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ACCESS DELAYED: FIXING THE SECURITY CLEARANCE PROCESS — PART II

HEARING

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

NOVEMBER 9, 2005

Printed for the use of the Committee on Homeland Security and Governmental Affairs

U.S. GOVERNMENT PRINTING OFFICE

24–930 PDF WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
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ACCESS DELAYED: FIXING THE SECURITY CLEARANCE PROCESS—PART II

WEDNESDAY, NOVEMBER 9, 2005

U.S. SENATE,
OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE, AND THE
DISTRICT OF COLUMBIA SUBCOMMITTEE,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:04 p.m., in room 342, Dirksen Senate Office Building, Hon. George V. Voinovich, Chairman of the Subcommittee, presiding.

Present: Senators Voinovich and Akaka.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. The meeting will please come to order. Good afternoon and thank you for coming.

Today, our Subcommittee will hold its second hearing on the Federal Government's security clearance process. Today's hearing on this issue is titled, "Access Delayed: Fixing the Security Clearance Process—Part II."

I know that this issue must seem mundane to most people, and I doubt that it resonates with the general public. However, a broken security clearance process has serious consequences for the Federal Government and the Nation. Highly-skilled employees may sit idly by for months, waiting for their security clearances to be finalized, while important national security work is not being done. I have no doubt that many people are dissuaded by the long process and seek opportunities elsewhere, thus denying the government of many hard working and smart people.

Finally, I understand that government employees who already hold security clearances may nevertheless face lengthy reinvestigations while seeking jobs in other agencies that require clearances. I can only imagine how frustrating this must be.

Let there be no doubt that a broken security clearance process has a negative impact on those seeking to serve, and on the overall safety of our Nation.

Today's hearing will examine two critical components of reforming the security clearance process. First, we are going to review Executive Order 13381, issued by President Bush, and the steps that the Office of Management and Budget is taking to implement the policy. Second, we will examine the Office of Personnel Management's strategic plan to address the longstanding backlog of secu-

rity clearance investigations, which was released on Monday evening.

On June 27, 2005, one day prior to our first Subcommittee hearing on security clearances, the President issued the Executive Order in compliance with Title III of the Intelligence Reform and Terrorism Prevention Act of 2004. The underlying policy goal of this Executive Order was to establish uniform, centralized, efficient, effective, timely, and reciprocal means of determining eligibility for the access to classified information.

I look forward to Mr. Johnson's testimony this afternoon, as he is the Administration's point person for implementing the Executive Order. It has been almost 4½ months since the Executive Order was issued and I am anxious to learn what steps you have taken to ensure it is implemented in a consistent manner throughout the Federal Government.

Additionally, we discussed the transfer of investigative functions from the Department of Defense to OPM and what impact that shift will have on the government's ability to investigate and adjudicate security clearances in a thorough and expeditious manner. At the hearing, Kathy Dillaman, OPM's Deputy Associate Director of the Center for Investigative Services, said the agency would provide their plan to improve the security clearance process to Congress by the end of October. Even though the submission was a week late, I commend OMB and OPM for working together on the strategic plan. After our discussions here today, I hope that we will all have a clearer understanding of the strategies, measures, and benchmarks the Executive Branch will use to track the success of the security program.

Central to the successful implementation of the strategic plan is the leadership from the Federal agencies in charge of the security clearance process. To this end, I was pleased to learn that OPM Director Springer recently promoted Ms. Dillaman to an Associate Director for the newly-designated Federal Investigative Service Division within OPM. By elevating Ms. Dillaman to that position, OPM is sending a strong message that they are serious about enhancing their security clearance investigative procedures.

In addition, I understand that Mr. Johnson has been personally involved in the drafting of the strategic plan. Mr. Johnson, thank you for your efforts and for ensuring that the plan was developed in a collaborative manner with input from all agency stakeholders. That is terrific.

We all share a common goal of fixing a process that has serious implications on the ability of the Federal Government's national security workforce to get the job done. Qualified civilian and contract employees are waiting too long for security clearances. It is both unreasonable and unacceptable for civilian employees to wait an average of 274 days for a background investigation to be completed. Even worse, as noted by GAO, it was taking DOD an average of 375 days to process clearances for private sector contracting positions back in 2003.

However, the processing time for security clearances is only part of the problem. According to the OPM strategic plan, there are approximately 232,000 security clearances pending approval. When one considers the sheer size of the backlog coupled with the time

it takes to conduct an investigation, it is apparent that immediate improvements must be made to the security clearance process to get the workload down to more acceptable levels.

Fortunately, when examining the OPM strategic plan, it is evident that bold goals have been outlined for improving the timeliness of the investigation, which in turn should help minimize the backlog. For example, OPM intends to complete 80 percent of their investigations within 90 days by the end of calendar year 2006, thereby meeting the parameters outlined in the Intelligence Reform Act. An improvement of this magnitude will require a concerted effort from the OPM investigative workforce.

Therefore, I am interested to hear from Director Springer on what steps OPM will take to ensure that they have the workforce with the requisite skills to streamline and improve the security process. I would also like to know if there is anything specific that Congress can do to help in your endeavors.

Senator Akaka and I will work together with the Administration and GAO on this matter. We hope that our collective efforts will improve the security clearance process so that it will be removed from the GAO high-risk list within a reasonable time frame. Also, Mr. Stewart, I am interested in your assessment of the OPM strategic plan to see if you believe it lays the foundation for removing this issue from the high-risk list.

I would like to thank our witnesses for their participation this afternoon. I look forward to your testimony. Unfortunately, Senator Akaka has a conflict. Though, I hear from his staff he is going to try and make time to attend. We have three great witnesses today and I want you to know that your entire statements will be entered into the record. I now ask that you please stand and be sworn in, as is the custom of the Subcommittee.

Do you swear that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. SPRINGER. I do.

Mr. JOHNSON. I do.

Mr. STEWART. I do.

Senator VOINOVICH. Our witnesses include Linda Springer, the Director of the Office of Personnel Management. Linda, it is great to see you. Clay Johnson, I am glad that you are here, and Derek Stewart, thank you for coming today. Linda, we will start with you.

TESTIMONY OF LINDA M. SPRINGER,[1] DIRECTOR, U.S. OFFICE OF PERSONNEL MANAGEMENT; ACCOMPANIED BY KATHY DILLAMAN, ASSOCIATE DIRECTOR, FEDERAL INVESTIGATIVE SERVICES DIVISION, U.S. OFFICE OF PERSONNEL MANAGEMENT

Ms. SPRINGER. Thank you, Mr. Chairman. It is always good to be back to visit with you on these issues. We appreciate the opportunity to testify today about OPM's efforts to expedite security clearance processes and specifically our efforts to reduce the current backlog.

[1] The prepared statement of Ms. Springer appears in the Appendix on page 23.

As you know, OPM is now responsible for ensuring that, each year, approximately 1.4 million Federal employees and contractors meet suitability and/or security requirements so that they can serve in the Federal Government. By the end of 2006, OPM is required by the Intelligence Reform and Terrorism Protection Act of 2004, as you stated, to reduce investigations processing time to 90 days. We intend to meet that goal by adhering to the strategy laid out in the "Plan for Improving the Personnel Security Clearance Process,"[1] which was jointly prepared by OPM, the Office of Management and Budget, and major clearance-granting agencies across the government.

Our last update to you was at the June 28, 2005, hearing on this issue. Since then, we have worked hard with OMB to complete an analysis of our overall process and proposed performance goals and milestones that could be measured with data available from OPM's automated processing system. We have also been working with OMB and senior representatives from the intelligence community, as well as the Departments of Defense and Homeland Security and others, to develop an overall "Plan for Improving the Security Clearance Process." We have also worked together to build a consensus about those performance goals and the action items which we will be measuring to improve. We assure you that we are meeting our timelines and goals.

Meanwhile, some specific actions that we have taken are in the areas of assisting agencies in improving the forecasting of their workload. That has been a challenge for them. We collect quarterly data, comparing agencies' annual workload projections with their actual requests, and we are then able to enlighten them, so that they can better project their upcoming workload. That will help us with our staffing.

We have also been increasing the amount of staff that are devoted to background investigations. We have reached levels now that we think will help us to get through not only our current workloads, but also the backlogs.

We have also implemented an automated process for collecting the subjects' background information electronically, rather than through a paper-based format. This new system is used by agency employees, who are seeking clearances, to submit their background investigation. Since its implementation, that system has been able to improve our timelines and our accuracy for investigations. Electronic submissions reduce the amount of time applicants spend completing forms, and those forms are more accurate, when done through the automated process versus the manual.

During June of this year, about 370 investigation requests were used by the new system. By October, we were up to over 4,200 per week, and that success rate in that greater utilization is helping us in making a noticeable impact on our timeliness.

Investigation time has been reduced in all levels of clearance. For example, the investigations process related to top secret clearances is a particularly important and sensitive program. When OPM was delegated this authority in February 2005, there were 72,000 inves-

[1] "Plan for Improving the Personnel Security Clearance Process," November 2005 appears in the Appendix on page 00.

tigations in process. As of October, that number has gone down to 54,000. So we have a ways to go, but I think we are demonstrating that we put a good down payment on making a dent in the backlog.

In June, OPM reported that its goal was to average 35 days or less for the priority initial clearance investigations by October 1 of this year. In October, our Federal and contractor field staff completed all required subject and source interviews and advance results to the agencies in an average of 34 days for over 890 priority investigations.

To ensure our processes are successful, OPM continues to measure investigation timeliness, including the overall required to get field coverage and information from key third parties at the national, State, and local government agencies. That is a critical dependency for OPM in meeting our 90-day goal under the Act.

To summarize, OPM is making significant progress. We have worked with other agencies and OMB in the development of reasonable goals and targets and we are working to meet them by measuring success and making procedural changes. We are using greater automation. We are hiring additional people. And we are on track to meet the goal of the 90 days within of receipt by the end of calendar year 2006.

Mr. Chairman, that concludes my remarks and I would be glad to take your questions.

Senator VOINOVICH. Thank you very much. Mr. Johnson.

TESTIMONY OF CLAY JOHNSON, III,[1] DEPUTY DIRECTOR FOR MANAGEMENT, U.S. OFFICE OF MANAGEMENT AND BUDGET

Mr. JOHNSON. Mr. Chairman, thank you for inviting me up here today.

When OMB was designated the lead agency and I was designated by Director Bolton to be the point person on this, we formed what we called a Security Clearance Oversight Committee to guide this effort. On that committee, we have Kathy Dillaman, representing OPM, and we have the seven largest users of security clearances—Defense, State, Homeland Security, Justice, Energy, Commerce, and Transportation, seven agencies. We are focusing on the non-DNI intelligence world, which is about 10 percent of the total.

We are focusing on the part where all the investigative work is done by OPM. When we get that up to full speed, then we will bring the other 10 percent in; using the same methodologies and the same metrics. So, that is why those seven agencies are the ones involved. We also have representatives from the National Archives, because they have been working on this issue for years, and we have representatives from the National Security Council, because they have worked on it.

We also have a representative from the Director of National Intelligence because we want to make sure that whatever we set up for the non-DNI world, that it will be compatible with the way they envision running their world. We are going to use the same metrics, the same levels of accountability, the same performance standard.

[1] The prepared statement of Mr. Johnson appears in the Appendix on page 30.

So we have met three times, end of August, end of September, and then just last Friday. We have had two committees, one headed up by the National Archives person that looked at the whole issue of reciprocity, and a representative from every one of those seven agencies plus the DNI representative were on that. They have done fabulous work to clarify what we have to do to have a functional granting of reciprocity with regard to security clearances.

We had another committee that Ms. Dillaman headed up that looked at what are our standards across the board. What our adjudication standards are, what should our delivery of security clearance request forms be to OPM, and what should our investigative turn-around time standards be, and so forth? She and representatives from all the agencies have been working on that plan, which was delivered Monday night, and which you have seen.

I am highly confident that we will accomplish the goals that have been laid out for the security clearance process in the Intel bill. There is lots and lots of clarity. We have a very clear understanding via the Intel bill of what the goals and time frames are, what we are supposed to do, and by when. It is very clear what each agency has to do to meet its overall goals, what they have to do in terms of delivering accurate information to OPM to launch the investigative part of it and then what kind of turn-around time they have for the adjudication part of it, and it is very clear what OPM has to do. These have all been mutually agreed to by these seven agencies plus the DNI.

The agencies have, or soon will have, detailed action plans for getting their adjudication turn-around times up to satisfactory levels. I think it is 80 percent within 30 days. Some of them will be able to do that very quickly. Some will have to hire many more adjudicators, or train many more adjudicators, so that the action plan called for is different for each agency.

There is a lot of performance information. Attached to the plan are some of the metrics that we envisioned using to hold ourselves accountable. Everything that moves in this process will be measured, so there is lots and lots of performance information that we have to manage ourselves with. There is a very strong commitment to do what we say we are going to do.

One of the things I have been really pleased by is how "leaning forward" every representative, from every agency, is. We know this system is broke. We know there is no law of physics that needs to be violated to unbreak this system. We just need to be very clear about what needs to be done and then go do it. There is a very strong commitment to hold ourselves accountable. It is not OMB holding the rest of the world accountable, but it is really the security clearance world holding itself accountable for having a functional system.

There is a tremendous can-do attitude. We all know we can and will reform this process and we are all—if I do say so myself—I think it is a shared sentiment—very proud to be working on it because we know this has been broken for a very long time and our group is going to be the one that fixes it.

Senator VOINOVICH. Thank you. Mr. Stewart.

TESTIMONY OF DEREK B. STEWART,[1] DIRECTOR, DEFENSE CAPABILITIES AND MANAGEMENT, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. STEWART. Mr. Chairman, we are pleased to be here today to discuss the government's plan to improve the security clearance process and, in particular, we focused on DOD's personnel security program. We want to thank you, Mr. Chairman, for your continued focus on this critical issue. We really do appreciate your attention to this matter.

When I testified before this Subcommittee in June, I made several points, and I would just like to review quickly three of them. I told you in June that GAO declared DOD's security clearance program as high-risk due primarily to three things: Longstanding delays in completing investigations, a growing backlog, and no effective method to estimate total workload requirements.

I also told you that GAO viewed the problems with DOD's program as a national security matter because DOD has about two million clearances and is responsible for the clearances of contract personnel in 22 other Federal departments and agencies.

And the third point I made before this Subcommittee was that DOD's investigative function, when transferred to OPM in February, was not a panacea that would fix all the problems.

Well, today, Mr. Chairman, I sit before you almost 4½ months later and I am pleased to tell you that based on our review of the government's plan, we think that the plan represents an important step forward and will address some of the longstanding concerns that we raised at the June hearing.

One very positive feature of the plan is the numerous metrics. You just heard Mr. Johnson say, anything that moves, we can measure it, and that is true. There are numerous metrics to help monitor the timeliness of the clearance process, statistics on how long the process takes for investigations, the various types of investigations, the amount of time needed to determine clearance eligibility, and on and on and on. These are all very good metrics that will help keep the government on track. We are very pleased to see that.

On the other hand, our review showed that there are a few elements of the plan that are less comprehensive than those found in, let us say, a fully-developed plan. To illustrate this point, I will cite just three examples. We believe that the plan would benefit from more details on the resources required to accomplish the plan's objectives.

Mr. Chairman, in June, I remember you said directly to Ms. Dillaman, I want to know if you don't have the resources you need to get the job done. So I know that you know that is a critical point.

The second thing that we think the plan would benefit from more of is more focus on monitoring and improving the quality of the security clearance process. The primary metric in the plan for measuring the quality of the investigations is the percentage of investigations returned due to incomplete case files. We do not believe

[1] The prepared statement of Mr. Stewart appears in the Appendix on page 34.

that this metric, which is essentially rework, is by itself a valid indicator of quality.

And last, the plan requires agencies to improve the accuracy of their workload projections to be within 5 percent of their actual demand, but it does not establish interim milestones for achieving that, or a target completion date for when that requirement has to be met.

As I noted earlier in my June testimony, DOD's inability to estimate its workload requirement was a major contributing factor that led to GAO's high-risk designation, because they could not accurately estimate their workload requirements. We cannot emphasize enough that the accurate workload projections will heavily influence the success or failure of the government's plan.

In closing, Mr. Chairman, I would repeat that we are encouraged by the high level of commitment by Mr. Johnson and his staff at OMB in taking a lead to develop this plan. This is a positive step in the right direction. And again, Mr. Chairman, we appreciate your attention and the Subcommittee's attention to this critical matter. This concludes my prepared remarks. I will be happy to take your questions, sir.

Senator VOINOVICH. Thank you very much.

The first question that I have is in regards to resources. Ms. Springer and Mr. Johnson, in the 2006 and the 2007 budget that the Administration is putting together, do they include the funding to provide people and resources to get the job done.

Ms. SPRINGER. We think that the 2007 budget, as well as the 2006 budget, Mr. Chairman, are set in a way that we can support the number of people we need to hire. That includes contractors as well as permanent staff.

One of the challenges that we have is that it takes about a year or so for an investigator to become fully productive, up to the level that they will ultimately achieve. So the levels of staffing that we have budgeted for will allow us to bring on—actually, I don't want to say over-hire, but to bring on enough people to compensate for the fact that there is that learning curve. So we are comfortable that the amount that is in the budget will allow us to do that.

Senator VOINOVICH. In terms of retirement, succession, and competency, do you feel that you have this under control?

Ms. SPRINGER. We think we do, and obviously, as you mentioned, I have elevated Ms. Dillaman up to the point of being a direct reporter of mine so I am personally involved in reviewing that. But we have anticipated a normal termination and attrition and we understand that the turnover levels of contractors are different than for permanent staff, so we have taken all that into account.

Senator VOINOVICH. Mr. Johnson.

Mr. JOHNSON. We had the OPM review for the 2007 budget the other day and I was asking about this, what resources were needed, and I think it is fee-for-service, agencies requesting clearances pay OPM for their services, that is where they get their money. It is not an appropriated amount. It is tied directly to the level of work they do. So the money is there and the question is managing the cost. The big challenge is not where do you get the revenue to cover it, but managing the cost so that the productivities and the

retirement and so forth and the competency levels are what we need to do to achieve the goals.

Senator VOINOVICH. The reason I am asking the question is that you have many other things that are on your plate.

Ms. SPRINGER. A few.

Senator VOINOVICH. One of which is the pay-for-performance programs. I want to make sure that we are not shifting money around. I want to be sure that you have the budget and resources to carry out this task. I want to make sure you have the wherewithal to get the job done.

Ms. SPRINGER. Right.

Senator VOINOVICH. In 2004, GAO noted that OPM's primary contract was hiring around 100 investigators a month and at the same time was losing around 70 employees. However, during the last hearing, Ms. Dillaman indicated that the primary contractor turnover was down to 18 percent. Is this still the case? In addition, your plan mentions that OPM plans to promote a redistribution of staff between the companies currently under contract to better position a broad base of companies to deal with the unanticipated workload changes.

I would be interested in knowing, how are your private contractors doing?

Ms. SPRINGER. I would like to answer that and then maybe, if I could, ask Ms. Dillaman, if that would be all right, if she would——

Senator VOINOVICH. Yes, that would be fine.

Ms. SPRINGER. One of the things that we are doing with our contractors is to have a better segregation of duties, if you will, so that, for example, when we have quality assurance reviews and quality control, that we have got a contractor that is independent enough of the process to be able to review what another contractor is doing.

So one of the things that we have observed is that we needed a better segregation of duties, if you will, to have that right assurance. So bringing on additional contractors was partly to address that particular situation, so we get a better assurance over that result.

As far as the 18 percent turnover rate, I think that is probably a typical rate. Actually, it may even be a little low, but I am going to ask Ms. Dillaman if she would respond.

Senator VOINOVICH. Ms. Dillaman, would you stand so I can swear you in.

Do you swear that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. DILLAMAN. I do.

Senator VOINOVICH. Thank you.

Ms. DILLAMAN. And yes, Mr. Chairman, the turnover has stabilized. It is remaining constant. We have redistributed the resources. Today, the five new contracts that OPM has let has about 1,200 resources of the 6,600 contractors and there will be a continued redistribution of those resources, so we are right on target with what we projected in June.

Senator VOINOVICH. Do you have the people to monitor what the contractors are doing?

Ms. DILLAMAN. Absolutely.

Senator VOINOVICH. That is good. What input did you get from the private sector in terms of putting your plan together, Mr. Johnson?

