

GAO

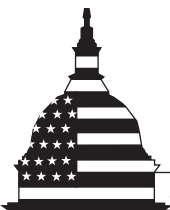
Testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

For Release on Delivery
Expected at 10:30 a.m. EST
Tuesday, November 16, 2010

DOD PERSONNEL CLEARANCES

Preliminary Observations on DOD's Progress on Addressing Timeliness and Quality Issues

Statement of Brenda S. Farrell, Director
Defense Capabilities and Management



G A O

Accountability * Integrity * Reliability

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE 16 NOV 2010		2. REPORT TYPE		3. DATES COVERED 00-00-2010 to 00-00-2010	
4. TITLE AND SUBTITLE DOD Personnel Clearances: Preliminary Observations on DOD's Progress on Addressing Timeliness and Quality Issues				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Government Accountability Office, 441 G Street NW, Washington, DC, 20548				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Highlights of [GAO-11-185T](#), 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

Why GAO Did This Study

In light of longstanding problems with delays and backlogs, Congress mandated personnel security clearance reforms through the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), which requires, among other things, that executive agencies meet objectives for the timeliness of the investigative and adjudicative phases of the security clearance process. Since 2005, the Department of Defense's (DOD) clearance program has been on GAO's high-risk list due to timeliness delays and GAO continued that designation in 2007 and 2009 also due to concerns about quality.

Based on prior and ongoing work, this statement addresses DOD's progress in (1) reducing the timeliness of initial personnel security clearances at DOD and (2) building quality into the processes used to investigate and adjudicate security clearances. GAO reviewed Performance Accountability Council timeliness data and has begun a preliminary analysis of available DOD data, examined key clearance reform documents, and conducted interviews with DOD and the Performance Accountability Council officials about timeliness and efforts to improve the quality of investigations and adjudications. GAO plans to continue examining the timeliness and quality of personnel security clearances in DOD. This work will help inform the Comptroller General's high risk update decision in January 2011.

View [GAO-11-185T](#) or key components. For more information, contact Brenda S. Farrell, 202-512-3604, farrellb@gao.gov

November 16, 2010

DOD PERSONNEL CLEARANCES

Preliminary Observations on DOD's Progress on Addressing Timeliness and Quality Issues

What GAO Found

DOD, which comprises the vast majority of clearances, has made significant progress in reducing delays in making personnel security clearance decisions and meeting statutory timeliness objectives since GAO first designated DOD's personnel security clearance program as a high risk area in 2005. In 2007, GAO found that initial clearances for DOD industry personnel took an average of 325 days to complete. With the passage of IRTPA in 2004, timeliness requirements were established in law and executive branch agencies were required to make decisions on at least 80 percent of initial clearances within an average of 120 days. In 2008, GAO found that DOD had made significant improvements in reducing delays, with the fastest 80 percent of clearances taking an average of 87 days to complete. As of December 2009, IRTPA's timeliness objective is for each federal agency to process the fastest 90 percent of initial security clearances within an average of 60 days, including a period of not longer than 40 days to complete the investigative phase and 20 days to complete the adjudicative phase. DOD met the 60 day IRTPA timeliness objective for initial personnel security clearances, as well as the 20 day objective for the timeliness of adjudications, for each of the first, second, and third quarters of fiscal year 2010, according to data provided by the Performance Accountability Council. GAO's ongoing work continues to examine the timeliness of personnel security clearances in DOD.

DOD has taken a number of positive steps to integrate quality into its investigative and adjudicative processes, including issuing guidance and developing tools to measure quality. For example, in November 2009, the Under Secretary for Defense for Intelligence (USD(I)) issued guidance to outline the requirements that adjudicators must adhere to when documenting personnel security clearance adjudication rationales. Similarly, in March 2010, the USD(I) issued guidance to clarify when adjudicators may use incomplete investigative reports as the basis for granting clearances. In addition, DOD created two electronic quality assessment tools—the Rapid Assessment of Incomplete Security Evaluations (RAISE) and the Review of Adjudication Documentation Accuracy and Rationales (RADAR)—to track the quality of investigative and adjudicative documentation. These tools are embedded in DOD's Clearance Adjudication Tracking System (CATS), a system used by all non-intelligence DOD Central Adjudication Facilities. Although these are positive developments that can contribute to greater visibility over the clearance process, these tools have not been fully implemented. GAO's ongoing work continues to examine the implementation of these tools and other efforts to ensure that momentum is sustained.

