

GAO

Report to the Chairman, Committee on  
Armed Services, House of  
Representatives

May 1993

# PERSONNEL SECURITY

## Efforts by DOD and DOE to Eliminate Duplicative Background Investigations



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United States  
General Accounting Office  
Washington, D.C. 20548

**Resources, Community, and  
Economic Development Division**

B-248926

May 10, 1993

The Honorable Ronald V. Dellums  
Chairman, Committee on Armed Services  
House of Representatives

Dear Mr. Chairman:

At the Committee's request, we reviewed compliance by the Departments of Defense (DOD) and Energy (DOE) with language in the 1991 National Defense Authorization Act requiring the two agencies to avoid duplicative background investigations on employees seeking security clearances. DOD, DOE, and other agencies have developed their own requirements for conducting background investigations and granting security clearances. As a result, clearances are not routinely accepted among agencies, and duplicative investigations may occur. DOD and DOE are major users of background investigations, together budgeting almost \$200 million in fiscal year 1991 for background investigations of their employees.

This report focuses on the status of DOD's and DOE's efforts to comply with the act and the impact of these efforts on controls over duplication of investigations. Specifically, as agreed with your office, we (1) examined efforts taken by DOD and DOE to eliminate duplication through automating the exchange of investigative data and (2) obtained information on DOD's and DOE's participation in interagency efforts to eliminate duplication by standardizing the process of granting security clearances.

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## Results in Brief

DOD and DOE have taken steps to eliminate duplicative background investigations, but some problems remain. In early 1992, DOD and DOE, along with the Office of Personnel Management (OPM), established three new computer links among their respective investigative and clearance data bases. The new links have added to these agencies' ability to check for potentially duplicative background investigations conducted by other agencies. For example, according to DOD, a link from DOD to OPM identified 65 cases of potential duplication during February to August 1992, an identification rate that could result in avoided costs of up to \$130,000 per year. However, DOE's data base has had continuing accuracy problems in recent years, and the DOD and OPM data bases have not been tested to assure users of their reliability. In addition, existing data exchange procedures with the Central Intelligence Agency (CIA) may be allowing

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some duplication of the many background investigations conducted by that agency.

DOD and DOE are also working to eliminate duplication of investigations by participating in efforts to standardize procedures among agencies and achieve reciprocity of security clearances, but much more needs to be done. DOD and DOE are participating on the interagency National Industrial Security Program task force. The purpose of the task force, begun in early 1991, is to eliminate the redundant, costly procedures in federal security programs. In October 1991, task force efforts resulted in a presidential directive to standardize agencies' requirements for the minimum scope (i.e., time period covered) of background investigations for top-secret and other high-level clearances. DOD, DOE, and OPM have implemented the directive. However, DOD and DOE officials participating on the task force believe that duplication in security procedures will not be completely eliminated unless the entire clearance-granting process—from initial background investigation to final clearance—is standardized.

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## Background

DOD, DOE, and other federal agencies grant security clearances intended to certify the trustworthiness of employees for access to sensitive information and materials. Agencies make clearance determinations on the basis of record checks and investigations into employees' background and character. Over the last several decades, agencies have developed their own clearance-granting procedures and investigative requirements.

OPM conducts background investigations for civilian agencies, including DOE. DOD's Defense Investigative Service (DIS) conducts background investigations of DOD civilian and military personnel in the United States. In fiscal year 1991, OPM completed almost 64,000 field background investigations, about two-thirds of which were done for DOE, on a reimbursable basis. In that year, DOE spent about \$65 million for background investigations. In fiscal year 1991, DIS completed over 232,000 background investigations and spent about \$135 million for these efforts.

Executive Order 10450, issued in 1953, established the federal civilian personnel security program. However, it did not set up uniform personnel security programs in the executive branch. A number of agencies have special authorities, including DOE. Because of this lack of uniformity among agencies, security clearances are not generally reciprocal among agencies. A valid clearance held by an employee at one agency is not automatically transferable to, or accepted as valid by, the new employing

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agency. For example, federal employees transferring into DOD or DOE frequently undergo new clearance determinations, and if considered necessary, further investigations are conducted according to DOD or DOE requirements, respectively.<sup>1</sup>

According to DOD and DOE officials, since the early 1980s, greater uniformity among agencies' personnel security programs has been seen as a worthwhile but distant goal in the federal government. Some steps have been taken to minimize unnecessary duplication of effort. For example, agencies have procedures for obtaining copies of previous background investigation and clearance files on employees and for using them in the clearance adjudication process. DOD and DOE personnel applying for clearances are asked to indicate on their applications whether they previously held a clearance or were investigated for a clearance and what agency was involved. DOD and DOE officials said they follow up on such information to determine whether the previous investigation is still current and meets their requirements for investigative scope and quality. If so, a new investigation may be avoided.

To document the clearance status of employees and to facilitate interagency checks, agencies such as DOD and DOE maintain automated files on clearances and background investigations. Other agencies with compatible computer terminal links may access these data bases electronically. For example, DIS and OPM maintain two large data bases on personnel who have had background investigations. DIS' Defense Clearance and Investigations Index contains about 28 million entries (including both investigative and clearance records), and OPM's Security-Suitability Investigations Index—designed to include information from other federal agencies—contains over 10 million entries.<sup>2</sup> Both of these indexes refer users to any existing investigative case records, which may be supplied to other agencies as needed. OPM's data base is more broadly scoped, as mandated under Executive Order 10450. In addition to these data bases, DOE maintains its own automated data base on DOE clearances. Its Central Personnel Clearance Index contains summary clearance histories and status information on about 500,000 personnel and includes 174,000 active clearances.

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<sup>1</sup>In this regard, under the Atomic Energy Act of 1954, DOE requires a "Q" clearance for access to special nuclear materials and restricted data related to nuclear weapons and other matters. DOD also requires special clearances for access to sensitive locations and information.

<sup>2</sup>By executive order, all background investigations conducted on competitive-service federal personnel must be furnished to OPM for inclusion in its data base.

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Despite these data exchange capabilities, in recent years, concerns have surfaced in federal agencies, industry, and the Congress concerning duplicative background investigations. To address concerns about investigative duplication, the Congress placed constraints on DOD and DOE in November 1990 under provisions of the National Defense Authorization Act for Fiscal Year 1991. The act directed the Secretaries of Defense and Energy not to use funds to conduct investigations for the purpose of granting security clearances unless it could be determined that no current, complete investigation had been done previously by another agency and that no other investigation was currently being conducted.

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### Automation Efforts in Response to the 1991 National Defense Authorization Act

In response to the act, DOD and DOE have improved their controls over duplicative security clearance investigations by further automating the exchange of personnel security data among themselves and other agencies, especially OPM. However, problems remain related to the reliability of the data being shared.

