Applying the backlog criteria of one central adjudication facility to the completed investigations waiting adjudication at another facility could increase or decrease the estimated size of the DOD-wide adjudicative backlog. For instance, the Defense Industrial Security Clearance Office's goals for completing adjudications are 3 days for initial investigations and 30 days for periodic reinvestigations, and any cases exceeding these amounts are considered a backlog. In contrast, the Defense Office of Hearings and Appeals' goal is to

maintain a steady workload of adjudicating 2,150 cases per month within 30 days of receipt, and it considers a backlog to exist when the number of cases on hand exceeds its normal workload. Thus, if the Defense Industrial Security Clearance Office's stricter time limit were applied to the initial investigations awaiting adjudication at the Defense Office of Hearings and Appeals, the latter office's backlog would be larger than that currently reported.

Multiple Impediments Slow DOD's Progress in Eliminating Its Backlog and Generating Accurate Backlog Estimates

We have identified four major impediments that have slowed DOD's progress in eliminating its clearance backlog and two impediments that have hindered its ability to produce accurate backlog estimates.

Large Number of Clearance Requests, Limited Staffing, Existing Backlog, and No Strategic Plan for Information-Access Problems Slow DOD's Efforts to Eliminate the Backlog

In our review of documents and discussions with officials from DOD, OPM, industry associations, and investigator contractors, we identified four major impediments that have hampered DOD's ability to eliminate its current security clearance backlog. These are: (1) the large number of new requests for clearances, (2) inadequate investigator and adjudicator workforces, (3) the mere size of the existing backlog, and (4) the lack of a strategic plan for overcoming problems by government and contractor investigators in gaining access to information from state, local, and overseas sources.

Large Number of Requests for Clearances

The large number of requests for security clearances hinders DOD's efforts to draw down the number of cases in its current clearance backlog. In fiscal year 2003, the Secretary of Defense annual report to the President and Congress noted that defense organizations annually request more than 1 million security checks. These checks include investigations that are part of the personnel security clearance process as well as other investigations such as those used to screen some new recruits entering the military. Other federal agencies are also requesting a growing number of background investigations according to OPM. In our November 2003

report on aviation security,¹⁹ we noted that OPM had stated that (1) it received an unprecedented number of requests for background investigations governmentwide since September 2001 and (2) the large number of requests was the primary reason for delayed clearance processing.

Historically, almost all of DOD's requests for investigations were submitted to DSS. Starting in 1999, DOD contracted with OPM to complete a large number of requests for investigations as part of DOD's effort to expand its investigative capacity and decrease its investigative backlog. OUSD (I) estimated that DOD spent over \$450 million for the investigations submitted to DSS and OPM in fiscal year 2003. As table 2 shows, OUSD (I) reported that the actual number of requests submitted for investigations were approximately 700,000 in fiscal year 2001, more than 850,000 in fiscal year 2002, and more than 775,000 in fiscal year 2003.²⁰ In fiscal year 2003, DSS had responsibility for a larger percentage of the total DOD investigations workload than it had in the prior 2 fiscal years. DSS supplemented its federal workforce with contracts to three private-sector investigations firms. As table 2 also indicates, the number of targeted submissions versus the actual number of submissions that DOD received varied considerably from year to year. In fiscal year 2001, DOD received fewer requests than it had expected (82 percent), and in fiscal years 2002 and 2003, it received more requests than projected (119 and 113 percent, respectively).

¹⁹ U.S. General Accounting Office, *Aviation Security: Federal Air Marshal Service Is Addressing Challenges of Its Expanded Mission and Workforce, but Additional Actions Needed*, [GAO-04-242](#) (Washington, D.C.: Nov. 19, 2003).

²⁰ In our October 1999 report on investigations, table 9 showed that during fiscal years 1991-1998, DSS opened a low of 126,000 cases in fiscal year 1996 and a high of 271,000 cases in fiscal year 1992. We believe that differences in investigative procedures and other conditions at DSS then versus now make findings from any such comparison of prior and current investigative workloads tenuous. [GAO/NSIAD-00-12](#).

Table 2: Targeted and Actual Numbers of Requests Submitted to DSS and OPM during Fiscal Years 2001-2003

Requests submitted to	FY 2001		FY 2002		FY 2003	
	Target	Actual	Target	Actual	Target	Actual
DSS	435,734	416,233	408,539	438,093	530,271	603,460
OPM	413,033	283,963	312,248	418,181	157,004	173,984
Total	848,767	700,196	720,787	856,274	687,275	777,444
Percent of actual at DSS		59 %		51 %		78 %
Percent of target	82 %		119 %		113 %	

Source: OUSD (I).

Note: Table 2 shows when investigations began, but the investigations may not be completed in the same fiscal year.

DOD personnel, investigations contractors, and industry officials told us that the large number of requests for investigations could be attributed to many factors. For example, they ascribed the large number of requests to heightened security concerns that resulted from the September 11, 2001, terrorist attacks. They also attributed the large number of investigations to an increase in the operations and deployments of military personnel and to the increasingly sensitive technology that military personnel, government employees, and contractors come in contact with as a part of their job. While having a large number of cleared personnel can give the military services, agencies, and industry a large amount of flexibility when assigning personnel, the investigative and adjudicative workloads that are required to provide the clearances further tax DOD's already overburdened personnel security clearance program.

A change in the level of clearance being requested also increases the investigative and adjudicative workloads. A growing percentage of all DOD requests for clearances is at the top secret level. For example, in fiscal years 1995 and 2003, 17 percent and 27 percent, respectively, of the clearance requests for industry personnel were at the top secret level. This increase of 10 percentage points in the proportion of investigations at the top secret level is important because top secret clearances must be renewed twice as often as secret clearances (i.e., every 5 years versus every 10 years). According to OUSD (I), top secret clearances take eight times the investigative effort needed to complete a secret clearance and three times the adjudicative effort to review. The doubling of frequency

along with the increased effort to investigate and adjudicate each top secret reinvestigation adds costs and workload for DOD.