Mr. JOHNSON. We wanted to make some progress on the plan before we met with them, so we met with them first October 18, with representatives from a number of companies. We have another meeting Monday afternoon to talk to them, and we have laid out for them the kind of plan we were developing, our thinking about reciprocity, the kind of performance measures we were developing, and got their initial response. We will do the same thing, but with the real plan, on Monday. The feedback they have given us is they have let us know loud and clear, which we knew already, that this is very important for them.

We understand we need to create a mechanism whereby they can communicate to us if it is not working from their standpoint but have a mechanism that doesn't require them to go to the hand that is feeding them to complain about how their security clearance process isn't working. So we are going to set that up so they can go to a third party to let us know whether it is working or not——

Senator VOINOVICH. So in other words, if they have a problem, under the plan, they could come to you and say——

Mr. JOHNSON. Right.

Senator VOINOVICH [continuing]. This isn't working the way we want it to. So you did get their input on how they thought the process could be improved?

Mr. JOHNSON. Well, again, they have asked for feedback mechanisms and they asked to be kept informed and they encourage us to do it sooner rather than later. I think they were very pleased with the seriousness of it and the commitment and the method to the madness and on the measures we were going to have, and the Intel bill goals are what they are and they understand we are committed to achieving those goals and are highly confident that we will be able to do so.

Senator VOINOVICH. OK. Senator Akaka.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Mr. Chairman.

Let me welcome the panelists. It is good to see all of you, and I regret that I missed your testimony.

Mr. Chairman, I would like to thank you for your leadership in seeking to reduce the number of government programs that are on GAO's high-risk list. What we are doing in this Subcommittee, examining problems and inefficiencies, is really having an effect.

I was late because I was coming from an Armed Services Readiness Subcommittee hearing where Chairman Ensign and I heard testimony from Under Secretary Ken Krieg who also testified at this Subcommittee's hearing on DOD logistics last month. We also had DOD Comptroller Tina Jonas, as well as Randolph Hite of GAO there. At the SASC hearing, the Secretary spoke of the successful collaboration he has with OMB and GAO in developing plans to reduce the number of DOD programs on the high-risk list. This ties in with our concern here today.

Mr. Chairman, we are making good progress on the high-risk list, and I am pleased that the Administration, at the highest levels, is involved in the process. Mr. Chairman, I want to thank you for holding this hearing. If I may go to one question, we are coming to a vote.

Senator VOINOVICH. Yes, why don't you go ahead.

Senator AKAKA. All right.

Senator VOINOVICH. We have got some time left. I am going to try and see if we can't run this until about the end, and then we will leave and try and cast the second vote, because there are two votes, I think, if it is all right with you.

Senator AKAKA. Mr. Johnson, thank you for your approach to addressing the challenge. I can see that the OPM plan provides certain goals and milestones. Although I did not expect to see details on funding the plan, I know that meeting the plan's metrics will require significant funds for programs and other personnel services. Some of my questions for Secretary Kreig were along these lines, too.

My question to you is, do you or Director Springer have any preliminary figures on how much money will be needed to reach the goals of the plan, especially in the area of information technology needs?

Ms. SPRINGER. Senator, we don't have a number to give you right now. We could look into it. I can say that for the next year, the next budget cycle and the way this is structured, the way our income or our money comes in to fund these things, that we are well-funded to be able to achieve next year's goals. But looking long-term, particularly for IT, we would have to get back to you on that. We will do that.

Mr. JOHNSON. But the money that funds their security clearance activities comes from the fees that are paid by the agencies that are seeking the clearances. So if there is a lot of volume, there is a lot of money. It varies with the amount of work.

Senator AKAKA. Director Springer, I commend the plan's efforts to monitor how quickly agencies are supplying the required records to complete the clearance investigation. I know that investigators are sometimes hindered in their work because of problems obtaining State and local records. However, I know my own State of Hawaii has what is called the Criminal Justice Information System that allows all Islands to hook into a single reporting system, which, in turn, can be used by Federal law enforcement, as well.

Can you describe the State and local access problems and share with us whether you believe legislative action is needed to facilitate such access?

Ms. SPRINGER. I am going to ask Associate Director Dillaman, who is responsible for the program, to answer that, Senator.

Ms. DILLAMAN. Senator, we have a team dedicated to the research into a number of different State and local record systems to see the best way to use technology or access to get the information we need. We do, in fact, with our duty station in Hawaii, use your centralized criminal history record system. That is true in many States.

At the State level, we are looking at Bureau of Vital Statistics records, possibly National Guard records, other records at that

level, and quite frankly, 50 States have 50 different ways of keeping their records. So the liaison has to be State-specific to identify how the records are kept, what the most efficient way to get access to those records would be, and we have to monitor the timeliness for each State.

There are 26,000 local law enforcement agencies and it is the same exact issue with each and every one of them. So doing adequate research to determine whether or not a State record system suffices in lieu of doing local checks, or, in fact, the reporting system within a State is such that it doesn't, that we have to go to each and every local law enforcement agency where we know the individual has activity. And so that is a dedicated team effort on our part.

Senator AKAKA. Thank you. Director Springer, the plan's staffing distribution charts project the total staff level of 9,000 by October 1, 2006, with a mix of 1,800 Federal employees and 7,200 contract staff. Projected staff levels 3 years later, October 1, 2009, would still be at 9,000, but with 500 fewer Federal workers. Can you explain why the mix of Federal employees to contract workers will change?

Ms. DILLAMAN. Well, the primary reason for the change is going to be related to normal decrement, normal termination, retirements, for example, that we expect will occur and then rebalancing will just happen as we have to go to contractors to some degree to compensate for that.

Let me just say that I have spent a fair amount of time out in the field at field offices, at several of our field offices, visiting with the staff, legacy DSS staff, OPM staff, contractors, just about every type, every level, supervisors down to investigators, just about every level, hundreds of people who are working on this effort, and over the past few weeks, I have had a chance to go out and visit them. And what I can tell you, because I open up the microphone and say, just ask me any questions you want to, the questions range from, "We would like to have an ice machine in our office," to "Can you get us a certain type of technology?"

But I can tell you that the questions that we are getting don't indicate a level of dissatisfaction or a lack of support, but rather a real sense of commitment and can we get even some better tools and understanding of the objectives. I am not getting questions about the requirements that we are putting on the ability to meet the goals.

So I think that whether it is the contractor community or whether it is an employee, a legacy employee or an OPM employee, that everyone is committed and working together very well. That mix will just evolve as we have changes in retirement, normal changes that we project over these next couple of years.

Senator AKAKA. Thank you. My time has expired.

Senator VOINOVICH. I need to recess this hearing to go and vote. I have additional questions, and I am sure Senator Akaka has some as well. I apologize to you, but that is the way things are around this place.When I was governor and mayor, I controlled the schedule. Thank you. [Laughter.]

[Recess.]

Senator VOINOVICH. The Subcommittee will come to order and reconvene. I apologize for the delay. I hope you had a chance to talk back and forth.

Mr. Stewart, in your statement, you raised a couple of questions in regard to the plan that you observed. Overall, you thought it was a good, comprehensive plan but you did raise a couple of issues with the plan. I would be interested in the response to those questions that you raised, either by Ms. Springer or by Mr. Johnson.

Mr. STEWART. The couple I mentioned——

Senator VOINOVICH. If you could repeat them again. I want to give them a chance to respond to the fact that you raised these issues.

Mr. STEWART. Yes. There are a couple of issues. One centers on quality, and Mr. Chairman, I want you to know that I didn't mention it, but Mr. Johnson and the OMB staff and the GAO staff have been meeting. We had a meeting right after the hearing in June. Mr. Johnson invited us over in July and then we met again in October. We have been talking and we have made this comment to OMB, so this is not a surprise.

When we were briefed on the plan, the one concern we had was around quality. There are a lot of metrics, as I noted, in the plan, really good metrics to measure things, but we are concerned about the quality of the process. We know that the government has hired a lot of new investigators and will continue to hire new investigators. It is important to make sure that everybody is trained and on the same page, familiar with the government standards, etc., and the plan mentions that there is a training program.

But beyond that, we don't see a mechanism in the plan, a metric, I guess, for measuring quality beyond the metric of rework or the percentage of investigations that are returned because they are incomplete.

Senator VOINOVICH. So it is the quality of the work that is done which reflects the quality of the people that do the job. Your concern is: Is OPM going to have the training necessary for their employees to be able to do a quality job?

Mr. STEWART. I couldn't have said it any better, sir, and I would just add to that in addition to the training, will there be something other than rework that OMB or OPM will be looking at to make sure that quality is built into the process?

Senator VOINOVICH. Ms. Springer.

Ms. SPRINGER. Yes. Thank you for restating that question. With respect to training, I will say a few things. Let me make a couple of comments about training and quality control, if you will, and then maybe I will ask Ms. Dillaman if she wants to supplement.

There is an OPM team that is dedicated to training new agents. The first year, in particular, as I earlier mentioned, is where that steepest learning curve is.

Senator VOINOVICH. Can I ask you something?

Ms. SPRINGER. Yes.

Senator VOINOVICH. How much of this work is going to be done in OPM and how much of it is sent out to contractors?

Ms. SPRINGER. Do you mean the training work itself?

Senator VOINOVICH. You are going to farm out some of this work, correct?

Ms. SPRINGER. The investigative work.

Senator VOINOVICH. So the contractors are going to do the investigation work. OPM is not in the business of doing the investigative work. Do you have people that do investigative work?

Ms. SPRINGER. Yes, we do.

Senator VOINOVICH. About what percentageof the workload will they be doing versus the private sector group?

Ms. SPRINGER. It is about a one-quarter/three-quarter split, three-quarter contractor, one-quarter OPM.

Senator VOINOVICH. OK. What is the reason for the one-third that are in-house? Does the work that they are doing require highly-trained people?

Ms. SPRINGER. Yes.

Senator VOINOVICH. The other work that you are farming out may not require that level of training?

Ms. SPRINGER. I am not sure it is so much that we had to supplement quickly and with flexibility the existing staff that we had and that we inherited, and the fastest way to do that was with contractors. I don't think that there is one particular type of work being done solely by contractors and another type that is done solely——

Senator VOINOVICH. So you do not distinguish the work that is being sent out or kept in-house on the level of investigation that has to be done?

Ms. DILLAMAN. Sir, if I may address that, when we inherited the Federal agents from the Defense Security Service, both groups, the Federal and the contractor group, were dedicated to all levels of background investigations. Now, the long-range plan is to segregate the work so that, for example, the Federal agents are clearing the contractors and the contractors aren't clearing themselves and that the Federal agents would serve as a backbone, where the more sensitive investigations, higher-priority investigations, or those investigations that may contain up-front known issues would be handled by the Federal team. But for the remaining Federal capacity, they would be working side-by-side with the contractors doing the same work.

Senator VOINOVICH. I would like to get an idea of what the cost is for the in-house employees versus the contractors. Additionally, I would also like to see the level of the quality of the work.

I suspect that you pay more for the people that are in-house, but the issue then becomes do you get a better quality worker? My understanding is that a lot of the in-house employees are part-time workers. Down the road, I would really like to get a feel for just how this is working out and what the trade-offs are. Of the third that are doing it in-house, how many of them are going to be around for a while and how many of them would be close to retirement.

I would like to know, what is your succession plan? What is your long-range plan?

Ms. SPRINGER. We can get that for you.

Senator VOINOVICH. Mr. Stewart, your concern is the training of the people that are in-house, as well as the training of the contractors. Specifically, the supervision of the work that is being farmed out to make sure that the quality of the work that is being done is what it should be.

Mr. STEWART. Yes, sir. And in fact, in our 1999 report, which is a little old now, we made this recommendation 6 or 7 years ago. We thought to ensure quality that there should be some periodic sampling of case files to see how well the investigators had satisfied the standards. We actually did that, Mr. Chairman, and it was tedious. With a team of six or seven people, the job took a year and a couple of months. But, we went through actual case files and sampled to see how well things were done. It is that type of quality assurance that we were looking for in the plan that we didn't see.

Senator VOINOVICH. It makes sense to me that if you are going to farm out three-quarters of your work to the private sector, that you have a process in place to monitor the performance of the private sector, to periodically ascertain the quality of the work that is being done. Ms. Springer, are you going to implement this review process?

Ms. SPRINGER. We have some of that now, and if you would like to describe just briefly what we are——

Ms. DILLAMAN. Certainly. And by no means, the returns from agencies, that is not the only metric of quality. In our structure, we have built a very robust quality assurance program for the contractors. I have a branch dedicated to contract management and quality oversight.

Every investigation conducted by a contractor goes through a review process. The terms of the contracts require the companies themselves to have a quality assurance program that we review. Over and above that, I have a dedicated Federal team that does sampling of the contractor-conducted cases, both to confirm that the contractor has a good quality assurance program. Rigid metrics are kept down to the agent level on those.

Parallel with that, I have the same quality assurance program with the Federal agents that conduct investigations. So there are multiple tiers of quality review with performance statistics at the company and individual level.

Senator VOINOVICH. Mr. Stewart, I would like you to sit down with Ms. Dillaman——

Mr. STEWART. Yes.

Senator VOINOVICH [continuing]. And talk about this and maybe get back to me in the next couple of weeks. I would like to know whether or not what OPM has in place is what you have in mind.

Mr. STEWART. We appreciate Ms. Dillaman's contribution here. I was not aware of that entire structure. I am aware that the contractors have their own quality assurance program. That concerns us a little bit, because that means that they get to judge themselves, and that has been an issue for a while and we have made a couple of recommendations back 7 or 8 years on that point, long before Ms. Springer and Mr. Johnson's time on this issue. I think Ms. Dillaman had been around then, I am not sure. But we will get together and get more details.

In fact, Mr. Chairman, at your request, we have underway an engagement looking at the processing of top secret clearances. So we are going to get into some of these issues as we proceed with that work and we are going to report back to you formally in a report on what we find.

Senator VOINOVICH. OK. Thank you.

Mr. STEWART. The other issue, the other concern that we had was on the projection of workload requirements. Mr. Chairman, if there is one thing that really concerns us, it is the workload requirement. You may recall when I was here in June, I testified that DOD had not done a good job of estimating its workload requirements and I gave you a few statistics, and I will repeat those. In fiscal year 2001, DOD over-estimated its workload by 150,000 cases. In 2002, it under-estimated its workload by 135,000 cases. And in 2003, it under-estimated its workload by 100,000 cases.

We have talked to contractors recently, Mr. Chairman, and the contractors tell us that their biggest concern in conducting this work is that they don't know what the workload requirements are. They don't know what is coming at them. They don't know how to prepare for what is down the road. One contractor told us it cost them almost $80,000 to hire, train, and develop an investigator. They told us that they were trying to change the paradigm of hiring retired Federal workers and part-time staff, and they were actually active on campus, recruiting people with degrees in criminal justice and trying to build a younger, more committed workforce. That is expensive. They want to do it. They are committed to that. But they don't know what the requirements are.

So we think it is critical that the agencies do a good job of—not a good job, but an accurate job of projecting their workloads. The plan speaks to that. Our concern is that there are no interim milestones. There are no target completion dates for when the agencies are supposed to do this, and we know from experience with DOD, if you don't force a certain date, it is not going to happen. It hasn't happened in 20 years and it probably won't happen until their feet are really held to the fire.

Senator VOINOVICH. So you are saying that the customers of OPM need to do a better job of projecting their caseload. Additionally, the plan needs more milestones to ensure that this problem can be fixed.

Mr. STEWART. Absolutely, sir. I mean, if I am OPM, I say to DOD, you know generally what your workload is. What initiatives do you have in place? With contract employees, of the two million security clearances that DOD is responsible for, about a third of those are for industry personnel, contractors, almost 700,000. When a government contracting officer lets a contract, that contracting officer knows, or has a pretty good feel for, which jobs are going to require clearances. There should be some way that DOD can roll that up and say, these are how many contracts we are going to let. This is how many people we need to clear——

Senator VOINOVICH. So that really gets back to OMB making sure that the agencies that are the customers of OPM come up with accurate numbers. It makes sense to guarantee the contractors that they will have X-number of work for 2 or 3 years. In turn they will hire a better quality of individual and train them.

We have a 5- or 6-year highway fund. Before we went to ISTEA and T–21, Congress would appropriate money annually. The contractors around the country never knew whether the money was coming or wasn't coming, so they weren't able to plan their workforce, the equipment they would need, and so forth. This new system has really put them in a position where they can do a better

job of managing their workforce and their capital investment. In my opinion, we are getting a much better turnaround. We are getting more in return from the money that we are spending. So it would be interesting to see if something like that could be done.

For my next question, there are five reports that OPM has laid out, clearance granting, agency reporting, and agencies with delegated investigative authority require OPM to obtain performance information from other Federal agencies. What steps are you taking to work with the Federal community to make sure you receive the information in a timely manner, and also, how will you verify the authenticity of the performance information?

Ms. SPRINGER. Well, one factor there—I will just start off and maybe Mr. Johnson will want to comment—is that OMB now approves delegations related to—for these investigative agencies. In order for them to get their continued delegation, it is going to be predicated on their ability to provide accurate data and timely data to OPM for us to be doing this kind of tracking of how they are doing. So there is a little bit of leverage that we have with respect to that. The agencies are going to want to give us timely and accurate information.

I don't know if you want to comment further on that.

Mr. JOHNSON. On the information, there are different kinds of information that we need that we track. How long it took for somebody to—once they handed a form to a prospective employee—from that date to when they submitted it accurately to OPM. There is a date on the form. They know when they get it. So that is automatic. That comes with it.

The error rate, they get it—so Ms. Dillaman determines the level of errors. So we don't have a problem in getting that information.

I think we do require them to report to us when they complete the adjudication, so there is a requirement that they are obligated to report to them, and we don't get that information automatically. We are relying on them to report that to us and report it accurately to us.

We have not talked about how we build a quality control process into that to make sure that they are reporting that information accurately. Right now, we need to set up a system where it will be what it is, and then the next level of sophistication is to make sure there is quality control to make sure it is accurate.

A lot of the information comes to us automatically. It is really the adjudication completion date that is the one thing that we rely on them to report accurately to us.

Senator VOINOVICH. In other words, the investigation is done. You do it for the agencies. They look at the investigation and they do the adjudication on whether or not the individual is qualified to come to work for the agency?

Ms. DILLAMAN. Exactly, and the clearance will be reported in the central clearance record system, so that, too, gives us an indicator of when the action actually took place.

Senator VOINOVICH. For example, if you are hiring somebody for the State Department, when do they go on the payroll, after the adjudication is done?

Mr. JOHNSON. Well, Ms. Dillaman and I were just talking about this during the break. Some agencies grant interim clearances, and

so we are talking about getting information from agencies and understanding who uses interim clearances, who does not. That will have a bearing on whether Ms. Dillaman should be rushing the non-interim clearance people their information, because they can't go to work until they are granted the full clearance. So we need to understand that better.

But the short answer to your question is, it depends on the agency. It depends on whether they grant the interim clearance——

Senator VOINOVICH. It seems to me you are going to have to figure out a priority system. I think we are losing very qualified individuals because it takes too long to get their clearance.

Mr. JOHNSON. You have a priority-setting clearance, I mean process, don't you?

Ms. SPRINGER. Yes. We actually charge for a quicker turnaround. There is a protocol where if you pay a premium for special cases, where there is something that needs to get through really fast. I am not as familiar with it, but there is some way if there is a particularly urgent situation.

Senator VOINOVICH. Well, if you start getting into the nitty-gritty of it, it is more complicated than you think. But, the priorities are important, particularly, when we are going to be competing for qualified individuals. We have asked GAO to do a report on the need for scientists and engineers in various departments throughout the Federal Government. Anything that stands in the way of bringing these people on board puts the Federal Government in a non-competitive position.

Mr. Johnson, reciprocity is a vital component of the National Intelligence Reform Act and the President's Executive Order. In order to address the issue, you established the reciprocity working group. Can you discuss the structure of this working group, including the mission of the group and the Federal agencies that belong to it? In addition, what, if any, enforcement authorities does the working group have to ensure that agencies are abiding by the reciprocity standards of the Intelligence Reform Act and the Executive Order?

I hired somebody to come in and work in my office that had certain clearances from the State Department and it took a while for her to—when she came on board with me, it was the same kind of clearance and it took a while before all that information got sent over. If it wasn't for the fact that I think she pulled some strings, because she knew some people over there and was able to jump-start the thing, it would have been quite some time before the clearances went through.