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### New Interagency Computer Links Established

In early 1992, DOD, DOE, and OPM established three new computer links to facilitate access to one another's investigative and clearance data bases and to reduce duplication of background investigations. The links consist of computer terminals and leased telephone lines connected into mainframe computers. The links are (1) from DOD to OPM, (2) from DOD to DOE, and (3) from DOE to DOD.<sup>3</sup>

The first and most significant of these links is from DOD's data base to OPM's. By means of this link, DOD's DIS queries OPM's data base on all subjects seeking a top-secret or other high-level clearance for indications that they might have been previously investigated. The second link is from DIS' data base to DOE's, and the third link is from the data base at DOE's Savannah River Site to DIS' data base.<sup>4</sup> The latter two links provide DIS and DOE—which adjudicate clearances for many contractor employees—with faster queries of each other's investigation and clearance records.

The link from DIS to OPM has been operational since February 1992. The other two links, between DOE and DIS, have been operational since April 1992, according to DOD and DOE officials. Establishment of the links required over a year of interagency coordination and planning. According

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<sup>3</sup>A link from OPM to DOD was established in 1980.

<sup>4</sup>The Savannah River office acts as the clearing house for DOE field offices' queries into the DOD data base.

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to DOD, DOE, and OPM officials, costs for programming and hardware to set up the links were minimal; funding was drawn principally from agencies' overhead accounts, and existing computer supplies were used. According to DOD and DOE officials, costs for leasing telephone lines for each of the links are about \$800 to \$1,000 a month. DOD and DOE officials said the establishment of these links was directly responsive to compliance language in the 1991 National Defense Authorization Act.

The link from DIS to OPM has improved DOD's and OPM's controls over potential investigative duplication. The link gives DIS more timely and complete capabilities: DIS officials said that before the link was established, DIS checked on selected employees' previous investigations through mailings to OPM requesting pertinent information from the OPM data base. Now, DIS checks all such subjects requiring top-secret or other high-level clearances electronically against the OPM data base by means of daily batch entries or queries via terminal linkage.<sup>5</sup> Also, by means of the link, DIS now notifies OPM electronically of new DIS investigations being conducted. From mid-February to mid-August 1992, DIS' queries of OPM's data base identified 65 potentially duplicative requests for investigations, a rate of about 0.21 percent of the over-5,000 requests for initial investigations that DIS receives each month. This rate projects to as much as \$130,000 in potential investigative costs avoided annually (by our calculations from available DIS cost estimates).

The other two links—between DIS and DOE—may have a less quantifiable impact on duplication. According to DIS and DOE officials, the main purpose of these links is to provide clearance offices with faster access to the other agency's clearance data on subjects. These officials said that while using the link, terminal operators may also identify previous investigations and take steps to avoid unnecessary investigative duplication. However, they could not estimate the number of unnecessary investigations and related costs that might be avoided as a result of the links and did not know of specific instances of investigations that had been avoided.

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### Issues Concerning Reliability of Linked Data Bases

The new computer links have reduced but not eliminated the potential for investigative duplication. In recent years, continuing inaccuracies have been found in DOE's data base, and the DOD and OPM data bases have not been tested to assure their reliability. Furthermore, because of existing data exchange procedures with the CIA, those accessing the DOD and OPM

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<sup>5</sup>DOD and OPM have been working to upgrade the terminal linkage to a be a fully automated linkage.

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data bases may not find in them records of CIA-conducted background investigations, which may number in the thousands annually.

DOD, DOE, and OPM have some controls in place to help keep their data bases accurate,<sup>6</sup> such as written procedures, computer edits, and varying degrees of management oversight. In this regard, DOE's data base has been more closely scrutinized, having been the focus of several internal and external oversight reviews since the late 1980s. While these reviews did not quantify the data base's overall accuracy rates, they documented significant, continuing accuracy problems. For example, in a 1987 report, we found the DOE data base to be inaccurate, owing in part to the fact that several field clearance adjudication offices developed their own local personnel security data bases that were not completely compatible with the central data base. The continual updating of dual systems resulted in many errors in the central data base. We estimated that of 16,000 active security clearances for the Richland, Washington, field site listed in the central index, at least 5 percent needed to be terminated because they were not current.<sup>7</sup>

In an October 1991 report, we noted that the DOE data base's accuracy problems had not been fully resolved, in part because local data bases continued to be developed and because no security official had the authority to see that DOE's security information systems efficiently and effectively meet security managers' needs. We recommended that DOE assign to a single organization the responsibility for planning and managing DOE's security information resources.<sup>8</sup> This recommendation has not been implemented. (See app. II.)

Security and automation officials at DOE headquarters agree that the central data base has reliability problems, and DOE recognizes that a single organization should have leadership responsibility for security information departmentwide. To improve data accuracy, DOE has undertaken continuous efforts to reconcile the central data base to contributors' data at DOE's field clearance adjudication offices.

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<sup>6</sup>For example, data contributed electronically to the DOD and DOE data bases are edited automatically for technical errors; afterwards, the data are reconciled and corrected.

<sup>7</sup>Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (GAO/RCED-88-28, Dec. 29, 1987).

<sup>8</sup>Energy Information: Department of Energy Security Program Needs Effective Information Systems (GAO/IMTEC-92-10, Oct. 22, 1991).



The accuracy of the DOD and OPM data bases has not been directly addressed in oversight reviews, and the data bases have not been tested for their overall reliability.<sup>9</sup> DOD and OPM officials believe their respective data bases to be reasonably reliable, on the basis of operational and management experience with them. For example, OPM has an appraisals program that oversees the performance of agencies that contribute data to the OPM data base, and the program director said other agencies generally contribute data "religiously" to the data base. Nevertheless, other OPM officials said they had not verified the accuracy of the data base and had no way of knowing that other agencies always contributed timely and correct data. DOD officials also said they had not verified the DOD data base's accuracy and had no way of knowing whether decentralized DOD data contributors always supplied accurate data. One DOD official said he had knowledge of an office that did not contribute clearance information to the DOD data base in a timely manner, which could have affected the data base's reliability.

An additional question related to data reliability is whether those accessing the DOD and OPM data bases to avoid duplication of effort can be assured that these two data bases—taken together—contain records of all previously conducted or ongoing background investigations. DOD and OPM recognize that their data bases are not all-inclusive, mainly because one major investigative agency, the CIA, does not routinely contribute data on its background investigations.

There is no requirement that the DOD or OPM data bases be all-inclusive—i.e., that the data bases contain all background investigations conducted by other major investigative agencies. Nevertheless, according to DOD and OPM officials, in practice, one or both of the data bases—taken together—do include most such investigations (except for those of the CIA), in some cases by requirement and in other cases through voluntary reporting. CIA-conducted background investigations may number in the thousands annually, and DOD and OPM officials said duplication of some CIA investigations may be occurring.

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<sup>9</sup>A February 1988 report by the investigative staff, House Committee on Armed Services, entitled Security Clearances Granted to Personnel From Soviet and Soviet Bloc Countries, and Their Surrogates raised questions about the accuracy of the DIS data base. A May 1991 OPM Inspector General Report entitled Final Audit Report on Personnel Investigations Processing System (No. 2A-IN-10-89-61) addressed management of the information system on which OPM's Security-Suitability Investigations Index is contained and made brief observations on data base accuracy improvements. According to OPM, recommended improvements in the management of the information system have been implemented.