Chairman Akaka, Ranking Member Voinovich, and Members of the Subcommittee:

Thank you for the opportunity to be here today to discuss DOD's efforts to improve timeliness and quality of its security clearance process. Personnel security clearances allow government and industry personnel to gain access to classified information that, through unauthorized disclosure, can in some cases cause exceptionally grave damage to U.S. national security. The recent unauthorized leak this past year of about 500,000 pages of classified documents posted to the internet related to the ongoing wars in Afghanistan and Iraq is an example of the inherent risks involved when granting an individual a security clearance. As you know, there continues to be a high demand for security clearances. For example, prior to September 11, 2001, we reported that DOD processed about 200,000 security clearances annually.¹ For fiscal year 2008, we reported that DOD approved personnel security clearances for approximately 630,000 military, civilian, and industrial personnel.² Government-wide, the federal government processed nearly 900,000 clearance cases annually for the period covering fiscal years 2006 through 2009. DOD accounts for the vast majority of all initial security clearances making it a formidable challenge to those responsible for deciding who should be granted a clearance.

In light of long-standing concerns regarding delays in processing clearances and other issues, Congress has taken a number of actions to help ensure the continued focus on improving the personnel security clearance processes governmentwide. For example, with the passage of the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, Congress set objectives and established requirements for improving the clearance processes, including requirements related to timeliness, reciprocity,³ and an integrated, secure database to house clearance information.⁴ Further, IRTPA required annual reports to Congress about

¹GAO, *DOD Personnel: More Consistency Needed in Determining Eligibility for Top Secret Security Clearances*, [GAO-01-465](#) (Washington, D.C.: Apr. 18, 2001).

²GAO, *DOD Personnel Clearances: Preliminary Observations about Timeliness and Quality*, [GAO-09-261R](#), (Washington, D.C.: Dec. 19, 2008)

³For the purposes of this testimony, we define reciprocity as an agency's acceptance of a background investigation or clearance determination completed by any authorized investigative or adjudicative agency.

⁴Pub. L. No. 108-458, § 3001 (2004) (codified at 50 U.S.C. § 435b). While IRTPA was a far-reaching act with many broad implications, our references to it throughout this report pertain solely to section 3001, unless otherwise specified.

personnel security clearance reform, including timeliness. In addition, the Intelligence Authorization Act for Fiscal Year 2010 stipulates that by February 1 of each year, the president will report on, among other things, the number of contractors and employees of the U.S. government who hold a security clearance, the amount of time it takes the intelligence community to make a security clearance determination, and metrics for investigative and adjudicative quality.⁵ Through these annual reports and numerous oversight hearings, Congress has provided valuable oversight over reform efforts. Specifically, this committee alone has held six prior hearings on this issue over the past five years.⁶

In 2005, we designated the Department of Defense's (DOD) personnel security clearance program as a high-risk area due to delays in processing security clearances.⁷ We maintained the high-risk designation in 2007 because of continued delays and additional concerns about incomplete clearance documentation in the investigation and adjudication phases of the security clearance process.⁸ In 2009, despite significant improvement in reducing delays, we continued to designate this program as a high-risk area due to more stringent timeliness requirements established by IRTPA that were to take effect in December 2009, as well as continuing problems with incomplete clearance documentation.⁹ More specifically, in

⁵Pub. L. No. 111-259, § 367 (2010).

⁶GAO, *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); 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); GAO, *DOD Personnel Clearances: Funding Challenges and Other Impediments Slow Clearances for Industry Personnel*, [GAO-06-747T](#) (Washington, D.C.: May 17, 2006); GAO, *DOD Personnel Clearances: Delays and Inadequate Documentation Found For Industry Personnel*, [GAO-07-842T](#) (Washington, D.C.: May 17, 2007); GAO, *Personnel Clearances: Key Factors for Reforming the Security Clearance Process*, [GAO-08-776T](#) (Washington, D.C.: May 22, 2008); and GAO, *Personnel Security Clearances: Progress Has Been Made to Reduce Delays But Further Actions Are Needed to Enhance Quality and Sustain Reform Efforts*, [GAO-09-684T](#) (Washington, D.C.: Sep. 15, 2009). The Subcommittee on Intelligence Community Management, House Permanent Select Committee on Intelligence; the Subcommittee on Readiness, House Committee on Armed Services; and the Subcommittee on Government Management, Organization and Procurement, House Committee on Oversight and Government Reform have also held hearings on this issue.

⁷GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: January 2005).