- **Cost.** In fiscal year 2003, the costs of investigations that DOD obtained through DSS were \$2,640 for an initial investigation for a top secret clearance, \$1,591 for a periodic reinvestigation of a top secret clearance, and \$328 for the most commonly used investigation for a secret clearance. The cost of getting and maintaining a top secret clearance for 10 years is approximately 13 times greater than the cost for a secret clearance. For example, an individual getting a top secret clearance for the first time and keeping the clearance for 10 years would cost DOD a total of \$4,231 in current year dollars (\$2,640 for the initial investigation and \$1,591 for the reinvestigation after the first 5 years). In contrast, an individual receiving a secret clearance and maintaining it for 10 years would cost a total of \$328 (\$328 for the initial clearance that is good for 10 years).
- **Time/Workload.** The workload is also affected by the scope of coverage in the various types of investigations. Much of the information for a secret clearance is gathered through electronic files. The investigation for a top secret clearance, on the other hand, requires the information needed for the secret clearance as well as data gathered through time-consuming tasks such as interviews with the subject of the investigation request, references in the workplace, and neighbors.

Inadequate Investigative and Adjudicative Workforces Hinder Efforts to Eliminate Backlog

Another impediment to eliminating the large security clearance backlog is the inadequate size of the federal and private-sector investigative workforces relative to the large workloads that they face. The Deputy Associate Director of OPM's Center for Investigations Services estimated that roughly 8,000 full-time-equivalent investigative personnel would be needed by OPM and DOD (together) to eliminate backlogs and deliver investigations in a timely fashion to their customers. The rough estimate includes investigators and investigative technicians. However, changes in the numbers or types of clearance requests, different levels of productivity by investigators, and other factors could greatly affect this estimated workforce requirement.

As of December 2003, we calculated that DOD and OPM have around 4,200 full-time-equivalent investigators available as federal employees or currently under contract. Of this number, DSS indicated that it has about 1,200 investigators and 100 investigative technicians. In addition, DSS has the equivalent of 625 full-time investigative staff, based on 2,500 mostly

part-time investigators, from its three contractors. DSS equates four of the part-time investigators to one full-time investigator. Finally, although OPM has almost no investigative staff currently, its primary contractor has approximately 2,300 full-time investigators. OPM reported that its primary contractor is adding about 100 investigators per month, but turnover is about 70 employees per month.

We believe that DSS's estimate of the number of full-time-equivalent investigators working for its contractors is imprecise because (1) an investigator may work part-time for more than one contractor and (2) the amount of time devoted to conducting investigations can vary substantially. These part-time investigators work different amounts of time each month, according to both their own preference and the number of assignments they receive from investigation contractor(s). Sometimes they are unavailable to work for one contractor because they are conducting investigations for another contractor. Officials from DSS's investigations contractors told us that they intend to continue relying largely on staff employed on an as-needed basis. Some of the private-sector officials stated that they would incur additional financial risks if they were to use full-time investigators.

Inadequate adjudicator staffing also causes delays in issuing eligibility-for-clearance decisions. Since we issued our report on DOD adjudications in 2001, the number of eligibility-for-clearance decisions has risen for reasons such as an increase in the number of completed investigations stemming from DOD's contract with OPM and the improved operation of DSS's Case Control Management System.

Central adjudication facilities with adjudicative backlogs have taken various actions to eliminate their backlog. The Defense Office of Hearings and Appeals hired 46 additional adjudicators on 2-year term appointments, contracted for administrative functions associated with adjudication, and is seeking permission from the Office of the Secretary of Defense to hire some of its term adjudicators permanently. The Navy's central adjudication facility contracted with three companies to provide support and hired an additional 27 full-time-equivalent civilian and military adjudicators, which helped the Navy eliminate much of its adjudicative backlog that had grown to approximately 60,000 cases by December 2002. Because the DOD Office of Inspector General is examining whether the Navy adjudicative contracts led the contractor's staff to perform an inherently governmental function—adjudication—it is unclear whether the Army and Air Force central adjudication facilities will be able to use similar contracting to eliminate their backlogs.

The 10 DOD central adjudication facilities are funded by different agencies and operate independently of one another. As a result, OUSD (I) cannot transfer backlogged cases from one facility to eliminate an adjudicative backlog at another facility. In our April 2001 report on DOD adjudications,²¹ we noted that studies issued by the Defense Personnel Security Research Center, the Joint Security Commission, and the DOD Office of the Inspector General between 1991 and 1998 had concluded that the decentralized structure of DOD's adjudication facilities had drawbacks. Two of the studies had recommended that DOD consolidate its adjudication facilities (with the exception of the National Security Agency because of the sensitive nature of its work) into a single entity. Currently, OUSD (I) is exploring the possibility of assigning all industry adjudications to the Defense Industrial Security Clearance Office instead of having it share this responsibility with the Defense Office of Hearing and Appeals.

**Size of Existing Backlog
Impedes Prompt Opening of
New Requests for Investigation**

The current size of the investigative backlog impedes DOD's ability to process new security clearance requests within the prescribed time limits. A new request might remain largely dormant for months in the investigations queue until other requests that were received earlier have been completed. This point can be illustrated by examining the results of miscommunications between OASD (C3I) and DSS regarding assigning priorities to investigations between March 2002 and March 2003. During that period, DSS placed a higher priority on completing new—versus old—requests. From March through September 2002, DSS averaged 97 days to open and complete initial investigation requests for top secret clearances; 100 days, for top secret reinvestigation; 43 days, for secret; and 44 days, for confidential. For three of the four types of investigations, DSS's average completion times were faster than its time-based goals (120 days for a periodic reinvestigation for a top secret clearance, 90 days for an initial top secret clearance; and 75 days for either a secret or confidential clearance being issued initially). Starting in March 2003, DSS again assigned a higher priority to older requests. However, during those 12 months, from March 2002 to February 2003, the average age of the older cases increased, and it is impossible to say how much of the increase was due to the miscommunication regarding priorities, a change in the number of requests that DSS received, or some other factor.

²¹ [GAO-01-465](#).

No Strategic Plan for
Overcoming Information-
Access Problems Slows
Investigative Process

DSS staff told us that the delays in starting investigations could lead to additional delays in processing the case, particularly for military personnel who were being deployed or were moving. Therefore, DSS instituted a procedure to attempt to meet with individuals requesting an investigation before they deploy or go on extended training. Delays in starting investigations can result in extra investigative work to find the individuals at their new addresses or additional delays if investigators wait for the individuals to return from deployment or training. In some cases, however, DOD commands, agencies, and contractors have been able to obtain some investigations quickly by assigning higher priorities to certain individual investigations or types of investigations.

