

**GENERAL MANAGEMENT:  
Timeliness Of Departmental Offices' Security  
Clearances Can Be Improved**

OIG-CA-02-006

June 25, 2002



**Office of Inspector General**

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**The Department of the Treasury**

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## Abbreviations

BI	Background Investigation
CFR	Code of Federal Regulations
DO	Departmental Offices
NAC	National Agency Check
OIG	Office of Inspector General
OPM	Office of Personnel Management
OPR	Office of Personnel Resources
OSCIP	Office of Security and Critical Infrastructure Protection
PSB	Personnel Security Branch
SSBI	Single Scope Background Investigation
Secret Service	United States Secret Service

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*The Department of the Treasury  
Office of Inspector General*

June 25, 2002

Edward R. Kingman, Jr.  
Assistant Secretary for Management and  
Chief Financial Officer

In order to have access to classified information, or hold a sensitive position, Federal regulations require the completion of extensive background checks. The completion of these checks in a timely manner is an ongoing challenge across the Federal government.

We completed an evaluation of personnel security clearance procedures in the Office of Security and Critical Infrastructure Protection (OSCIP). OSCIP is responsible for personnel security in Departmental Offices (DO), the Office of the Inspector General (OIG), and high-level positions across the Department. Our objectives were to identify opportunities for increasing the timeliness of the clearance process, and to determine whether security clearances were appropriately terminated for departing employees and contractors. We performed fieldwork from October 2001 to February 2002 at OSCIP and DO in Washington, D.C. This report examines opportunities to speed the clearance process generally, while a separate report, *Investment In Information Technology May Speed Security Clearances* (OIG-CA-02-007), covers the potential applications of information technology to the security clearance process. Please see Appendix 1 for a more detailed statement of the review approach.

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## Results in Brief

We found that the OSCIP Personnel Security Branch (PSB) is generally accomplishing its mission of processing background investigations consistent with security guidelines. We found no instances where final security clearances had been granted without the required level of investigation. In addition, the evaluation team found PSB staff to be acutely conscious of the need to process investigations in a timely manner, and actively working to balance that need with fundamental security requirements. However, we found that the PSB was currently working through a backlog of clearances, and was not ensuring reinvestigations were performed as required by Federal regulations. We recommend that you ensure that sufficient resources are available to PSB during changes in Administrations, and that personnel resources in PSB are sufficient to ensure required reinvestigations are performed and avoid future backlogs of reinvestigations.

We also found that there was no clear rationale for the U.S. Secret Service's (Secret Service) role in performing DO personnel investigations. Office of Personnel Management (OPM) investigations are faster than Secret Service investigations by 63 days on average, and the costs to the Treasury Department of diverting highly trained Secret Service agents away from other duties seem to be higher than the costs of OPM investigations. We recommend that you examine this question, and unless you find reasons to the contrary, direct PSB to use OPM for personnel investigations and provide resources for that purpose.

Finally, we found that increased coordination with the Office of Personnel Resources (OPR) may improve the timeliness of security clearances. Frequent delays in the security clearance process occur due to applicants' misunderstanding of the security forms, and the information sheet that PSB prepared to deal with this problem often does not reach applicants. We recommend that the information sheet be modified to address common mistakes, and that PSB coordinate with OPR and OIG's Human Resources Division to ensure that all applicants receive the packet. We also

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recommend that PSB coordinate with OPR to find a way of getting employees in non-Critical Sensitive positions to hand in their security forms in a more timely manner.

Management's comments to our draft report were generally responsive to our recommendations, and are included as Appendix 3. Additional resources have been allocated to PSB to conduct reinvestigations, and budgets for future election years will be increased in anticipation of additional investigative workloads. PSB's progress in eliminating the backlog of reinvestigations, however, should be closely monitored. In addition, the Office of Security identified what we believe to be a reasonable rationale for continuing to use the Secret Service to conduct some background investigations, but acknowledged that OPM is the preferred provider for expedited service. Furthermore, the Office of Security will work with other offices to improve the processing of security forms.

