PERSONNEL CLEARANCES

Criteria to Consider in Efforts to Reform the Security Clearance Processes

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What GAO Found

Current and future efforts to reform personnel security clearance processes should consider, among other things, the following three criteria: determining whether clearances are required for positions; incorporating quality control steps throughout the clearance processes; and establishing metrics for assessing all aspects of clearance processes. Requesting a clearance for a position in which it will not be needed, or in which a lower-level clearance would be sufficient, will increase both costs and investigative workload unnecessarily. For example, determining that a position requires a top secret rather than a secret clearance increases the investigative workload for that one position about 20-fold and uses 10 times as many investigative staff hours (about 60, compared with 6). Individuals with top secret clearances must be reinvestigated every 5 years—twice as often as those with secret clearances, who are reinvestigated every 10 years.

Emphasis on quality in all steps in the process could promote positive outcomes, including more reciprocity among agencies in accepting each others’ clearances. The steps to build quality throughout the clearance processes are also important, but government agencies have paid little attention to criteria for quality, despite our repeated suggestions to place more emphasis on quality and its measurement. Even though GAO identified the government’s primary metric for assessing quality—the percentage of investigative reports that are returned for insufficiency during the adjudicative phase—as inadequate by itself in 1999, the Office of Management and Budget and the Office of Personnel Management continue to report that metric. Concerns about the quality of investigative and adjudicative work underlie the continued reluctance of agencies to accept the clearances issued by other agencies; as a result, government resources are used to conduct duplicative investigations and adjudications.

Many efforts to monitor clearance processes emphasize measuring timeliness, but additional metrics could provide a fuller picture of clearance processes. The emphasis on timeliness is due in part to recent legislation that provides specific guidelines regarding the speed with which clearances should be completed and requires annual reporting of that information to Congress. GAO has highlighted a wide variety of metrics in its reports (e.g., completeness of investigative and adjudicative reports, staff’s and customers’ perceptions of the processes, and the adequacy of internal controls), all of which could add value in monitoring clearance processes and provide better information to allow improved oversight by Congress and the Executive Branch.
Madam Chairwoman and Members of Subcommittee:

I am pleased to be here today for this hearing on security clearance reform which is intended to cover: efforts being undertaken to improve the process, impediments to those reforms, planned future steps, and possible changes in the strategy for improving clearance processing timeliness. Congress passed and the President signed into law the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) to mandate a variety of steps be taken to reform security clearance processes.

My comments will focus on three types of criteria—requirements setting, quality in every step of the clearance processes, and valid metrics which should be considered in clearance reform efforts. Before offering observations on these criteria, I would like to provide some background information on our prior work and recent government reform efforts.

For more than two decades, much of our experience in evaluating personnel security clearance processes has emphasized examinations of the Department of Defense’s (DOD) program which maintains approximately 2.5 million clearances on servicemembers, DOD civilian employees, industry personnel for DOD and 23 other federal agencies, and employees in the federal legislative branch. Long-standing delays in determining clearance eligibility and other clearance challenges led us to designate DOD’s personnel security clearance program as a high-risk area in January 2005 and continue that designation in the updated list of high-risk areas that we published in 2007.¹ The areas on our high-risk list received their designations because they are 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.

Our reports have documented a wide variety of problems present in DOD’s clearance program. Some of the problems that we noted in our 2007 high-risk report included incomplete and delayed investigative reports from the Office of Personnel Management (OPM, which supplies about 90 percent of all federal clearance investigations) and DOD adjudicators granting clearance eligibility even though data were missing from the investigative reports used to make such determinations. While some of those findings

are now about 2 years old, DOD’s August 2007 congressionally-mandated report on clearance investigations for industry personnel\(^2\) noted continuing problems. For example, during the first 6 months of fiscal year 2007, the end-to-end processing of initial top secret clearances took an average of 276 days; renewal top secret clearances averaged 335 days; and secret clearances averaged 208 days. Additionally, DOD’s report noted progress that the department had made to improve its clearance program, including submitting 100 percent of the clearance requests electronically to improve timeliness and reduce the number of rejected applications and conducting research in an effort to improve the accuracy of its projections for future clearance needs.