DOD and OPM officials said that at present, their access to the CIA's investigative data is limited to requesting data as needed. DOD sends names to be checked against the CIA data base by means of a daily batch data tape exchange. An OPM official said that OPM has no automated access to CIA investigative data and that OPM requests selected CIA data through liaison channels.

The CIA responds to requests for data concerning its investigations but is not required to—and does not—routinely provide DOD and/or OPM with all such data for inclusion in their data bases. According to DOD and OPM officials, their present data exchange arrangements with the CIA are less than optimal from the perspective of preventing duplicative investigations. During 1992, DOD and OPM had discussions with the CIA aimed at improving data sharing, preferably in the form of an automated linkage that would result in the routine inclusion of CIA-conducted background investigations into their respective data bases. DOD said it is participating with the CIA in an effort to develop a central clearance data base for the intelligence community that should resolve the problem of accessing CIA investigative and clearance data.

According to the CIA, improved computer links with DIS and OPM are feasible, including means of contributing its data on background investigations to the DOD and OPM data bases; however, software and a method of transfer would need to be developed to protect CIA sources and methods. In addition, the CIA was concerned about the potential costs of an electronic link. DOD and OPM officials said discussions with the CIA on data-sharing are planned to continue.

## DOD and DOE Participation in Interagency Standardization Efforts

According to DOD and DOE officials, in addition to automation efforts, the two agencies are participating on the National Industrial Security Program task force, which has been in existence since early 1991. The purpose of the task force, which was initiated by the Office of the President, is to eliminate burdensome, wasteful, and redundant requirements imposed on industry by federal agencies, including duplicative investigations resulting from agencies' unique clearance criteria. However, according to DOD and DOE officials, if the task force's efforts are to succeed, several steps to standardize the clearance-granting process will be required over the next several years.

The task force is led by DOD, the CIA, and DOE, along with representatives of several major aerospace firms. According to DOD and DOE officials, the task

force was formed primarily because of federal contractors' complaints about onerous, costly, and duplicative federal security requirements. Industry representatives have asserted that meeting security requirements imposed on them by different federal agencies indirectly cost taxpayers almost \$14 billion in 1989, although this figure was not independently verified. Task force working groups are addressing many security issues, including the idea of standardizing agencies' security-clearance procedures in order to eliminate unnecessary background investigations and make clearances routinely reciprocal among agencies.

In October 1991, task force efforts resulted in the issuance of National Security Directive 63, standardizing agencies' requirements for the minimum scope of background investigations conducted on employees seeking top-secret or other sensitive clearances. For example, the directive stipulates that such investigations (termed single-scope investigations) should cover the 10 most recent years in an employee's background, versus agencies' previous coverage requirements, which varied from 5 to 15 years, depending on the agency and the particular clearance involved. The directive is being implemented in the federal government, and, according to some DOD and DOE officials, it may help to discourage requests for potentially duplicative investigations as agencies become accustomed to working with standard-scoped investigative files obtained from other agencies.

Language in the directive allows for further investigation "to address employment standards unique to individual agencies" or further investigation if an agency "has substantial information indicating that the transferring individual may not satisfy eligibility standards." While such language is not intended to permit duplicative investigations, the language raises the possibility that some clearance-granting agencies could still request investigations that could be considered duplicative or unnecessary. In addition, DOD officials said their costs to implement the directive will likely increase, at least in the short term, because investigations previously scoped for 5 years of coverage will be expanded to 10 years, requiring increased completion times and costs of investigations. For example, partly as a result of the directive, DIS projected a near doubling of its investigation completion times by fiscal year 1994 and millions of dollars in increased investigative costs. In addition, in October 1992, OPM raised its charges to DOE for Q clearance-related investigations.

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As a further step, on January 6, 1993, the National Industrial Security Program was formally established under Executive Order 12829. However, according to DOD and DOE officials, redundant security requirements—including unnecessary, duplicative investigations—may not be effectively eliminated until several further steps are taken to fully standardize agencies' procedures for granting security clearances so that clearances are reciprocal—that is, valid clearances can be routinely transferred from one agency to another. Such steps include standardizing (1) laws and regulations governing federal security clearances across agencies, (2) clearance application forms and procedures, (3) adjudication procedures and training, and (4) requirements and procedures for reviews of denied clearances. The task force is working to implement some such steps, including standardizing clearance application and adjudication procedures, with the goal of establishing a standard policy on investigation reciprocity by late 1993.

The National Industrial Security Program task force is a vehicle for working toward clearance reciprocity and eliminating duplication—including duplicative investigations—in federal agencies' personnel security programs. However, according to DOD and DOE officials, full implementation of clearance reciprocity will be difficult because it may intrude on agencies' sensitive, unique security programs. While DOD and DOE officials said that standardization efforts could potentially save millions of dollars in waste, some of them also said that interagency efforts will be required over several years to reconcile the many nonuniform security practices that agencies have developed and codified over decades.

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## Conclusions

DOD and DOE have taken actions that are responsive to the 1991 National Defense Authorization Act in the areas of automated data exchange and standardization of background investigations. DOD, in particular, has improved its controls over duplication by establishing a computer link from DIS' data base to OPM's. This link could result in annual investigative savings of up to \$130,000. However, because the investigative data being exchanged among DOD, DOE, and OPM may not be reliable, further steps by these agencies are required to assure that they are complying with the National Defense Authorization Act of 1991 and that investigative duplication is not continuing. In particular, DOE should address its data base's accuracy problems—caused in part by having duplicative local and central systems—by implementing our previous recommendation to assign to a single organization the responsibility for planning and managing DOE's

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security information resources. Likewise, DOD and OPM need to take further actions to assure the reliability of their data bases.

In addition, and perhaps more fundamentally, DOD, DOE, and other federal agencies are beginning to address the lack of clearance reciprocity—the inability to routinely transfer valid clearances among agencies. Recent implementation of the single-scope background investigation as well as ongoing federal security standardization efforts within the framework of the National Industrial Security Program are useful steps. However, duplication of efforts may continue until agencies' clearance-granting procedures are further standardized, from initial background investigation to final clearance. Achieving uniform security requirements among agencies could prove to be a difficult task, given the unique requirements they have established, and it may take years to reconcile decades of nonuniform practices.

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## Recommendation

To help assure the accuracy, completeness, and timeliness of computer data being exchanged to avoid the duplication of background investigations, we recommend that the Secretary of Defense and the Director, OPM, assess and maintain the reliability of their respective investigative data bases through appropriate testing and management oversight.

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## Agency Comments and Our Evaluation

DOD, DOE, OPM, and the CIA provided written comments on our draft report. (See apps. III, IV, V, and VI.) DOD generally concurred with the report, stating that it is working with other agencies to eliminate duplicative investigations, enhance the reciprocity of security clearances, and enhance the automated exchange of investigative data. DOD also stated that it will require DOD offices to enter clearance data into its investigative data base in a more timely manner. DOD believes that the only way to better assure the accuracy and reliability of its investigative data base is to charge each DOD office contributing data with the responsibility for catching errors before they are entered into the data base. While we agree that contributing offices should be responsible for catching errors before entering data, we also believe that DOD should exercise management oversight over the data entry process.