So how are you going to deal with that, because that is a problem. Some of these agencies, as you know from the testimony we had, are kind of——

Mr. JOHNSON. Protective of their——

Senator VOINOVICH. You have got it. Yes. How are you going to work on that?

Mr. JOHNSON. The committee we formed is not an enforcement committee. They were to define what the reciprocity issues are and what has to be done, what they recommend doing to address those issues. So they have laid out what the exceptions for reciprocity should be, and their proposal is that it is when the current clearance that someone has is an interim clearance, or is the result of

a waiver, that has been granted or it is a clearance—or the new clearance calls for a polygraph and the old one didn't—that would allow additional work to be done. The new clearance prohibits foreign-born family members, whereas the old clearance may not have. Or if somebody has an exception, if they want to seek other than those, they have to come and get Josh Bolton's or my approval.

So it is very specific about when additional investigative work is allowed. If none of those situations occurs, you accept without further investigative work and without further adjudication the clearance that the person has if it is for the same level.

Senator VOINOVICH. Is there a secure website where agencies can view a person's clearance status?

Ms. DILLAMAN. There is a database, sir, that will be in place December 15, that OPM is sponsoring, where all the clearances will be residing in one central record system. Each agency will have access to to confirm the person's current clearance status with this system.

Senator VOINOVICH. And then the point is that there are some indicators in place that say when an agency could require, as Mr. Johnson has said, more information and when it wouldn't be satisfactory in terms of whatever it is they wanted?

Ms. DILLAMAN. Yes, sir.

Mr. JOHNSON. So if they come to Ms. Dillaman for more investigative work, she can say, well, this person—this is an improper request, so there is a recordation there, possibly. Then that is one piece of feedback that they are not granting reciprocity. Another one is where the contractor or the employee believes they have a clearance and they are not being granted reciprocity or it is not being recognized by the new employer. We are going to create a mechanism where they can communicate that to us, as well, so we will have some data gathering about where reciprocity is not being granted.

Senator VOINOVICH. Will you get reports regarding the agencies' request for information to determine whether some of these agencies are getting a little bit fastidious?

Mr. JOHNSON. Yes. You asked about enforcement, I mean, how do we—what bad things can we do to agencies that don't recognize other people, or clearances granted by other agencies.

Senator VOINOVICH. Yes.

Mr. JOHNSON. What I mentioned in my opening remarks, I think is relevant here. The attitude and the "can-do" mindset of the agencies involved is really great. Everybody understands that we can better train all our adjudicators. We can do the work more consistently and faster and they are going to do their part. Just in general, I don't think we have a problem getting people's attention. It is not the Bush Administration, just in general. If you are real clear, about which agencies are not granting reciprocity and what individuals are above the standard or below the standard for reciprocity, then some appropriate, important person calls some other appropriate person and says, you have got to honor reciprocity.

So there has been an Executive Order since 1997 that says there shall be reciprocity. Nobody has held an agency accountable for abiding by that Executive Order. You need performance measures

and then you need a mechanism to hold agencies accountable for complying with the rules.

Senator VOINOVICH. It is important to make sure that we have buy in from the top. The message needs to be that we want to get the job done, we want to make sure that we are thorough, but we don't want to put ourselves in a position where we are slowing the process down.

Mr. JOHNSON. Yes. That is why it has been important to have the representative from the DNI there who agrees with all the things that have been decided about reciprocity and they are fully prepared to abide by those rules.

So one of the things we have talked about also is the concern about how consistent or inconsistent the quality of adjudication might be. Some agencies have said, well, I am not personally satisfied with the quality of the training my adjudicators get. And someone would say, well, mine are great, and medium, so we were talking about how we bring more consistency to the quality of adjudication, not the investigative work, but the adjudication, so there is an effort underway to look at how we could standardize the training. DOD has most of the adjudicators in the Federal Government, so one thought is maybe we should make that a good training program. Maybe we use their training program as the sort of benchmark for how to train all adjudicators.

Senator VOINOVICH. Mr. Johnson, I would like you to know that I am excited about what you are doing. I really believe that if you carry out what you have planned, then I think that we can get this off the high-risk list. The only question I have is why does the Executive Order expire on July 1, 2006?

Mr. JOHNSON. Let me talk about that. The thought was, we will revisit, then, who ought to be the prime mover. Right now, there is some thought that the DNI ought to be the person that is ensuring that the security clearance process works. In July or June of this past year, the DNI was trying to get office supplies and so forth, so they were not prepared to do that, so they said, let us make it OMB, because we are prepared to do it and we know how to do it, so let us do that and then we will review the bidding this next year. I don't know whether the decision will be that we continue to be the oversight or whether it comes to DNI. But, we know the thing will not be where we want it to be by June, but we will pick somebody else. We will renew the Executive Order and go from there.

Senator VOINOVICH. I would feel a lot more comfortable if you stayed with it.

Mr. JOHNSON. Thank you, although, sir, the three times we have met, the oversight committee, we have a little vote for who the most valuable member of the meeting is. I have never won that award. [Laughter.]

But Ms. Dillaman has won it each time, so if there is a treasure in this group, it is Ms. Dillaman.

Senator VOINOVICH. Well, you had better be concerned about Negroponte stealing her. [Laughter.]

Ms. SPRINGER. It is not going to happen. [Laughter.]

Senator VOINOVICH. Thank you very much, and again, I apologize to all of you for having to leave and vote. I am thrilled about where

we are with this process. Mr. Stewart, I encourage GAO to continue working with OMB and OPM. Again, I want you to know, if there is anything I can do or this Subcommittee can do to help make this possible, let me know. I want to do it. Thank you.

The meeting is adjourned.

[Whereupon, at 4:32 p.m., the Subcommittee was adjourned.]

APPENDIX

Statement of
The Honorable Linda M. Springer
Director
Office of Personnel Management

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

on

"Access Delayed: Fixing the Security Clearance Process, Part II"

November 9, 2005

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today to discuss the Office of Personnel Management's (OPM) efforts to expedite the security clearance process, specifically the agency's efforts to reduce the current backlog.

As you know, OPM has been responsible for processing security clearances for civilian agency employees and contractors for decades. Over time, our workload in this area has increased, but grew exponentially after we became responsible for processing all civilian, military and contractor investigations, previously handled by the Department of Defense (DOD), in February 2005. OPM is now responsible for ensuring that each year approximately 1.4 million Federal employees and contractors meet suitability and/or security requirements so they can serve in the Federal Government. The majority of the current workload is focused on completing investigations for the DOD. In fact, approximately 80 percent of our

national security investigations are related to clearing DOD's military, civilian and contractor workforce for employment. Currently an investigation backlog means the process has not been completed in 120 days. By the end of 2006, OPM is required by the Intelligence Reform and Terrorism Prevention Act of 2004 to reduce investigations processing time to 90 days. We intend to meet that goal by adhering to the strategy laid out in the Plan for Improving the Personnel Security Clearance Process which was jointly prepared by OPM, the Office of Management and Budget, and major clearance granting agencies across Government. It represents the collective good faith efforts of all stakeholders to address the problems associated with the clearance process by outlining the roles and responsibilities of each party, actions to be taken, and the agreed upon target goals and measures that need to be met in order for the program to succeed.

When we formally merged our Federal investigations unit with the Department of Defense we received 144,000 investigations from the Pentagon. At that point in time, OPM was in the process of completing 260,000 investigations for civilian agency personnel and contractors.

We were asked to handle this additional workload for a number of reasons. First, OPM has a fully proven process for handling various types of investigations. Second, OPM has an automated system that reduces duplication of effort and shortens the time it takes for investigations to be completed. Finally, we are able to use our

existing fee-for-service system to pay for the cost of administering this program.

Background

During the June 28, 2005 hearing on this issue, OPM outlined the overall process for granting or denying security clearances and identified the various stakeholders for all steps of that process. In July, working with the Office of Management and Budget (OMB), OPM completed an analysis of the overall process and proposed performance goals and milestones that could be measured with data available from OPM's automated investigations processing system.

Since that time, we have worked with OMB and senior representatives from the intelligence community, as well as the Department of Defense, Department of Homeland Security, and others to develop an overall plan for improving the security clearance process. We have also worked together to build a consensus around performance goals and action items to improve timeliness.

Those goals include improving future agency workload projections, improving both agencies' and OPM timeliness for completing investigations, improving the quality of submissions, and improving timeliness of adjudications.

Progress to Date

One of the contributing factors to the backlogs we are addressing today has been Federal agencies' inability to accurately forecast the

number of investigations and clearance actions that are needed each fiscal year. OPM will assist agencies in improving their workload forecasting by collecting quarterly data comparing agencies' annual workload projections with actual requests. With this information, agencies will be able to improve the accuracy of workload projections and to identify changes that require priority planning while investigations and adjudications staffing adjustments are being made.

In the meantime, OPM has been taking significant steps to meet the needs of agency personnel. For example, OPM has increased the amount of staff devoted to the background investigations program by 400 since June 2005 bringing the total number of dedicated investigations staff to 8,400. Approximately 6,600 of the 8,400 are private sector employees, some of whom were recently hired using the staffing resources of five new companies with which we've contracted. We believe the current staff level is capable of handling the workloads projected for FY 2006. This means they will be able to handle both new applications and the elimination of the backlog at the same time.

In 2004, OPM implemented an automated process for collecting subjects' background information electronically rather than through a paper-based format. The OPM system, the Electronic Questionnaire for Investigations Processing (eQIP), is used by agency employees seeking clearances to submit their background information. Since its implementation, the system has been able to improve the timeliness and accuracy of submissions for investigations because it reduces

the amount of time applicants must spend completing forms accurately for the initial and reinvestigation processes. During June of this year, over 370 investigations requests were handled each week using eQIP. By October, that number climbed to an average of over 4,250 each week, largely due to the successful use of the system by military, civilian, and contractor staff.

The investigations process supporting Top Secret Clearances, referred to as Single Scope Background Investigations (SSBI), is a particularly important and sensitive program. When OPM was delegated this authority in February 2005, there were 72,000 investigations in process. As of October of this year, we reduced that number to 54,000, a significant improvement, but an area which continues to be a subject of attention. For requests designated for priority handling --over 13 percent of the total number of Top Secret requests-- the average processing time was reduced from 147 days in June 2005 to 104 days in October. We continue to work toward reducing the time it takes to complete the process for these cases.

Investigations that support a Secret or Confidential Clearance, National Agency Check with Law Check (NACLC) averaged 163 processing days in June. By October, the processing time decreased to 136 days. Priority requests for this level of investigation also decreased from an average of 95 days in process during June to 51 days in process during October.

In June, OPM reported that its goal was to average 35 days or less for the priority initial clearance investigations by October 1, 2005. In October, our Federal and contractor field staff completed all required subject and source interviews and advanced results to the agencies in an average of 34 days for over 890 priority Single Scope Background Investigations.

Looking Ahead

For new investigations received in the first two quarters of FY 2006, it is OPM's goal to process 80 percent of initial clearance investigations within 120 days of receipt, positioning us to meet the requirement of completing 80 percent within 90 days by the end of Calendar Year 2006 as specified in the Intelligence Reform and Terrorism Prevention Act of 2004.

To ensure our processes are successful, OPM continues to measure investigation timeliness including the overall time required to obtain the field coverage and information from third-party National, State, and local government agencies

Finally, I'd like to tell you about the progress we've made dealing with the issue of international coverage. During the last hearing we reported that OPM was working with the State Department and the DOD to establish an international coverage unit under DOD's authority to replace the overseas coverage previously obtained from Defense components abroad. Our first teams deployed in August,

and we will maintain a constant presence in several countries as we work to reduce the existing backlog.

Conclusion

OPM is making significant progress. We worked with other agencies in the development of reasonable goals and targets and are working to meet them by measuring success and making procedural changes where necessary. We are on track to meet the goal of processing investigations within 90 days of receipt by the end of Calendar Year 2006.

Mr. Chairman that concludes my remarks. I would be happy to answer any questions you may have.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

Testimony of the Honorable Clay Johnson III

before the

Subcommittee on Oversight of Government Management,
the Federal Workforce and the District of Columbia
of the
Committee on Homeland Security and Governmental Affairs

United States Senate

November 9, 2005

Thank you, Mr. Chairman, for inviting me to testify on the Administration's efforts to improve the process by which the government grants security clearances. We recognize that the granting of security clearances should be faster, but also should ensure only those who need and deserve a security clearance actually get one in a timely manner.

The keys to improving the effectiveness and efficiency of the security clearance process will be:

- Having the Office of Management and Budget (OMB), the Office of Personnel Management (OPM, and the agencies set clear, mutually agreed upon goals;
- plans and milestones that measure whether we're on track to meet our goals;
- a lot of monitoring of the performance of responsible investigative and adjudicative agencies; and
- accountability for achieving mutually set goals.

We've had goals before, but have never held agencies accountable for meeting them.

Since enactment of the Intelligence Reform and Terrorism Prevention Act of 2004, the Administration has taken serious steps to improve the security clearance process. The Administration gave lead responsibility for improving the security clearance process to the Director of OMB. The Director has delegated that

responsibility to me. Various other responsibilities have also been delegated, principally the responsibility for the day-to-day supervision and monitoring of security clearance investigations, and for the tracking of the results of individual agency-performed adjudications, which were assigned to OPM.

To assist OMB and OPM in this endeavor, we have enlisted the support and commitment from all major agencies seeking and involved in providing security clearances. They include the Departments of Defense, Homeland Security, Energy, Justice, Transportation, Commerce, and State, as well as the National Archives and Records Administration and the Director of National Intelligence. These agencies, together with the National Security Council, which make up the Security Clearance Oversight Steering Committee, are committed to reforming the process and achieving the goals laid out in the Intelligence Reform and Terrorism Prevention Act: they are very proud to be a part of this effort.

The Security Clearance Oversight Steering Committee first met in August of this year with the initial focus on improving the investigative work done by OPM. OPM currently conducts 90 percent of the investigations necessary to determine eligibility for a security clearance. The Steering Committee met again in September, October, and late last week. It established two working groups, one to craft the plan to meet the goals of the Intelligence Reform and Terrorism Prevention Act and another to address issues related to the reciprocity of security clearances among Federal agencies.

The Plan for Improving the Personnel Security Clearance Process

I will let the Office of Personnel Management discuss the plan in greater detail. If implemented as promised, however, you can be assured the plan will result in improving the timeliness and processing of personnel security clearances. The plan details individual areas of responsibility and actions required for success. For instance,

- By the end of this year, a single consolidated data base of personnel security clearance information within OPM's jurisdiction will be established and it will be easily accessible by authorized users to confirm who already has what clearances.
- By December 2006, 80% of background investigations will be completed within 90 days of receipt of the necessary information
- By December 2006, 80% of adjudications will be completed within 30 days of receipt.

Interim goals and metrics are agreed to by the participating agencies and will be tracked on a quarterly basis.

Reciprocity

Of course, if many agencies now requiring additional investigation of personnel with existing security clearances no longer require those investigations, the strain on the security clearance process would be diminished significantly. We commit to enforcing the longstanding policies that require agencies to honor existing security clearances except under extraordinary circumstances. Reciprocity means that for individuals with existing clearances at the same level, unless one of several narrow exceptions are present, an agency may not:

- request a new security questionnaire;
- review existing background investigations;
- review existing security questionnaires;
- initiate any new investigative checks.

The Reciprocity Working Group has identified the narrow exceptions which must be present in order for an agency to require the above additional investigations. Those exceptions are:

- the current clearance is interim or temporary;
- for highly sensitive programs, the current agency accepted greater risk by granting a waiver or other exception;
- for certain highly sensitive programs, the individual must satisfy a polygraph requirement of the new agency when no such requirement was imposed by the current agency;
- for certain highly sensitive programs, the individual is disqualified based upon immediate family who are not U.S. citizens if applicable to the new program;
- for certain highly sensitive programs, the individual does not meet additional but not duplicative investigative or adjudicative requirements approved by OMB on a program specific basis.

Reciprocity has been required before, but no one has ever held agencies accountable for honoring it. We will.

Technology

Technology can improve the way we collect information, investigate an individual's background, and track the security clearance process end to end. Our first priority is to maximize the use of technology at our disposal today. For instance, all agencies have committed to full use of eQIP, the system for electronic collection and transmission of individual background information, by April of 2006. This, alone, will ensure not only the timely collection of background information, but also that it is complete and accurate when it is received.

Agencies are also beginning to employ phased reinvestigations, the process of accessing available electronic databases to update an existing background investigation and security clearance. Expanded use of this technology will greatly reduce the time it takes to update existing security clearances.

We plan on achieving the security clearance goals of the Intelligence Bill with better use of current methodologies and technologies. Developing new technologies and enhanced tools will allow us to further speed and improve the effectiveness of the granting of security clearances.

Contractors

Companies with employees waiting for security clearances are justifiably troubled by the length of time it takes to complete a background investigation and grant a security clearance. The Steering Committee met with contractors to hear their concerns and brief them on our progress. We will meet with additional contractors next week. It will be important to establish a feedback mechanism for contractors so their concerns about the timeliness of security clearances are addressed but the risk of alienating the agencies with whom they are attempting to do business is minimized.

Conclusion

The Steering Committee's current focus is on improving the ninety percent of investigations now performed by the Office of Personnel Management, and making the greatest use of current technology. Once improvement plans for this work are final and well into implementation, the Steering Group's focus will shift to ensuring the remaining ten percent of investigative operations are performing to the same standards, and to the developing and applying new technologies. The bulk of this remaining 10%, the Intelligence Community, has been an active part of our oversight work to date, and agrees with all the standards and measures of success.

I am very proud of the progress we have made in a short time to address the challenges facing the security clearance process. I expect to be back before this Subcommittee over the next year to inform you of the progress we have made.

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

For Release on Delivery
Expected at 3:00 p.m.
Wednesday, November 9, 2005

DOD PERSONNEL CLEARANCES

Government Plan Addresses Some Long-standing Problems with DOD's Program, But Concerns Remain

Statement of Derek B. Stewart, Director
Defense Capabilities and Management

GAO-06-233T

November 9, 2005

GAO
Accountability·Integrity·Reliability

Highlights

Highlights of GAO-06-233T, a testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

DOD PERSONNEL CLEARANCES

Government Plan Addresses Some Long-standing Problems with DOD's Program, But Concerns Remain

Why GAO Did This Study

Unauthorized disclosure of classified information can cause up to exceptionally grave damage to national security. The Department of Defense (DOD) is responsible for about 2 million personnel with clearances that allow them access to classified information. While most of these clearances are for servicemembers and DOD's employees and contractors, DOD is also responsible for contractors' clearances for more than 20 other agencies, as well as for congressional staff. Due to long-standing problems with DOD's clearance program, GAO designated it a high-risk area in January 2005. In February 2005, when DOD transferred its personnel security investigative functions to the Office of Personnel Management (OPM), the average wait for a top secret clearance governmentwide was over 1 year. In June 2005, Executive Order 13381 gave the Office of Management and Budget (OMB) authority to retain or assign to any executive agency any process relating to determinations of eligibility for access to classified information. OPM is assisting OMB with the development of the plan.

GAO was asked to assess the government plan. This testimony will provide GAO's preliminary review of how well the government plan (1) adheres to the standards of comprehensive strategic planning and (2) addresses the timeliness and quality of the security clearance process. Finally, GAO will discuss the actions required to remove DOD's program from GAO's high-risk list.

www.gao.gov/cgi-bin/getrpt?GAO-06-233T.

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

What GAO Found

We are encouraged by the level of commitment demonstrated by OMB in overseeing the preparation of the government plan for addressing problems in the personnel security clearance process. The plan represents an important step toward addressing some long-standing concerns GAO has raised in this area. It includes some elements that a comprehensive strategic plan should contain, such as metrics that will be used to monitor the timeliness of the security clearance process governmentwide. However, the plan provides few details on other features that GAO looks for in a comprehensive strategic plan. For example, in some cases, the plan does not provide details on discrete actions the government would take or their projected completion dates. In addition, the plan does not always include details on the resources required to accomplish the plan's objectives. Finally, the plan does not describe potential risks or mitigation plans to address potential risks.

Although the government plan establishes metrics to address the timeliness of the security clearance process, they focus on some phases of the process more than others. Specifically, the plan identifies a wide variety of metrics for monitoring the timeliness of security clearance investigations, but it does little to address timeliness in the adjudication phase of the process. The government plan also provides quarterly goals for different types of investigations. However, the plan does not identify baseline measures or interim goals for average adjudication processing time.