Although our high-risk designation has been provided for only DOD’s program, our reports have also documented clearance-related problems affecting other agencies. For example, our October 2007 report on state and local information fusion centers cited two clearance-related challenges: (1) the length of time needed for state and local officials to receive clearances from the Federal Bureau of Investigation (FBI) and the Department of Homeland Security (DHS) and (2) the reluctance of some federal agencies—particularly DHS and FBI—to accept clearances issued by other agencies (i.e., clearance reciprocity).\(^3\) Similarly, our April 2007 testimony\(^4\) on maritime security and selected aspects of the Security and Accountability for Every Port Act (SAFE Port Act)\(^5\) identified the challenge of obtaining clearances so that port security stakeholders could share information through area committees or interagency operational centers. The SAFE Port Act includes a specific provision requiring the

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\(^3\) GAO, *Homeland Security: Federal Efforts Are Helping to Alleviate Some Challenges Encountered by State and Local Information Fusion Centers*, GAO-08-35 (Washington, D.C.: Oct. 30, 2007). That report indicated that according to the 9/11 Commission, a breakdown in information sharing was a major factor contributing to the failure to prevent the attacks of September 11, 2001. Since then most states and some local governments have, largely on their own initiative, established fusion centers to address gaps in homeland security, terrorism, and law enforcement information sharing by the federal government and to provide a conduit of this information within the state.


Secretary of Homeland Security to sponsor and expedite individuals participating in interagency operational centers in gaining or maintaining their security clearances.

Our reports have offered findings and recommendations regarding current impediments, and they offer criteria to consider in future reforms. For example, as the Office of the Director of National Intelligence (ODNI), Office of the Under Secretary of Defense for Intelligence (OUSD(I)), and the Office of Management and Budget (OMB) develop a new governmentwide end-to-end clearance system, this reform effort provides an opportune time to consider criteria for evaluating intermediate steps and the final system in order to optimize efficiency and effectiveness. The Director of National Intelligence’s July 25, 2007, memorandum provided the terms of reference for the security clearance process reform team and noted that a future Phase IV would be used to perform and evaluate demonstrations and to finalize the acquisition strategy.

In designing a new personnel security clearance system, the Government Performance and Results Act of 1993 (GPRA) may be a useful resource for the team designing the system and the congressional committees overseeing the design and implementation. GPRA provides a framework for strategic performance planning and reporting intended to improve federal program effectiveness and hold agencies accountable for achieving results. Agencies that effectively implement GPRA’s results-oriented framework clearly establish performance goals for which they will be held accountable, measure progress towards those goals, determine strategies and resources to effectively accomplish the goals, use performance information to make the programmatic decisions necessary to improve performance, and formally communicate results in performance reports. Our reports have also identified a number of directly relevant criteria, such as those found in our November 2005 testimony that evaluated an earlier governmentwide plan for improving the personnel security clearance process.

You asked that we offer our thoughts on some key criteria that should be considered in personnel security clearance reform efforts. As requested, my statement today will address three matters for your consideration.

based on our prior work. They are (1) having a sound requirements-
determination process in place, (2) building quality into every step of the
clearance processes, and (3) having a valid set of metrics for evaluating
efficiency and effectiveness.