DOE stated that it is making every effort to comply with the 1991 National Defense Authorization Act and will institutionalize this policy in a departmental order. OPM stated that it would continue efforts to ensure the

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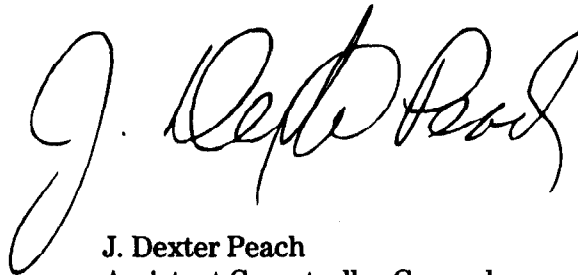
efficiency and reliability of its personnel security systems. The CIA stated that it is dedicated to the elimination of duplicative background investigations and expressed support for electronically sharing information as long as resources are available to do so and as long as the CIA is able to protect the security of its officers under cover. On the basis of comments by these agencies, as well as by DOD, we incorporated minor changes in the report as appropriate.

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We conducted our review at DOD, DOE, and OPM between December 1991 and March 1993 in accordance with generally accepted government auditing standards. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to selected congressional committees; the Secretaries of Defense and Energy; the Director, OPM; the Director of Central Intelligence; the Director, Office Management and Budget; and other interested parties. We will also make copies available to others on request.

This work was performed under the direction of Victor S. Rezendes, Director, Energy and Science Issues, who can be reached at (202) 512-3841 if you or your staff have any questions. Other major contributors to this report are listed in appendix VII.

Sincerely yours,



J. Dexter Peach  
Assistant Comptroller General



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Appendix VII  
Major Contributors to  
This Report

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**Abbreviations**

CIA	Central Intelligence Agency
DIS	Defense Investigative Service
DOD	Department of Defense
DOE	Department of Energy
GAO	General Accounting Office
OPM	Office of Personnel Management

# Objectives, Scope, and Methodology

As requested by the former Chairman, House Committee on Armed Services, and subsequent discussions with Committee staff, our review focused on the status of efforts by the Departments of Defense (DOD) and Energy (DOE) in response to sections 904 and 3104 of the National Defense Authorization Act for Fiscal Year 1991, including related costs and savings and the impact of these efforts on controls over the duplication of background investigations. Sections 904 and 3104 of the act require that the Secretaries of Defense and Energy, use no funds to conduct security clearance investigations unless they determine, respectively, that (1) a current, complete investigative file is not available from any other federal agency and (2) no other federal agency is conducting an investigation that could be used as the basis for determining whether to grant a security clearance.

This report focuses on the status of DOD's and DOE's compliance efforts in response to the act, including related costs and savings and the impact of these efforts on controls over duplicative background investigations. Specifically, as agreed with the requester, we (1) examined efforts taken by DOD and DOE to eliminate duplication through automating the exchange of investigative data and (2) obtained information on DOD and DOE participation in interagency efforts to eliminate duplication by standardizing investigations as well as the overall process of granting security clearances.

We conducted our review from December 1991 to March 1993 at DOD, Defense Investigative Service (DIS), DOE, and Office of Personnel Management (OPM) headquarters offices in and around Washington, D.C. We also conducted our review at DIS and OPM investigation centers in Baltimore, Maryland, and Boyers, Pennsylvania, respectively, where two large federal background investigation data bases are maintained. At these locations, we examined pertinent documents and interviewed responsible officials concerning the issue of duplication of investigations and their means of preventing its occurrence.

We provided agency officials with a draft of this report for review and comment; their comments are included in appendixes III through VI.

# Oversight Reviews of DOE's Central Personnel Clearance Index

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Nuclear Security: DOE Needs a More Accurate and Efficient Security Clearance Program (GAO/RCED-88-28, Dec. 29, 1987)

We found the DOE Central Personnel Clearance Index to be inaccurate—for example, many active clearances should have been terminated—due to problems such as wasteful double data entry, complicated updating, and inadequate error checking. We recommended that (1) the central index be validated by comparison to contractor files, (2) updating techniques be developed, and (3) DOE determine if one data base can serve all clearance needs better than the current system.

Nuclear Security: DOE Actions to Improve the Personnel Clearance Program (GAO/RCED-89-34, Nov. 9, 1988)

We found that DOE had taken actions to reconcile the central index and DOE field offices' computer data bases. However, DOE headquarters security officials stated that they did not have the authority to require the discontinuance of local, unique clearance data bases at field offices.

Energy Information: Department of Energy Security Program Needs Effective Information Systems (GAO/IMTEC-92-10, Oct. 22, 1991)

We found that the central index and other DOE-wide security data bases still had accuracy problems, and that these systems were incompatible and unreliable because no security official in DOE had the authority to see that information systems efficiently and effectively meet security managers' needs.

Major Information System Review and Evaluation Report: DOE Integrated Security System (Dept. of Energy, Jan. 23, 1992)

The report stated that local computer systems continued to be developed or enhanced at field sites, that discrepancies in data between local systems and the central index continued to occur, and that the majority of central index users believed—on the basis of experience with the central index—that much of the information in the central data base was suspect.

# Comments From the Department of Defense



COMMAND, CONTROL,  
COMMUNICATIONS  
AND  
INTELLIGENCE

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-3040

March 22, 1993

Mr. J. Dexter Peach  
Assistant Comptroller General  
Resources, Community and Economic Development Division  
United States General Accounting Office  
Washington, DC 20548

Dear Mr. Peach:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report "PERSONNEL SECURITY: Efforts by DoD and DOE to Eliminate Duplicative Background Investigations," dated December 28, 1992 (GAO Code 302032/ OSD Case 9271). The DoD generally concurs with the report.

The DoD, in cooperation with the Department of Energy and the Central Intelligence Agency, is working to eliminate duplicative investigations and enhance reciprocity of security clearances under the National Industrial Security Program. The DoD is also working with the Intelligence Community to develop and implement the "Community Clearance Verification System", which, when implemented, should enhance both the Intelligence and Security Communities' ability to verify prior investigations and current access eligibility.

The DoD and the Office of Personnel Management are actively working on ways to enhance the automated exchange of information between the Defense Clearance and Investigations Index and Office of Personnel Management's Security/Suitability Investigations Index. In addition, DoD is currently promulgating changes to DoD 5200.2-R, "Defense Personnel Security Program", which will require DoD elements to enter clearance data into the Defense Clearance and Investigations Index in a more timely manner.

The detailed DoD comments on the report findings and recommendation are enclosed. The DoD appreciates the opportunity to comment on the GAO draft report.