Although it explicitly acknowledges that agencies have concerns about the quality of investigations and adjudications, the government plan devotes little attention to monitoring and improving the quality of the personnel security clearance process. The plan's primary metric for measuring the quality of investigations—the percentage of investigations returned by requesting agencies due to incomplete case files—is not, by itself, a valid indicator of the quality of investigative work. Other or additional statistics, such as the number of counterintelligence leads generated from security clearance investigations, may be needed. The government plan did not identify a metric for assessing the quality of adjudications, although GAO and other agencies have identified actions that would facilitate monitoring and improvement of the quality of this portion of the personnel security clearance process.

DOD must correct previously identified problems before its personnel security clearance program can be removed from the high-risk list. Before removing DOD's personnel security clearance program from the high-risk list, GAO will examine whether OMB, OPM, and DOD have satisfied certain criteria, including the establishment of leadership support, sufficient resources to resolve the risk, and a corrective action plan. GAO's criteria also include the presence of a program to monitor and independently validate the effectiveness and sustainability of any corrective actions and the agency's ability to demonstrate the implementation of corrective measures.

Chairman Voinovich and Members of the Subcommittee:

I am pleased to be here today to discuss the government plan for addressing problems in the Department of Defense's (DOD) personnel security clearance program. Clearances granted through such programs allow personnel access to classified information. Unauthorized disclosure of classified information can cause exceptionally grave damage to national security. As you know, Mr. Chairman, in January of this year, we added DOD's personnel security clearance program to our list of government high-risk operations.[1] Our high-risk list focuses on those major programs and operations that need urgent attention and transformation in order to ensure that our national government functions in the most economical, efficient, and effective manner possible. Also, some federal programs and operations are designated high risk because of their greater vulnerabilities to fraud, waste, abuse, and mismanagement.

We declared DOD's personnel security clearance program a high-risk area in January 2005, in part because of long-standing delays in completing requests for security clearances. We have reported backlogs and impediments to timeliness and quality throughout DOD's personnel security clearance process. DOD has faced challenges in the past in setting and projecting the requirements for clearances, submitting requests for investigations, conducting timely investigations, and adjudicating, or determining, whether someone is eligible for a clearance. We also found that DOD had been unable to accurately estimate the size of its clearance backlog.

Problems with timeliness and quality in the personnel security clearance process can affect our national security. For example, delays in renewing security clearances for personnel who are already doing classified work can lead to a heightened risk of disclosure of classified information. Moreover, delays in providing initial security clearances for previously noncleared personnel can result in other negative consequences, such as additional costs and delays in completing national security-related contracts, lost-opportunity costs, and problems retaining the best-qualified personnel. Given the vast scope of DOD's personnel security clearance program, these negative effects resound across government. Within DOD, the Office of the Under Secretary of Defense for Intelligence is responsible for the clearances issued to approximately 2 million personnel and for coordinating and implementing DOD-wide policies related to accessing classified information. While most of the clearances DOD handles are for servicemembers and DOD's federal employees and contractor personnel, the Office of the Under Secretary for Intelligence is also responsible for the clearances of contractors for more than 20 other federal agencies, as well as the clearances of staff in the federal government's legislative branch.

My testimony today will focus on the government plan and its relevance to improving DOD's personnel security clearance process and how well it addresses our past concerns. The Office of Management and Budget (OMB) took the lead in developing the government plan, and the Office of Personnel Management (OPM), which is now responsible for 90 percent of the clearance investigations in the federal government,

[1] See GAO, *High-Risk Series: An Update*, GAO-05-207 (Washington, D.C.: January 2005).

assisted OMB in developing this plan. Because we have had a limited time to review the government plan, we have been unable to conduct a thorough assessment. Therefore, my preliminary observations will focus on four key areas. First, I will describe how well the government plan adheres to the standards of comprehensive strategic planning. Next, I will provide our evaluation of how well the plan addresses concerns about the timeliness and the quality of personnel security clearances. Finally, I will discuss the actions required to remove the program from our high-risk list. I would like to note that, at your request, we have recently begun a review focusing on the quality of top secret security clearance investigations and adjudications for contractor personnel. As of February 2005, these personnel waited, on average, over 1 year for DOD to determine clearance eligibility. As part of that review, we will examine the government plan more fully and provide an assessment in our report to the Subcommittee.

My statement is based on our preliminary review of the government plan and previous GAO reports and analyses. Our work was performed from October 2005 through November 2005 in accordance with generally accepted government auditing standards. In our preliminary review, we considered what was presented in the government plan in light of elements from the Intelligence Reform and Terrorism Prevention Act of 2004 as well as relevant prior reports from GAO and DOD's Inspector General.

Summary

In summary, Mr. Chairman, the government plan represents an important step toward addressing some of the long-standing concerns we have raised about the personnel security clearance process. We are encouraged by the high level of commitment that OMB has demonstrated in preparing this plan. The government plan provides many metrics that will be used to monitor the timeliness of the clearance process governmentwide, but it provides few details on other elements that a comprehensive strategic plan might contain. For example, in some cases, the plan does not provide details on discrete actions the government would take or projected completion dates for actions the plan identifies. In addition, the plan does not always include details on the resources required to accomplish the plan's objectives. Finally, the plan does not describe potential risks or mitigation plans to address potential risks.

The government plan identifies a wide variety of metrics for monitoring the timeliness of security clearances. Passage of the Intelligence Reform and Terrorism Prevention Act of 2004 addressed many of our past concerns about metrics and monitoring the program. For example, the act requires that, during the period between December 17, 2006, and December 17, 2009, each authorized adjudicative agency shall make a determination on at least 80 percent of all applications for personnel security clearances within an average of 120 days of receiving the security clearance request. However, the government plan is inconsistent in its treatment of some timeliness issues. Specifically, the plan provides quarterly goals for different types of investigations, but it does not identify interim goals for average adjudication processing time. In addition to metrics, the government plan describes the use of information technology to positively affect the timeliness of clearances.

The government plan devotes little attention to monitoring and improving the quality of the personnel security clearance process, although it explicitly acknowledges that agencies have concerns about the quality of investigations and adjudications. The primary metric found in the government plan for measuring the quality of investigations is the percentage of investigations returned by requesting agencies because of incomplete case files. Because the number of investigations returned for rework is not—by itself—a valid indicator of the quality of investigative work, use of other or additional statistics such as the number of counterintelligence leads generated from investigations may be needed. The government plan did not identify a metric for assessing the quality of adjudications, although we and other agencies have identified actions that would facilitate monitoring and improvement of the quality of this portion of the security clearance process. However, the government plan contains provisions for an investigator training and quality assurance program.

Before removing the security clearance process from our high-risk list, we will examine whether OMB, OPM, and DOD have satisfied the criteria we have established for removing a high-risk designation. As we established in November 2000, these criteria include leadership support, sufficient resources to resolve the risk, and a corrective action plan. Our criteria also include the presence of a program to monitor and independently validate the effectiveness and sustainability of any corrective actions and the ability to demonstrate the implementation of corrective measures. DOD must undertake many corrective actions to implement our recommendations and to correct previously identified problems before its personnel security clearance program can be removed from its high-risk list.

Background

On June 28, 2005, I testified before this subcommittee on DOD's personnel security clearance program.[2] I noted that while DOD has taken steps to address some of the problems that led us to designate its personnel security clearance program a high-risk area, we found continuing challenges in each stage of DOD's clearance process. I also noted that, despite partially concurring with our May 2004 recommendation,[3] DOD had not developed and implemented an integrated, comprehensive management plan to eliminate the backlog, reduce the delays in conducting investigations and determining eligibility for security clearances, and overcome the impediments that could allow such problems to recur.

On the day before your June hearing, the President signed Executive Order 13381, which is to expire on July 1, 2006, and has the stated purpose of strengthening processes for

[2] GAO, *DOD Personnel Clearances: Some Progress Has Been Made but Hurdles Remain to Overcome the Challenges That Led to GAO's High-Risk Designation*, GAO-05-842T (Washington, D.C.: June 28, 2005).

[3] GAO, *DOD Personnel Clearances: Additional Steps Can Be Taken to Reduce Backlogs and Delays in Determining Security Clearance Eligibility for Industry Personnel*, GAO-04-632 (Washington, D.C.: May 26, 2004).

determining eligibility for access to classified national security information.[4] The order stated that the Director of OMB may assign, in whole or in part, to the head of any agency, either solely or jointly, any process relating to determinations of eligibility for access to classified national security information.

At the request of the OMB Deputy Director, OMB and GAO officials met on July 12, 2005, to discuss OMB's general strategy for addressing the problems that had led to our high-risk designation for DOD's personnel security clearance program. Among other things, the Deputy Director indicated that (1) OMB staff would work with DOD and OPM to develop preliminary milestones and metrics for correcting problems associated with the program and (2) GAO would be asked to comment on that information in August or September. We indicated that GAO would need to remain independent, but could provide general comments to OMB about milestones, timeframes, criteria, and other materials developed by OMB and other executive branch agencies. The timeframe of August or September for the next meeting with OMB corresponded roughly with the up to 90 days after selection that was specified in the Intelligence Reform and Terrorism Prevention Act of 2004 for the head of the identified lead agency to develop, in consultation with the appropriate committees of Congress and each authorized adjudicative agency, a plan to reduce the length of the personnel security clearance process.[5]

Plan Identifies Metrics but Lacks Details on Other Critical Elements of a Strategic Plan

The government plan provides many metrics that will be used to monitor the timeliness of the clearance process governmentwide, but the plan detailed few of the other elements that a comprehensive strategic plan might contain. The Government Performance and Results Act of 1993[6] identified some of the elements that might be found in a comprehensive strategic plan. Those elements include a comprehensive mission statement, general goals and objectives, a description of how the goals and objectives are to be achieved, key external factors that could significantly affect the achievement of the goals and objectives, and a description and schedule of the program evaluations used in establishing and revising general goals and objectives. GAO has also published an evaluator's guide to use in evaluating strategic plans. This guide discusses key performance indicators and the means to verify and validate the measured values.[7]

The government plan provides numerous metrics to monitor the timeliness of the clearance process. For example, the plan requires more accurate projections of the numbers of clearances needed, statistics on how long it takes to process a request for the

[4] The White House, Executive Order 13381, *Strengthening Processes Relating to Determining Eligibility for Access to Classified National Security Information* (June 27, 2005).

[5] 50 U.S.C. § 435b(g).

[6] Pub. L. No. 103-62.

[7] GAO, *The Results Act: An Evaluator's Guide to Assessing Agency Annual Performance Plans*, GAO/GGD-10.1.20 (Washington, D.C.: Apr. 1, 1998).

investigation once the request has been made, information on the time required to perform various types of investigations, and the amount of time needed to determine clearance eligibility. Many of the metrics will be monitored on a quarterly or yearly basis according to the example tables contained in the plan. Another positive feature of the plan is that the same metrics will be used in many governmental agencies, making it possible to roll the data up and obtain a larger federal government perspective.

Many portions of the government plan fail to include important elements of strategic planning that could influence how effectively and efficiently the plan is carried out. I will illustrate our concerns using two example sections from the plan. In the first case, the plan includes a section on how the government intends to address reciprocity.[8] For those who are unfamiliar with that term, reciprocity is the extent to which departments, agencies, or military services accept clearances and access granted by other departments, agencies, or military services. The government plan does not include discrete actions with projected completion dates that could be used to monitor interim progress toward the goal of greater reciprocity. The plan overlooks such actions and related timeframes even though a June 17, 2005, memorandum written by the Deputy Director of OMB indicates that the plan for each of the 25 areas on GAO's high-risk list should set goals and milestones that, if implemented will reduce the risk of waste, fraud, abuse, and mismanagement. A second example of the security clearance plan's failure to follow principles of strategic planning can be found in the plan's section on requirements for access to national, state, and local record systems. Nothing in this section of the plan mentions actions and milestones for actions, or how OMB or the federal government could affect access to state and local records. The plan also fails to consider whether additional monetary or human capital resources would be needed for that effort, what external risks could adversely affect the government plan, or what steps the government could use to mitigate those risks.

Plan Emphasizes Timeliness of the Clearance Process

The government plan identifies a wide variety of metrics that can be used to track the timeliness of clearances, and it describes generally some initiatives for speeding the processing of clearances. In February 2004, we expressed continuing concerns about the size of DOD's backlog and its accurate measurement.[9] At that time, we recommended that the Under Secretary of Defense for Intelligence develop timeliness definitions and measures, and monitor the security clearance backlog at each stage of the personnel security clearance process.

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[8] 50 U.S.C. § 435b(d)(1) provides that "all security clearance background investigations and determinations completed by an authorized investigative agency or authorized adjudicative agency shall be accepted by all agencies." Exceptions to reciprocity are, however, permitted on a case-by-case basis under the conditions specified in the U.S. Code.

[9] GAO, *DOD Personnel Clearances: DOD Needs to Overcome Impediments to Eliminating Backlog and Determining Its Size*, GAO-04-344 (Washington, D.C.: Feb. 9, 2004).

Passage of the Intelligence Reform and Terrorism Prevention Act of 2004 addressed our concerns about metrics and monitoring within the larger context of the total federal government, specifying timeframes for the completion of both investigations and adjudications and requiring an annual report to Congress detailing the timeliness of the clearance process. Specifically, the act requires that not later than December 17, 2006, and ending December 17, 2009, each authorized adjudicative agency shall make a determination on at least 80 percent of all applicants for personnel security clearances within an average of 120 days—90 days to complete the investigation and 30 days to complete the adjudication—of receiving the security clearance application.[10] Also, not later than February 15, 2006, and annually thereafter through 2011, OMB must provide a report to appropriate congressional committees on the progress made during the preceding year toward meeting these goals.[11]

The government plan identifies numerous management reports and metrics that can be used to monitor all stages of the personnel security clearance process. To monitor the submission of requests for investigations, the plan indicates that the government will require that submissions be processed within an average of 14 calendar days of the subject completing the security clearance questionnaire. For the investigation stage, the plan shows baseline measures for how long it took to complete the average investigation and the investigative workload. This type of information is shown for multiple quarters in fiscal year 2005. The plan also provides quarterly goals—expressed as average days taken to complete an investigation—for different types of investigations. The adjudication-timeliness goals mandated by the National Intelligence Reform and Terrorism Prevention Act of 2004 are noted in the plan, but it does not identify baseline measures or interim goals for average adjudication processing time.

In addition to metrics, the government plan describes the use of information technology to positively affect the timeliness of clearances. For example, OPM has deployed the electronic Questionnaire for Investigations Processing (e-QIP) system for a subgroup of users and indicates that all agencies will be required to submit their requests for investigations with e-QIP by March 2006. OPM is also involved in an effort to streamline clearance processing by digitally sending completed investigation files to adjudicative agencies for review, approval, and submission to the investigation provider. However, the plan provides few details that would allow us to assess the maturity of either initiative.

Plan Needs to Build More Quality into the Clearance Process

The government plan devotes little attention to monitoring and improving the quality of the personnel security clearance process. At the same time, the government plan

[10] 50 U.S.C. § 435b(g)(3). Section (g)(2) also provides that the timeframe for completing clearances will reduce further once 5 years have elapsed from the enactment of the section. At that time, the section indicates that to the extent practical, the plan shall require each authorized adjudicative agency to make a determination on at least 90 percent of all applications for a personnel security clearance within an average of 60 days—40 days to complete the investigation and 20 days to complete the adjudication.

[11] 50 U.S.C. § 435b(h).

explicitly acknowledges that agencies have concerns about the quality of investigations and adjudications. Specifically, the plan says that "a lack of reciprocity often arises due to reluctance of the gaining activity to inherit accountability for what may be an unacceptable risk due to poor quality investigations and/or adjudications." These concerns exist despite the fact that since 1997, all federal agencies have been subject to a common set of general personnel security investigative standards and adjudicative guidelines for determining whether service members, government employees, government contractors, and others are eligible to receive security clearances.[12]

The primary metric found in the government plan for measuring quality of investigations is the percentage of investigations returned by requesting agencies due to incomplete case files, but use of that metric is problematic. In 1999, we reported that the number of investigations returned for rework is not by itself a valid indicator of the quality of investigative work, because adjudication officials said they were reluctant to return incomplete investigations in anticipation of further delays.[13] Regardless of whether this metric remains a part of the plan, developers of the plan may want to consider adding other indicators of the quality of investigations, such as the number of counterintelligence leads generated from security clearance investigations and forwarded to relevant units. Our 1999 review of a random sample of investigations is another example of a method that can be used to evaluate quality. This type of periodic review could be performed by an office of the inspector general or some other unit that is not affiliated with OPM's investigations facility in order to insure the independence of the findings.

The government plan indicates that OPM has developed an investigator training and quality assurance program. This is a positive step. Our prior work has shown that investigation quality can be negatively affected when investigators are insufficiently trained. However, the plan does not discuss implementation of the training program or the metrics associated with the quality assurance program.

The government plan does not identify a metric for assessing the quality of adjudications. As the Defense Personnel Security Research Center has noted, it is difficult to measure the degree to which adjudicative standards are met.[14] Nevertheless, GAO and other agencies have identified actions that would facilitate monitoring and improvement of the quality of this portion of the security clearance process. For example, a 2001 GAO report recommended that DOD require adjudicators to use common explanatory guidance and

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[12] The White House, "Implementation of Executive Order 12968," Memorandum (Washington, D. C.: Mar. 24, 1997). This memorandum approves the adjudication guidelines, temporary eligibility standards, and investigative standards required by Executive Order 12968, *Access to Classified Information* (Aug. 2, 1995).

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

[14] Ralph M. Carney, Joanne Marshall-Mies, Daniel G. Youpa, and Whitney B. Helton-Fauth, *Quality Assurance in Defense Adjudication: An Adjudicator Workshop for Defining and Assessing Quality*, PERSEREC TR 02-04 (Monterey, Calif.: Defense Personnel Security Research Center, March 2003).

document adjudication determinations.[15] In addition, a 1998 DOD Inspector General report suggested implementation of a peer review program among DOD adjudication facilities.[16]

The government plan does not contain initiatives for improving adjudication quality. We have, however, previously reported recommendations for improving DOD's adjudication quality.[17] In our 2001 report, we recommended that DOD make four major improvements to its adjudicative process. First, DOD should establish detailed documentation requirements to support adjudication decisions. Second, the department should require that all DOD adjudicators use common explanatory guidance. Third, it should establish common adjudicator training requirements and develop appropriate continuing education opportunities for all DOD adjudicators. Finally, DOD should establish a common quality assurance program to be implemented by officials in all DOD adjudication facilities and monitor compliance through annual reporting. DOD has indicated progress on some of these initiatives such as professional adjudicator certification and continuing education opportunities. The government plan may be able to broaden the DOD initiatives to governmentwide actions for improving adjudication quality.

Actions Required to Remove DOD's Clearance Program from the High-Risk List

DOD must undertake many corrective actions to implement our recommendations and to correct previously identified problems before we will remove DOD's personnel security clearance program from our high-risk list. Many of the issues about timeliness and quality are being addressed in actions that OMB and OPM will monitor as part of the government plan. Those actions need to address the criteria that we use in determining whether or not to remove a high-risk designation. These criteria, which we defined in November 2000, are shown in Figure 1.[18]

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

[16] DOD Office of the Inspector General, *Audit Report: Department of Defense Adjudication Program*, DoDIG 98-124 (Washington, D.C.: 1998).

[17] GAO-01-465.

[18] GAO-01-159SP.

Figure 1: Criteria Agencies Must Meet Before High-Risk Designations Can Be Removed

- A demonstrated strong commitment and top leadership support to address the risk(s)
- The capacity (that is, the people and other resources) to resolve the risk(s)
- A corrective action plan(s) that
  - defines the root causes,
  - identifies effective solutions, and
  - provides for substantially completing corrective measures in the near term, including but not limited to steps necessary to implement solutions we recommend
- A program instituted to monitor and independently validate the effectiveness and sustainability of corrective actions
- The ability to demonstrate progress in having implemented corrective measures

Source: GAO.

Since our high-risk list began in 1990, the government has taken high-risk problems seriously and has made long-needed progress toward correcting them. During the past 15 years, those efforts have resulted in 16 high-risk areas being removed from the list. For example, in January 2005, sufficient progress had been made to warrant the removal of a high-risk designation from three areas: student financial aid programs, Federal Aviation Administration financial management, and Forest Service financial management.