The absence of a strategic plan for overcoming problems in gaining access to information from state and local agencies also slows the speed of personnel security clearance investigations and, thereby, impedes reducing the size of the backlog. Investigators face delays in conducting background checks because of the lack of automated records in many localities, state and local budget shortfalls that limit how much time agency staff have to help investigators, and privacy concerns (e.g., access to conviction records from the courts instead of the preferred arrest records from law enforcement). This problem of accessibility to state and local information was identified in an October 2002 House Committee on Government Reform report.²² The report recommended that the Secretary of Defense and the Attorney General jointly develop a system that allows DSS and OPM investigators access to state and local criminal history information records. In addition, representatives from one investigations contractor noted that the Security Clearance Information Act²³ gives only certain federal agencies access to state and local criminal records, and therefore private-sector investigators are put at a disadvantage relative to federal investigators.

Another barrier to the timely closure of an investigation is a limited investigative capacity overseas, which causes delays in obtaining information from overseas investigative sources. DSS, OPM, and private-sector investigations contractors do not maintain staffs overseas to investigate individuals who are currently or were formerly stationed

²² Committee on Government Reform, *Defense Security Service: The Personnel Security Investigations (PSI) Backlog Poses a Threat to National Security*, H.R. 107-767 (Washington, D.C.: Oct. 24, 2002).

²³ Security Clearance Information Act, 5 U.S.C. § 9101 (2003).

overseas, who have traveled or lived overseas, or who have relatives living in foreign countries. Officials at DSS and the central adjudication facilities told us that they typically ask overseas-based DOD criminal investigations personnel or State Department and Central Intelligence Agency employees to supply this type of investigative information as a collateral duty.

DOD has no strategic plan for overcoming access to information problems and the delays that result, but DOD has made efforts to address selective aspects of the access problem. For example, DOD supplied us with draft legislation proposing to provide access to a central repository for driver licensing records. DOD proposed that this information be used in personnel security investigations and determinations as well as personnel investigations with regard to federal employment security checks. Also, an OUSD (I) official noted that DOD proposed a legislative change for the fiscal year 2001 authorization bill to allow easier access to records of criminal history information.

Oversight Problems and Automation Delays Hinder Accurate Monitoring of Backlog Size

OUSD (I) and its predecessor OASD (C3I) have not provided the oversight needed to monitor and accurately estimate the various parts of the backlog that are present throughout DOD. Also, as we documented earlier, backlog estimates are not based on a consistent set of DOD-wide definitions and measures. Knowing the accurate size of the backlog is an important step towards effectively managing and eventually eliminating the backlog. When we asked for all investigative backlog reports produced since 2000, OUSD (I) supplied January 2000 estimates as its most recent report, and the report included only reinvestigations. This finding regarding the infrequency of reporting contradicts DOD's concurrence with our October 1999 recommendation for OASD (C3I) to improve its oversight of the investigations program and our August 2000 recommendation to design routine reports to show the full extent of overdue reinvestigations. Our April 2001 report similarly concluded that OASD (C3I) needed to provide stronger oversight and better direction to DOD's adjudication facility officials. After a review of DOD's personnel security investigations program, an October 2002 report by the House Government Reform Committee recommended, "The Secretary of Defense should continue to report the personnel security investigations program

including the adjudicative process as a material [sic] weakness²⁴ under the Federal Managers' Financial Integrity Act to ensure needed oversight is provided to effectively manage and monitor the personnel security process from start to finish."²⁵ DOD concurred with our October 1999 recommendation to declare its investigations program as a material weakness to ensure that needed oversight is provided and that actions are taken. For fiscal years 2000 through 2003, DOD listed the personnel security program as a systemic weakness, which is a weakness that affects more than one DOD component and may jeopardize the department's operations.²⁶

Delays in implementing the joint adjudication system, JPAS, have greatly inhibited OUSD (I)'s ability to monitor overdue reinvestigations and generate accurate estimates for that portion of the backlog. Among JPAS's intended purposes are to consolidate DOD's security clearance data systems and provide various levels of near real-time input and retrieval of clearance-related information to OUSD (I), investigators, adjudicators, and security officers at commands, agencies, and industrial facilities. The DOD Chief Information Officer identified JPAS as a critical mission system. When we reported on the reinvestigations backlog in August 2000, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence stated that JPAS would be fully implemented in fiscal year 2001 and would be capable of providing recurring reports showing the accurate number of cleared personnel requiring a periodic reinvestigation by component and type of investigation. In early December 2003, an OUSD (I) official said current plans are to have JPAS fully operational by January 2004. The delays are caused by problems such as loading adjudicative data from each central adjudication facility's internally developed database and historical data from the Defense Clearance and Investigation Index.

²⁴ While the October 2002 House Committee on Government Reform report does indeed make this recommendation, the DOD's annual statements of assurance for fiscal year 2000 and for fiscal year 2001 and its annual performance and accountability reports for fiscal year 2002 and for fiscal year 2003 report the personnel security investigations program as a "systemic weakness." Committee on Government Reform report, Oct. 24, 2002.

²⁵ Committee on Government Reform report, Oct. 24, 2002, p. 36.

²⁶ *Department of Defense Annual Statement of Assurance, Fiscal Year 2000 and Fiscal Year 2001; Department of Defense Performance and Accountability Report, Fiscal Year 2002* (Jan. 31, 2003) and *Fiscal Year 2003* (Dec. 23, 2003).

Backlogs and Poor Estimates May Lead to Increased National Security Risks, Higher Costs, and Workload Uncertainties

DOD's failure to eliminate its backlog of overdue reinvestigations may heighten the risk of national security breaches. Also, backlog-related delays in issuing initial security clearances may raise the cost of doing classified work for the U.S. government. In addition, DOD's inability to accurately determine the actual size of its clearance backlog and project the number of clearances needed results in inaccurate budget requests and staffing plans.

Continued Failure to Eliminate Backlog May Lead to Increased National Security Risks and Unnecessary Costs

Delays in completing reinvestigations caused by the backlog and other impediments may lead to a heightened risk of national security breaches. Such breaches involve the unauthorized disclosure of classified information, which can have effects that range from exceptionally grave damage to national security for top secret information to damage for confidential information.²⁷ In 1999, the Joint Security Commission reported that delays in initiating reinvestigations create risks to national security because the longer individuals hold clearances the more likely they are to be working with critical information systems.²⁸

Delays in completing initial security clearances may have an economic impact on the cost of performing classified work within or for the U.S. government. Although estimates of the total economic costs of delays in granting clearances are dated, they reflect the extent of an ongoing problem. In a 1981 report, we estimated that the DOD investigative backlog could cost nearly \$1 billion per year in lost productivity.²⁹ More than a decade later, the Joint Security Commission report noted that the costs directly attributable to investigative delays in fiscal year 1994 could be as high as several billion dollars because workers were unable to perform their jobs while awaiting a clearance.³⁰ While newer overall cost

²⁷ Classification of National Security Information, 5 C.F.R. §1312.4 (2003).