Sincerely,

Charles A. Hawkins, Jr.  
Acting

Enclosure

GAO DRAFT REPORT--DATED DECEMBER 23, 1992  
(GAO CODE 302032) OSD CASE 9271

"PERSONNEL SECURITY: EFFORTS BY DOD AND DOE TO ELIMINATE  
DUPLICATIVE BACKGROUND INVESTIGATIONS"

DEPARTMENT OF DEFENSE COMMENTS

\* \* \* \* \*

FINDINGS

- **FINDING A: Clearance Determinations.** The GAO explained the DoD, the Department of Energy, and other Federal agencies grant security clearances that certify the trustworthiness of employees for access to sensitive information and materials. The GAO further explained that the Defense Investigative Service conducts background investigations of DoD civilian and military personnel. The GAO noted that, in FY 1991, the Defense Investigative Service completed over 232,000 background investigations--and spent about \$135 million for those efforts. The GAO observed that Executive Order 10450, issued in 1953, established the Federal civilian personnel security program, but did not set up uniform personnel security programs in the Executive Branch--and a number of agencies have special authorities, including the Department of Energy. The GAO pointed out that, as a result, security clearances are not generally reciprocal among agencies--a valid clearance held by an employee is not automatically transferable to, or accepted as valid by, the new employing agency.

The GAO commented that, since early 1980, greater uniformity among personnel security programs in the agencies has been seen as a worthwhile but distant goal in the Federal Government. Although steps have been taken to minimize unnecessary duplication of effort, the GAO observed that, to address concerns about investigative duplication in November 1990, the Congress placed constraints on the DoD and the Department of Energy under provisions of the National Defense Authorization Act for Fiscal Year 1991. The GAO reported that the Act directed the Secretaries of Defense and Energy not to use funds to conduct investigations for the purpose of granting security clearances unless it could be determined that no current, complete investigation had been done previously by another agency and that no other investigation was currently being conducted. (pp. 3-4/GAO Draft Report)

Now on pp. 2 and 3.

**DoD Response:** Concur. The DoD is continuing to pursue a variety of initiatives to minimize duplication of background investigations and maximize reciprocity of security clearances.

- **FINDING B: New Interagency Computer Links Established.** The GAO reported that, in early 1992, the DoD, the Department of Energy, and the Office of Personnel Management established three new computer links to facilitate access to one another's investigative and clearance data bases and to reduce duplication of background investigations. The GAO explained that the links consist of computer terminals and leased telephone lines, connected into mainframe computers.

- **Link From The DoD to the Office of Personnel Management**--The GAO noted that the DoD/Office of Personnel Management link has been operational since February 1992. The GAO indicated that, on all employees requiring a Single Scope Background Investigation, the Defense Investigative Service queries the Office of Personnel Management data base for indications that they might have been previously investigated. The GAO concluded that the link has improved both the DoD and the Office of Personnel Management controls over potential investigative duplication and gives the Defense Investigative Service more timely and complete capabilities. The GAO explained that the Defense Investigative Service checks all such subjects electronically against the Office of Personnel Management data base by means of queries via terminal link-up. The GAO further explained that, by means of the link, the Defense Investigative Service now notifies the Office of Personnel Management electronically of new investigations being conducted. The GAO reported that from mid-February to mid-August 1992, the Defense Investigative Service queries of the Office of Personnel Management's data base identified 65 potentially duplicative requests for investigations. The GAO concluded that about \$130,000 or more in potential investigative costs may be avoided annually.

- **Link From The DoD to The Department of Energy**--The GAO reported that the DoD/Department of Energy link has been operational since April 1992 and operates from the Defense Industrial Security Clearance Office, Columbus, Ohio, to the Department of Energy data base.

- Link From the Department of Energy to The DoD--The GAO further reported that the Department of Energy/DoD link, which has also been operational since April 1992, is operated from the Department of Energy's Savannah River Site to the Defense Investigative Service data base.

According to the GAO, the latter two links provide the Defense Investigative Service and the Department of Energy--which adjudicate clearances for many contractor employees--with faster queries of each other's investigation and clearance records. The GAO commented that both DoD and the Department of Energy officials said the establishment of the links was directly responsive to compliance language in the 1991 National Defense Authorization Act. The GAO noted that the latter two links may, however, have a less quantifiable impact on duplication. The GAO explained, however, that according to the Defense Investigative Service and the Department of Energy officials, the links do provide clearance offices with faster access to the clearance data of the other agency. The GAO further explained that, while using the links, terminal operators may also identify previous investigations and take steps to avoid unnecessary investigative duplication. (pp. 5-8/GAO Draft Report)

Now on pp. 4 and 5.

DoD Response: Concur. Currently, the Defense Investigative Service queries the Office of Personnel Management data base only on employees requiring a Single Scope Background Investigation. The Defense Investigative Service checks all such subjects electronically against the Office of Personnel Management data base by means of daily queries made via terminal link-ups. Since April 1992, the DoD/Department of Energy link operates from the Defense Industrial Security Clearance Office in Columbus, Ohio.

- FINDING C: Issues Concerning Accuracy and Completeness of Linked Data Bases. The GAO reported that the DoD, the Department of Energy, and the Office of Personnel Management have some controls in place to help keep the data bases accurate--i.e., written procedures, computer edits, and varying degrees of management oversight. The GAO asserted, however, that the accuracy of the DoD and the Office of Personnel Management data bases has not been directly addressed in oversight reviews, and the data bases have not been tested for overall accuracy or reliability. According to the GAO, some DoD officials questioned the completeness of data contributed to the DoD data base, because a DoD

clearance adjudication office did not contribute clearance data to the data base in a timely manner.

The GAO reported that the DoD and the Office of Personnel Management data bases do not include data from all major agencies that conduct background investigations. The GAO explained that, while neither the DoD nor the Office of Personnel Management is required to include all Federal investigations conducted by all agencies, DoD and the Office of Personnel Management officials said that, together, the data bases already include most such investigations, either by requirement or voluntary reporting--with the exception of the background investigations conducted by the Central Intelligence Agency. The GAO explained that, at present, the Central Intelligence Agency responds to requests for data concerning its investigations--but is not required to, and does not routinely provide the DoD and/or the Office of Personnel Management with all such data for inclusion in their data bases. The GAO concluded that those accessing the DoD and the Office of Personnel Management data bases to avoid duplication of effort may not obtain a complete picture of previously conducted or ongoing background investigations. (The status of the DoD/Office of Personnel Management data exchange with the Central Intelligence Agency is discussed in Finding E.)

In summary, the GAO concluded the new computer links have reduced, but not eliminated, the potential for investigative duplication. The GAO further concluded that weaknesses remain in the controls over the accuracy of the data bases maintained by the DoD, the Department of Energy, and the Office of Personnel Management. The GAO also asserted that, because of existing data exchange procedures with the Central Intelligence Agency, users of the DoD and the Office of Personnel Management data bases do not have assurance that complete records are accessed and duplication of investigations avoided, including the Central Intelligence Agency-conducted background investigations. (pp. 5-6, pp. 8-11/GAO Draft Report)

**DoD Response:** Concur. Clearance information from a few DoD components was not being entered into the DoD data base in a timely manner. The DoD is promulgating proposed changes to DoD 5200.2-R, "Personnel Security Program", which would require DoD elements to enter clearance data into the Defense Clearance and Investigations Index on a daily basis, but in no case to exceed five working days from the date of adjudicative determination. The DoD data base services

Now on pp 4 and 5, and 6 to 8.



only the DoD and is not a repository for all Federal agencies to input investigative data. The DoD data base is accurate with respect to investigations conducted by DoD agencies.