We will remove a high-risk designation when agency actions, including those in response to our recommendations, result in significant progress toward resolving a high-risk problem.

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Concluding Observations

Mr. Chairman, we are encouraged that OMB has undertaken the development of a governmentwide plan for improving the personnel security clearance process. Still, much remains to be done to develop a more comprehensive plan for improving the timeliness and quality of the security clearance process. Developing specific steps to address the general concerns that I identified today should move OMB and the executive branch agencies closer to that goal. As we stated in our high-risk report, perseverance by OMB and the agencies to implement our prior recommendations and continued oversight, such as that shown by you and this committee, are both essential to bringing lasting solutions to this high-risk area. In short, this is a good first step in the right direction. We will continue to monitor the security clearance program, as we do for all of the programs on our high-risk list.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I would be happy to answer any questions you may have at this time.

Staff Contact and Acknowledgments

For further information regarding this testimony, please contact me at 202-512-5559 or stewartd@gao.gov. Individuals making key contributions to this testimony include Jack E. Edwards, Assistant Director; Kurt A. Burgeson; Susan C. Ditto; Sara Hackley; Kenneth E. Patton; William J. Rigazio; and Jennifer L. Young.

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Questions from Chairman George V. Voinovich
Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia
Questions for the Record
Access Delayed: Fixing the Security Clearance Process, Part II
November 9, 2005

Questions for Director Springer

1. On page 15 of your strategic plan, you have a series of pie charts that project future staff levels. I notice that your federal workforce will be reduced from its current level of 21 percent to 13 percent by October 2009. In addition, it appears that you will add review and support functions to your workforce. Can you please elaborate on the roles and responsibilities of the employees who will be working on these functions? In addition, do you anticipate that these employees will be federal or contract workers?

Answer: The charts in the strategic plan represent the ***possible*** reconfiguration of the Federal/Contractor staff that OPM will use in the future to conduct background investigations. This projection is based on the expectation that the contractors providing field services will successfully increase their capacity to handle the routine investigations, with specific investigations targeted for completion by the Federal field staff. At this time, it is too early to calculate the contractors' capacity potential. The addition of review and support functions as separate parts of the chart is not due to new services being performed by contractors. It merely reflects our decision to separate the functions from the comprehensive end-to-end US Investigations Services (USIS) contract, which bundled these review and support services with field investigative services. The review and support functions performed by contract personnel will augment the review functions conducted by the Federal review staff. The Federal review staff will be responsible for those investigations that are either inherently governmental in nature or those that contain serious issues that may possibly lead to an adverse suitability or security clearance determination.

The roles and responsibilities of the support functions performed by the contractor(s) include: opening mail, collating hard copy attachments with electronic case papers, reviewing/screening each investigation request to insure accuracy and completeness, troubleshooting data errors, completing data entry of case and processing information, ensuring appropriate access levels, and other support functions required to conduct background investigations. The review staff analyzes the content of completed investigations to insure the information meets the established national standards.

2. At the end of the fourth quarter of 2005, it was taking OPM 310 days to completely close out a Single Scope Background Investigation. According to your strategic plan, you intend to reduce this time to 180 days by the end of the second quarter in 2006. Further, the National Intelligence Reform Act requires that the background investigations are completed in 120 days by the end of

the fourth quarter in 2006. Do you think it is possible to meet these deadlines? What steps are you taking to meet them?

> Answer: The Intelligence Reform Act requires that OPM complete 80% of all investigations that support initial security clearances within 90 days of receipt by the end of 2006. OPM is confident that we will meet the deadlines for these investigations, and we are working aggressively to meet all the requirements of the Intelligence Reform and Terrorism Prevention Act. Capacity has been expanded, systems have been retooled, and processes have been engineered to compress timeframes without compromising quality and integrity. The firms who were awarded new investigative contracts now have a more mature workforce with a year's experience. This experience and expertise is critical to the success of these new investigators, and the results are already being seen with the backlog of cases dropping dramatically. It is important to note that the average number of days to complete a case has been distorted by closing a large number of old cases. A better measure is the number of days needed to complete a case. We are carefully monitoring our old case inventory, and working actively with our partner agencies to resolve long-standing bottlenecks in the process.

3. According to your strategic plan, OPM currently employs 8,400 employees and contractors devoted to the security clearance investigation process. In your plan you noted that many of these employees are relatively inexperienced and not fully trained. What steps is OPM taking to ensure that the workforce has the requisite training necessary to conduct investigations in an efficient and thorough manner? How long do you think it will take to train your investigators?

> Answer: On-the-job experience is a critical part of the learning process for new investigators. Training is also a valuable tool, however, and we have implemented a comprehensive training program for our Federal investigative employees. The training program combines mentoring, pre-academy training materials, and three weeks of classroom training that occurs early in the first year they are with the program. New agents begin producing investigations immediately after their initial training, and full productivity is usually achieved within the first year. Currently our contract firms design and implement their individual training programs according to standards set forth by OPM. We conduct review and oversight of the contractor training programs.

4. The *Federal Times* recently reported that OPM is accepting bids from private sector companies to supplement your contractor security clearance workforce. As mentioned in your strategic plan, your agency needs 8,000 employees to manage your workload projections for FY 2006. Since you already have 8,400 federal and contract employees, why is it necessary to hire another contractor before you have the existing workforce fully trained and functional?

> Answer: Until now, OPM has relied exclusively on the comprehensive contract with US Investigations Service (USIS) for a wide range of investigations, review, and support services. The USIS contract will expire in July 2006, and in order to get the best possible value, OPM has opted to compete the review and support functions separately from the fieldwork services. Recent press coverage has focused on those efforts to restructure our

contracts in this way. OPM is not expanding the functions performed by contractors or increasing the number of contractors performing similar functions.

5. On page 14 of the strategic plan, you note that OPM does not track the time it takes to conduct reinvestigations because it was not a requirement of the National Intelligence Reform Act. However, reinvestigations are an important part of the clearance process and it does take time and resources to conduct them. What performance metrics do you have to track the time it takes to conduct reinvestigations?

Answer: OPM tracks and monitors the timeliness of all types of investigations completed. Improvements in the timeliness of the reinvestigations have also been noted due to our increased capacity. As part of workload management, we carefully evaluate the age of cases on hand, the time taken for each step of the process based on the dates of key milestones, and several categories of pending data. This information allows us to focus our efforts where they are most needed and identify recurring impediments to the investigations process.

6. There has been confusion in the past as to when the clock starts for tracking cycle time to complete an investigation and adjudication. Therefore, can you explain when a clearance request becomes a "backlogged" request?

Answer: The term "backlog" is often used when referring to the number of cases in process. Many of the cases in OPM's pending inventory are well within the expected timeframes for completion, however, and are mischaracterized as backlogged when counted with cases that are well beyond their expected completion date. We limit the use of the term "backlog" to only those cases that are beyond their expected completion date. Depending on the case type and the level of service requested by the customer agency, the completion date is set from the date a complete and accurate request is received by OPM from the requesting agency. Likewise, for adjudications, the completion date is set from the date a complete and accurate investigation is received by the agency adjudicating office.

Senator Daniel K. Akaka
Questions for the Record
Access Delayed: Fixing the Security Clearance Process, Part II
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
November 9, 2005

Questions for Director Linda Springer
Office of Personnel Management (OPM)

1. Q. At the hearing, I asked whether the Office of Personnel Management (OPM) had any preliminary figures on how much funding would be required to reach the goals of OPM's strategic plan. You indicated that there were no budget numbers but that there will be sufficient funds to meet next year's goals. Would you please provide me with a breakdown of program costs for fiscal years 2004 and 2005, including the total amount of fees paid by agencies in both fiscal years?

A. Revenue and expenses for FY 2004 and 2005 were:

- FY 2004 – Program Costs (expenses) = $343 million
- FY 2004 – Fees paid by agencies (revenue) = $363 million

- FY 2005 – Program Costs (expenses) = $517 million
- FY 2005 – Fees paid by agencies (revenue) = $523 million

2. Q. In response to my question regarding staffing levels and the distribution of federal employees to contract employees, Ms. Dillaman responded that changes resulting from "termination, retirements, for example" will result in rebalancing of the mix. While I appreciated Ms. Dillaman's additional comments that everyone is committed to working together, whether federal or contract employee, I would like to know if there are plans to replace those federal employees who retire or are terminated since your charts project a total staff level of 9,000 by October 1, 2009, with a mix of 1,300 federal employees and 7,700 contract staff? This figure represents a decrease in 500 federal employees from October 1, 2006. Is there a succession plan to replace these federal employees?

A. OPM will maintain or increase the Federal staff level to have sufficient resources in place throughout the country and to staff international coverage requirements through the end of FY 2006. Given the substantial percentage of Federal staff who will be retirement eligible through October 2009, this staff may be reduced through attrition to approximately 1,300 by the end of 2009.

3. Q. The plan calls for monitoring each contractor's training program to ensure consistency of investigative standards and practices. I believe good training programs will be central to reducing the backlog of investigations and guaranteeing timeliness. Will all contractors use the same training program, and if not why? What input does the Federal Investigative Services

Division of OPM provide to contractors in the development of contractor training programs? What contractual guarantees exist regarding training programs? Who within the Division reviews contractor training programs? How does training for contractors differ from training for federal employees within the Division?

A. Currently each contractor has developed its own training program after receiving a baseline of materials and presentation from OPM. Allowing each contractor the flexibility of design enables the contractor to implement creative solutions to training issues. OPM has worked closely with each contractor in the development process and conducted official reviews based on baseline standards prior to recommending final approval and implementation of each training program. We have also conducted rigorous oversight of the training being conducted. Each contract requires the contractor to develop its training program, seek OPM approval, and allow OPM oversight/auditing of its training. The review of contractor training programs falls within the purview of the Deputy Associate Director for Program Services. The major difference between Federal training and contractor training is that Federal employees conduct the Federal training.

4. Q. The plan suggests that OPM will continue to issue what are termed closed-pending investigative reports. However some agencies do not adjudicate cases until an investigation is complete. If this is the case, why doesn't OPM list such investigative reports as incomplete and overdue? How many reports are closed-pending as of September 30, 2005?

A. OPM monitors, tracks, and actively conducts appropriate follow-up on investigations that are still pending and exceeding expected completion dates. OPM routinely provides the pending case inventory level, including a subset of data representing the number that has been "closed pending," to OMB for oversight purposes.

An investigation may be "closed pending" when all the required personal coverage has been obtained by the field investigators. The investigation may be pending one or more third party record searches outside OPM's immediate control, and substantial delays may be experienced retrieving the final portions to the complete investigation.

The close-pending process serves two purposes. First, it advances substantial information that may be used by agencies to make an interim or conditional decision on the subject's suitability or eligibility for a security clearance. The policy on the use of the "closed pending" investigation varies by agency, and we are in the process of cataloging which agencies use this service. The "closed pending" investigation also serves to advance any serious issue information that has been developed by an investigator or as part of the record search completed at that time. This is critical if an agency has already hired the individual prior to completing the investigation.

As of September 30, 2005, OPM had 48,388 investigations in a closed-pending status.

5. Q. The plan indicates that OPM will redistribute staff among the contractors to deal with unanticipated workload changes. Will you largest contractor want to decrease its current market share of investigations, especially after the company has invested time and money in the

development of its investigators? Conversely, is it reasonable to expect all of the other firms to add two to five times the investigator capacity that they currently have?

A. OPM will not direct the redistribution of staff among the contractors. The new investigative contractors are aggressively building their workforces and are keeping a focus on recruiting individuals who are new to the investigative arena. It is OPM's intent to distribute workloads proportionate to the level of staff each company provides. While our largest contractor may not wish to lose any of its current market share, it is in the Government's best interest to promote competition by all qualified vendors. This will result in improved service levels and reasonable pricing.

6. Q. In testimony before the Subcommittee in September 2004 and June 2005, the Government Accountability Office (GAO) noted that OPM continues to use its investigations contractor to conduct personnel security clearance investigations for the contractor's employees even though GAO raised an internal control concern about this practice during its 1996 review. It is my understanding that the same contractor is currently evaluating the quality of its and other contractors' investigative reports. What steps has OPM taken to address the internal control and quality-control problems identified by GAO?

A. The Federal investigative staff that transferred from DSS came to OPM with a substantial backlog of investigations in process for the Department of Defense. To date, OPM has not been able to direct any new work assignments to this staff to allow them sufficient time to eliminate this backlog. Once eliminated (mid-year FY 2006), it is our intent to assign the contractor employee cases to the Federal investigative staff Until that time, the contractors are required to complete the investigations for their own staff under strict Federal oversight by OPM's Contract Management team.

Completed investigations on contractor personnel are reviewed by Federal review and adjudication staff. Contractors do not evaluate the quality of each other's work. OPM currently has solicitation open for Review and Adjudication Support Services. Our intent is to have an independent contractor, one that does not have an investigative fieldwork contract with OPM, perform case review activities in addition to our current Federal review staff. Work done by both the contractor and Federal staff would be subject to quality assurance conducted by Federal staff reporting directly to our Deputy Associate Director for Program Operations.

Questions from Chairman George V. Voinovich
Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia
Questions for the Record
Access Delayed: Fixing the Security Clearance Process, Part II
November 9, 2005

Questions for Mr. Johnson

1. What do you see as your biggest challenge to implementing the provisions of the Intelligence Reform Act and the President's Executive Order on security clearances?

Answer: Getting agencies to do as they promised.

2. OPM has developed a new electronic questionnaire for investigations processing called e-QIP. I can see that this system has the potential to improve the process for the applicant and for OPM as well. The OPM plan indicates that OMB is requiring all agencies to submit their investigative requests through this system by March 2006. Do you believe that agencies will meet this deadline? What steps are you taking to educate the federal community about this new system?

Answer: Yes. There is every incentive for agencies to use the system. It is as easy for the individual applying for a security clearance to use it as it is for OPM to receive information from it. And from the look of things, use of the system is ramping up considerably. As OPM testified, during June of this year, over 370 investigations requests were handled each week using eQIP. By October, that number climbed to an average of over 4,250 each week, largely due to the successful use of the system by military, civilian and contractor staff. OPM has notified agencies of its phased approach to agency use of the system and is providing training for agencies at its e-Clearance Learning Lab in Arlington , VA on the first and third Wednesday of every month.

Senator Daniel K. Akaka
Questions for the Record
Access Delayed: Fixing the Security Clearance Process, Part II
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
November 9, 2005

Question for Mr. Clay Johnson
Office of Management and Budget

Would you please detail how the Office of Management and Budget (OMB) plans to work with OPM in 2006 to monitor the progress of the OPM plan and to determine if additional funding is needed for program implementation?

> **Answer:** The numerous agencies, including OPM, that are engaged in the effort to improve the security clearance process are committed to success. All of these agencies have contributed to the creation of a plan to improve the process and will continue to support our efforts to track and meet the milestones laid out in the plan. OMB is not alone in this – we have the enthusiastic support of all the agencies involved. Relying on OPM's enormous capacity and the timely reporting of performance data relative to the security clearance process and addressing problems as they arise, we will achieve the goals we have set for ourselves.

United States Government Accountability Office
Washington, DC 20548

June 14, 2006

The Honorable George V. Voinovich
Chairman
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
Committee on Homeland Security and Governmental Affairs
United States Senate

Subject: *DOD Personnel Clearances: Questions and Answers for the Record Following the Second in a Series of Hearings on Fixing the Security Clearance Process*

On November 9, 2005, I testified before your subcommittee at a hearing on "Access Delayed: Fixing the Security Clearance Process, Part II." This letter responds to three questions for the record that you posed. The questions and my responses follow.

1. **What steps will GAO take to ensure that OPM, OMB, and the federal Intelligence Community are meeting the goals and objectives outlined in the OPM security clearance strategic plan?**

We will continue to assess and monitor the Department of Defense's (DOD) personnel security clearance program, including DOD's progress in meeting the goals and objectives outlined in the governmentwide plan. At this time, we have no ongoing or future work that would assess whether the federal intelligence community is meeting the goals and objectives of the government's plan.[1] We are currently reviewing the timeliness and completeness of DOD's and the Office of Personnel Management's (OPM) processes used to determine whether industry personnel are eligible to hold a top secret clearance. We will report that information to your subcommittee this fall. Also, our standard steps of monitoring programs on our high-risk list require that we evaluate the progress that agencies make toward being removed from GAO's high-risk list. Finally, we continuously monitor our recommendations to agencies to determine whether active steps are being taken to overcome program deficiencies.

[1]For us to undertake such work would require the sponsorship of the Senate Select Committee on Intelligence or the House Permanent Select Committee on Intelligence. While we have the authority to do such work, we lack the cooperation we need to get our job done in that area. As a result, unless and until we receive such cooperation, and given GAO's limited recourse, we will continue our long-standing policy of not doing work that relates directly to intelligence matters unless requested to do so by one of the select intelligence committees.

2. As you mentioned in your statement, a commitment from leadership is a key indicator for successful implementation of any strategic plan. At this point, do you believe that OMB and OPM have made the necessary commitment to improve the security clearance process? What steps should the Administration take to ensure that their security clearance initiatives are transparent and will continue past the Bush Administration?

We have been encouraged by the commitment that the Office of Management and Budget (OMB) and OPM have demonstrated in the development of a governmentwide plan to address clearance-related problems. Also, the OMB Deputy Director met with GAO officials to discuss OMB's general strategy for addressing the problems that led to our high-risk designation for DOD's clearance program. Demonstrating strong management commitment and top leadership support to address a known risk is one of the requirements for removing DOD's clearance program from GAO's high-risk list. We are concerned about whether such progress will continue since Executive Order No. 13381 has not been extended and no other office has begun to assume that leadership role for the period after the order expires on July 1, 2006. While OPM has provided some leadership in assisting OMB with the development of the governmentwide plan, OPM may not be in a position to assume OMB's leadership role for a variety of reasons. These reasons include (1) the governmentwide plan lists many management challenges facing OPM and the Associate Director of its investigation unit, such as establishing a presence to conduct overseas investigations and adjusting the investigative workforce to the increasing demand for clearances; (2) adjudication of personnel security clearances and determination of which organizational positions require such clearances are outside the current emphases for OPM; and (3) agencies' disputes with OPM may require a high-level third party to mediate a resolution that is perceived to be impartial.

OMB and OPM could enhance the transparency and likelihood that the initiatives would be continued by improving communications with clearance-process stakeholders and correcting the deficiencies in the governmentwide plan that I outlined in my November testimony and mention later in this correspondence. Communication problems may be limiting governmentwide efforts to improve the personnel security clearance process. For example, until recently, OPM had not officially shared its investigator's handbook with DOD adjudicators. Adjudicators raised concerns that without knowing what was required by the investigator's handbook, they could not fully understand how investigations were conducted and the investigative reports that form the basis for their adjudicative decisions. Similarly, the transparency of the initiatives may be limited if the governmentwide plan is not communicated and available to all stakeholders, including investigators, adjudicators, agency and company officials needing personnel with clearances, and those seeking clearances. Also, another step in increasing the probability that the initiatives will continue into the future would be to enhance the effectiveness and efficiency of the initiatives by correcting previously identified deficiencies. Perseverance by the administration in implementing our recommended solutions and continued oversight and action by Congress are essential elements to removing DOD's program from our high-risk list and improving clearance processes governmentwide.

3. Do you think that OPM's plan includes the necessary performance goals and milestones to streamline the security clearance process in order to get this removed from the high-risk list?

As I said in my November testimony, the plan represents an important step toward addressing some long-standing concerns GAO has raised about DOD's personnel security clearance process, but much remains to be done to develop a more comprehensive plan for improving the timeliness and quality of the security clearance process. My testimony noted that the plan did not contain details on some elements that should be in a comprehensive strategic plan. For example, the plan provided few details on the discrete actions the government would take to address problems, projected completion dates for the actions, the resources required to accomplish the plan's objectives, or potential risks or mitigation plans to address the risks. Also, while the plan establishes a wide variety of metrics to address timeliness for the investigations phase of the process, it does little to address timeliness in the adjudication phase of the process. Third, although the plan acknowledges that agencies have concerns about the quality of investigations and adjudications, the government plan devotes little attention to monitoring and improving the quality of the personnel security clearance process. Developing specific steps to address the general concerns that I identified in my testimony should move OMB and the executive branch agencies closer to their goal of improving the personnel security clearance process.

If you or other members of the subcommittee have any additional questions about DOD's personnel security program, please contact me at (202) 512-5559 or stewartd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this correspondence. GAO staff who made major contributions to the correspondence are listed in the enclosure.