²⁸ Joint Security Commission II, *Report of the Joint Security Commission II*, (Aug. 24, 1999), p. 5-6.

²⁹ U.S. General Accounting Office, *Faster Processing of DOD Personnel Security Clearances Could Avoid Millions in Losses*, GAO/GGD-81-105 (Washington, D.C.: Sept. 15, 1981).

³⁰ Joint Security Commission, *Redefining Security: A Report to the Secretary of Defense and the Director of Central Intelligence*, Chapter 4, Personnel Security—The First and Best Defense (Washington, D.C.: Feb. 28, 1994).

estimates are not available, the underlying reasons—the backlog and clearance delays that prevent the employment—for the costs still exist within DOD. For instance, DSS reported that the average time required to complete an initial investigation for a top secret clearance was 454 days for fiscal year 2002 and 257 days for October 2002 through February 2003.

The impact of delays in completing initial clearances affects industry,³¹ which relies on DOD to provide clearances for their employees. Representatives from one company with \$1 billion per year in sales stated that their company offers a \$10,000 bonus to its employees for each person recruited who already has a security clearance. Such operating costs are then passed on to government customers in the form of higher bids for contracts. In turn, the recruit's former company may need to back-fill a position, as well as possibly settle for a lower level of contract performance while a new employee is found, obtains a clearance, and learns the former employee's job. Also, industry representatives discussed instances where their companies gave hiring preference to personnel who could do the job but were less qualified than others who did not possess a clearance. The chair of the interagency Personnel Security Working Group noted that a company might hire an employee and begin paying that individual, but not assign any work to the individual until a clearance is obtained. Also, the head of the interagency group noted that commands, agencies, and industry might incur lost-opportunity costs if the individual chooses to work somewhere else rather than wait to get the clearance before beginning work.

Poor Estimates Can Result in Inadequate Budget and Staffing

DOD's inability to accurately project its personnel security clearance workload requirements have created budgeting and staffing difficulties for DOD units involved in the clearance process. For example, in fiscal year 2000, the services and defense agencies had to limit the number of overdue reinvestigations that they submitted for investigation because they had not budgeted the additional funds needed to cover the costs of the increased workload. Differences between the targeted and actual number of investigations for fiscal years 2001 to 2003 (see table 2) also document problems with the current procedures used to project clearance requirements. Inaccurate projections of personnel security clearance

³¹ We have an ongoing effort for the House Government Reform Committee that is examining the backlog of industry requests for clearances, the timeliness of clearance determinations, and the steps that DOD might take to make its process more efficient.

workloads may have also caused the backlog to be bigger than it might otherwise be because DSS and the central adjudication facilities did not adequately plan for increases in workloads.

Status Update on the Authorized Transfer of DSS Investigative Functions and Personnel to OPM

In December 2003, advisors to the Director of OPM recommended that the congressionally authorized transfer of DSS investigative functions and personnel to OPM not occur—at least for the rest of fiscal year 2004—due primarily to concerns about the financial risks associated with the transfer. The advisors recommended an alternative plan that is currently being discussed by DOD and OPM officials. The alternative plan proposes that DSS investigative functions and employees stay in DOD; use the OPM case management system, which according to a DOD official would save about \$100 million in costs associated with continuing to update and maintain DOD’s current case management system; and receive training to use that system from OPM. As of December 16, 2003, the Secretary of Defense had not provided Congress with the certifications required before the transfer can take place.

Background of the Authorized Transfer

On February 3, 2003, a DOD news release announced that the Deputy Secretary of Defense and the Director of the OPM had signed an agreement that would allow DOD to divest its personnel security investigative functions and OPM to offer positions to DSS investigative personnel. The proposal for the transfer of functions and personnel was included in DOD’s The Defense Transformation for the 21st Century Act when that legislative proposal was submitted to Congress on April 10, 2003. Also, the Secretary of Defense’s annual report to the President and to Congress for 2003 cited the transfer as an effort to “[r]eengineer the personnel security program by seeking statutory authority to transfer the personnel security investigation function currently performed by the Defense Security Service to the Office of Personnel Management, thus streamlining activities and eliminate redundancy.”³² The projected savings were estimated to be approximately \$160 million over the fiscal year 2004 to 2009 time frame.

On November 24, 2003, the National Defense Authorization Act for Fiscal Year 2004 authorized the transfer of DSS’s personnel security investigative

³² Donald H. Rumsfeld, Secretary of Defense, *Annual Report to the President and to Congress 2003*, p. 64.

functions and its 1,855 investigative employees to OPM.³³ Before the transfer can occur, the Secretary of Defense must certify in writing to the House and Senate Armed Services Committees that the following five conditions have been met:

- OPM is fully capable of carrying out high-priority investigations required by the Secretary of Defense within a time frame set by the Secretary of Defense;
- OPM has undertaken necessary and satisfactory steps to ensure that investigations performed on DOD contract personnel will be conducted in an expeditious manner sufficient to ensure that those contract personnel are available to DOD within a time frame set by the Secretary of Defense;
- DOD will retain capabilities in the form of federal employees to monitor and investigate DOD and contractor personnel as necessary to perform counterintelligence functions and polygraph activities of the department;
- The authority to adjudicate background investigations will remain with DOD, and the transfer of DSS personnel to OPM will improve the speed and efficiency of the adjudicative process; and
- DOD will retain within DSS sufficient personnel and capabilities to improve DOD industrial security programs and practices.

The Director of OPM may accept the transfer, but such a transfer may be made only after a period of 30 days has elapsed from the date on which the defense committees receive the certification.

Current Status of the Authorized Transfer

Senior OPM officials recommended that the Director of OPM should not accept the transfer of DSS's investigative functions and personnel, at least for the rest of fiscal year 2004. The OPM officials reported that OPM is not currently prepared to accept DSS's investigative functions and staff because of concerns about financial risks associated with the authorized transfer. OPM stated that under its current system of contracting out all investigations, the contractor assumes all financial risk for completing investigations at agreed-upon prices. OPM does not believe that current productivity data for DSS staff is sufficient to indicate whether DSS staff could provide the services at the price that OPM charges its customers. Also, OPM believes that the documentation for the financial costs of automobile leases, office space, and so forth are not currently adequate to

³³ Pub. L. 108-136 § 906 (Nov. 24, 2003).

provide OPM with the assurance that it needs to accept 1,855 personnel into an agency that currently has about 3,000 employees—more than a 60 percent growth in the number of OPM employees.