## Background

Personnel security deals with the standards and procedures for determining whether an individual should be employed or retained by the Federal government, and whether that individual should be eligible for access to classified information. According to Title 5 Code of Federal Regulations (CFR) Part 732.202, all personnel must undergo the type of background investigation appropriate for their position unless they will be associated with the Treasury Department for less than 180 days. Depending on the sensitivity of the position and the need for access to classified information, the investigation may take from 1 month to a year in some cases. The standards for investigations, the subjects that investigations should cover and in what depth, and the processes by which investigative findings are evaluated are defined in Title 5 CFR Parts 731 and 732, and Title 32 CFR Part 147.

Within DO, personnel security is the responsibility of PSB, located within OSCIP, under the Assistant Secretary for Management and Chief Financial Officer. The responsibilities of OSCIP are specified

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in Treasury Directive 12-32 dated November 3, 2000, *Delegation of Authority Concerning Personnel Security*. OSCIP is responsible for setting Department-wide personnel security policies in the Treasury Security Manual, overseeing the National Industrial Security Program in the Department with regard to contractors, and overseeing the implementation of the security program throughout the department.

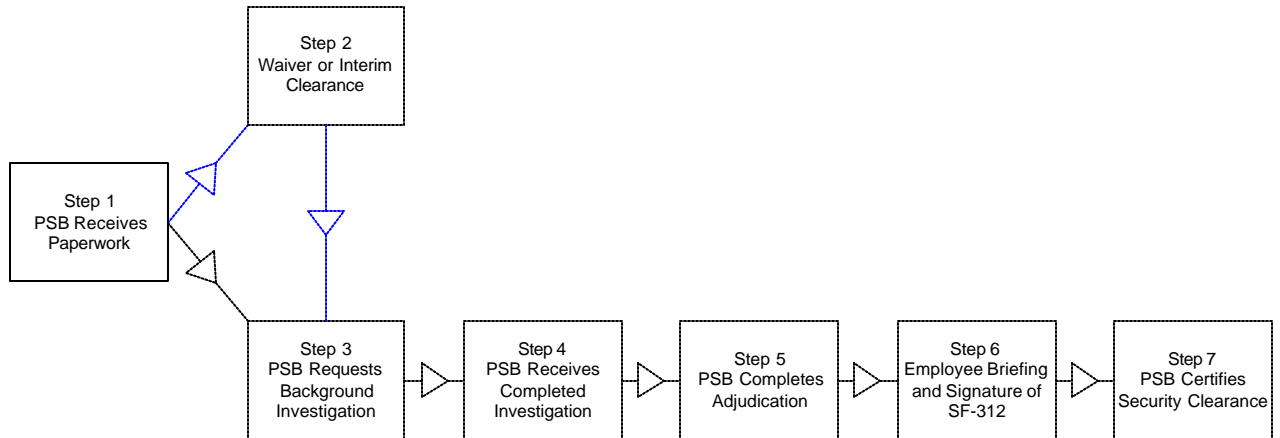
OSCIP handles background investigations for DO, OIG, and some positions within bureaus, including Bureau heads, deputies and security officers, all positions requiring Senate confirmation, and contractors. In addition to processing and adjudicating background investigations, PSB's responsibilities include: (1) processing periodic reinvestigations of personnel with prior clearances, (2) verifying clearances within the Treasury Department and to external agencies, (3) reviewing personnel security processes in Treasury bureaus, (4) conducting security briefings, (5) maintaining personnel security files, and (6) responding to information regarding individuals' current fitness for security clearances.

### **The Background Investigation Process**

All Federal government positions must be assigned a level of sensitivity or risk that determines the type of investigative processing the individual holding the position must undergo. In general, the greater the sensitivity or risk inherent to the position, the more intensive is the background investigation required. The type of investigation also depends on the level of national security information to which the incumbent will require access. It should be noted that a security clearance is an administrative determination that an individual is eligible for access to classified information. Actual access to classified information should be granted only on a "need-to-know" basis.

