Audit Report

DEPARTMENT OF DEFENSE ADJUDICATION PROGRAM

Report No. 98-124 April 27, 1998

Office of the Inspector General
Department of Defense

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Acronyms

AIS	Automated Information System
DCII	Defense Clearance Investigation Index
DSS	Defense Security Service
DMRD	Defense Management Report Decision
JPAS	Joint Personnel Adjudication System
NAC	National Agency Check
PERSEREC	Defense Personnel Security Research Center
SAP	Special Access Program
SCI	Sensitive Compartmented Information
SSBI	Single Scope Background Investigation
WHS	Washington Headquarters Services

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April 27, 1998

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE)

SUBJECT: Audit Report on the Department of Defense Adjudication Program (Report No. 98-124)

We are providing this audit report for review and comment. We considered comments from the Acting Deputy Assistant Secretary of Defense (Intelligence and Security) on a draft of this report in preparing the final report. DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Deputy Assistant Secretary of Defense (Intelligence and Security) comments were generally unresponsive. We request additional comments on Recommendations 1., 3., and 4. by June 29, 1998.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Robert M. Murrell, Audit Program Director, at (703) 604-9210 (DSN 664-9210) or Ms. Judith I. Padgett, Audit Project Manager, at (703) 604-9217 (DSN 664-9217). See Appendix C for the report distribution. The audit team members are listed inside the back cover.

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Office of the Inspector General, DoD

Report No. 98-124 **April 27, 1998**
(Project No. 7RD-0048)

Department of Defense Adjudication Program

Executive Summary

Introduction. The DoD established the personnel security program to ensure that granting Federal employees, military personnel, contractor employees, and other affiliated persons access to classified information is clearly consistent with the interests of national security. The DoD has a multistep process to grant security clearances. The security clearance process includes a request made by the employing organization, an investigation performed by the Defense Security Service (formally known as the Defense Investigative Service), and an adjudication decision made by one of eight DoD adjudication facilities, down from 19 such facilities in 1991. The eight DoD adjudication facilities performed about 400,000 adjudicative actions in FY 1996.

Audit Objective. The audit objective was to determine the feasibility of further consolidating the DoD adjudication facilities.

Audit Results. DoD needs to improve and streamline procedures within the DoD adjudication program to provide consistent and timely security clearances and efficient customer service. Until such reforms are implemented, DoD organizations will experience contractor and government personnel employment delays, encounter multiple forms and procedures when obtaining security clearances, and have to obtain dual clearances for many individuals. Organizational consolidation is feasible but process reforms should be pursued regardless of the organizational structure of the investigative and adjudicative community. For details of audit results see Part I.

Summary of Recommendations. We recommend that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) implement a peer review program, establish training standards and an adjudicator development program, improve the use of the Defense Clearance Investigation Index, arrange for a copy of an individual's investigation report to be included with any statement of intents issued, and standardize the forms customers use to request personnel security actions.

Management Comments. We received comments on the draft of this report from the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) and the Director for Administration and Management. The Office of the Assistant Secretary commented that the report did not address the potential benefits or drawbacks of consolidating the adjudication facilities. According to the Office of the Assistant Secretary, the report dismisses consolidation as a viable option even though consolidation could result in indirect savings and efficiencies.

The Office of the Assistant Secretary partially concurred with implementing a peer review program, showing a DoD clearance code in the Defense Clearance Investigation Index, and providing an individual with their investigation report when the adjudication facility issues a letter of intent to deny or revoke a clearance. The Office of the Assistant Secretary concurred with establishing a continuing education standard for adjudicators and standardizing the forms used in personnel security processing.

The Director agreed with implementing a peer review program, standardizing the forms used in personnel security, establishing continuing education, showing a DoD clearance code in the Defense Clearance Investigation Index, and providing an individual with their investigation report. He also expressed strong support for the current adjudication facilities structure. See Part I for a summary of management comments and Part III for the complete text of the comments.