In a memorandum of understanding that is being finalized at OPM and DOD, OPM is offering an alternative plan for DSS's investigative functions and staff. While we were not provided a copy of the document, OPM officials described its contents to us orally. Among other things, the plan—if approved—would include the following:

- DSS's investigative functions and staff would remain part of DOD;
- DSS's investigative staff would receive training from OPM on the use of OPM's investigative procedures and OPM's investigations management system; and
- OPM would allow DOD to use OPM's investigations management system and thereby negate the need for DSS's investigations management system, which an OUSD (I) official indicated could cost about \$100 million to update and maintain over the next 5 years.

A senior OPM official with whom we spoke was optimistic that the alternative plan will go to DOD for review and signature before the end of December 2003. If DOD proposes changes, the plan will need to undergo re-staffing at OPM and possibly DOD. OPM's position described above was verified with the same OPM official on December 16, 2003.

After learning of the alternative plan and the draft memorandum of understanding, we discussed both with an OUSD (I) official who has been a key negotiator with OPM. The official verified that OPM had voiced the concerns regarding risk and was preparing an alternative plan. That DOD official is optimistic that DOD will be able to provide the assurances that are needed for the authorized transfer to occur before the end of fiscal year 2004. DOD's position was verified with the same OUSD (I) official on December 16, 2003.

Conclusions

DOD continues to have a personnel security clearance backlog that probably exceeds roughly 360,000 cases by some unknown number. This situation may increase risks to national security and monetary costs associated with delays in granting clearances. DOD faces many impediments as it attempts to eliminate its backlog, and these weaknesses are material to the prompt completion of clearance requests at all stages of the personnel security process. The large number of clearance requests being submitted may be the impediment that is least amenable to change.

As we mentioned earlier, worldwide deployments, contact with sensitive equipment, and other security requirements underpin the need for personnel to be cleared for access to classified information. Other impediments to eliminating the backlog are formidable, but more tractable. Shortages of investigative and adjudicative staff prevent DOD from quickly completing cases in the existing backlog as well as the hundreds of thousands of new clearance requests that have been submitted during each of the last 3 years. Using the rough estimates provided by an OPM official, the shortage of over 3,500 full-time-equivalent investigative staff illustrates one area in the clearance process where supply of personnel is inadequate to meet the demand for services. DOD has not developed a strategic plan for overcoming problems in accessing information locally, at the state level, and overseas during investigations; and this lack of a strategy hinders DOD efforts to quickly complete cases and efficiently eliminate the clearance backlog.

Basic to designing an efficient means for overcoming the impediments is obtaining and using accurate information regarding the backlog. Clear pictures of the backlog size will continue to be elusive if components continue to use varying backlog definitions and measures. The presence of a backlog of an imprecise size and impediments throughout the clearance process suggest systemic weaknesses in DOD's personnel security clearance program. Key to generating those reports is the implementation of the overdue JPAS with its ability to track when reinvestigations are due.

Recommendations for Executive Action

Because of continuing concerns about the size of the backlog and its accurate measurement and the personnel security clearance program's importance to national security, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Intelligence take the following four actions:

- Identify and implement steps to match the sizes of the investigative and adjudicative workforces to the clearance request workload;
- Develop a strategic plan for overcoming problems accessing data locally, at the state level, and overseas;
- Develop DOD-wide backlog definitions and measures, and monitor the backlog at each of the three clearance-process stages using the DOD-wide measures; and
- Complete the implementation of the Joint Personnel Adjudication System.

Agency Comments and Our Evaluation

In written comments on a draft of this report, OUSD (I) concurred with three of our four recommendations and partially agreed with our recommendation to match workforces with workload. OUSD (I) noted that (1) DOD is developing tools to predict and validate investigative requirements; (2) staffing, budgeting, and management of the investigative and adjudicative resources are the purview of the affected DOD component and investigative providers; and (3) growing a capable workforce takes time. We agree with these points, but they do not change the fact that DOD has historically had a backlog and that these issues must be dealt with timely and effectively to eliminate the backlog. As our report points out, implementation delays—such as that with JPAS—hamper efforts to accurately estimate the backlog and eliminate it. While it is true that the resources provided by DOD components play an important role in eliminating the backlog, OUSD (I) also has a critical leadership role because of its responsibility for the coordination and implementation of DOD policy for accessing classified information. Finally, the historical and continuing void between workload demand and capacity suggests that OUSD (I) needs to take supplemental steps to grow capable investigative and adjudicative workforces as we have recommended.

DOD's comments are reprinted in appendix III. DOD also provided technical comments that we incorporated in the final draft as appropriate.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days from its issue date. At that time, we will send copies of this report to the Secretary of Defense, the Office of Management and Budget, and the Office of Personnel Management. We will also make copies available to appropriate congressional committees and to other interested parties on request. In addition, the report will be available at no charge at the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-5559 or stewartd@gao.gov. Key staff members contributing to this report were Jack E. Edwards, Robert R. Poetta, Frank Bowen, and Nancy L. Benco.

Sincerely yours,

A handwritten signature in black ink that reads "Derek B. Stewart". The signature is written in a cursive style with a large, prominent initial "D".

Derek B. Stewart
Director, Defense Capabilities and Management

Appendix I: Recent Recommendations Related to DOD's Personnel Security Clearance Process

This appendix lists the personnel clearance process recommendations found in recent reports from GAO, the DOD Office of Inspector General, and the House Committee on Government Reform. These verbatim recommendations are arranged according to the issuance dates of the reports. At the end of each set of recommendations, we provide comments on whether DOD concurred with the recommendations and the rationale for nonconcurrences.

Recommendations from U.S. General Accounting Office, DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks, [GAO/NSIAD-00-12](#), Washington, D.C., October 27, 1999.

Because of the significant weaknesses in the DOD personnel security investigation program and the program's importance to national security, we recommend that the Secretary of Defense direct the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to

- report the personnel security investigation program as a material weakness under the Federal Managers' Financial Integrity Act to ensure that the needed oversight is provided and that actions are taken to correct the systemic problems in the Defense Security Service personnel security investigation program;
- improve its oversight of the Defense Security Service personnel security investigation program, including approving a Defense Security Service strategic plan; and
- identify and prioritize overdue reinvestigations, in coordination with other DOD components, and fund and implement initiatives to conduct these reinvestigations in a timely manner.