## Summary

Determining whether clearances are required for positions, establishing
quality control steps throughout the clearance processes, and developing
metrics for assessing all aspects of clearance processes are important
criteria to consider in current and future efforts to reform personnel
security clearance processes. Requests for clearances for positions that do
not need a clearance or need a lower level of clearance increase
investigative workload and costs unnecessarily. For example, changing the
clearance needed for a position from secret to top secret increases the
investigative workload for that one position about 20-fold. That is, top
secret clearances must be performed twice as often as secret clearances
(every 5 years versus 10 years) and require 10 times as many investigative
staff hours (about 60 versus 6). Second, emphasis on quality in all
processes could promote positive outcomes such as greater reciprocity of
clearances. The steps to build quality throughout clearance processes are
also important, but government agencies have paid little attention to this
type of criteria despite our repeated suggestions to place more emphasis
on it and its measurement. Even though in 1999 we identified the
government’s primary metric for assessing quality—the percentage of
investigations returned because of problems—as being inadequate by
itself, OMB and OPM continue to report that metric as late as February
2007. Concerns about the quality of investigative and adjudicative work
underlie the continued reluctance of agencies to accept the clearances
issued by other agencies, which can use government resources to conduct
duplicative investigations and adjudications. Third, efforts to monitor
clearance processes emphasize timeliness measurement, but additional
metrics could provide a fuller picture of clearance processes. The
emphasis on timeliness is partially due to recent legislation which
provides specific guidelines regarding the speed with which clearances
should be completed and requires annual reporting of that information to
Congress. Still, our past reports on clearance processes have highlighted a
wide variety of metrics (e.g., completeness of investigative and
adjudicative reports, staff and customers’ perceptions of the processes,
and adequacy of internal controls) which could add value in monitoring
clearance processes and supply better information for greater
congressional oversight.
Three General Types of Criteria Should Be Considered in Efforts to Reform Security Clearance Processes

I will address the need for three general types of criteria in my testimony: (1) a strong requirements-determination process, (2) quality emphasis in all clearance processes, and (3) additional metrics to provide a fuller picture of clearance processes.

A Strong Requirements-Determination Process Can Help Manage Clearance Workloads and Costs

The joint Security Clearance Process Reform Team (the cross-agency team designing a future clearance system) established in July 2007 might want to address whether the numbers and levels of clearances are appropriate since this initial stage in the clearance process can affect workloads and costs in other clearance processes. For instance, the team may want to examine existing policies and practices to see if they need to be updated or otherwise modified. We are not suggesting that the numbers and levels of clearances are or are not appropriate—only that any unnecessary requirements in this initial phase use government resources that can be utilized for other purposes such as building additional quality into other clearance processes or decreasing delays in clearance processing.

Figure 1 highlights the fact that the clearance process begins with establishing whether an incumbent’s position requires a clearance, and if so, at what level. The numbers of requests for initial and renewal clearances and the levels of such clearance requests (phase 2 in fig. 1) are two ways to look at outcomes of requirements setting in the clearance process.
In our prior work, DOD personnel, investigations contractors, and industry officials told us that the large number of requests for investigations could be attributed to many factors. For example, they ascribed the large number of requests to the heightened security concerns that resulted from the September 11, 2001, terrorist attacks. They also attributed the large number of investigations to an increase in the operations and deployments of military personnel and to the increasingly sensitive technology that military personnel, government employees, and contractors come in contact with as part of their jobs. While having a large number of cleared personnel can give the military services, agencies, and industry a great deal of flexibility when assigning personnel, the investigative and adjudicative workloads that are required to provide the clearances and flexibility further tax a clearance process that already experiences delays in determining clearance eligibility.
A change in the level of clearances being requested also increases the investigative and adjudicative workloads. For example, in our February 2004 report on impediments to eliminating clearance backlogs, we found that a growing percentage of all DOD requests for clearances for industry personnel was at the top secret level: 17 percent of those requests were at the top secret level in 1995 but 27 percent were at the top secret level in 2003. This increase of 10 percentage points in the proportion of investigations at the top secret level is important because top secret clearances must be renewed twice as often as secret clearances (i.e., every 5 years versus every 10 years). In August 2006, OPM estimated that approximately 60 total staff hours are needed for each investigation for an initial top secret clearance and 6 total staff hours are needed for the investigation to support a secret or confidential clearance. The doubling of the frequency along with the increased effort to investigate and adjudicate each top secret reinvestigation adds costs and workload for the government.