Sincerely yours,

Derek B. Stewart
Director, Defense Capabilities and Management

Enclosure

GAO Contact and Staff Acknowledgments

GAO Contact	Derek B. Stewart, (202) 512-5559 or stewartd@gao.gov
Acknowledgments	In addition to the contact above, Jack E. Edwards, Assistant Director; Jerome Brown; Kurt A. Burgeson; Susan C. Ditto; David Epstein; Sara Hackley; and James P. Klein made key contributions to this correspondence.

United States Government Accountability Office
Washington, DC 20548

January 17, 2006

The Honorable George V. Voinovich
Chairman
The Honorable Daniel K. Akaka
Ranking Minority Member
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
Committee on Homeland Security and Governmental Affairs
United States Senate

Subject: *Questions for the Record Related to DOD's Personnel Security Clearance Program and the Government Plan for Improving the Clearance Process*

On November 9, 2005, I testified before your subcommittee at a hearing on "Access Delayed: Fixing the Security Clearance Process, Part II." This letter responds to three questions for the record that Senator Daniel K. Akaka posed. The questions and my responses follow.

1. **The Government Accountability Office (GAO) in testimony before this Subcommittee in September 2004 and June 2005, indicated that the Office of Personnel Management (OPM) continues to use its investigations contractor to conduct personnel security clearance investigations for the contractor's employees even though GAO raised an internal control concern about this practice during its 1996 review. Would you please elaborate on these concerns, and describe whether you believe OPM has taken sufficient steps to addressing the internal control and quality-control problems identified by GAO?**

Although we have evidence that OPM has not taken steps to correct the cited internal control weakness that we identified nearly a decade ago, conclusions about the sufficiency of OPM's specific quality control procedures must wait until we complete other work requested by this subcommittee and others. When OPM was privatizing its investigative function in 1996, we identified an internal control concern—OPM's investigations contractor was conducting personnel security clearance investigations

on its own employees.[1] The February 2005 transfer of the Department of Defense's (DOD) federal investigators to OPM resulted in OPM again having federal investigators available to correct this internal control weakness, but OPM has not yet used the federal investigators for that purpose.[2] OPM officials have, however, indicated that they plan to have the federal investigators perform the personnel security clearance investigations of contract investigators starting in March 2006. If OPM follows through with this plan, it would correct the cited internal control weakness.

We have begun work requested by this subcommittee and others to obtain up-to-date information on the sufficiency of the specific procedures that OPM uses to monitor the quality of the investigative reports that it provides to its customers. Our examination of quality control procedures will include observing the training that investigators receive, conducting a site visit to OPM's investigations processing center to review the step-by-step process used to monitor quality, and reviewing a sample of the investigative reports that DOD adjudication facilities have used to determine eligibility for a security clearance.

2. Does GAO have a position on the use and measurement of timeliness for closed-pending investigative reports?

In our February 2004 report, we noted that OPM's issuance of closed pending cases—investigations sent to adjudication facilities without one or more types of source data—causes ambiguity in defining and accurately estimating the backlog.[3] In our October 1999 report examining the completeness of clearance investigations supplied by DOD's Defense Security Service, we noted that risks to national security are posed when investigations do not fully comply with federal standards.[4] To lessen the risk associated with incomplete investigative reports, we recommended DOD adjudication facility officials grant clearances only when all essential investigative work has been done. Adjudication facility officials said that they were reluctant to return incomplete investigations for further investigation because they were concerned about additional delays.

In fiscal year 2002 (the last year for which we have data), about 10 percent of the 283,480 DOD cases fully closed by OPM were initially delivered to DOD adjudication facilities as closed pending cases. When measuring the timeliness of its contractors' performance, OPM defined 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, we

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[1]See GAO, *Privatization of OPM's Investigations Service*, GAO/GGD-96-97R (Washington, D.C.: Aug. 22, 1996).
[2]According to OPM officials, these federal investigators are currently being used to help reduce the existing backlog of DOD security clearance investigations.
[3]GAO, *DOD Personnel Clearances: DOD Needs to Overcome Impediments to Eliminating Backlog and Determining Its Size*, GAO-04-344 (Washington, D.C.: Feb. 9, 2004).
[4]GAO, *DOD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks*, GAO/NSIAD-00-12 (Washington, D.C.: Oct. 27, 1999).

believe that closed pending cases should be included in the investigative portion of the backlog.

3. What are some of the primary criteria that GAO uses to determine whether or not to remove a program from its high-risk list, and what is needed for security clearances to be off the list?

In order for DOD's personnel security clearance program to be removed from our high-risk list, the program must address (1) the general criteria outlined in our fiscal year 2001 report and (2) the many recommendations that we have provided specific to DOD's program. In our 2001 report, we identified the following general criteria that are considered in designating and removing programs from our high-risk list:[5]

- a demonstrated strong commitment and top leadership support to address the risk(s);
- the capacity (that is, the people and other resources) to resolve the risk(s);
- a corrective action plan that defines the root causes, identifies effective solutions, and provides for substantially completing corrective measures in the near term, including but not limited to steps necessary to implement solutions we have recommended;
- a program instituted to monitor and independently validate the effectiveness and sustainability of corrective measures; and
- the ability to demonstrate progress in having implemented corrective measures.

Before removing the security clearance process from our high-risk list, we must determine whether DOD has satisfied all of the criteria we have established for removing a high-risk designation. As noted in our November 2005 testimony,[6] DOD must undertake many corrective actions to implement our recommendations and to correct previously identified problems before its personnel security clearance program can be removed from our high-risk list. Perseverance by the administration in implementing our recommended solutions regarding the personnel security clearance process and continued oversight and action by Congress are both essential. When actions, including those in response to our recommendations, result in significant progress toward resolving a high-risk problem, we will remove the high-risk designation.

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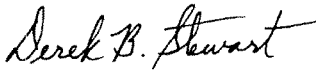
[5]GAO, *Determining Performance and Accountability Challenges and High Risks*, GAO-01-159SP (Washington, D.C.: November 2000).
[6]GAO, *DOD Personnel Clearances: Government Plan Addresses Some Long-standing Problems with DOD's Program, But Concerns Remain*, GAO-06-233T (Washington, D.C.: Nov. 9, 2005).

If you or other members of the subcommittee have any additional questions about DOD's personnel security program, please contact me at (202) 512-5559 or stewartd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this correspondence. GAO staff who made major contributions to the correspondence are listed in the enclosure.

Sincerely yours,



Derek B. Stewart
Director, Defense Capabilities and Management

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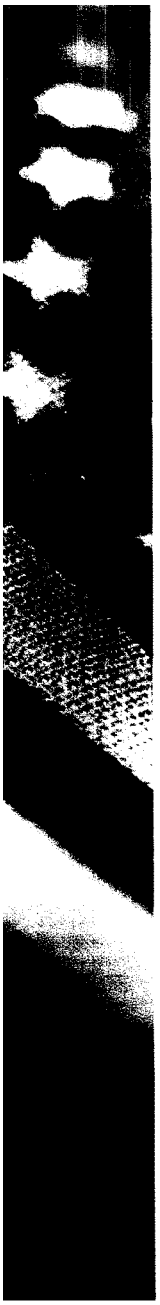

Plan for Improving the Personnel Security Clearance Process

November 2005

Plan for Improving the Personnel Security Clearance Process

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Overview

The National Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 addresses the ongoing problem of backlogs and timeliness delays in the processes for obtaining security clearances and lays out specific timeliness requirements for granting security clearances.

As required in the Act, the President designated oversight responsibility for the security clearance process to one specific Federal entity, the Office of Management and Budget (OMB), and set forth timeliness standards for initial clearance determinations. Except for Intelligence and Special Access Programs, OMB Memorandum M-05-17 delegated the Office of Personnel Management (OPM) responsibility for the day-to-day oversight and monitoring of security clearance investigations including reinvestigations, and for tracking the results of individual agency-performed adjudications.

The purpose of this plan is to provide an overarching strategy for improving the timeliness and processing of personnel security clearances, detailing individual areas of responsibilities and actions required for success. In addition, it addresses actions being taken as a result of GAO's designation of DoD's personnel security clearance program as a high risk area.

To achieve the timeliness goals, all agencies or offices that have ownership of the various steps of the process were identified, and performance goals and milestones for measuring improvement have been established for each step. Responsibilities have been defined for:

- Agencies that process applicants for a security clearance
- Service providers that conduct investigations
- Agencies responsible for providing records
- Authorities that grant clearances

Background

Prior to 2005, the Department of Defense (DoD), Defense Security Service (DSS) and the Office of Personnel Management, Center for Federal Investigative Services (CFIS) each provided background investigations for a specific base of government agencies or DoD components to fulfill their respective investigative requirements. DoD's program was primarily focused on national security investigations for military, contractors and civilian employees of DoD, while OPM was responsible for national security, public trust, suitability, and regulatory investigations of various levels for most other Federal agencies. In total, DSS and OPM provided over 90% of the Federal government's background investigations.

In 1999, DoD was faced with the challenge of completing reinvestigations on over 700,000 individuals holding DoD clearances. This backlog had accumulated when DoD instituted a quota system for submission of reinvestigations during a period after significant staff reductions were made within DoD. The backlog was exacerbated by implementation problems with DOD's automated investigations processing system. At that time, OPM had no processing backlog, and 90% or more of the investigations conducted by OPM were delivered within deadline. DoD requested OPM assistance to address this backlog.

Since 1996, OPM operated their investigative program entirely with a contractor investigative field and support staff that was overseen by a Federal contingent, and the required growth necessary to assist DoD would come through adding additional contractors. The Department of Defense had a substantial Federal workforce, augmented by contractors, dedicated to their processes. Substantial growth was needed within DOD's program as well to meet the overall demand.

From 1999 through 2001, substantial progress was made increasing overall processing capacity. The events of September 11, 2001 and the resulting impact throughout many Federal agencies, however, stalled progress as new priorities and workloads were identified and existing staff were reconfigured to meet the most critical needs.

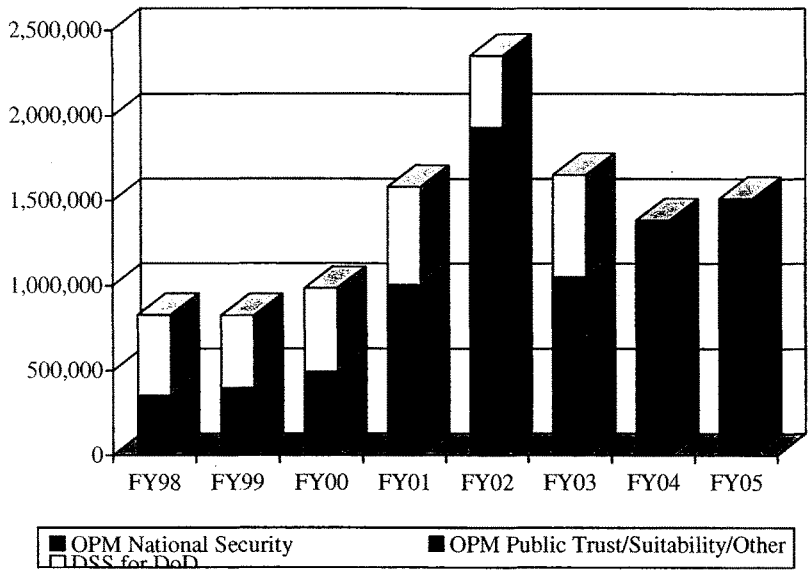
In 2002, as initiated by the Administration, Congress recommended that DoD and OPM consolidate their investigative programs under OPM to improve processing of security clearance investigations. Both OPM and DoD agreed to the proposed merger, and authorizing legislation was passed in 2003, paving the way for a successful merger in February 2005.

Workloads

Over the past decade, the number of individuals processed for an initial security clearance or subject to the standard periodic reinvestigation has grown substantially. As a principle provider of background investigations to support these actions, OPM has experienced tremendous increases in the number of investigations requested by Federal agencies. This growth included a planned redistribution of DoD's background investigations between OPM and DSS beginning in 1999. In 2005, OPM assumed full responsibility for all DoD workloads as part of the planned program merger.

The following chart details the increases experienced by OPM through FY 2005.

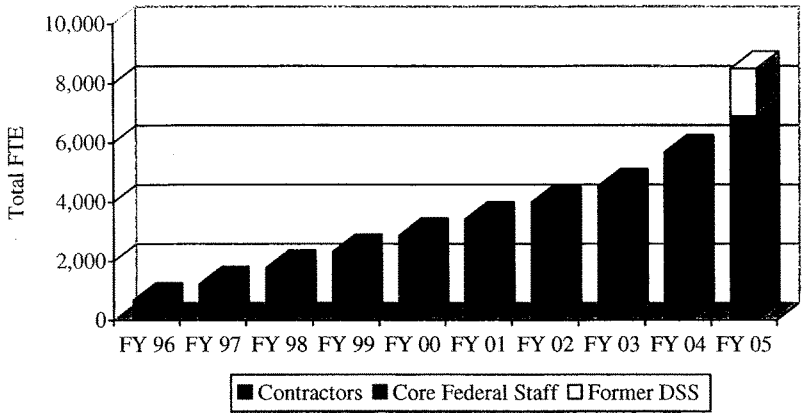
Requests for Investigations



Staffing/Contractor Resources

In order to keep pace with dramatically increasing workloads, OPM has expanded their contractor base as the primary source of new resources needed to meet the current volume demand. In addition, the merger of OPM and DSS's personnel security investigations program resulted in the transfer of approximately 1,600 Federal employees from DoD to OPM on February 20, 2005. In total, OPM has grown from 775 resources in 1996, to over 8,400 full time equivalent employees and contractors currently devoted to the investigations program, including 5,328 field investigators.

OPM Investigations Total Staff Levels at End of FY



OPM Field Investigator Staff Levels

Investigator Levels	End of FY 04	End of FY 05
Contractor Investigators	3,048	4,012
Federal Investigators	0	1,316
Total	3,048	5,328

Action Plan for Improving the Security Clearance Process

Meeting the requirements for improving the Security Clearance process, as outlined in the Intelligence Reform and Terrorism Prevention Act of 2004, will require action and support of the clearance granting agencies, investigative service providers, and national record systems.

To that end, OMB has convened a task force of agency representatives from the major clearance granting agencies, including the intelligence community and the investigations service providers, to identify areas of responsibility and establish performance requirements.

This plan addresses the problem areas identified, specific assignments of responsibility, performance metrics, and specific actions needed to address these problems at various stages of processing where delays may occur.

The following actions have been identified as critical for success:

1. **Establish a single consolidated data base of personnel security clearance information that is easily accessible by authorized users to confirm current active clearances that are reciprocally acceptable throughout the government.**

   Responsibility: OPM

   Milestones:

September 29, 2004	Certification and Accreditation of the Personnel Investigations Processing System (PIPS), to include Clearance Verification System (CVS), was completed Status: Successfully completed September 29, 2004
September 25, 2005	Completion of initial Assessments of Agency Capabilities Status: Successfully completed September 29, 2005 *Note: A complete review of all Executive Branch Agencies is currently in progress.)*
October 29, 2005	Security Plan completed Status: Successfully completed October 29, 2005
November 9, 2005	Requirements Document completed and approved Status: On track for completion by deadline
November 11, 2005	Provide expanded formats and updated instructions Status: On track for completion by deadline.

November 30, 2005	Completion of Training Plan Status: On track for completion by deadline.
December 7, 2005	Completion of User Acceptance Testing Status: On track for completion by deadline.
December 17, 2005	Production Implementation Status: On track for completion by deadline.

2. **Require clearance requesting agencies to improve the accuracy of their workload projections so that adequate investigative and adjudicative resources are available to process clearance actions timely.**

   Responsibility: All Federal Agencies

   Agencies have been requested to review their internal workload projection mechanisms to more accurately predict their requirements for the upcoming fiscal years. Many of the backlog situations of the past were either the result of inaccurate projections or unforeseen events that significantly increased the investigative demands which then impacted on an insufficient staffing adjustment period to handle workload changes.

   Agencies have been asked to work toward refining projections to be within 5% of actual demand. Actual submissions versus projections will be calculated by OPM each quarter and will be provided to OMB for oversight and to all clearance requesting agencies for adjustment as necessary. Agencies will notify OPM within 10 working days after the determination has been made that their workload will increase/decrease by more than 5% of the annual projections by investigation type.

3. **Establish timeliness standards and submission quality standards for clearance requesting agencies that submit requests for background investigations.**

   Responsibility: All Federal Agencies

   When a background investigation is required to support a clearance determination, there are often substantial delays in the submission process.

   Reduction in investigation submission timeliness to 14 calendar days or less, as required by CFR 732.202, can be achieved by first acknowledging the requirement and complying with the regulation. Agencies with significant concerns in meeting this challenge may contact OPM for advice and assistance.

In addition, many agencies experience a high rejection rate of investigation requests due to incomplete or inaccurate information on the subject's documents. This may add several weeks to the overall clearance granting process. ***Agencies have agreed to work toward a rejection rate of no more than 5% of submissions to improve the overall timeliness of processing.*** Timeliness of submissions and rejection rates will be calculated by OPM each quarter and the data will be provided to OMB for oversight purposes and to each agency for appropriate action.

4. **Reduce investigations processing timeliness to meet the requirements of the IRTPA (80% completed within 90 days of receipt by December 2006).**

Responsibility: OPM and other investigative agencies
National Agency record repositories

Timeliness of investigations depends on four distinct factors:

a. Adequate trained resources available to conduct field investigations
b. Timeliness of responses from national, state, and local record agencies
c. Use of technology to streamline and/or enhance processing
d. International coverage requirements

Resources:

OPM estimates that 8,000 full time equivalent resources (contractor and Federal combined), fully trained and working at a full-performance level, are needed to handle the workloads projected for FY 06 while continuing to reduce and ultimately eliminate the backlog by the end of 2006.

The estimate of need is based on a calculation of required resources by multiplying the workload projections by the average number of staff hours devoted by type of investigation. At present, approximately 55 total staff hours are needed for each Single Scope Background Investigation that supports an initial Top Secret Clearance and 10 total staff hours are needed to support National Agency Check with Law Check investigations that support Secret and Confidential clearances.

Currently, OPM is staffed with approximately 1,800 Federal staff, and 6,600 contractors, representing six companies. While the total number overall is sufficient, many are relatively inexperienced and do not perform at a full-performance level. In addition, five of the companies under contract are relatively new to OPM and are in the early stages of growth. OPM is promoting the growth of these contract companies by redistributing workloads based on the number of FTE they assign to the OPM contract.

It is OPM's goal through FY 07 to maintain a strong backbone of Federal staff and promote growth within the companies under contract. In addition, OPM

plans to redistribute workloads assigned to contractors over a broad base of multiple contract companies to allow for more flexibility in dealing with future workload fluctuations

OPM has also developed a robust training and quality assurance program to ensure that new field investigators, both Federal and contractor, are adequately trained to produce high quality reports of investigation.

OPM Action Plan for Maintaining Adequate Resources:

- Maintain Federal staffing level, replacing those lost to attrition
- Strategically place new Federal field resources in geographic areas that match high volume workloads
- Continue workload distribution across six companies under contract with OPM, requiring each company under contract to maintain adequate staff levels to deliver investigations assigned within deadline. Each contract includes timeliness and quality requirements for performance measurement.
- Monitor each contractor's training program to ensure consistency of investigative standards and practices
- Obtain additional staff required for new or increased workloads from the companies under contract with OPM

Requirements for National, State, and Local record systems:

Federal record repositories that provide required information and files in support of the government's background investigations must improve response timeliness in order to meet the overall goal of reducing the time required to conduct investigations. Some of these systems are outdated and require substantial modernization to become efficient and effective. Record providers need to assess and develop, in coordination with OPM, action plans with milestones, to improve their system infrastructures.

OPM has developed performance metrics which measure the overall timeliness of each Federal record repository to identify those that may delay the investigations process. ***A processing goal of completing 90% of all requests within 30 calendar days has been established for each agency.*** Actual performance data and pending search inventory levels will be provided to OMB quarterly for oversight purposes.