- **FINDING D: The DoD and the Department of Energy Participation in Interagency Standardization Efforts.**  
The GAO reported that the DoD and the Department of Energy are participating on the National Industrial Security Program task force, which has been in existence since early 1991. The GAO explained that the task force was initiated by the Office of the President, independently of the 1991 National Defense Authorization Act, to eliminate burdensome, wasteful, and redundant requirements imposed on industry by Federal agencies--including duplicative investigations resulting from agencies' unique clearance criteria. The GAO explained that the task force is led by the DoD, the Central Intelligence Agency, and the Department of Energy, along with representatives of several major aerospace firms. The GAO noted that task force working groups are addressing many security issues, including standardizing agency security-clearance procedures to eliminate unnecessary background investigations and make clearances routinely reciprocal among agencies.

The GAO reported that, in October 1991, task force efforts resulted in the issuance of National Security Directive 63, standardizing agency requirements for the minimum scope of Single Scope Background Investigations conducted on employees seeking top secret clearance or other sensitive access. According to the GAO, the Directive stipulates that such investigations should cover the 10 most recent years in an employee's background, versus agencies' previous coverage requirements --which varied from 5 to 15 years, depending on the agency and the particular clearance involved. The GAO pointed out that the Directive currently is being implemented in the Federal Government--and, according to some DoD and Department of Energy officials, it may help to discourage requests for potentially duplicative investigations as agencies become accustomed to working with standard-scoped investigative files obtained from other agencies. The GAO found, however, that language in the Directive does allow for further investigation "to address employment standards unique to individual agencies" or if an agency "has substantial information indicating that the transferring individual may not satisfy eligibility standards." The GAO concluded that such discretion in determining investigative scope raises the possibility that some clearance-granting

agencies may still continue to request duplicative investigations. The GAO also observed that, according to DoD officials, costs to implement the Directive will very likely increase, at least in the short term, because investigations previously scoped for 5 years of coverage will be expanded to 10 years--requiring increased completion times and costs of investigations.

The GAO reported that the task force is working to implement standardized clearance application and adjudication procedures--with the goal of establishing a standard policy on investigation reciprocity by late 1993. The GAO explained that the National Industrial Security Program task force is working toward clearance reciprocity and eliminating duplication--including duplicative investigations--in Federal Agency personnel security programs. The GAO pointed out, however, that according to DoD and Department of Energy officials, full implementation of clearance reciprocity will be difficult because it intrudes on the unique security programs. (pp. 11-15/GAO Draft Report)

**DoD Response:** Concur. On January 6, 1993, President Bush signed Executive Order 12829, establishing the National Industrial Security Program. The DoD, in cooperation with the National Industrial Security Program, is working to eliminate duplicative investigations among Federal Agencies.

- **Finding E: Status of the DoD and Office of Personnel Management Data Exchange With the Central Intelligence Agency.** The GAO reported that, at present, the DoD and the Office of Personnel Management access to the Central Intelligence Agency investigative data is limited to requesting data on an as needed basis. The GAO explained that the Defense Investigative Service and the Central Intelligence Agency have a daily batch data tape exchange in place, whereby the Defense Investigative Service sends names of all applicants for background investigations to the Central Intelligence Agency to be checked against that Agency's investigative data. The GAO noted that the Central Intelligence Agency responds electronically within several days concerning names for which no Agency records exist--and the matches of names are supplied to the Defense Investigative Service on hard copy through liaison officials. The GAO pointed out that, in contrast, the Office of Personnel Management has no automated access to the Central Intelligence Agency investigative data. The GAO observed that, according to DoD and Office of Personnel Management officials, the data exchange arrangements with the Central

Now on pp. 8 to 10.

Now on pp. 7 and 8.

Intelligence Agency is considered to be less than optimal because of delayed responses from the Agency-- or no response at Agency discretion. (pp. 22-23/GAO Draft Report)

**DoD Response:** Concur. The DoD is working with the Central Intelligence Agency as part of an Intelligence Community effort to develop and implement a central clearance data base called the "Community Clearance Verification System" which should resolve the problem of accessing Central Intelligence Agency investigative and clearance data.

\* \* \* \* \*

**RECOMMENDATION**

- **RECOMMENDATION:** The GAO recommended that the Secretary of Defense and the Director, the Office of Personnel Management, assess and maintain the reliability of their respective investigative data bases through appropriate testing and management oversight. (pp. 15-16/GAO Draft Report)

Now on p. 11.

**DoD Response:** Partially concur. The DoD is concerned about taking appropriate measures to ensure the integrity and accuracy of its automated investigative and clearance data bases and has made significant progress towards eliminating such duplication through new automated data interfaces and existing internal controls at the Defense Investigative Service. With almost 750,000 clearance and investigative transactions entered into the Defense Clearance and Investigations Index annually by 18 separate DoD entities, there are bound to be some human errors such as an incorrectly entered middle initial or social security number. However, there is no indication that, to the extent such errors may exist in the Index, they negatively impact on the ability to identify the presence of a prior DoD investigative file and preclude the initiation of a redundant investigation.

The Defense Investigative Service and the Military Services are responsible for the vast majority of the thousands of clearance and investigative entries into the Defense Clearance and Investigations Index each day. Each Component is, therefore, the only entity that can possibly be held accountable for maintaining the accuracy and integrity of their information. If a DoD Component enters erroneous information, it is unlikely to be detected after the fact by the Defense Investigative Service or some other DoD agency.

**Appendix III  
Comments From the Department of Defense**

Therefore, the only way to better ensure the accuracy and reliability of DoD security clearance and investigative data bases is to charge each DoD Component with the responsibility for developing and implementing a system to catch errors before they are entered into the Defense Clearance and Investigations Index, consistent with their resources and the volume of information processed. When the provisions of Defense Management Review Directive 986 are fully implemented, reducing DoD central adjudicative facilities from 18 to 8, the chances for entry of erroneous clearance data will be significantly reduced. As a result, only the Defense Investigative Service and the eight remaining DoD central adjudicative facilities will then be responsible for developing suitable internal quality controls over the entry of clearance data into the Index. Full implementation of Defense Management Review Directive 986 is projected for 1 October 1993.

# Comments From the Department of Energy



Department of Energy  
Washington, DC 20585

March 1, 1993

Mr. Victor S. Rezendes  
Director  
Energy and Science Issues  
Resources, Community, and  
Economic Development Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Rezendes:

The Department of Energy appreciates the opportunity to review and comment on the General Accounting Office draft report entitled "Personnel Security: Efforts by the DOD and DOE to Eliminate Duplicative Background Investigations."

The General Accounting Office reviewed compliance by the Departments of Defense and Energy with section 3104 of the National Defense Authorization Act for Fiscal Year 1991 which requires the two Departments to avoid duplicative background investigations on employees seeking security clearances.

The Department has prepared comments on the draft report which are enclosed.