⁸GAO, *High-Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

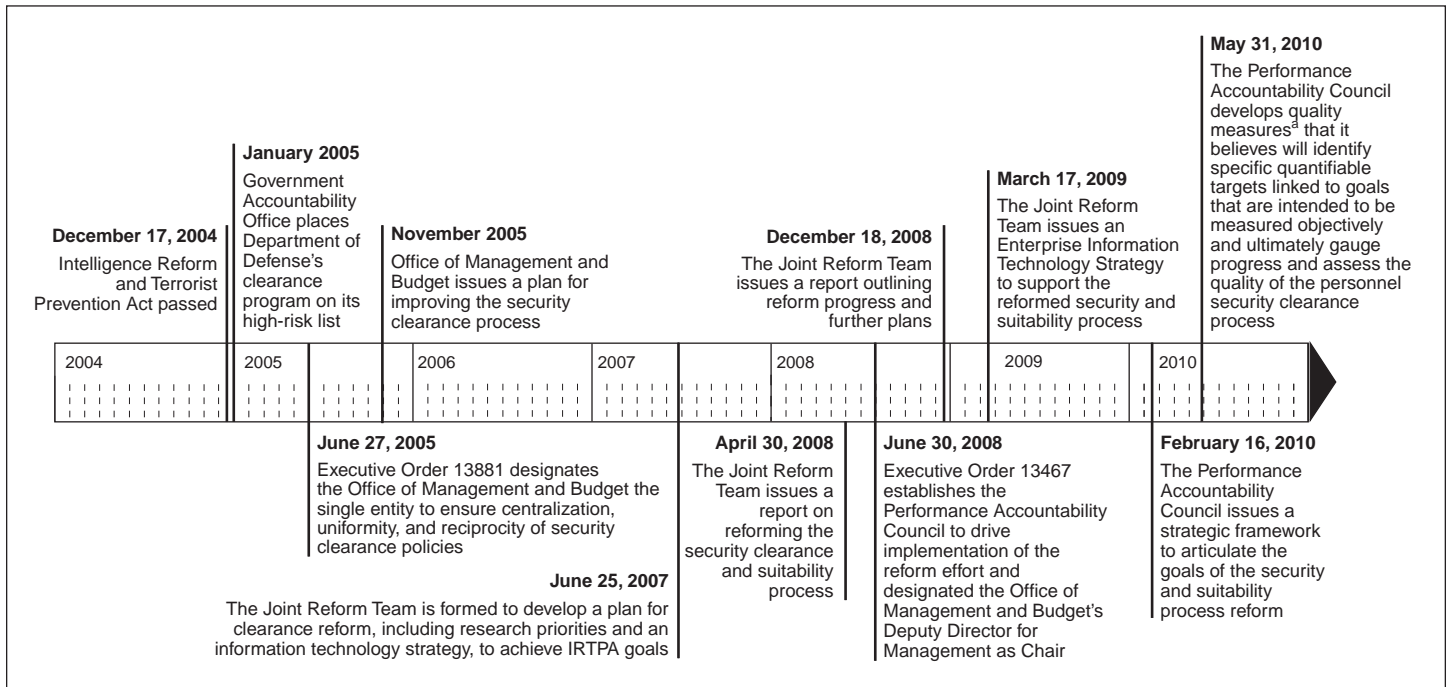
⁹GAO, *High-Risk Series: An Update*, [GAO-09-271](#) (Washington, D.C. January 2009).

December 2009, IRTPA set new timeliness goals for executive branch agencies, requiring decisions on at least 90 percent of initial clearance decisions within an average of 60 days and permits the executive branch to exclude the slowest 10 percent from the reported average.¹⁰ With regard to incomplete documentation, we noted that building quality throughout DOD's processes was important. For example, the lack of quality could increase the risk of adjudicators missing patterns of behavior in subsequent clearance renewals, undermine reciprocity, increase the risk of unauthorized disclosure of classified information, and reduce the assurance that appropriate safeguards are in place.

Executive agencies have also demonstrated a commitment to personnel security clearance reform. For example, in 2007, the Director of National Intelligence and the Under Secretary of Defense for Intelligence (USD(I)) established the Joint Reform Team to coordinate governmentwide efforts to achieve timeliness goals established in IRTPA and improve the processes related to granting security clearances. In 2008, the Joint Reform Team—comprised of entities within the Office of Management and Budget (OMB), Office of Personnel Management (OPM), Office of the Director of National Intelligence (DNI), and USD(I)—developed a plan to transform the clearance process and in the following year, developed an Enterprise Information Technology Strategy to support the reformed process. In June 2008, the president issued Executive Order 13467, establishing a Suitability and Security Clearance Performance Accountability Council—commonly known as the Performance Accountability Council—as the head of the governmentwide governance structure for driving implementation and overseeing clearance reform efforts and appointing OMB's Deputy Director for Management as the chair. This governance structure was put in place, in part, to sustain the momentum of clearance reforms. (See Figure 1 for key events related to security clearance reform.)