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## Diagram of the Background Investigation Process



The security clearance process begins when an individual selected for a position or a security clearance submits security forms to PSB (*Step 1*). In DO and OIG, these forms generally consist of a National Security Questionnaire Standard Form 86 (SF-86), fingerprint cards, an authorization for a credit check, and a copy of the applicant's resume or Optional Form 612 (OF-612). Anecdotal evidence suggests that there is often a considerable time lag between the selection date and the date on which PSB receives the completed forms, but PSB files do not contain selection dates, so we could not analyze that step. After receiving the completed forms, PSB reviews them before further processing, and contacts the applicant if additional information is needed.

To mitigate partially the lengthy investigation process, hiring offices have the option of requesting PSB to process an interim clearance or a waiver (*Step 2*). Employees in positions that require a background investigation prior to entry on duty can be granted a waiver of that requirement under Title 5 CFR Part 732.202. Waivers are only granted after a written request from the hiring office and the favorable adjudication of checks of national law enforcement databases and credit bureaus. If the checks find problematic information, the waiver is not granted, and the applicant may not begin work until the full process is completed and favorably adjudicated. Applicants that require immediate

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access to classified information can be granted an interim clearance, which is also based on a check of national law enforcement databases. Interim clearances cannot be used for access to Sensitive Compartmentalized Information. Waivers and interim clearances were processed for 60 of 114 cases that we examined, and take 30 days to complete, on average.<sup>1</sup> For a complete breakdown of average times for DO, OIG, and Schedule C applicants, see Appendix 2.

After all security forms have been received and checked, regardless of whether a waiver or interim clearance was requested, PSB schedules an investigation (*Step 3*). The basic investigation is the NAC, of which there are several variations. They consist of different combinations of law enforcement and OPM database checks, fingerprint checks, credit checks, and checks of the applicant's educational and employment history. OPM performs these NAC-type investigations for PSB. Applicants in sensitive positions or requiring access to classified information may require a Background Investigation (BI) or a Single Scope Background Investigation (SSBI), which entail field interviews with professional, educational, and personal contacts.<sup>2</sup> On average, it takes 22 days from receipt of security forms for PSB to schedule a BI or SSBI.

The next step (*Step 4*) is completion of the background investigation (BI or SSBI). The time taken for background investigations ranged from 3 weeks to 9 months. The Secret Service performs most background investigations for DO, while OPM performs investigations for OIG and Schedule C employees. The Secret Service does not charge PSB for investigations, which take 130 days, on average. OPM charges \$3,085 for a 35-day investigation, which is most commonly used, but the average time for completion of OPM investigations is 67 days. PSB reported that it is common for OPM to return partial investigation results by

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<sup>1</sup> All times refer only to Top Secret clearances. We did not collect data on the time taken to process National Agency Checks (NACs) and similar investigations for clearances below Top Secret.

<sup>2</sup> BIs and SSBIs should be distinguished from both the general background investigation process, and from investigations like the NAC.



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the 35-day deadline, with the remaining information transmitted as it becomes available.

Once PSB has received the complete investigation file, the next step (*Step 5*) is for a PSB personnel security specialist to adjudicate the case. Adjudication is the most time-intensive stage in the process for PSB, and involves making a determination about the applicant's suitability based on the information developed in the investigation. For that reason, it is at this stage of the process where backlogs tend to accumulate at PSB. While the actual process of adjudication rarely takes more than a few hours, it takes at least 60 days,<sup>3</sup> on average, for a case to work its way up to the top of the pile for adjudication after an investigation is completed. As well, adjudication may require additional information from the applicant or further investigation by PSB or by another agency in some cases.

If the adjudication was not favorable, the applicant has access to an appeals process. If the adjudication is favorable, then the next step is for the applicant to attend a security briefing and sign a non-disclosure agreement (*Step 6*). This step takes 9 days on average. The final step (*Step 7*) is PSB's formal certification of the clearance, a copy of which is placed in the employee's personnel record. Almost invariably, PSB certifies the clearance on the same day that the applicant signed the non-disclosure agreement.