Use of Technology in Conducting Background Investigations:

The leveraging of technology is critical to improving the overall timeliness of investigations and adjudications. OPM is currently leading or involved in several large-scale automation projects to reduce the time involved in providing a finished product to clearance granting agencies. Improvement projects include:

- e-QIP – deployment of the electronic Questionnaires for Investigations Processing (e-QIP), the secure website designed to house all personnel investigative forms, continues throughout the Executive Branch. e-QIP permits the electronic entering, updating, and releasing of personal investigative data over a secure Internet connection to the sponsoring agency for review, approval, and submission to the investigation provider. Many civilian agencies have already deployed, Industry components for the Department of Defense are now submitting their requests via e-QIP, and remaining agencies are providing their deployment plans and schedules to OMB. OMB has required agencies to meet this schedule by no later than March 2006.

- Imaging – OPM is imaging completed investigations (digitizing of the completed investigative file) and electronic delivery to adjudicating authorities will be available early in FY 2006. OPM has instituted two phases of imaging. The first phase will be piloted with DoD in early November, 2005. In December, 2005, the deployment plan and timeline will be presented to the remaining agencies. Phase two calls for the delivery of the investigative report as data rather than imaged files which requires an entire review of how investigative results are presented. OPM expects to continue working this issue in cooperation with the customer agencies through FY 2006.

- Emerging Technologies Working Group – OPM is actively involved with academia and other federal agencies through the National Science Foundation in researching innovative technical solutions to improve the timeliness and quality of the background investigative process.

International Coverage Requirements

In FY 2005, OPM partnered with DoD to mutually define support agreements to facilitate and improve OPM's capacity to conduct background investigations for military personnel abroad. Results of this partnership include:

- Use of DoD facilities and services to promote the effectiveness of OPM's international investigation program
- Deployment of 26 OPM agents abroad to conduct background investigations. In August 2005, OPM deployed agents abroad to Japan, Spain, and Germany
- Inclusion of DoD in determining the tempo of international investigations

In addition, OPM has met frequently with the Department of State to discuss initiatives that can be undertaken independently or jointly to improve the timeliness of international investigations. OPM is currently researching the feasibility of personnel resource sharing to compensate for additional costs that will be incurred by the State Department in meeting shorter timeliness for completing investigations.

Milestones:

- January 2006: Develop and implement programs to identify personnel needing investigated prior to deployment to reduce overseas investigations and research the feasibility of conducting other methods of interviewing, such as video teleconference.
- March 2006: OPM and DoD will jointly review progress of the international investigations program and make improvements where required.
- July 2006: Identify and develop processes and procedures designed to maximize the utility of electronic databases to improve timeliness.

Future responsibility for international coverage will be shared by the State Department, FBI, and OPM, with DoD's continuing support. Timeliness for each agency will be measured with the expectation that international coverage will be obtained by deadline.

Other Initiatives:

- Phased Periodic Reinvestigation – this product became available to all Executive Branch agencies on October 1, 2005 for use in lieu of the standard full-scope Periodic Reinvestigation (SSBI-PR). A possible reduction in case processing time and cost are anticipated on "no issue" cases. However, due to the initial offering of this product, time and cost data is unavailable to determine how much of a savings will actually be realized.

- Revisions to the Standard Form 86/85/85P – an interagency working group has been established and draft versions of the investigation questionnaire forms are currently under review. Availability and implementation of the revised forms are expected in May 2006.

- Financial Reporting Questionnaire into e-QIP – During FY 2006, OPM will include this form into the e-QIP system.

5. **Reduce adjudication timeliness to meet the requirements of the IRTPA (80% completed within 30 days of receipt by December 2006).**

   Responsibility: Clearance Granting Agencies

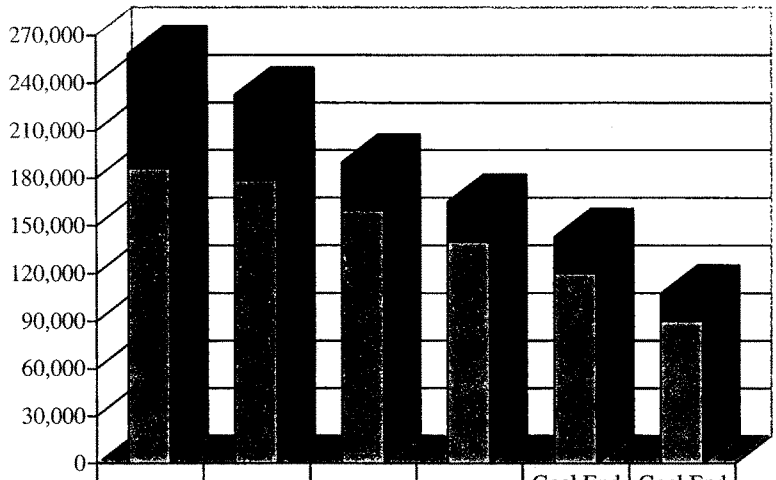
   Each clearance granting agency is responsible for developing a sufficient base of resources to process security clearance actions within the required timeframes. Agencies are required to report their adjudication actions to OPM, and this data is recorded in OPM's security clearance database. Quarterly, OPM will provide each agency summary data on the number of clearance actions reported, including the average processing time and the total completed within the specified standard. OPM will provide OMB with data on all agencies for oversight purposes.

Investigations Processing Trends and Improvement Goals

To measure progress meeting the goals of the Act, baseline metrics and periodic milestones have been established for OPM's Investigations Program.

1. **Case Inventory:** As timeliness continues to improve, the size of the pending case inventory of initial clearance investigations will decrease. The following chart shows the inventory level of Single Scope Background Investigations (SBI's) and National Agency Check with Law and Credit Checks (NACLC) Investigations that have not been advanced or closed complete to the adjudicating agencies at posted points in time, as well as goals for inventory levels through the end of CY 2009. *The inventory goals are based on current receipt trends and reflect work in process reducing from 120 days to 90 days by the end of CY 2006 and 40 days by the end of CY 2009.*

Pending Case Inventory Levels (Including Goals through CY 2009)



	Feb-05	Oct-05	Apr-06	Oct-06	Goal End of 2006	Goal End of 2009
SBI	72,057	53,948	30,000	25,000	23,000	17,500
NACLC	186,209	178,705	160,000	140,000	120,000	90,000

NACLC ■ SBI

The first two columns (Feb-05 and Oct 05) reflect actual number of pending cases, all others are milestones.

2. **Case Processing Timeliness:** OPM's average case processing timeliness and percent of investigations advanced or closed complete to the requesting agencies has shown steady improvement since February 2005. The productivity increases can be attributed to a proven automated system, centralization of investigation processing, standardization of case submission and investigative requirements, and improved oversight tools.

   The following chart shows the average case processing timeliness for Single Scope Background Investigations (SBI's) that support initial Top Secret Clearances and National Agency Checks with Law Checks (NACLC's) that support initial Secret and Confidential Clearances.

Average Case Processing Time – Receipt to Closed Pend/Complete and Closed Complete (calendar days)

Case Type	FY 2005 – Actual			*FY 2006 – Goals*				FY 2007	FY 2010
	Qtr 2 *DSS Transfer*	Qtr 3	Qtr 4	Qtr 1*	Qtr 2	Qtr 3	Qtr 4	All	All
SBI's Priority Svc Closed Pend/Cm Total	2,282	4,041	2,877	561					
Average Days	110	77	41	39	*35*	*35*	*35*	*35*	*35*
SBI's Standard Svc Closed Pend/Cm Total	17,866	22,806	26,018	3,491					
Average Days	296	288	274	248	*180*	*150*	*120*	*90*	*40*
SBI's Priority Service Closed Complete Total	2,066	3,659	2,721	466					
Average Days	171	148	121	105	*90*	*90*	*90*	*60*	*40*
SBI's Standard C Svc Closed Complete Total	15,904	22,924	22,168	2,787					
Average Days	357	335	310	302	*180*	*150*	*120*	*90*	*40*
NACLC's Closed Complete Total	88,564	86,021	93,130	16,168					
Average Days	151	160	156	143	*130*	*120*	*120*	*90*	*40*

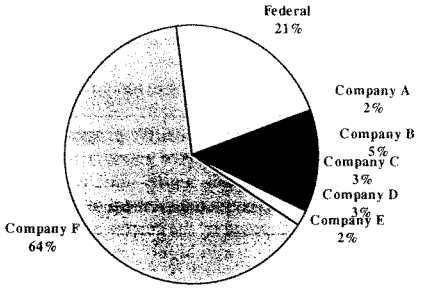
*Qtr 1 of FY 2006 data through 10/15/2005

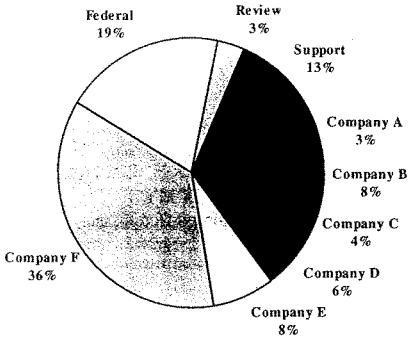
In addition to measuring the average timeliness, OPM will also be reporting the percentage of investigations closed within deadline, with the requirement to close 80% of all initial clearance investigation requests within 90 calendar days of receipt by the end of CY 2006 and 90% of all initial clearance investigations within 40 calendar days of receipt by the end of CY 2009. Note: This chart does not include reinvestigations or other non-clearance granting investigations as this was not a requirement of the National Intelligence Reform and Terrorism Prevention Act of 2004.

3. **Staffing/Contractor Work Distribution:** In FY 2005, OPM achieved a combined Federal and contractor staffing level capable of handling FY 2006 projected workloads while responsibly reducing the backlog of work in process, as demonstrated in the chart that outlines the pending case inventory levels. It is OPM's goal, however, to continue to increase this staff level to accelerate reduction of the backlog. In addition, it is OPM's intent to promote a redistribution of staff between the companies currently under contract to better position a broad base of companies to deal with unanticipated workload changes.

Current Staff Level (10/1/05)

Federal Staff:	**1,800**
Contractor Staff:	**6,600**
Total:	***8,400***



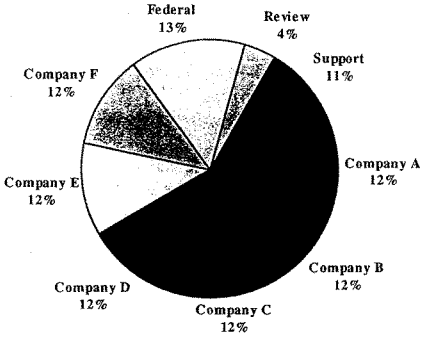


Projected Staff Level (10/1/06)

Federal Staff:	**1,800**
Contractor Staff:	**7,200**
Total:	***9,000***

Projected Staff Level (10/1/09)

Federal Staff:	**1,300**
Contractor Staff:	**7,700**
Total:	***9,000***



Executive Summary of Reciprocity Working Group Recommendations

- Reciprocity means that for individuals with existing clearances at the same level, unless one of several narrow exceptions are present, an agency may not:
  - request a new security questionnaire;
  - review existing background investigations;
  - review existing security questionnaires;
  - initiate any new investigative checks.

- The narrow exceptions to reciprocity as recommended by the working group are:
  - the current clearance is interim or temporary;
  - **for highly sensitive programs** (to include SAPs, SCI and Q) the current agency accepted greater risk by granting a waiver or other exception;
  - **for certain highly sensitive programs**, the individual must satisfy a polygraph requirement of the new agency when no such requirement was imposed by the current agency;
  - **for certain highly sensitive programs**, the individual is disqualified based upon immediate family who are not U.S. citizens **if applicable to the new program**;
  - **for certain highly sensitive programs**, the individual does not meet additional but not duplicative investigative or adjudicative requirements approved by OMB on a program specific basis.

- In order to ensure consistency between the agencies, the working group has developed guidance in the form of a checklist that will allow an agency to quickly determine if an existing clearance meets one of the narrow exceptions to reciprocity.

- The working group identified and defined the necessary data fields for OPM's Clearance Verification System (CVS) that will allow agencies to readily differentiate between those access eligibility determinations that require reciprocal recognition and those that meet the narrow exceptions to reciprocity.

- Since the new data fields will not be available until December 17, 2005, and since it will take agencies a period of time thereafter to develop the necessary interfaces to populate these data fields, manual work around procedures have been developed by the working group.
  - A master list of agency points of contact has been developed by OPM that will allow agencies to verify existing clearances by either phone or fax.
  - A clearance verification request with all the necessary data elements has been developed that will allow agencies to readily determine by phone or fax if an existing security clearance must be reciprocally recognized or if it meets one of the narrow exceptions to reciprocity.

- The working group has significantly advanced the concept of reciprocity by addressing the provision of E.O. 12968 which allowed agency heads the discretion, to

establish "additional, but not duplicative, investigative or adjudicative procedures" for a SAP (to include SCI).

- The working group recommends that implementation of this authority by agency heads be limited to: i) requiring a polygraph examination; and ii) to disqualifying individuals based upon immediate family who are not U.S. citizens. (These are the two most frequently imposed additional requirements).
- The working group further recommends that agencies desiring to implement additional criteria other than the above for the purpose of determining eligibility for access to classified information must first obtain program specific approval from the Director, Office of Management and Budget (OMB). (This is consistent with §3001(d)(3)(A), Title III, Public Law 108-548 and E.O. 13381)

- Recognizing that a lack of reciprocity often arises due to reluctance of the gaining activity to inherit accountability for what may be an unacceptable risk due to poor quality investigations and/or adjudications, the working group recommended measures to increase the level of confidence among agencies to include:
  - Expanding to all agencies a recently resumed Intelligence Community Forum that fosters mutual confidence by providing a mechanism for personnel security practitioners to collaborate on issues of common interest.
  - Identifying within 60 days opportunities for standardized training for adjudicators executive branch-wide.

- Recognizing that employment suitability determinations made in accordance with Executive Order 10450 can often serve as impediments to reciprocity of access eligibility determinations made in accordance with Executive Order 12968, the working group recommended steps to ensure that suitability determinations do not duplicate security clearance determinations.

- Recognizing that it is essential to measure progress with respect to ensuring reciprocity, the working group recommended that:
  - The aforementioned forum be assigned the responsibility to organize periodic on-site peer reviews of each agency assigned adjudicative responsibilities and to provide quarterly progress reports to OMB.
  - Periodic voluntary reports be solicited from cleared industry with respect to their experiences relating to reciprocal recognition by the agencies of access eligibility determinations.
  - Additional specific metrics be developed within 60 days in order to measure agency success in achieving reciprocity.

Management Information Reports for OMB

In order to provide total accountability for the security clearance determination process, OPM has developed a series of management information reports to compile performance data for all steps of the process.

The reports will be prepared by OPM each quarter and will be provided to clearance granting agencies and OMB for oversight of the entire process.

A processing diagram has also been developed to reflect the various stages of processing and clearly note the performance standards proposed to facilitate timely processing.

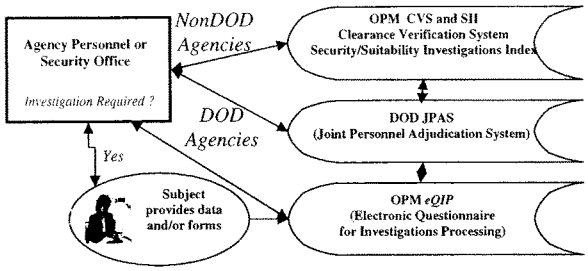
The format for each report is attached. The first full collection of data will cover the fourth quarter of FY 2005 and will be provided to the major clearance granting agencies as a benchmark "starting point" for planned improvements throughout FY 2006.

Included are:

1. Processing Diagram and Proposed Standards
2. Clearance Granting Agency Report
3. Investigations (OPM) Report
4. National Agency Record Repository Workload and Timeliness Report
5. Agencies with Delegated Authority to Conduct Background Investigations (other than OPM)
6. Agency Use of e-Clearance Tools

Processing Diagram and Standards

Step 1 – Subject selection and determination that a clearance is required

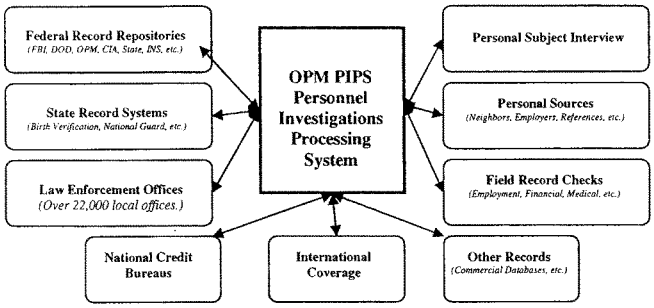


Request for Investigation Submitted to OPM Electronically and/or Hardcopy (SF 86 data, fingerprint chart, release, and/or other required forms)

Proposed Standards:

- Annual investigation workload projections are within 5% of actual submissions
- Required investigations submitted for processing within 14 calendar days of subject completion of the SF 86 (hardcopy or eQIP)
- No more than 5% of all submissions rejected due to insufficient data/ information provided by subject or agency

Step 2 – Conduct Investigation



Proposed Standards:

Investigations:

- 80% of initial investigations completed within 90 days of receipt of all required forms/data

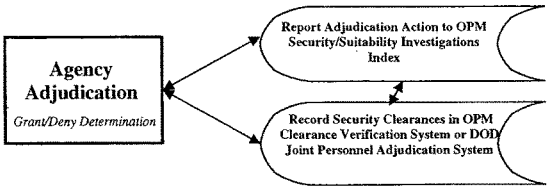
National Agency Record Repositories:

- 90% of all search requests (including file requests) completed within 30 calendar days

International Coverage

- 90% of all requests completed within 30 calendar days

Steps 3 and 4 – Adjudicate Investigation and Make Clearance Determination



Proposed Standards:

- 80% of all investigations are adjudicated within 30 calendar days of the date the investigation was completed.
- Agencies report all adjudication actions to OPM within 30 days of the action taken.

Report 1: Clearance Granting Agency Report

This quarterly report provides security clearance information based on individual agency projections; method, timeliness and quality of submissions; adjudication notification and number of active clearances.

Content of Report

Requirements Previously Met - This section identifies the number of cases involving a request for a new investigation when a previous investigation was meeting the scope of the current position already running or had been completed.

Agency Projections and Actual Submissions – This section provides a case type comparison of the total investigations submitted for the previous 2 fiscal years, the current fiscal year to date and the projections for the current fiscal year. The last line item reflects the percentage of change from agency projection and actual receipts.

Use of e-QIP – This section identifies whether an agency requests security clearance investigations by hardcopy submissions or through e-QIP.

Submission Timeliness (average) – This section indicates the average number of days from the date the subject signed the request for investigation to the date received at OPM. This category will be divided into both hardcopy and e-QIP submission.

Deficient Submissions – This section identifies the percentage of cases returned to the submitting agency for corrections.

Adjudication Reporting – This section identifies by case type the total number of investigations completed that require an action be reported, the number agency reported actions taken, and the percentage of actions completed within 30 days.

Active Clearances – This section identifies the number of clearances granted by individual agency.

Report 1 Security Clearance Process -- Clearance Granting Agency Report

Agency: **All Departments**

(Unless otherwise noted, data for current fiscal year to date) **FY 2005, Quarter 4**

Investigation/Clearance Type:		SBI's *(Top Secret/Q)*	NACLC's & ANACI's *(Secret/Conf/L)*	Other BI for *(Secret/Conf/L)*	SBIPR's *(TS/Q Reinv)*	Phased PR's (PPR) *(TS/Q Reinv)*	Other *(Public Trust, Non-sensitive, Regulatory)*
Requirements Previously Met	Requests returned to Agency						
Agency Projections and Actual Submissions	FY 03 Submissions						
	FY 04 Submissions						
	FY 05 Projection						
	FY 05 Actual to date						
	Variance[1]						
Use of eQIP	Submissions by hardcopy						
	Submissions by eQIP						
Submission Timeliness *Standard – Average 14 days or less*	Hardcopy						
	eQIP						
Deficient Submissions	Percent returned for correction						

[1] Variance is calculated by comparing a FY 05 projection to the actual receipts.