¹⁰This 60 day period is to include periods of not more than 40 days to complete the investigative phase and 20 days to complete the adjudicative phase from the date of receipt of the completed application by an authorized investigative agency.

Figure 1: Key Events Related to the Security Clearance Reform Effort



Source: GAO analysis.

^dThe Quality Measures are proposed measures.

During the past five years, we have conducted numerous reviews that have enabled us to gain a historical view of the progress that has been made in clearance reform efforts. Specifically, since we first placed DOD's personnel security clearance program on our list of high-risk government programs and operations, we have testified on clearance-related issues in 12 prior hearings and issued four reports¹¹ with 14 recommendations, including recommendations that DOD has implemented to issue guidance that clarifies when adjudicators may use incomplete investigative reports

¹¹GAO, *Personnel Security Clearances: An Outcome-Focused Strategy Is Needed to Guide Implementation of the Reformed Clearance Process*, [GAO-09-488](#) (Washington, D.C.: May 19, 2009); GAO, *DOD Personnel Clearances: Comprehensive Timeliness Reporting, Complete Clearance Documentation, and Quality Measures Are Needed to Further Improve the Clearance Process*, [GAO-09-400](#) (Washington, D.C.: May 19, 2009); GAO, *DOD Personnel Clearances: Improved Annual Reporting Would Enable More Informed Congressional Oversight*, [GAO-08-350](#) (Washington, D.C.: Feb. 13, 2008); and GAO, *DOD Personnel Clearances: Additional OMB Actions Are Needed To Improve The Security Clearance Process*, [GAO-06-1070](#) (Washington, D.C.: Sep. 28, 2006).

as the basis for granting clearances and recommendations that OMB has implemented to report on the time required to complete all initial clearance applications—not just the average of the fastest 90 percent of initial clearances—in the executive branch’s IRTPA-required annual reports. In response, DOD and the Performance Accountability Council have already taken steps to implement several of our recommendations aimed at further improving DOD’s security clearance program. Through our ongoing work, we plan to continue to examine the timeliness and quality of personnel security clearances in DOD and the extent to which DOD has met our criteria for removal of an issue from our high-risk list. This work will help determine whether DOD’s personnel security clearance program should remain on or be removed from our 2011 high-risk list that the Comptroller General will announce in January 2011. A list of our related GAO products is provided at the end of this statement.

As requested, my statement today will address DOD’s progress in 1) reducing the timeliness of initial personnel security clearances and 2) building quality into personnel security clearance investigation and adjudication processes. My statement draws on both our ongoing and prior work on the personnel security clearance process. To assess the extent to which DOD has made progress in reducing the timeliness of initial personnel security clearances, we analyzed IRTPA timeliness objectives and reviewed quarterly data provided by the Performance Accountability Council’s Subcommittee on Performance Measurements and Management, chaired by the DNI, which covered the first, second, and third quarters of fiscal year 2010. We also interviewed knowledgeable DNI officials about the accuracy and completeness of the data they provided and determined that these data were sufficiently reliable for our purposes. At the time of this testimony, we had not completed our independent assessment of the DOD timeliness for fiscal year 2010 because not all data were available. However, we have begun a preliminary analysis of first, second, and third quarter data for fiscal year 2010 provided by the Defense Personnel Security Research Center. We anticipate completing this analysis after obtaining and analyzing DOD’s fourth quarter fiscal year 2010 data. To assess the extent to which DOD has made progress in building quality into personnel security clearance investigation and adjudication processes, we interviewed DOD officials who are knowledgeable about quality tools and their implementation plans. We also reviewed DOD guidance that addresses quality and the implementation of quality tools. Our review was performed from October 2010 through November 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a

reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

DOD Has Made Significant Progress in Reducing the Time for Processing Initial Personnel Security Clearances for DOD Personnel