The process of investigating an individual's background and adjudicating the results necessarily takes time. The entire process, from PSB's receipt of completed security forms to certification of the clearance, averages 97 days for Schedule C employees, 193 days for DO employees, and 243 days for OIG employees. All efforts to speed the process must be weighed against the risk that an individual with poor judgment or questionable loyalties might

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<sup>3</sup> As of December 2001, 100 of the 114 cases we examined had been adjudicated, with an average time of 49 days from completion of the investigation to completion of adjudication. However, if the 10 cases waiting for adjudication are assumed completed on 31 December, the average time for adjudication increases to 60 days. Since it is unlikely that all outstanding cases were actually completed by that time, the actual average time is likely to be even higher than 60 days.

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slip through the screening process. However, we believe that changes in procedures and additional investments in information technology will lead to significant gains in the effectiveness and timeliness of the security clearance process without undermining security.

## Findings and Recommendations

### **Finding 1      Personnel Security Branch Is Generally Accomplishing Its Mission**

While this review did not entail a comprehensive audit of PSB compliance with governing regulations, and we did not review adjudication decisions, all evidence indicates that PSB is accomplishing its mission of processing background investigations in accordance with security guidelines. We found no instances where final security clearances had been granted without the required level of investigation. In addition, the evaluation team found PSB staff to be acutely conscious of the need to process investigations in a timely manner, and actively working to balance that need with fundamental security requirements.

However, PSB staff did identify two ongoing issues regarding the timeliness of the security clearance process and compliance with governing regulations. First, PSB staff reported that both the change in Presidential Administrations and the increased demand for security clearances following the events of September 11<sup>th</sup> resulted in processing backlogs that they are currently working to overcome. Second, due to the backlog, PSB has been unable to process reinvestigations of existing clearances, as required by Title 32 CFR Part 147. The purpose of reinvestigations is to ensure that individuals who have previously been investigated continue to be appropriate for a security clearance. These issues were exacerbated by fluctuations in authorized and actual staffing levels. PSB staff reported that the Assistant Director for Personnel Security and her assistant, whose responsibilities are primarily for the development of personnel security policy, had been

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adjudicating investigations full time. PSB staff also reported that they currently do not have the resources to ensure reinvestigations are performed, but will begin doing so once their workload returns to normal levels.

### **Recommendations**

The Assistant Secretary for Management and Chief Financial Officer should:

1. Ensure that sufficient resources are available to PSB during changes in Administrations so that the increased numbers of clearances during these periods are processed in a timely manner.

#### Management Response

Budgets for future election years will be increased in anticipation of additional investigative workloads.

#### OIG Comment

The steps planned by the Office of Security for future election years are responsive to the recommendation.

2. Ensure that personnel resources in PSB are sufficient so that required reinvestigations are performed in a timely manner and to avoid future backlogs of reinvestigations.

#### Management Response

The current backlog was due to an unprecedented turnover in personnel in the PSB between November 2000 and January 2001. The vacancies have been filled. With additional funding provided in early 2002, PSB has been able to implement an active reinvestigation program for those employees granted access to classified information.

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OIG Comment

While the response generally addresses our recommendation, management should continue to monitor closely the PSB's progress in eliminating the backlog of reinvestigations.

**Finding 2**

**Rationale For Secret Service Role In DO Personnel Investigations Is Unclear**

PSB currently has funds to pay for OPM background investigations for Schedule C appointees, OIG employees, and a limited number of time-sensitive DO employees. The remaining DO investigations are performed by the Secret Service without reimbursement to the Secret Service. This longstanding arrangement is based on Treasury Order 170-04, signed in 1954, which transferred to the Secret Service "the functions of making any investigation required to carry out the responsibility of any bureau, office, or division which does not regularly make investigations." As the practice of conducting background checks on Federal government employees became institutionalized, DO relied on the Secret Service for the performance of background investigations. The durability of this arrangement seems to be based on the Secret Service's continued willingness to conduct background investigations for DO without reimbursement, and PSB's positive evaluation of the quality of Secret Service investigations. However, while this arrangement has been functional, we believe that having all or most DO investigations performed by OPM will lead to substantial savings in both time and resources.