In addition, we recommend that the Secretary of Defense instruct the Defense Security Service Director, with oversight by the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to

- develop a corrective action plan as required under the Federal Managers' Financial Integrity Act that incorporates corrective actions and milestones for addressing material weaknesses in the Defense Security Service personnel security investigative program and performance measures for monitoring the progress of corrective actions;

- establish a strategic plan that includes agency goals, performance measures, and procedures for tracking progress in meeting goals in accordance with sound management practices and the Government Performance and Results Act;
- conduct analyses needed to (1) determine an appropriate workload that investigators and case analysts can manage while meeting federal standards and (2) develop an overall strategy and resource plan to improve the quality and timeliness of investigations and reduce the number of overdue reinvestigations;
- review and clarify all investigative policy guidance to ensure that investigations comply with federal standards;
- establish a process for identifying and forwarding to the Security Policy Board suggested changes to policy guidance concerning the implementation of the federal standards and other investigative policy issues;
- establish formal quality control mechanisms to ensure that Defense Security Service or contracted investigators perform high-quality investigations, including periodic reviews of samples of completed investigations and feedback on problems to senior managers, investigators, and trainers;
- establish a training infrastructure for basic and continuing investigator and case analyst training that includes formal feedback mechanisms to assess training needs and measure effectiveness, and as a high priority, provide training on complying with federal investigative standards for investigators and case analysts; and
- take steps to correct the case management automation problems to gain short-term capability and develop long-term, cost-effective automation alternatives.

Further, we recommend that the Secretary direct all DOD adjudication facility officials to (1) grant clearances only when all essential investigative work has been done and (2) regularly communicate with the Defense Security Service about continuing investigative weaknesses and needed corrective actions.

DOD concurred with all of the recommendations and described many actions already planned or underway to implement the recommendations.

Recommendations from U.S. General Accounting Office, More Actions Needed to Address Backlog of Security Clearance Reinvestigations, [GAO/NSIAD-00-215](#), Washington, D.C., August 24, 2000.

To improve the management of DOD's personnel security reinvestigation program, we recommend that the Secretary of Defense direct the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to

- design routine reports with key data from the Joint Personnel Adjudication System database to show the full extent of overdue reinvestigations, including those overdue but not yet submitted for update and those in process and
- develop appropriate incentives to encourage agency security managers to keep information in the database current and to submit reinvestigation requests on time. Changes in existing regulations, policies, and procedures may be necessary to provide such incentives.

DOD concurred with all of the recommendations. In their comments, DOD stated that those personnel who have not had a request for their periodic reinvestigation submitted to the Office of Personnel Management or the Defense Security Service by September 30, 2002, would have their security clearances downgraded or canceled.

Recommendations from Department of Defense, Office of Inspector General Audit Report, Security Clearance Investigative Priorities, Report No. D-2000-111, Arlington, Va., April 5, 2000.

- We recommend that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) establish an Integrated Process Team to
 - Develop criteria for determining the highest priority mission-critical and high-risk positions based on their impact on mission-critical programs. The criteria must also include a review of the special projects at the Defense Security Service.
 - Develop a process for relating specific clearance requests to mission-critical and high-risk positions. This process must identify specific individuals as they are submitted for initial investigations and periodic reinvestigations. The process should continually adjust the highest priority mission-critical and high-risk positions to actions that may impact them.
- We recommend that the Director, Defense Security Service, establish the process and metrics to ensure expeditious processing of personnel security clearance investigations in accordance with established priorities.

The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) non-concurred with the first recommendation, stating that the recommendations are beyond the scope and ability of his Office to implement, especially in the near future. However, the Defense Security Service concurred with the intent of the recommendation.

DOD and DSS concurred with the second recommendation.

Recommendations from U.S. General Accounting Office, DOD Personnel: More Consistency Needed in Determining Eligibility for Top Secret Security Clearances, [GAO/NSIAD-01-465](#), Washington, D.C., April 18, 2001.¹

To provide better direction to DOD's adjudication facility officials, improve DOD's oversight, and enhance the effectiveness of the adjudicative process, GAO recommends that the Secretary of Defense direct the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) to

- establish detailed documentation requirements to support adjudication decisions, including all significant adverse security conditions and the mitigating factors relevant to each condition;
- require that all DOD adjudicators use common explanatory guidance, such as that contained in the Adjudicative Desk Reference;
- establish common adjudicator training requirements and work with the Defense Security Service Academy to develop appropriate continuing education opportunities for all DOD adjudicators; and
- establish a common quality assurance program to be implemented by officials in all DOD adjudication facilities and monitor compliance through annual reporting.

DOD concurred with all of the recommendations and described the actions it planned to take to improve its guidance, training, and quality assurance program.

¹The recommendations from this report on DOD adjudication were included because (1) the adjudications rely heavily on high-quality, complete personnel security investigations and (2) the 2002 House Committee on Government Reform report recommended including the adjudicative portion of the clearance process as a material weakness.

Recommendations from Department of Defense, Office of Inspector General Audit Report, Tracking Security Clearance Requests, Report No. D-2000-134, Arlington, Va., May 30, 2000.

- We recommend that the Director, Defense Security Service, track all security clearance requests from the time they are received until the investigative cases are opened. Security clearance requests that are not opened to investigative cases, and those investigative cases that are opened without electronic requests should be included in the tracking process.
- Post, weekly, the names and social security numbers of all cases in process on the Extranet for Security Professionals. This entry for each name should include, at a minimum, the date that the request was loaded into the Case Control Management System, the date that the investigative case was opened, and the date that the case was closed.

DOD and DSS concurred on these recommendations.

Recommendation from Department of Defense, Office of Inspector General Audit Report, Program Management of the Defense Security Service Case Control Management System, Report No. D-2001-019, Arlington, Va., December 15, 2000.

We recommend that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) and the Director, Defense Security Service, prior to making further decisions on the future system architecture, analyze whether the investment for the Case Control Management System and the Enterprise System provides the best business solution when compared to alternative solutions for opening, tracking and closing personnel investigation cases.

DOD and DSS concurred with this recommendation.

Recommendations from U.S. House of Representatives, Committee on Government Reform, Defense Security Service: The Personnel Security Investigations [PSI] Backlog Poses a Threat to National Security, Report 107-767, Washington, D.C., October 24, 2002.

- The Secretary of Defense should continue to report the personnel security investigations program including the adjudicative process as a material weakness under the Federal Managers' Financial Integrity Act

to ensure needed oversight is provided to effectively manage and monitor the personnel security process from start to finish.