DOD has made significant progress in reducing delays in personnel security clearance decisions and in meeting statutory timeliness objectives since we first designated DOD's personnel security clearance program as a high-risk area in 2005. In 2007, we found that initial clearances for DOD industry personnel took an average of 325 days to complete.¹² With the passage of IRTPA in 2004, timeliness requirements were established in law under which executive branch agencies were initially required to make decisions on at least 80 percent of initial clearances within an average of 120 days. We found that by 2008, DOD had made significant improvements in reducing delays. For example, in examining fiscal year 2008 data, we reported that the average of the fastest 80 percent of initial DOD clearances, including military, civilians, and industry personnel, took an average of 87 days to complete, well below what was required by law.¹³ However, despite these improvements, we continued to designate this program as a high-risk area due to more stringent timeliness objectives that were to take effect in December 2009. IRTPA required the Performance Accountability Council to develop a plan under which, to the extent practical, each authorized adjudicative agency would be required to make a determination on at least 90 percent of all applications for a personnel security clearance within an average of 60 days from the date of receipt of the completed application by an authorized investigative agency.¹⁴ Although the government is required to only report on the average of the fastest 90 percent of cases, we previously identified that the absence of comprehensive reporting limits full visibility over the timeliness of initial clearance decisions. Consistent with GAO's recommendation, the government now reports on the remaining 10 percent.

¹²[GAO-09-271](#).

¹³[GAO-09-400](#).

¹⁴Pub. L. No. 108-458, § 3001 (2004) (codified at 50 U.S.C. § 435b). According to IRTPA, this period shall include a period of not longer than 40 days to complete the investigative phase of the clearance review and a period of not longer than 20 days to complete the adjudicative phase of the clearance review. These measures apply to initial personnel security clearances.

Our ongoing work has shown that DOD has continued to improve its timeliness and DOD reports that it is meeting the new statutory timeliness requirements. According to data provided by the Performance Accountability Council, DOD initial personnel security clearances met the 60 day IRTPA overall timeliness objective and the 20 day objective for the timeliness of adjudications for each of the first, second, and third quarters of fiscal year 2010, as shown in Table 1.¹⁵ Over this same period, average timeliness for the fastest 90 percent of DOD industry personnel security clearances ranged from 64 days to 69 days. In addition, DOD reported meeting the IRTPA 40 day timeliness objective for investigations in the third quarter of fiscal year 2010. However, timeliness data for investigations is a reflection of OPM as the investigative service provider for DOD.

¹⁵The annual report to Congress contained self reported agency data that was provided to the PAC Subcommittee on Performance Measurements and Management. This data excludes the elements of the intelligence community under DOD, such as the Defense Intelligence Agency, National Reconnaissance Office, National Geospatial-Intelligence Agency, and National Security Agency, but does include the intelligence components of the military departments. According to DOD officials, DOD's system for tracking and reporting security clearance case information does not differentiate between initial secret/confidential clearances and renewal secret/confidential clearances. Therefore, the Performance Accountability Council timeliness reports on initial clearances include DOD secret/confidential renewal cases, as well as initial secret, confidential, top secret, and sensitive compartmented information clearances. A prior GAO review and OPM officials' estimates of DOD clearance timeliness in fiscal year 2009 indicated that confidential and secret level clearances, whether initial or renewal, generally took the same amount of time to investigate. Furthermore, the Defense Personnel Security Research Center—a DOD entity dedicated to improving the effectiveness, efficiency, and fairness of the DOD personnel security system—issued a working paper that showed that average adjudication timeliness did not substantially differ between initial and renewal secret clearance cases for DOD using first, second, and third quarter data for fiscal year 2008.

Table 1: Fastest 90 Percent of All DOD Initial Security Clearances for First, Second, and Third Quarters of Fiscal Year 2010

	Investigations 40 days average days to complete			Adjudications 20 days average days to complete			Combined 60 days average days to complete		
	First quarter	Second quarter	Third quarter	First quarter	Second quarter	Third quarter	First quarter	Second quarter	Third quarter
Department of Defense	42	45	39	15	11	9	57	56	48
Army	42	45	40	10	4	3	52	49	43
Navy	43	42	38	12	18	7	55	60	45
Air Force	40	41	39	28	12	9	68	53	48
Industry^a	44	49	41	20	20	26	64	69	67
DOD other^b	89	51	48	42	29	21	131	80	69

Source: Performance Accountability Council data.

^aDOD's Defense Industrial Security Clearance Office adjudicates clearances for industrial personnel. When the Defense Industrial Security Clearance Office identifies issues with these cases that may potentially affect the adjudicative decision, they submit the cases to the Defense Office of Hearings and Appeals. The time it takes the Defense Industrial Security Clearance Office to arrive at the initial decision is included in DOD timeliness. However, timeliness information is not reported for cases sent to the Defense Office of Hearings and Appeals.