The most basic reason to have personnel investigations performed by OPM rather than the Secret Service is that personnel investigations are a core function of OPM, and are not a primary mission of the Secret Service. That point notwithstanding, it might be appropriate for the Secret Service to continue performing investigations for DO if (1) Secret Service investigations were of a significantly higher quality than OPM investigations, (2) Secret Service investigations were significantly faster or cheaper than OPM investigations, or (3) there were security reasons to have

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Treasury employees' backgrounds investigated by the Secret Service. However, none of these conditions seems to be the case.

Regarding the question of quality, PSB does not report any significant difference in the quality of the investigations performed by the two agencies. Regarding the question of time and cost, the Secret Service estimates that it costs \$3,500 to conduct a background investigation for DO, or approximately \$400 more than OPM's fastest and most expensive investigation product. DO is not charged directly for Secret Service investigations, but there is a cost to the Treasury nevertheless, both in monetary terms, and in the diversion of Secret Service agents away from other duties. The greater reported cost of Secret Service investigations is likely to stem at least partly from differences in the training of investigators. Six weeks of initial training is typical for personnel investigators, while Secret Service agents undergo 22 weeks of initial training on a significantly wider range of subjects. Regarding the length of investigations, Secret Service investigations take 130 days on average to complete, while OPM investigations take 67 days on average, a time difference of over 2 months.

Finally, regarding the security question, the Secret Service reported that one historical reason for having the Secret Service perform DO investigations was to protect the safety of the Secretary of the Treasury by ensuring that those around the Secretary were thoroughly vetted. In addition, a case might be made for having the background investigations of applicants to high-level Treasury positions or positions involving the use of highly classified information performed by the Secret Service. However, PSB currently assigns all investigations of Schedule C appointees, as well as most positions dealing with classified information, to OPM, largely because OPM investigations are faster. Therefore, we can see no security-related reason for the Secret Service's continued performance of the remaining DO investigations.

In conclusion, OPM investigations are reported to be similar in quality to Secret Service investigations, take significantly less time, and seem to be marginally cheaper.

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## Recommendation

1. The Assistant Secretary for Management should, from the perspective of the Treasury Department as a whole, determine whether there are any compelling reasons to retain the use of the Secret Service for DO personnel investigations. If there are not, PSB should be granted sufficient resources to allow all DO background investigations to be performed by OPM.

### Management Response

For expedited service, OPM is the preferred provider. The Office of Security also responded that Departmental Offices receive Secret Service support for investigations at no cost using existing Secret Service staff, that the Secret Service is able to obtain information from overseas faster than OPM can, and that the Secret Service is able to provide expedited service when necessary.

### OIG Comment

The Office of Security's response is not fully responsive to the recommendation. While Secret Service investigations are provided to DO with no charge to any DO cost center, the use of Secret Service resources still represents a cost to the Treasury Department. As we discuss above, both the time and the cost of OPM investigations are less than Secret Service investigations. However, the Office of Security claims that the Secret Service is able to obtain information from overseas more quickly than OPM. This is a reasonable rationale for continuing to use the Secret Service for some background investigations, and the Office of Security acknowledged that OPM is the preferred provider for expedited service. Accordingly, we will consider its response as addressing the intent of the recommendation.

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## Finding 3

### **Increased Coordination With Office Of Personnel Resources May Improve Timeliness Of Security Clearances**

We found that occasional delays in the security clearance process occur due to applicants' misunderstanding what information they must report on security forms, and what the consequences are for not reporting it. For example, some people may not report past arrests, in the false belief that only convictions need be reported. Other people may not report past illegal drug use or that they were once fired, believing that it would automatically disqualify them. When this information is discovered in the course of an investigation, it often requires additional contacts with the applicant, who may be required to provide written explanations of the omissions. All of these lapses increase the time for the security clearance. Based on our review of selected personnel security files, we found that many past indiscretions or difficulties are not necessarily barriers to a security clearance as long as they are indeed in the past, and are disclosed fully and accurately at the outset of the investigation. We believe that it is in the interests of both applicants and the Treasury Department for this fact to be clearly communicated to applicants at the outset of the clearance process.