- The Secretary of Defense should set priorities and control the flow of personnel security investigation requests for all DOD components.
- The Secretary of Defense should closely monitor the interface between JPAS and CCMS to ensure effective management of investigative and adjudicative cases and avoid further backlogs.
- The National Security Council should promulgate Federal standards for investigating and adjudicating personnel security clearances in a timely manner.
- The Secretary of Defense and the Attorney General jointly should develop a system, which allows DSS and OPM investigators access to state and local criminal history information records.

DOD indicated that it does not plan to respond to these recommendations.

Appendix II: Scope and Methodology

To estimate the size and accuracy of the Department of Defense-wide (DOD) personnel security clearance backlog, we obtained separate estimates of the investigative and adjudicative backlogs from the Defense Security Service (DSS), the Office of Personnel Management (OPM), and DOD's central adjudication facilities. Also, we obtained some DOD-wide information from the Office of the Under Secretary of Defense for Intelligence (OUSD (I)). As part of the estimation process, we observed the steps used to capture and process investigative information at DSS and OPM. We obtained additional information regarding issues such as number of days required to complete an investigation or adjudication, time limits (i.e., criteria) for completing investigations and adjudications, and data reliability from DSS, OPM, and the central adjudication facilities during site visits, through questionnaires, and by interviews. We conducted this work at OUSD (I), Washington, D.C.; DSS, Fort Meade, Maryland; OPM, Washington, D.C., and Boyers, Pennsylvania; Army, Navy, Air Force, National Security Agency, Defense Intelligence Agency, Joint Staff, and Washington Headquarters Services central adjudication facilities located in the Washington, D.C., metropolitan area; the Defense Industrial Security Clearance Office, Columbus, Ohio; and the Defense Office of Hearings and Appeals, Arlington, Virginia, and Columbus, Ohio. We did not request data from the National Reconnaissance Office central adjudication facility because of the sensitive nature of its operations. Reviews of GAO, House Government Reform Committee, and Joint Security Commission reports provided a historical perspective for the report. Additional context for understanding DOD's personnel security program was obtained through a review of DOD regulations (e.g., DOD 5200.2-R), federal investigative standards, and federal adjudicative guidelines.

To identify the factors that impede DOD's ability to eliminate its backlog and accurately estimate the backlog size, we reviewed prior GAO, DOD Office of Inspector General, House Government Reform Committee, Defense Personnel Security Research Center, and Joint Security Commission reports. DSS and OPM provided procedural manuals and discussed impediments while demonstrating their automated case management systems and provided other information such as workload data in responses to written questions and in interviews. Interviews regarding impediments were also held with officials from OUSD (I); nine central adjudication facilities; the Defense Personnel Security Research Center; the Chair of the Personnel Security Working Group of the National Security Council, Washington, D.C.; investigations contractors at their

headquarters: US Investigations Services, Inc.; ManTech; and DynCorp; and associations representing industry:¹ Aerospace Industries Association, Information Technology Association of America, National Defense Industrial Association, and Northern Virginia Technology Council. Our General Counsel's office supplied additional context for evaluating potential impediments through its review of items such as the Security Clearance Information Act and Executive Order 12968, Access to Classified Information.

To identify the potential adverse effects of the impediments to eliminating the backlog and accurately estimating its size, we reviewed prior GAO and Joint Security Commission reports. We supplemented this information with recent data from DSS and OPM regarding the number of days that it took to complete various types of investigations. Also, an interview with the Chair of the Personnel Security Working Group of the National Security Council provided a governmentwide perspective on the effects of delays and backlogs. Industry representatives cited above provided other perspectives on the economic costs of delays in obtaining eligibility-for-clearance determinations.

For our update on the status of the authorized transfer of DSS's investigative functions and staff to OPM, we reviewed the National Defense Authorization Act for Fiscal Year 2004 and GAO reports on DSS and OPM operations. In addition, we reviewed planning documents such as those describing the various transfer-related action teams that OPM and DOD created; these teams included one that sought to reconcile differences in the procedures used to conduct personnel security investigations. We also conducted interviews in December with DOD and

¹ Information from industry associations was obtained as part of an ongoing GAO engagement examining DOD's personnel security clearance process as it applies to industry personnel. More specifically, the engagement examined the size of the backlog, timeliness of eligibility-for-clearance decisions, and steps that DOD is taking to decrease the time required for those decisions.

OPM to determine up-to-date perspectives regarding the authorized transfer from officials representing both agencies.

We conducted our review from February 2003 through December 2003 in accordance with generally accepted government auditing standards.

Appendix III: Comments from the Department of Defense



INTELLIGENCE

OFFICE OF THE UNDER SECRETARY OF DEFENSE
5000 DEFENSE PENTAGON
WASHINGTON, DC 20301-5000

JAN 26 2004

Mr. Derek Stewart
Director, Defense Capabilities
and Management
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Stewart:

Thank you for the opportunity to respond to the General Accounting Office (GAO) draft report, "DoD PERSONNEL CLEARANCES: DoD Needs to Overcome Impediments to Eliminating Backlog and Determining Its Size," dated December 22, 2003 (GAO Code 350324/GAO-04-344).

Your recommendations reaffirm the direction the DoD has begun implementing. Unfortunately, the report does not adequately reflect the recent dedicated and positive efforts by the DoD -- its employees and partners -- to correct deficiencies previously identified by the GAO and others.

We are in the midst of an unprecedented transformation of the personnel and industrial security programs administered by the Defense Security Service. The business process reengineering and improvements as well as policy changes currently underway will allow us to better understand our front-end clearance requirements and conduct capacity analyses; automate the end-to-end clearance process reducing the amount of "touch labor"; provide security officers visibility into the status of a particular investigation(s); promote collaboration and standardization among adjudicators; improve the timeliness of investigations and adjudications; and utilize a risk model to determine time and scope of reinvestigations.

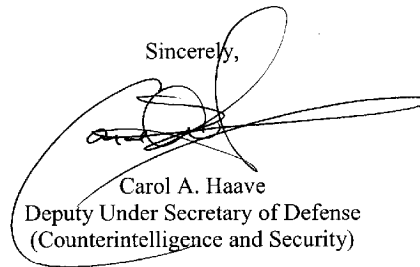
The Executive Branch and the Congress have repeatedly stated their commitment to the transformation of Government in order to better meet the needs of our citizens while providing fiscal stewardship. However as necessary as one might deem these kinds of reports to be, they are demoralizing to a workforce that is valiantly attempting to achieve the good Government all of us strive for.