- **Cost.** For fiscal year 2008, OPM’s standard billing rate is $3,711 for an investigation for an initial top secret clearance; $2,509 for an investigation to renew a top secret clearance, and $202 for an investigation for a secret clearance. The cost of getting and maintaining a top secret clearance for 10 years is approximately 30 times greater than the cost of getting and maintaining a secret clearance for the same period. For example, an individual getting a top secret clearance for the first time and keeping the clearance for 10 years would cost the government a total of $6,202 in current year dollars ($3,711 for the initial investigation and $2,509 for the reinvestigation after the first 5 years). In contrast, an individual receiving a secret clearance and maintaining it for 10 years would result in a total cost to the government of $202 ($202 for the initial clearance that is good for 10 years).

- **Time/Workload.** The workload is also affected by the scope of coverage in the various types of investigations. Much of the information for a secret clearance is gathered through electronic files. The investigation for a top secret clearance, on the other hand, requires the information needed for the secret clearance as well as data gathered through time-consuming tasks such as interviews with the subject of the investigation request, references in the workplace, and neighbors. Since (1) the average investigative report for a top secret clearance takes about 10 times as many investigative staff hours as the average investigative report for a

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secret clearance and (2) the top secret clearance must be renewed twice as often as the secret, the investigative workload increases about 20-fold. Additionally, the adjudicative workload increases about 4-fold. In 2007, DOD officials estimated that it took about twice as long to review an investigative report for a top secret clearance, which would need to be done twice as often as the secret clearance.

Since the late 1990s, GAO has emphasized a need to build more quality and quality monitoring into clearance processes to achieve positive goals such as promoting greater reciprocity and maximizing the likelihood that individuals who are security risks will be scrutinized more closely. In our November 2005 testimony on the earlier governmentwide plan to improve the clearance process, we noted that the plan devoted little attention to monitoring and improving the quality of the personnel security clearance process, and that limited attention and reporting about quality continues. When OMB issued its February 2007 Report of the Security Clearance Oversight Group Consistent with Title III of the Intelligence Reform and Terrorism Prevention Act of 2004, it documented quality with a single metric. Specifically, it stated that OPM has developed additional internal quality control processes to ensure that the quality of completed investigations continue to meet the national investigative standards. OMB added that overall, less than 1 percent of all completed investigations are returned to OPM from the adjudicating agencies for quality deficiencies.

As part of our September 2006 report, we examined a different aspect of quality—the completeness of documentation in investigative and adjudicative reports. We found that OPM provided incomplete investigative reports to DOD adjudicators, which the adjudicators then used to determine top secret clearance eligibility. Almost all (47 of 50) of the sampled investigative reports we reviewed were incomplete based on requirements in the federal investigative standards. In addition, DOD adjudicators granted clearance eligibility without requesting additional information for any of the incomplete investigative reports and did not document that they considered some adjudicative guidelines when adverse information was present in some reports.

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GAO has long reported that it is problematic to equate the quality of investigations with the percentage of investigations that are returned by requesting agencies due to incomplete case files. For example, in October 1999 and again in our November 2005 evaluation of the governmentwide plan, we stated that the number of investigations returned for rework is not by itself a valid indicator of quality because adjudication officials said they were reluctant to return incomplete investigations in anticipation of further delays.\textsuperscript{9} We additionally suggested that regardless of whether this metric continues to be used, the government might 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. Further, our September 2006 report recommended that OMB’s Deputy Director of Management require OPM and DOD to (1) submit their procedures for eliminating the deficiencies that we identified in their investigative and adjudicative documentation and (2) develop and report metrics on completeness and other measures of quality that will address the effectiveness of the new procedures. We believe that our recommendation still has merit, but the previously cited passage from the February 2007 OMB report does not describe the new procedures or provide statistics for the recommended new quality measures.