However, PSB often has little contact with applicants at the beginning of the process. For that reason, effective communication with applicants requires coordination with OPR, OIG's Human Resources Division, and individual hiring offices. PSB has developed an information sheet to provide applicants with instructions for the completion of security forms, but we found that many applicants do not receive it, and that it could be modified to address several common mistakes that applicants make in the process.

There are at least three channels through which applicants receive security forms: OPR, OIG Human Resources Division, and individual hiring offices. In only one of them do the applicants have any interaction with PSB, or receive the information sheet

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PSB has prepared. Applicants that do not require a security clearance to begin work normally receive a briefing from PSB as a part of their OPR orientation program. During the program, OPR distributes security forms and PSB's information sheet, and PSB answers any questions regarding the proper completion of the forms. For applicants that require a clearance before they begin work, sometimes they receive the security forms and the information sheet from OPR, and sometimes the hiring office attempts to expedite the process by providing the security forms to the applicant directly. In those cases, it seems that the applicant rarely receives the information sheet. Finally, OIG personnel receive security forms from the OIG Human Resources Division, again without the information sheet. We do not view the plurality of channels for distribution of security forms as negative, for any attempt to centralize their distribution could have the unintended effect of slowing the clearance process. However, we do believe that the information sheet prepared by PSB should always accompany the security forms, and if suitably modified, the information sheet would help applicants avoid a significant number of common mistakes that slow their clearances and waste PSB resources.

We identified an additional impediment that impacts the timeliness of the clearance process. Some positions do not require a security clearance in order to begin work, but do require a background investigation of some form. Employees in these positions receive security forms on their first day of work, and are asked to return them to PSB so that the clearance process can begin. However, PSB reports that employees often do not return the security forms in a timely manner. In these cases, PSB has no means other than repeated contacts with employees to obtain the forms. This situation results in delayed security clearances for the employees directly involved, and diverts PSB from processing and adjudicating clearances for other employees.



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## Recommendations

The Assistant Secretary for Management and Chief Financial Officer should:

1. Direct PSB to revise the information sheet given to applicants at the beginning of the clearance process. The revised information sheet should inform applicants how the background investigation process works and the need for complete and accurate information so that time-consuming errors by applicants can be avoided. The packet should also clarify common misconceptions about the information required from the applicant on security forms.

### Management Response

PSB and OPR will ensure that DO applicants receive the correct information. In addition, PSB is available for assisting applicants and employees in completing forms properly.

### OIG Comment

Management's response satisfies the intent of the recommendation.

2. Direct PSB and OPR to find a means of ensuring that all DO applicants receive the revised information sheet described in recommendation 1 from PSB before filling out security forms. It may also be useful to require the submission of a cover form stating the hiring office of the applicant and a contact person in the office, and any other information that PSB believes would expedite the process. These procedures should be coordinated with OIG's Human Resources Division according to the agreement between OIG and PSB.

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Management Response

PSB and OPR work together to resolve and minimize issues and/or difficulties in security clearance processing. PSB will work with OPR to improve the processing of security forms.

OIG Comment

Management's response satisfies the intent of the recommendation.

3. Direct OSCIP and OPR to establish a means for getting employees to turn in their security forms quickly.

Management Response

PSB has been proactive in attempting to have employees complete security forms through the use of follow-up memoranda and phone calls. As an alternative, PSB will develop a memorandum to be sent to the supervisors of employees that have not completed security forms.

OIG Comment

Management's response satisfies the intent of the recommendation.

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We will record the recommendations in this report in the Inventory, Tracking and Closure (ITC) system. We appreciate the cooperation and courtesies extended to our staff. Major contributors to this report are listed in Appendix 4. If you have any questions, please contact me at (202) 927-5400 or Inez Jordan, Acting Director, Office of Evaluations, at (202) 927-6835.