**Appendix III: Comments from the Department
of Defense**

Detailed comments to the recommendations are enclosed. Technical comments were forwarded directly to the GAO staff for consideration.

Sincerely,



Carol A. Haave
Deputy Under Secretary of Defense
(Counterintelligence and Security)

Enclosure

GAO CODE 350324/GAO-04-344

**“DOD PERSONNEL CLEARANCES: DoD Needs to Overcome Impediments
to Eliminating Backlog and Determining Its Size”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE RECOMMENDATIONS**

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to identify and implement steps to match the size of the investigative and adjudicative workforces to the clearance request workload. (p. 31/ Draft Report)

DoD RESPONSE: Partially concur. The Department has struggled to accurately predict its investigative workload, which in turn impacts appropriate sizing of the investigative and adjudicative workforces. To address this issue, DoD is developing a verification and validation module to predict and validate investigative requirements as well as looking into interfacing with other databases (e.g. acquisition) to be able to better predict future and continuing investigative needs. These initiatives coupled with data from the Joint Personnel Adjudication System (JPAS) will lay the framework to help the Department address this issue.

The Department’s efforts in the mid-to-late 90’s to align workload with resources yielded unintended consequences and headlines. The Department turned to the Office of Personnel Management (OPM) and private vendors for investigative assistance. The concept was to establish a baseline workload volume for the federal sector and utilize private vendors to address the peaks and valleys. Good concept, but the private sector has not been able to fill the capacity void as rapidly as needed and views the financial picture as too risky for any long term investment without a solid guarantee for success.

OUS(D) will provide the necessary tools to be able match the workload to available resources, but staffing, budgeting, and management of those resources are the purview of the affected DoD Component and investigative provider. This office has directed the DoD Components to adequately budget for their investigative requirements and for those with adjudication responsibilities to adequately staff and resource the central adjudication facility in order to meet its mission requirements. However, “throwing resources at the problem” is not going to fully resolve the capacity constraint. Both the investigativc and adjudicative workforce must be “grown” as the number of experienced personnel is declining. “Growing” a capable workforce takes time.

Enclosure

Note: Page numbers in
the draft report may differ
from those in this report.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to develop a strategic plan for overcoming problems accessing data locally, at the state level, and overseas. (p. 31/Draft Report)

DoD RESPONSE: Concur. The Department is addressing this issue, but a more formal approach will be developed.

RECOMMENDATION 3: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to develop DoD-wide backlog definitions and measures, and monitor the backlog at each of the three clearance-process stages using the DoD-wide measures. (p. 32/Draft Report)

DoD RESPONSE: Concur. DoD will develop backlog definitions and measures and “dashboard-like” tools to more effectively monitor the personnel security clearance process.

RECOMMENDATION 4: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to complete the full implementation of the Joint Personnel Adjudication System. (p. 32/Draft Report)

DoD RESPONSE: Concur. Full implementation of the Joint Personnel Adjudication System (JPAS) is the goal and efforts are underway to achieve it.

Appendix IV: Related GAO Products

DOD Personnel: More Consistency Needed in Determining Eligibility for Top Secret Clearances. [GAO-01-465](#). Washington, D.C.: April 18, 2001.

DOD Personnel: More Accurate Estimate of Overdue Security Clearance Reinvestigation Is Needed. [GAO/T-NSIAD-00-246](#). Washington, D.C.: September 20, 2000.

DOD Personnel: More Actions Needed to Address Backlog of Security Clearance Reinvestigations. [GAO/NSIAD-00-215](#). Washington, D.C.: August 24, 2000.

DOD Personnel: Weaknesses in Security Investigation Program Are Being Addressed. [GAO/T-NSIAD-00-148](#). Washington, D.C.: April 6, 2000.

DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks. [GAO/T-NSIAD-00-65](#). Washington, D.C.: February 16, 2000.

DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks. [GAO/NSIAD-00-12](#). Washington, D.C.: October 27, 1999.

Military Recruiting: New Initiatives Could Improve Criminal History Screening. [GAO/NSIAD-99-53](#). Washington, D.C.: February 23, 1999.

Background Investigations: Program Deficiencies May Lead DEA to Relinquish Its Authority to OPM. [GAO/GGD-99-173](#). Washington, D.C.: September 7, 1999.

Executive Office of the President: Procedures for Acquiring Access to and Safeguarding Intelligence Information. [GAO/NSIAD-98-245](#). Washington, D.C.: September 1998.

Privatization of OPM's Investigations Service. [GAO/GGD-96-97R](#). Washington, D.C.: August 22, 1996.

Cost Analysis: Privatizing OPM Investigations. [GAO/GGD-96-121R](#). Washington, D.C.: July 5, 1996.

Personnel Security: Pass and Security Clearance Data for the Executive Office of the President. [GAO/NSIAD-96-20](#). Washington, D.C.: October 19, 1995.

Privatizing OPM Investigations: Perspectives on OPM's Role in Background Investigations. [GAO/T-GGD-95-185](#). Washington, D.C.: June 14, 1995.

Background Investigations: Impediments to Consolidating Investigations and Adjudicative Functions. [GAO/NSIAD-95-101](#). Washington, D.C.: March 24, 1995.

Security Clearances: Consideration of Sexual Orientation in the Clearance Process. [GAO/NSIAD-95-21](#). Washington, D.C.: March 24, 1995.

Personnel Security Investigations: [GAO/NSIAD-94-135R](#). Washington, D.C.: March 4, 1994.

Nuclear Security: DOE's Progress on Reducing Its Security Clearance Work Load. [GAO/RCED-93-183](#). Washington, D.C.: Aug. 12, 1993.

DOD Special Access Programs: Administrative Due Process Not Provided When Access is Denied or Revoked. [GAO/NSIAD-93-162](#). Washington, D.C.: May 5, 1993.

Personnel Security: Efforts by DOD and DOE to Eliminate Duplicative Background Investigations. [GAO/RCED-93-23](#). Washington, D.C.: May 10, 1993.

Administrative Due Process: Denials and Revocations of Security Clearances and Access to Special Programs. [GAO/T-NSIAD-93-14](#). Washington, D.C.: May 5, 1993.

Security Clearances: Due Process for Denials and Revocations by Defense, Energy, and State. [GAO/NSIAD-92-99](#). Washington, D.C.: May 6, 1992.

Due Process: Procedures for Unfavorable Suitability and Security Clearance Actions. [GAO/NSIAD-90-97FS](#). Washington, D.C.: April 23, 1990.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to e-mail alerts" under the "Order GAO Products" heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
 TDD: (202) 512-2537
 Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548