^b"DOD other" includes 1) all secret and confidential clearances and initial top secret clearances adjudicated by the DOD Central Adjudication Facilities for the Joint Chiefs of Staff and the Washington Headquarters Services and 2) the initial Sensitive Compartmented Information clearance cases adjudicated on their behalf by elements of the intelligence community, such as the Defense Intelligence Agency.

Although DOD has made significant progress in reducing delays in making personnel security clearance decisions, it is important that DOD sustain this progress. Reducing delays in the security clearance process will enable DOD to reduce risks to national security, expedite the start of classified work, hire the best-qualified workers, and decrease the government's cost of national security-related contracts.

Positive Steps Have Been Taken to Address Quality and Enhance Visibility Over the Security Clearance Process

We are also encouraged by a number of recent developments that are intended to enhance visibility over the quality of the security clearance process. In our prior work, we have stated that timeliness alone does not provide a complete picture of the clearance process and we emphasized the need for attention to quality. However, we found an uneven attention to quality within DOD's process; specifically, we found missing documentation in reports prepared by OPM that DOD adjudicators had used to make clearance decisions. In May 2009, for example, we estimated that 87 percent of OPM investigative reports provided to DOD at three Central Adjudication Facilities in July 2008 were missing required documentation.¹⁶ Because neither OPM nor DOD measured the completeness of their investigative reports or adjudicative files, we reported that both agencies were limited in their ability to explain the extent to which, or the reasons why, some documents were incomplete. Incomplete documentation may increase the time needed to complete the clearance process, increase the overall costs of the process, and reduce the assurance that appropriate safeguards are in place to prevent DOD from granting clearances to untrustworthy individuals. We emphasized that building quality throughout DOD's process could promote positive outcomes, such as facilitating reciprocity with other agencies.

DOD has taken a number of positive steps to integrate quality into its investigative and adjudicative processes and demonstrated the commitment of senior leadership to reforming the personnel security process within DOD. For example, according to DOD officials, DOD recently initiated the creation of a Performance Accountability Directorate within USD(I)'s Directorate of Security to provide oversight and accountability for the DOD Central Adjudication Facilities that process DOD adjudicative decisions. Most importantly, DOD has also issued guidance and developed tools to measure quality. For example:

Guidance. DOD has taken steps to issue guidance on adjudication standards. On November 8, 2009, the USD(I) issued guidance on adjudication standards that outline the minimum documentation requirements adjudicators must adhere to when documenting personnel security clearance adjudication rationales in the Joint Adjudication Management System.¹⁷ These standards are for cases with significant

¹⁶GAO-09-400.

¹⁷The Joint Adjudication Management System is a subsystem of the Joint Personnel Adjudication System and provides the capability for DOD adjudicators to record eligibility decisions and potentially disqualifying information.

derogatory information and for Single Scope Background Investigations¹⁸ that are missing standard investigative scope items but were still adjudicated. In response to our recommendation, the USD(I) issued additional guidance on March 10, 2010 that clarifies when adjudicators may use incomplete investigative reports as the basis for granting clearances. This guidance provides standards that can be used for the sufficient explanation of missing or incomplete scope items.

Tools. DOD has taken steps to measure the frequency with which documentation for investigations and adjudications meets federal standards. DOD developed two tracking tools—the Rapid Assessment of Incomplete Security Evaluations (RAISE) and the Review of Adjudication Documentation Accuracy and Rationales (RADAR)—to assess the quality of investigative and adjudication documentation. These tracking tools are embedded capabilities in DOD’s Clearance Adjudication Tracking System (CATS), which is used by all non-intelligence DOD Central Adjudication Facilities. Although these are positive steps, it is too early to assess the effectiveness of these tools as they have not yet been fully deployed.

- The RAISE tracking tool will document the instances of missing case information or unresolved case issues for records of investigation provided by OPM.¹⁹ In July 2010, DOD issued guidance requiring that each DOD Central Adjudication Facility that utilizes the Clearance Adjudication Tracking System use the RAISE tracking tool on all incomplete national security investigations and on random samples of other clearance cases accounting for 7 percent of their respective Single Scope Background Investigations and 14 percent of both their Periodic Reinvestigations and National Agency Check with Local Agency Check and Credit Check investigations. The results are to be reported to the DNI who, as Security Executive Agent of the Performance Accountability Council, will arbitrate disagreements

¹⁸Single Scope Background Investigations are used to support initial top secret with Sensitive Compartmented Information clearance adjudicative decisions.