Marla A. Freedman  
Assistant Inspector General for Audit

Our initial objectives were to identify opportunities for improving the timeliness of the clearance process, and to determine whether clearances for departing employees and contractors were appropriately terminated. Regarding the latter objective, we determined that the clearance process determines only eligibility for access to classified information. Actual access to classified information is determined by offices and bureaus, which have the responsibility to terminate access when there is no longer a need-to-know. Accordingly, PSB plays no role in “terminating” clearances. PSB maintains a permanent record of Treasury DO employee clearances, and clearances are generally terminated or downgraded only if negative information regarding the holder is discovered, although a clearance may lapse if its holder is not reinvestigated as required.

With regard to the objective of identifying opportunities for speeding the clearance process, we performed fieldwork in Washington, D.C. We based our conclusions on: (1) interviews with representatives of OSCIP, the Office of Personnel Resources, the Secret Service, and OPM, (2) a review of personnel security policies and procedures in the Treasury Department and other agencies, and (3) an analysis of personnel security files for investigations performed during 11 months of Fiscal Year 2001<sup>4</sup>. We used billing records to identify files, and then recorded the dates of selected steps in the clearance process for each file. Because of the relative infrequency of Secret and Confidential clearances, we report only average times for Top Secret clearances.

We performed our work in accordance with the *Quality Standards for Inspections* issued by the President’s Council on Integrity and Efficiency.

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<sup>4</sup> Billing records for October 2000 were not available.

### Step-to-Step Times in Days for Top Secret Clearances<sup>5</sup>

Step in Clearance Process	Responsible Actor	Overall	Schedule C (24, 1 incomplete)	DO (70, 8 incomplete)	OIG (20, 12 incomplete)
1. Preparation and Transmission of Security Forms	Applicant	No Data	No Data	No Data	No Data
2. Interim clearance or waiver, if requested	PSB	30, for 60 cases	35, for 8 cases	33, for 37 cases	21, for 15 cases
3. Request for investigation	PSB	22	9	22	35
4. Completion of investigation	OPM or Secret Service <sup>6</sup>	102	59	122	86
5. Completion of adjudication <sup>7</sup>	PSB	60	28	48	92
6. Employee briefing and signature of SF-312 <sup>8</sup>	Applicant	9	7	10	96
7. PSB certification of clearance	PSB	0	0	0	0
<b>Entire Process<sup>9</sup></b>		174	97	193	243

<sup>5</sup> Data was collected in December 2001.

<sup>6</sup> The average time for investigations was 130 days for the Secret Service and 67 days for OPM.

<sup>7</sup> These numbers reflect the assumption that PSB adjudicated all incomplete cases with completed investigations by the end of December 2001. Since this assumption is unlikely, the actual average times are probably higher.

<sup>8</sup> These numbers reflect the assumption that for all incomplete cases with completed adjudications, employees attended security briefings and signed SF-312s by the end of December 2001. The actual average times are probably higher.

<sup>9</sup> These numbers are based on the cases that were completed at the time of data collection. As may be seen from summing the times taken for individual steps, actual average times are probably higher than those reported.



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

MAY 7 2002

**MEMORANDUM FOR MARLA A. FREEDMAN**  
**ASSISTANT INSPECTOR GENERAL FOR AUDIT**

**FROM:** Mayi Canales *Mayi Canales*  
Acting Deputy Assistant Secretary (Information Systems)  
and Chief Information Officer

**SUBJECT:** OIG Draft Report: Timeliness of Departmental Offices' Security Clearances Can Be Improved

The Office of Security has reviewed the Office of the Inspector General's (OIG) draft report entitled, "Timeliness of Departmental Offices' Security Clearances Can Be Improved." We believe that the OIG's recommendations would strengthen the processes involved in executing this important DO security function. Please consider the following comments concerning the OIG recommendations and report:

***OIG Recommendation***

1. Ensure that sufficient resources are available to PSB during changes in Administrations so that the increased numbers of clearances during these periods are processed in a timely manner.
2. Ensure that personnel resources in PSB are sufficient so that required reinvestigations can be performed in a timely manner to avoid future backlogs of reinvestigations.