Report 1, page 2 Security Clearance Process -- Clearance Granting Agency Report

Agency: **All Departments** **FY 2005, Quarter 4**

Investigation/Clearance Type:		SBI's *(Top Secret/Q)*	NACLC's & ANACI's *(Secret/Conf/L)*	Other BI for *(Secret/Conf/L)*	SBIPR's *(TS/Q Reinv)*	Phased PR's (PPR) *(TS/Q Reinv)*	Other *(Public Trust, Non-sensitive, Regulatory)*
Adjudication Reporting (FY05 investigations closed over 90 days ago)	Action Notification Required						
	Actions Reported						
	% of Actions Reported						
	% Completed w/in 30 days	*Calculation of this data will be available in FY 06*					

Active Clearances Reported in OPM/CVS		Top Secret/Q	Secret/L	Confidential
	As of 7/7/04			
	As of 1/15/05			
	As of 7/9/05			
	As of 10/1/05			

Report 2: OPM Investigations Workloads and Processing Timeliness

Summary of Content: This is a quarterly report that provides data on the investigation workloads and timeliness broken down by investigation/clearance types: 1) Single Scope Background Investigation (SBI) used for Top Secret/Q Clearances; 2) National Agency Check with Law & Credit (NACLC) and Access National Agency Check with Inquiry (ANACI) investigations used for Secret/Confidential/L Clearances; 3) Other Background Investigations (BI); 4) SBI-PR (Single Scope Background Investigations – Periodic Reinvestigations (SBI-PR) used for Top Secret/Q Reinvestigations; 5) PPR (Phased PR) used for Top Secret/Q Reinvestigations and 6) Non Sensitive NACI's, various Public Trust investigations and Special Agency Checks.

Report 2 a. Pending Case Inventory Levels gives a listing of investigations pending over 90 days and 180 days, per quarter. Report 2 b. Average Case Processing Timeliness and Percent Closed by Deadline provide information on closed pending or complete cases for the quarter ending. Report 2 c. Returned/Reopened by Agency for Additional Investigation – Quality Concerns provide information on the total closed, reopened and deficient rate for investigation types per quarter ending.

Content of Report 2

FY Total Investigations Scheduled: The top portion of the report includes the number of investigations scheduled to date for the previous two fiscal years. The third line provides the agency projection for the current fiscal year. The fourth line is the difference of fiscal year 04 and 05. The last line is the number of investigations scheduled to date.

Investigations Scheduled/Closed for Quarter: This portion of the report reflects the total number of investigations scheduled, closed pending, and closed complete for the quarter for each of the different clearance categories.

Pending Case Inventory: Columns in this section indicate the total number of investigations remaining pending (closed pending not included) over a specific age (90 days, 120 days, 180 days and over 1 year).

Closed Pending Case Inventory: Columns in this section indicate the number of investigations remaining pending that have been closed pending over a certain age (over 90 days, 120 days, and over 1 year).

Report 2: OPM Investigations Workloads and Processing Timeliness Con't

Average Processing Time to Close Complete for Quarter: This section tracks the average processing time to Close Complete for each of the different categories of investigation and by both the priority and standard service.

Average Processing Time to Close Pend (CP) for Quarter: This section tracks the average processing time to Close Pend for each of the different categories of investigation and by both the priority and standard service.

Average Processing Time to Close Complete for Quarter: This section tracks the average processing time to Close Complete for each of the different categories of investigation and by both the priority and standard service.

Percent Closed (Pending or Complete): This section tracks the percent of investigations that are Closed and Closed Pending within 90 days and within 180 days.

Content of Report 2a

Investigations Pending as of a specific point in time: This portion of Report 2 reflects the total inventory of pending (Pending and Closed Pending) investigations and the number that exceed specific time frames at specific points in time.

Content of Report 2b

Average Case Processing Timeliness and Percent Closed by Deadline: This portion of the Report 2 reflects the average case processing timeliness for Closed Pending and Closed Complete for both priority and standard service and percent closed by deadline.

Content of Report 2c

Returned/Reopened by Agency for Additional Investigation – Quality Concerns: The last portion of Report 2 provides the number of cases completed by case type for each quarter and the number of cases that were reopened as a result of a quality concern and the deficient rate.

Report 2 OPM-FISD Investigations Workloads and Processing Timeliness

(Data for Quarter ending 9/30/05 unless otherwise noted) **FY 2005, Quarter 4**

Investigation/Clearance Type:		**SBI's** *(TopSecret/Q)*	**NACLC's and ANACI's** *(Secret/Conf/L)*	**Other BI's** *(Secret/Conf/L)*	**SBIPR's** *(TS/Q Reinv)*	**Phased PR** *(TS/Q Reinv)*	**Other** *(Public Trust, Non-sensitive, Regulatory)*
FY Total Investigations Scheduled	FY 03						
	FY 04						
	FY 05 Projected						
	FY 05 Actual						
	04/05 Difference						
Investigations Scheduled/ Closed for Quarter	Total Scheduled						
	Closed Pending						
	Closed Complete[2]						
Pending Case Inventory *(Closed Pending not included)*	Total						
	Over 90 days						
	(Over 120 days) Included in above totals						
	(Over 180 days) Included in above totals						
	(Over 1 year) Included in above totals						

[2] Closed Complete numbers may include investigations that were previously Closed Pending but are now totally complete.

Report 2 OPM-FISD Investigations Workloads and Processing Timeliness Con't

FY 2005, Quarter 4

Investigation/Clearance Type:		**SBI's** *(TopSecret/Q)*	**NACLC's and ANACI's** *(Secret/Conf/L)*	**Other BI's** *(Secret/Conf/L)*	**SBIPR's** *(TS/Q Reinv)*	**Phased PR's** *(TS/Q Reinv)*	**Other** *(Public Trust, Non-sensitive, Regulatory)*
Closed Pending Case Inventory	Total						
	Over 90 days						
	(Over 180 days) Included in above totals						
	(Over 1 year) Included in above totals						
Average Proc Time to CP for Quarter	Priority Service						
	Standard Service						
Average Proc Time to CM for Quarter	Priority Service						
	Standard Service						
Percent Closed (Pending or Complete)	w/in 90 Days GOAL: 80%						
	w/in 180 Days						
Percent Closed (Closed Pending)	w/in 90 Days GOAL: 80%						
	w/in 180 Days						
Percent Closed (Complete)	w/in 90 Days GOAL: 80%						
	w/in 180 Days						

Report 2a OPM-FISD -- Pending Case Inventory Level

FY 2005, Quarter 4

Investigations Pending a/of		2/20/05	7/9/05	10/1/05	1/1/06	4/1/06	7/1/06
SBI's	**Pending**						
	Closed Pending						
	>90 days						
NACLC's/ ANACI's	**Pending**						
	Closed Pending						
	> 90 days						
Other BI's	**Pending**						
	Closed Pending						
	>90 days						
SBIPR's	**Pending**						
	Closed Pending						
	> 180 days						
Phase PR's	**Pending**						
	Closed Pending						
	> 180 days						
Total	**Pending**						
	Closed Pending						

Report 2b OPM-FISD -- Average Case Processing Timeliness and percent closed by deadline.
GOAL: 80% of initial clearance investigations closed within 90 calendar days of receipt by end of FY 06.

FY 2005, Quarter 4

Closed Pending or Complete for Qtr Ending:		4/1/05	7/1/05	10/1/05	1/1/06	4/1/06	7/1/06
SBI's	Priority Svc						
	Standard Svc						
	Closed w/in 90 days						
NACLC's/ ANACI's	Priority Svc						
	Standard Svc						
	% Closed w/in 90 days						
Other BI's	Priority Svc						
	Standard Svc						
	% Closed w/in 180 days						
SBIPR's	Priority Svc						
	Standard Svc						
	% Closed w/in 180 days						
Phased PR's	Priority Svc						
	Standard Svc						
	% Closed w/in 180 days						

Report 2c OPM-FISD Returned/Reopened by Agency Request for Additional Investigation for – Quality Concerns

FY 2005, Quarter 4

Quarter Ending:		3/31/05	6/30/05	9/30/05	12/31/05	3/31/06	6/30/06
SBI's	Total Closed						
	Reopened						
	Deficient Rate						
NACLC's/ ANACI's	Total Closed						
	Reopened						
	Deficient Rate						
Other BI's	Total Closed						
	Reopened						
	Deficient Rate						
SBIPR's	Total Closed						
	Reopened						
	Deficient Rate						
Phased PR's	Total Closed						
	Reopened						
	Deficient Rate						

Report 3: National Agency Record Repository Timeliness

Summary of Content: This is a quarterly report that tracks the status of pending and completed national agency checks. This report reflects the total searches pending and completed for a particular repository and their age. It also tracks the total searches completed, average age, and timeliness.

Content of Report

Record System: This column reflects all the National Agency Record Repositories.

Pending Searches a/o report Date: This column reflects the total searches pending as of the date of the report, what is pending with an age of 30 to 90 days, and what is pending over 90 days.

Searches Completed FY to date: This column reflects the total searches completed fiscal year to date of report, the average timeliness in days to complete, those completed less than 20 days, 20 to 90 days, and those completed more than 90 days.

Comments: This would be for any additional explanation needed addressed for any of the searches being tracked.

Searches that are Tracked (these also include any spouse checks as well):

FBI Name Checks
FBI Fingerprint
DoD Files
CIA
INS
State Department Passport
State Department Security
Overseas (both conducted by OPM and State Department)
Treasury/FINCEN
Selective Service
Investigative Agency files (all agencies with current or past delegate authority that retain file systems)

Report 3

National Agency Record Results Timeliness

FY 2005, Quarter 4

Record System	Pending Searches a/o Report Date			Searches Completed FY to date					Comments
	Total	Pending 30 to 90 days	Pending > 90 days	Total	Average Time (Days)	< 20 days	20 to 90 days	> 90 days	
FBI/Name Check									
FBI Fingerprint									
DoD Files (see page 2 for individual breakdown by repository)									
CIA									
INS									
State Passport									
State Security									
International Overseas (State Department)									
International Overseas (FBI)									
Treasury/FINCEN									
Selective Service									
Investigative Agy Files (See Page 3 for individual breakdown by individual agency)									

Report 3

National Agency Record Results Timeliness

FY 2005, Quarter 4

DCII Record System	Pending Searches a/o Report Date			Searches Completed FY to date					Comments
	Total	Pending 30 to 90 days	Pending > 90 days	Total	Average Time (Days)	< 20 days	20 to 90 days	> 90 days	
NCIS (NNIS)									
AFOSI									
DSS (DDIS/DISX)									
DISCR/DOHA									
ACRD									
NSA									
AIRR									
DODIG									
NRO									
DIA									
DLA									
OTHER									

Report 3

National Agency Record Results Timeliness

FY 2005, Quarter 4

Investigative Agency Record System	Pending Searches a/o Report Date			Searches Completed FY to date					Comments
	Total	Pending 30 to 90 days	Pending > 90 days	Total	Average Time (Days)	< 20 days	20 to 90 days	> 90 days	
Justice/ATF									
Broadcasting BOG									
Treasury									
Homeland Security									
Peace Corp									
Small Business Assoc.									
State									
TVA									
AID									
NSA									
Postal Service									
Other									

Report 4: Agencies with Delegated Investigative Authority

Summary of Contents: This quarterly report reflects the activities of the agencies to which investigative authority has been, or had been, delegated. For those with *current* investigative authority, it identifies the number of cases the respective agencies have reported to OPM during the quarter, how the National Agency Checks (NACs) have been conducted, where the clearance data is recorded, and where the hard copy investigative files are located. For those with *previous* investigative authority, it identifies the dates during which the agencies were delegated investigative authority, how the NACs were conducted, where the clearance data is recorded, and where the hard copy investigative files are located.

Content of Report

1. Notifications in OPM Data Base:	Number of cases, by type, reported by agency to OPM's Suitability/Security Investigations Index
2. NACs Conducted by:	Identifies whether agency conducts its own NACs or OPM
3. Clearance Data Recorded in:	Identifies which database clearance data is recorded and maintained
4. Location of Investigative Files:	Identifies physical location of files for future retrieval

How Data is Obtained

Item 1 Above:	Obtained through the automated Case Information Request System (CIRS) from Personnel Investigations Processing System (PIPS)
Items 2, 3, and 4 Above:	Obtained through inquiry with the agencies and site visits

Report 4 Agencies with Current Delegated Investigative Authority

FY 2005, Quarter 4

Agency	Notifications in OPM Database 07/01/05 to 09/30/05			NACs Conducted by:		Clearance Data Recorded in:			Location of Investigative Files
	SBI/ SBIPR	NACLC /ANACI	Other	Agency	OPM	OPM CVS	DoD JPAS	Other	
Justice/ATF									650 Massachusetts Ave., NW, Rm. 2474 Washington, DC 20226
Broadcasting BOG									330 C St., SW, Rm. 2600 Washington, DC 20237
Treasury									Internal Revenue Service 5 Spiral Dr., Ste. 2 Florence, KY 41042-1395 Bureau of Engraving and Printing 14th and C Streets, SW Washington, DC 20228
Homeland Security									Customs & Border Protection 1300 Pennsylvania Ave., NW, Ste. 8.4D Washington, DC 20229 U.S. Secret Service 950 H Street. NW, Ste. 5700 Washington, DC 20223
CIA[3]									1500 Westbranch Dr., Rm. 2S04 McLean, Virginia 22102
FBI[4]									841 S. Pickett St. Alexandria, VA 22304
NRO[5]									P. O. Box 232110 Centerville, VA 20120-9997

[3] **CIA** Clearance data maintained in Scattered Castles
[2] **FBI** Clearance data on employees maintained in Scattered Castles
Clearance data on non-employees maintained in an internal database
[3] **NRO** Clearance data maintained in Scattered Castles

Report 4, page 2

Agencies with Current Delegated Investigative Authority

FY 2005, Quarter 4

Agency	Notifications in OPM Database 07/01/05 to 09/30/05			NACs Conducted by:		Clearance Data Recorded in:			Location of Investigative Files
	SBI/ SBIPR	NACLC /ANACI	Other	Agency	OPM	OPM CVS	DoD JPAS	Other	
Peace Corps[6]									1111 20th St., NW, Rm. 5400 Washington, DC 20526
SBA									409 3rd St., SW, Ste 5600 Washington, DC 20416
State Department									1801 N. Lynn St., 11th Fl. Arlington, VA 22209
TVA									1101 Market St., EB10B Chattanooga, TN 37402
AID									1300 Pennsylvania Ave., NW, Rm. 2.6A Washington, DC 20523
NSA[7]									9800 Savage Road, Ste. 6775 Ft. George G. Meade, MD 20755
Postal Service									Most files: 225 N Humphreys Blvd., 4 South Memphis, TN 38161-0009

[6] **Peace Corps** Conducts its own NACs on SBI and SBIPR case types
OPM conducts NACs on NACI and ANACI case types

[7] **NSA** Conducts its own NACs on initial investigations and OPM conducts the NACs on reinvestigations.
Clearance data maintained in its own secure database, but reports some data in Scattered Castles or JPAS, as appropriate.

Agencies with Previous Delegated Investigative Authority

FY 2005, Quarter 4

Agency	Delegation Dates	NACs Conducted by:		Clearance Data Recorded in:			Location of Investigative Files
		Agency	OPM	OPM CVS	DoD JPAS	Other	
Commerce[8]	1989 to 10/1994						National Archives and Records Administration 700 Pennsylvania Ave., NW Washington, DC 20408
Education OIG	1987 to 09/1998						400 Maryland Ave., NW Washington, DC 20202-1510
Justice/DEA[9]	10/1984 to FY00						700 Army Navy Dr. Arlington VA. 22202
Justice/U.S. Marshals	11/1987 to FY01						3601 Pennsy Dr. Landover, MD 20785
NASA	1985 to 09/1994						300 E St., NW Washington, DC 20546
U.S. Soldier's and Airman's Home[10]	1989 to 09/1994						All records have been destroyed

[8] **Commerce** NACs were conducted by DSS, which merged with OPM in February 2005.
Clearance data maintained in its own database and will be dumped into CVS shortly

[9] **Justice/DEA** NACs were typically conducted by OPM, but on some special cases, DEA conducted their own NACs

[10] **U.S. Soldier's and Airman's Home** Reportedly, the only official record of a clearance is a notice filed in an individual's Official Personnel Folder

Report 5: Clearance Granting Agency Use of E-Clearance Tools

Summary of Content: This is a quarterly report that tracks usage of e-Clearance tools by Office of Personnel Management's customers, by agency. These tools include use of Personnel Investigations Processing System (PIPS)/Clearance Verification System (CVS) for Security/Suitability Investigations Index (SII) searches, e-Questionnaires for Investigations Processing (e-QIP) for investigations submissions, electronic closing, active clearances in CVS, and electronic receipt of imaged files (when it becomes available).

Content of Report

Clearance Granting Agency: This column reflects all agencies that use any of the e-Clearance tools.

On-Line Access to PIPS/CVS: Columns in this section of the report indicate whether or not an agency has electronic access to PIPS/CVS, and if so, whether that is via Dial-Up (DU), Secure Portal (SP), or through the link between the Joint Personnel Adjudications System (JPAS) and PIPS (Link). The total transactions are shown for the quarter; however, this number only reflects those searches completed with a "Record" result. Any searches done where there was No Record of the subject on PIPS are not counted.

Use of e-QIP: Columns in this section indicate whether or not an agency is using e-QIP to submit investigation requests, and the numbers of hardcopy vs. electronic cases show the extent of use.

Receive Investigations via Electronic Closing: For several years, OPM has been able to electronically transmit print files of some closed cases to our customers. The columns in this section indicate whether or not an agency is taking advantage of this service, and the numbers of hardcopy vs. electronic cases show the split of those being mailed or transmitted. Note: Once an agency agrees to participate in electronic closing, case type and content determine whether or not a particular case can be transmitted.

Agency Receipt of Imaged Files: Once OPM has the ability to transmit imaged files, we will track agency participation in this service.

Active Clearances in CVS: These numbers reflect the total active clearances in CVS as of the end of the quarter. Active clearances are those that have been reported to OPM and validated within the last six months.

Report 5

Clearance Granting Agency Use of e-Clearance Tools

FY 2005, Quarter 4

Clearance Granting Agency	On-Line Access to PIPS/CVS (4th quarter FY 2005)			Use of e-QIP For SF-86 Submissions (FY 05)			Receive Investigations via Electronic Closing** (4th quarter FY 2005)			Agency Receipt of Imaged Files	Active Clearances In CVS as of 10/1/05
					# of Cases			# of Cases			
	Y/N	Method	Total Transactions	Y/N	Hardcopy	Electronic	Y/N	Hardcopy	Electronic		
Agriculture											
AID											
Am. Battle Mon. Comm.											
FLRA											
Commerce											
Ct Services											
CFTC											
NCUA											
Justice											
Labor											
Energy											
Ex/Im Bank											
EOP											
Education											
EPA											
FCC											
FDIC											
FERC											
Farm Credit											
Fed. Reserve											
Office of Spec. Council											
Govt. Ethics											
GSA											

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Clearance Granting Agency Use of e-Clearance Tools

FY 2005, Quarter 4

Clearance Granting Agency	On-Line Access to PIPS/CVS (4th quarter FY 2005)			Use of e-QIP For SF-86 Submissions (FY 05)			Receive Investigations via Electronic Closing** (4th quarter FY 2005)			Agency Receipt of Imaged Files	Active Clearances In CVS as of 10/1/05
					# of Cases			# of Cases			
	Y/N	Method	Total Transactions	Y/N	Hardcopy	Electronic	Y/N	Hardcopy	Electronic		
HHS											
DHS											
HUD											
BBG											
Interior											
Fed. Maritime											
NSF											
NLRB											
NASA											
NCPC											
NARA											
NRC											
OPM											
USPS											
PTO											
Peace Corps											
SSA											
SBA											
SEC											
Selective Svc.											
State											
NTSB											
ITC											

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Clearance Granting Agency Use of e-Clearance Tools

FY 2005, Quarter 4

Clearance Granting Agency	On-Line Access to PIPS/CVS (4th quarter FY 2005)			Use of e-QIP For SF-86 Submissions (FY 05)			Receive Investigations via Electronic Closing** (4th quarter FY 2005)			Agency Receipt of Imaged Files	Active Clearances In CVS as of 10/1/05
	Y/N	Method	Total Transactions	Y/N	# of Cases		Y/N	# of Cases			
					Hardcopy	Electronic		Hardcopy	Electronic		
Transportation											
Treasury											
TVA											
Vets. Affairs											
Defense											
PCWHF											
Adm. Office of U.S. Courts											

On Line Access Methods: DU – Dial-up; SP – Secure Portal

* AID, Peace Corps, and Dept. of State are investigative agencies that use e-QIP but conduct the investigations themselves.

**Re. received investigations via electronic closing: These figures are not limited to the SF86 submissions; figures can also be limited to certain components of an agency and limited to certain case types as well