As we noted in September 2006, the government cannot afford to achieve its timeliness goal by providing investigative and adjudicative reports that are incomplete in key areas required by federal investigative standards and adjudicative guidelines. Incomplete investigations and adjudications undermine the government’s efforts to move toward greater clearance reciprocity. An interagency working group, the Security Clearance Oversight Steering Committee,\textsuperscript{10} noted that agencies are reluctant to be accountable for poor quality investigations and/or adjudications conducted by other agencies or organizations. To achieve fuller reciprocity, clearance-granting agencies need to have confidence in the quality of the clearance process. Without full documentation of investigative actions, information obtained, and adjudicative decisions,


\textsuperscript{10} At that time, the committee was led by OMB’s Deputy Director for Management and was composed of representatives from DOD, Homeland Security, Energy, Justice, Transportation, Commerce, State, the Director of National Intelligence, the National Security Council, and the National Archives and Records Administration.
agencies could continue to require duplicative investigations and adjudications. Earlier, we stated that reciprocity concerns continue to exist, citing FBI and DHS reluctance to accept clearances issued by other agencies when providing information to personnel in fusion centers.

Government Clearance Metrics Emphasize Timeliness Measurement, but Additional Metrics Could Provide a Fuller Picture of Clearance Processes

Much of the recent quantitative information provided on clearances has dealt with how much time it takes for the end-to-end processing of clearances (and related measures such as the numbers of various types of investigative and adjudicative reports generated); however, there is less quantitative information on other aspects of the clearance process. In our November 2005 testimony, we noted that the earlier government plan to improve the clearance process provided many metrics to monitor the timeliness of clearances governmentwide, but the plan detailed few of the other elements that a comprehensive strategic plan might contain. A similar emphasis on timeliness appears to be emerging for the future governmentwide clearance process. In the Director of National Intelligence’s 500 Day Plan for Integration and Collaboration issued on October 10, 2007, the core initiative to modernize the security clearance process had only one type of metric listed under the heading about how success will be gauged. Specifically, the plan said that “Performance of IC [Intelligence Community] agency personnel security programs meet or exceed IRTPA guidelines for clearance case processing times.”

While the February 2007 OMB report to Congress contains statistics and other information in addition to timeliness metrics (e.g., use of information technology and reciprocity-related procedures) and the joint team developing the new clearance process may be considering a wider range of metrics than timeliness only, an underlying factor in the emphasis on timeliness is IRTPA. Among other things, IRTPA established specific timeliness guidelines to be phased in over two periods. The Act states that, in the initial period which ends in 2009, each authorized adjudicative agency shall make a determination on at least 80 percent of all applications for personnel security clearance within an average of 120 days after the receipt of the application for a security clearance by an authorized investigative agency. The 120-day average period shall include a period of not longer than 90 days to complete the investigative phase of the clearance review and a period of not longer than 30 days to complete...
the adjudicative phase of the clearance review. Moreover, IRTPA also includes a requirement for a designated agency (currently OMB) to provide information on among other things the timeliness in annual reports through 2011, as OMB did in February 2007.

Prior GAO reports as well as inspector general reports identify a wide variety of methods and metrics that program evaluators have used to examine clearance processes and programs. For example our 1999 report on security clearance investigations used multiple methods to examine numerous issues that included

- documentation missing from investigative reports;
- the training of investigators (courses, course content, and number of trainees);
- investigators’ perceptions about the process;
- customer perceptions about the investigations; and
- internal controls to protect against fraud, waste, abuse, and mismanagement.

Including these and other types of metrics in regular monitoring of clearance processes could add value in current and future reform efforts as well as supply better information for greater congressional oversight.

**Concluding Observations**

We were encouraged when OMB undertook the development of an earlier governmentwide plan for improving the personnel security clearance process and have documented in our prior reports both DOD and governmentwide progress in addressing clearance-related problems. Similarly, the current joint effort to develop a new governmentwide end-to-end security clearance system represents a positive step to address past impediments and manage security clearance reform efforts. Still, much remains to be done before a new system can be designed and implemented. GAO’s experience in evaluating DOD’s and governmentwide clearance plans and programs as well as its experience monitoring large-scale, complex acquisition programs could help Congress in its oversight, insight, and foresight regarding security clearance reform efforts.

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

For further information regarding this testimony, please contact me at (202) 512-8246 or edwardsj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony are James P. Klein, Joanne Landesman, Charles Perdue, Karen D. Thornton, and Stephen K. Woods.
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