***Office of Security Response***

1. The PSB was allocated an additional \$270,000 in early 2001 specifically for conducting expedited background investigations on new political appointees and Schedule C employees by OPM. Budgets for future election years will be increased in anticipation of additional investigative workloads. In February 2002, the PSB received an additional \$150,000 which is being used to conduct reinvestigations for employees with access to classified information.
2. Our current backlog was generated due to an unprecedented turnover in personnel in the PSB between November 2000 and January 2001. The vacancies have been filled. Current staffing includes the Chief, three Personnel Security Specialists and one Personnel Security Assistant. With the additional funding obtained in early 2002, the PSB has been able to implement an active reinvestigation program for those employees granted access to classified information.

## Appendix 3 Management Response

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### ***OIG Recommendation***

The Assistant Secretary for Management should, from the perspective of the Treasury Department as a whole, determine whether there are any compelling reasons to retain the use of the Secret Service for DO personnel investigations. If there is not, PSB should be granted sufficient resources to allow all DO background investigations to be performed by OPM.

### ***Office of Security Response***

For expedited service, OPM is the preferred provider. Departmental Offices receives Secret Service (USSS) support for regular investigations at no cost. This support is provided through existing USSS staff. In many cases, the Secret Service is able to obtain information from overseas faster than OPM can. Also, the USSS is able to support special requests for expedited service.

### ***OIG Recommendation***

1. Direct PSB to revise the information sheet given to applicants at the beginning of the clearance process. The revised information sheet should inform applicants on how the background investigation process works. It should also inform applicants of the need for complete and accurate information so that time-consuming errors by applicants can be avoided. The packet should also clarify common misconception about the information required from the applicant on security forms.
2. Direct PSB and the Office of Personnel Resources (OPR) to find a means of ensuring that all DO applicants receive the revised information sheet described in recommendation 1 from PSB before filling out security forms. It may also be useful to require the submission of a cover form stating the hiring office of the applicant and a contact person in the office, and any other information that PSB believes would expedite the process. These procedures should be coordinated with OIG's Human Resources Division according to the agreement between OIG and PSB.
3. Direct OSCIP and OPR to establish a means for getting employees to turn in their security forms quickly.

### ***Office of Security Response***

1. The PSB and the OPR will ensure that DO applicants receive the correct information. The packets furnished by DO to applicants who require a background investigation currently contain a host of instructions for proper completion of the form. The Questionnaire for National Security Positions (SF-86) has two pages of comprehensive instructions. In addition, the PSB is available to all applicants and employees to assist them with completing the forms properly.
2. The PSB coordinates the processing of security forms with the OPR. These offices work

### Appendix 3 Management Response

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together to resolve and minimize issues and/or difficulties in security clearance processing. The PSB will work with the OPR to improve the process.

3. The PSB has been proactive in attempting to have employees complete security forms through the use of follow-up memoranda and telephone calls. PSB will continue to work with employees on a one-on-one basis to ensure that forms are completed quickly. As an alternative, a memorandum will be developed to send to the supervisor of the employee to request that they intervene in requesting timely completion of forms.

Thank you for the opportunity to comment on this report. If you would like to discuss this response or have any additional questions, I can be reached at 622-1200.



**Office of Evaluations**

Inez Jordan, Acting Director, Office of Evaluations  
John Lemen, Supervisory Evaluator  
Dexter Payne, Evaluator  
Jessica Stadd, Student Temporary Employee

**The Department of the Treasury**

Office of Assistant Secretary for Management  
and Chief Financial Officer  
Office of Security and Critical Infrastructure Protection  
Personnel Security Branch  
Office of Strategic Planning and Evaluations  
Office of Accounting and Internal Control

**Office of Management and Budget**

OIG Budget Examiner