¹⁹In addition to DOD’s tools to assess the quality of investigations and adjudications, the broader reform effort also has two quality tools sponsored by OPM. First, the Quality Assessment Tool, deployed by OPM in March 2010, is designed to track OPM investigations provided to adjudicators that were deemed quality deficient by the adjudicators. Second, the Quality Hotline is designed for adjudicators in agencies for which OPM is the investigative service provider to report deficient investigations. However, according to DOD officials we spoke with, DOD asked the DOD Central Adjudication Facilities to not use the OPM quality assessment tools because of the lack of oversight. According to these officials, these tools are primarily for suitability, not national security.

between OPM and DOD and clarify policy questions. DOD deployed the RAISE tracking tool to four Central Adjudication Facilities between July and October 2010 and plans to complete deployment to the remaining Central Adjudication Facilities by the beginning of calendar year 2011.

- The RADAR tracking tool will enable DOD to independently evaluate the quality of adjudicative decisions against the adjudicative standards. The USD(I) has directed DOD Central Adjudication Facilities to provide adjudication case records to the Defense Personnel Research Center for analysis. The USD(I) plans to use results of the RADAR tracking tool assessments to monitor Central Adjudication Facilities' compliance with documentation policies, communicate performance to the Central Adjudication Facilities, identify potential weaknesses and training needs, increase compliance, and establish trend data. DOD has completed a pilot program for the use of the RADAR tracking tool and has begun its implementation for the Army, Defense Industrial Security Clearance Office, and Navy Central Adjudication Facilities in September 2010. Further, implementation is scheduled for the Air Force and Washington Headquarters Services by November 2010.

Beyond these steps, DOD has participated in the development and tracking of quality metrics through the Performance Accountability Council. On March 17, 2010, the leaders of the reform effort—the OMB, OPM, DNI, and DOD—along with GAO, briefed this Subcommittee's chairman and ranking member on the status of security clearance reform efforts. Subsequent to this briefing, this Subcommittee requested that the Joint Reform Team and GAO engage in an effort to develop metrics to measure the quality of security clearance investigations and adjudications in order to address GAO's concerns about quality. In May 2010, the leaders of the reform effort provided this Subcommittee with 15 metrics assessing the timeliness and quality of investigations, adjudications, reciprocity, and automation. According to Joint Reform Team officials, these metrics were communicated to executive agencies in June 2010. Given the role of the executive branch and the need for GAO to remain independent in carrying out its auditing responsibilities, decisions related to performance measures and their effective implementation are fundamentally an executive branch management responsibility. However, we are encouraged by the Joint Reform Team's collaborative efforts to develop these quality measures. We have previously reported that successful

performance measures should meet nine criteria.²⁰ For example, successful measures should clearly link to agency goals, have measurable targets, and be reasonably free from bias. GAO has been examining the Performance Accountability Council metrics and our preliminary observations show that many of the quality metrics appear to address attributes of a successful performance measure, such as being objective, quantifiable, and are linked to reform effort goals. We view the quality metrics as a positive step towards identifying specific quantifiable targets linked to goals that can be measured objectively and used by leaders and others to gauge progress and assess the quality of the personnel security clearance process. Although these are positive developments that can contribute to greater visibility over the clearance process, these measures have not yet been fully implemented and we are continuing to examine these efforts as part of our ongoing work.

In conclusion, Mr. Chairman, we are strongly encouraged by the progress that the Performance Accountability Council, and in particular, DOD, has made over the last few years to implement recommendations, reduce overall timeliness, and take steps to integrate quality into its processes. As I have already noted, based on Performance Accountability Council data, DOD has reported that it is meeting IRTPA timeliness requirements for the first three quarters of fiscal year 2010, which represents significant and noteworthy progress. Moreover, the progress that has been made with respect to the overall governmentwide reform efforts would not be possible without committed and sustained leadership of Congress and by the senior leaders involved in the Performance Accountability Council. Their continued oversight and stewardship of the reform efforts is the cornerstone to sustaining momentum and making future progress. Although DOD has taken steps to develop and implement quality assessment tools, these tools have not yet been fully implemented. Therefore, it is important that management focus is sustained to ensure that these efforts are implemented and continuously evaluated. We are continuing to track timeliness and monitor the implementation and results of DOD's quality assessment tools. This work will help inform the Comptroller General's high-risk update decision in January 2011.

²⁰GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002).

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond at this time to any questions that you or members of the Subcommittee may have at this time.