Every effort is being made to comply with section 3104. The Department's compliance policy will be institutionalized with the next change to Department of Energy Order 5631, "Personnel Security Program."

Sincerely,

A handwritten signature in cursive script, reading "Elizabeth E. Smedley".

Elizabeth E. Smedley  
Acting Chief Financial Officer

Enclosure

COMMENTS ON THE GENERAL ACCOUNTING OFFICE DRAFT REPORT  
"PERSONNEL SECURITY:  
EFFORTS BY DOD AND DOE TO ELIMINATE DUPLICATIVE BACKGROUND INVESTIGATIONS"

Now on p. 3.

1. Page 4 footnote #1 "In this regard, under the Atomic Energy Act of 1954, a DOE "Q" clearance is required for access to special nuclear materials and restricted data on nuclear weapons. DOD also requires special clearances for access to sensitive locations and information."  
  
Comment - The Atomic Energy Act of 1954, as amended, provides for the Secretary of Energy to establish the scope and extent of the investigation used to determine an individual's eligibility for access to Restricted Data (and special nuclear material). The wording in the Act does not specify "Q" clearance, nor is Restricted Data "restricted" to information related solely to nuclear weapons.

# Comments From the Office of Personnel Management



OFFICE OF THE DIRECTOR

UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, D.C. 20415

JAN 21 1993

Mr. Victor S. Rezendes  
Director, Energy and Science Issues  
Resources, Community, and Economic  
Development Division  
United States General Accounting Office  
Washington, DC 20548

Dear Mr. Rezendes:

Thank you for the opportunity to comment on the proposed report entitled Personnel Security: Efforts by DOD and DOE to Eliminate Duplicative Background Investigations (GAO/RCED-93-23). We have reviewed the proposed report and offer the following:

- On page 3, the second paragraph under BACKGROUND shows that OPM completed 64,000 background investigations. This figure represents only those investigations where field work was required. In the same year, we also completed approximately 175,000 National Agency Check (NAC) and National Agency Check & Inquiry (NACI) investigations, of which about 20,000 were for the Department of Energy (DOE) for lower level security clearances.

- The report tends to give the impression that the data bases of the Department of Defense (DOD), DOE, and OPM are all basically the same in scope and content. This is not the case. The DOD and DOE systems are agency-specific while the OPM system includes a much broader data base. Federal agency personnel security policy was mandated in 1953 by E.O. 10450. This order required OPM to create and maintain a Security/Suitability Investigations Index (SII) and directed all Federal agencies to furnish promptly to OPM the appropriate information for inclusion in this index. We have maintained this index since that time, automating it in 1984. The order further directed OPM to assure agency compliance with the order through a continuing program of security appraisal and assistance.

- In addition to the electronic linkages discussed in the report, we have a computer tape exchange with the Federal Bureau of Investigation. As mentioned in your report, we are also working to establish a link with the Central Intelligence Agency. This we believe will enhance the utility of the OPM data base and is in keeping with OPM's responsibilities under E.O. 10450.

Now on p. 2.

Appendix V  
Comments From the Office of Personnel  
Management

Now on p. 7.

Mr. Victor S. Rezendes

2

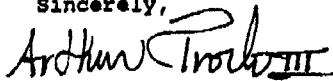
- The OPM Inspector General report mentioned on page 10 contained recommendations to improve management controls in our automated Personnel Investigations Processing System, including the SII data base. All of those recommendations have been implemented.

- Further addressing the data base reliability issue, all of our data entry functions include key verification which makes our system very reliable internally. As your report states, our security appraisals indicate that agencies are conscientious about providing accurate information.

- After OPM automated its own data base, we began discussions with DOD to try to create an automated linkage to replace the data inquiry terminal we had in place to access their system. We have been testing the compatibility and reliability of such a link. OPM has also begun the process of creating and testing the same type of link with the DOE data base.

OPM has a major responsibility in the government-wide personnel security program and we take that responsibility very seriously. We will continue our efforts to assure the efficiency and reliability of our systems in this regard. Again, thank you for the opportunity to comment on the proposed report. If you have any questions or need further information, please feel free to contact my office.

Sincerely,

  
Douglas A. Brook  
for Acting Director



# Comments From the Central Intelligence Agency

Central Intelligence Agency



Washington, D.C. 20505

17 February 1993

Mr. Victor S. Rezendes  
Director, Energy and Science Issues  
United States  
General Accounting Office  
Washington, D.C. 20548

Dear Mr. Rezendes:

I am responding on behalf of the Director of Central Intelligence (DCI) to your request for comments on the proposed GAO report entitled Personnel Security: Efforts by DOD and DOE to Eliminate Duplicative Background Investigations.

The CIA is dedicated to the elimination of duplicative background investigations and to reducing the overall costs associated with security, both in government and industry. The CIA has been and will continue to be a leader in such efforts as the National Industrial Security Program (NISIP), a government and industry effort to reduce security-related costs by standardizing security practices where possible and eliminating unnecessary security requirements.

We believe that the Single Scope Background Investigation (SSBI) established by National Security Directive 63 in October 1991 essentially eliminates duplicative background investigations for Top Secret and SCI clearances. CIA does not view the SSBI requirement as discretionary. Nor do we view the escape clauses contained within the NSD 63's transferability clause as allowing for duplicative investigations. Indeed, any additional background investigations done pursuant to these clauses would be as a result of "substantial information" indicating that the subject does not meet the SSBI requirements, or when the agency head determines in writing that accepting completed background investigations would not be in the national security interests of the United States. Under these standards, any additional investigation would not be duplicative, but rather, necessary to resolve security concerns. CIA views these clauses as prudent security measures and not as loopholes allowing for duplicative background investigations.

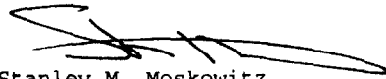
**Appendix VI  
Comments From the Central Intelligence  
Agency**

Mr. Victor S. Rezendes

CIA also is dedicated to streamlining its practices and procedures for the sharing of background information with other federal agencies. We are concerned, however, that some proposals for the electronic sharing of background investigations may be cost prohibitive. In addition, CIA personnel and individuals applying for employment with CIA often are required to perform clandestine functions and their association with the CIA cannot be publicly disclosed or routinely disclosed to other federal agencies who do not have a legitimate need-to-know. Thus, CIA supports the electronic sharing of information as long as resources are available to do so and as long as we are able to protect the security of our officers under cover.

Once again, thank you for giving us the opportunity to review this draft report.