GAO Contact and Staff Acknowledgments

For further information regarding this testimony, please contact me at (202) 512-3604 or farrellb@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 Liz McNally, Assistant Director; James Ashley; Joseph M. Capuano; Sara Cradic; Cindy Gilbert; Linda Keefer; James Krustapentus; Greg Marchand; Richard Powelson; and Jillena Roberts.

Related GAO Products

Privacy: OPM Should Better Monitor Implementation of Privacy-Related Policies and Procedures for Background Investigations, [GAO-10-849](#). Washington, D.C.: September 7, 2010.

Personnel Security Clearances: An Outcome-Focused Strategy and Comprehensive Reporting of Timeliness and Quality Would Provide Greater Visibility over the Clearance Process. [GAO-10-117T](#). Washington, D.C.: October 1, 2009.

Personnel Security Clearances: Progress Has Been Made to Reduce Delays But Further Actions Are Needed to Enhance Quality and Sustain Reform Efforts. [GAO-09-684T](#). Washington, D.C.: September 15, 2009.

Personnel Security Clearances: An Outcome-Focused Strategy Is Needed to Guide Implementation of the Reformed Clearance Process. [GAO-09-488](#). Washington, D.C.: May 19, 2009.

DOD Personnel Clearances: Comprehensive Timeliness Reporting, Complete Clearance Documentation, and Quality Measures Are Needed to Further Improve the Clearance Process. [GAO-09-400](#). Washington, D.C.: May 19, 2009.

High-Risk Series: An Update. [GAO-09-271](#). Washington, D.C.: January 22, 2009.

DOD Personnel Clearances: Preliminary Observations about Timeliness and Quality. [GAO-09-261R](#). Washington, D.C.: December 19, 2008.

Personnel Security Clearances: Preliminary Observations on Joint Reform Efforts to Improve the Governmentwide Clearance Eligibility Process. [GAO-08-1050T](#). Washington, D.C.: July 30, 2008.

Personnel Clearances: Questions for the Record Regarding Security Clearance Reform. [GAO-08-965R](#). Washington, D.C.: July 14, 2008.

Personnel Clearances: Key Factors for Reforming the Security Clearance Process. [GAO-08-776T](#). Washington, D.C.: May 22, 2008.

Employee Security: Implementation of Identification Cards and DOD's Personnel Security Clearance Program Need Improvement. [GAO-08-551T](#). Washington, D.C.: April 9, 2008.

DOD Personnel Clearances: Questions for the Record Related to the Quality and Timeliness of Clearances. [GAO-08-580R](#). Washington D.C.: March 25, 2008.

DOD Personnel Clearances: DOD Faces Multiple Challenges in Its Efforts to Improve Clearance Processes for Industry Personnel. [GAO-08-470T](#). Washington, D.C.: February 12, 2008.

Personnel Clearances: Key Factors to Consider in Efforts to Reform Security Clearance Processes. [GAO-08-352T](#). Washington, D.C.: February 27, 2008.

DOD Personnel Clearances: Improved Annual Reporting Would Enable More Informed Congressional Oversight. [GAO-08-350](#). Washington, D.C.: February 13, 2008.

DOD Personnel Clearances: Delays and Inadequate Documentation Found For Industry Personnel. [GAO-07-842T](#). Washington, D.C.: May 17, 2007.

High-Risk Series: An Update. [GAO-07-310](#). Washington, D.C.: January 2007.

DOD Personnel Clearances: Additional OMB Actions Are Needed To Improve The Security Clearance Process. [GAO-06-1070](#). Washington, D.C.: September 28, 2006.

DOD Personnel Clearances: Questions and Answers for the Record Following the Second in a Series of Hearings on Fixing the Security Clearance Process. [GAO-06-693R](#). Washington, D.C.: June 14, 2006.

DOD Personnel Clearances: New Concerns Slow Processing of Clearances for Industry Personnel. [GAO-06-748T](#). Washington, D.C.: May 17, 2006.

DOD Personnel Clearances: Funding Challenges and Other Impediments Slow Clearances for Industry Personnel. [GAO-06-747T](#). Washington, D.C.: May 17, 2006.

Questions for the Record Related to DOD's Personnel Security Clearance Program and the Government Plan for Improving the Clearance Process. [GAO-06-323R](#). Washington, D.C.: January 17, 2006.

DOD Personnel Clearances: Government Plan Addresses Some Long-standing Problems with DOD's Program, But Concerns Remain. [GAO-06-233T](#). Washington, D.C.: November 9, 2005.

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.

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

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

GAO's Mission

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

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

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

E-mail: fraudnet@gao.gov

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

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