Sincerely,



Stanley M. Moskowitz  
Director of Congressional Affairs

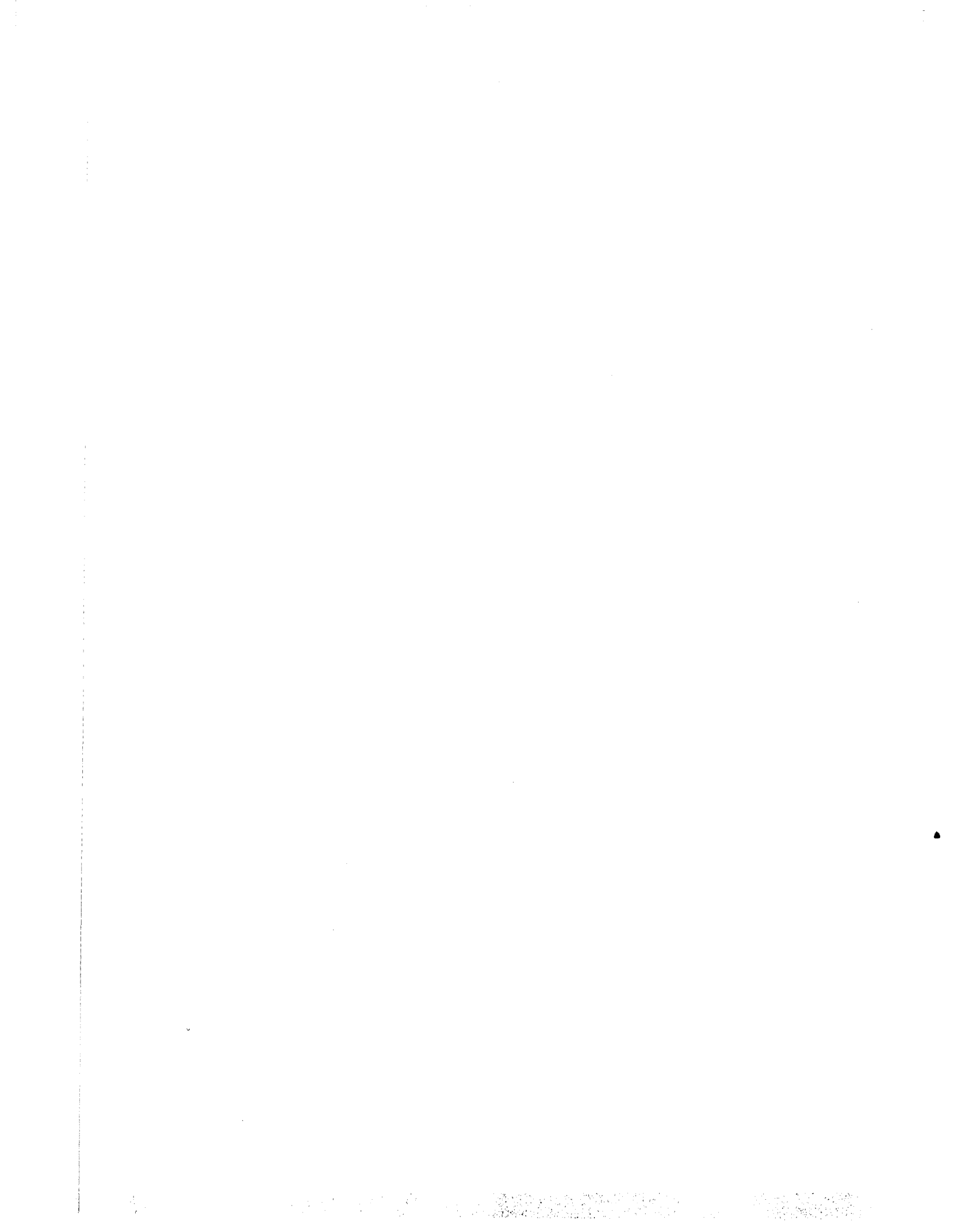
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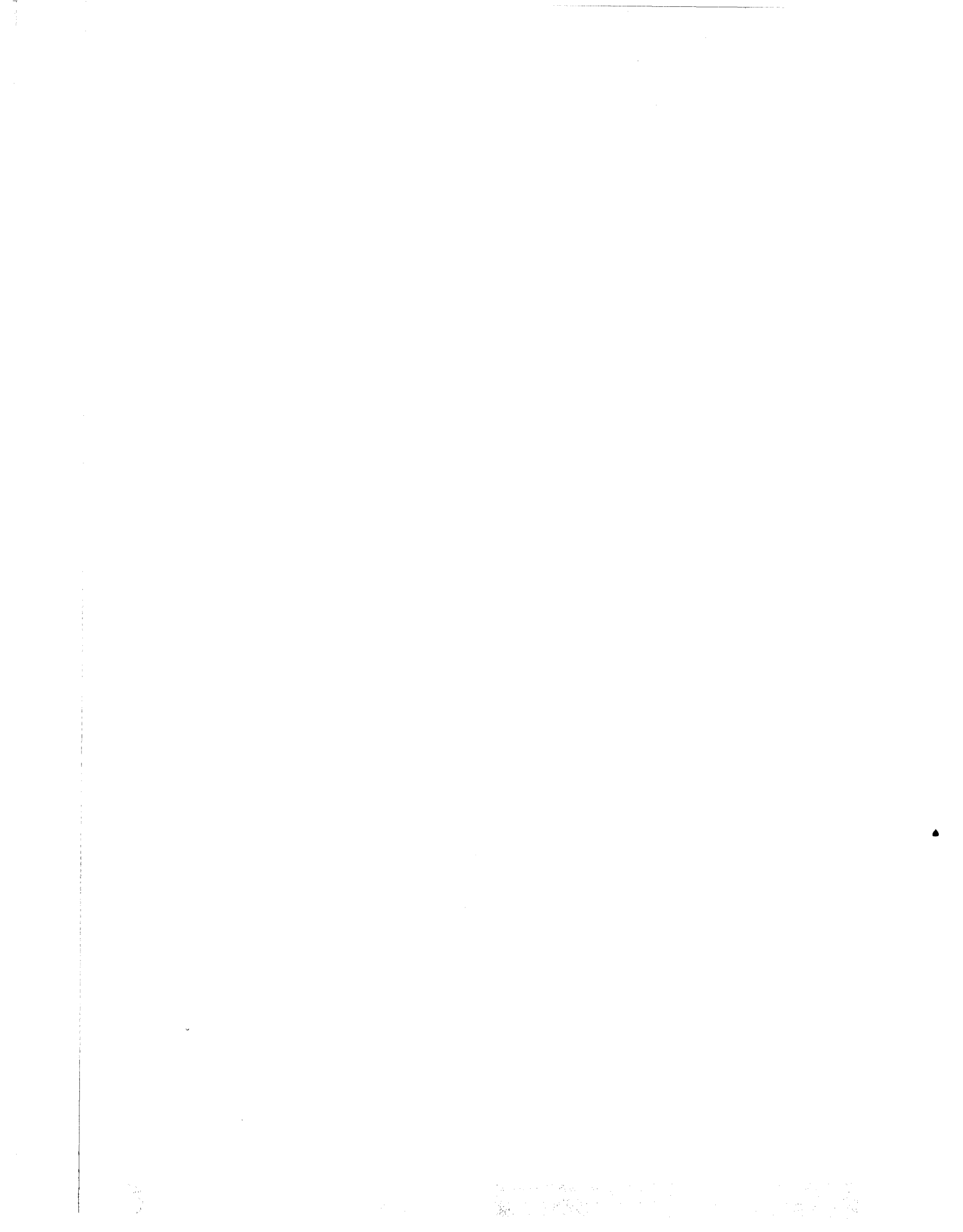
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