Audit Response. The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) comments were generally unresponsive. The audit confirmed that consolidating the adjudication facilities is a feasible policy option to the Office of the Assistant Secretary. We did not identify any prohibitions that prevent the Office of the Assistant Secretary from deciding to consolidate the adjudication facilities. However, we did note a lack of consensus among users and operators of adjudication facilities regarding the merits of consolidation from a customer service standpoint. The comments received from the Director for Administration and Management further illustrated that observation. In the absence of any known DoD decision to consolidate the facilities, we believe that measures must be taken to streamline and standardize processes and data elements.

The Office of the Assistant Secretary comments did not adequately address recommendations concerning implementing a peer review program within the DoD adjudication program; using a DoD clearance code rather than a facility specific code in security clearance databases; and including a copy of an individual's investigation report with any statement of intent issued. We request that the Office of the Assistant Secretary provide additional comments on those recommendations by June 29, 1998.

The comments from the Director for Administration and Management were responsive to the recommendations, although we disagree with the comment that further consolidation of the DoD adjudication facilities would not ever be feasible. No further comments from the Director are required.

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Part I - Audit Results

Audit Background

DoD Personnel Security Program. DoD Regulation 5200.2-R, "DoD Personnel Security Program," reissued with expanded direction and procedures in January 1987,[1] implemented the Federal personnel security program in DoD. The program mission is to ensure that Federal employees, military personnel, contractor employees, and other affiliated persons are granted access to classified information in a manner clearly consistent with the interests of national security. To obtain a clearance, an individual must have a current, completed, and adjudicated investigation. On November 1, 1995, the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) approved change 3 to DoD Regulation 5200.2-R which implemented two significant provisions of Executive Order 12968 pertaining to revised due process procedures and uniform guidelines for adjudication of security clearances

Executive Order 12968. On August 2, 1995, the President signed Executive Order 12968, "Access to Classified Information." The Executive Order established a uniform Federal personnel security program. The program applies to Federal employees, military personnel, and contractor employees whose department, agency, or company requests that they have access to classified information. The Executive Order requires that all Federal Departments and agencies reciprocally accept background investigations conducted by any other Federal Department or agency to grant access to classified information. Further, the Executive Order revised the due process procedures and established uniform adjudication guidelines for all DoD clearances (confidential, secret, and top secret), and access to Sensitive Compartmented Information (SCI), and Special Access Programs (SAPs).

Security Clearance Process. DoD Components send requests for investigations to the Personnel Investigations Center (the Center), a subordinate organization of the Defense Security Service (DSS)[2]. The Center initiates an investigation by sending investigative leads to DSS field offices throughout the United States. Agents in the field offices complete the leads and send the information back to the Center, which collects all investigative leads and forwards the information to

[1]The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) is updating DoD Regulation 5200.2-R for expected issuance in early 1998.

[2] The Defense Investigative Service was renamed the Defense Security Service in November 1997.

one of eight DoD adjudication facilities[3] for the adjudication phase. The adjudication facility makes a decision to either grant, deny or revoke a clearance based on the investigative information that DSS provides and the uniform adjudication guidelines. The adjudication facility forwards the decision to the DoD Component that requested the clearance.

Audit Objectives

The audit objective was to determine the feasibility of consolidating the DoD adjudication facilities. See Appendix A for a discussion of the audit process. See Appendix B for a summary of prior coverage related to the objective.

[3]The eight DoD adjudication facilities are the Army, Navy, Air Force, Joint Staff, Defense Intelligence Agency, National Security Agency, Washington Headquarters Services, and the Defense Office of Hearings and Appeals.

Improving the DoD Adjudication Program

Consolidating the DoD adjudication facilities is feasible. However, with or without consolidation, DoD needs to improve and streamline procedures within the DoD adjudication program to provide consistent and timely security clearances and efficient customer service. Consistent, timely security clearances and efficient customer service have been impeded because management has not regularly emphasized changes and improvements to the program. As a result, DoD organizations experience contractor and government personnel employment delays, encounter multiple forms and procedures when obtaining security clearances, and obtain dual clearances.

Types of Security Clearances and the Effect on the Adjudication Process

DoD has three basic security clearance levels: confidential, secret, and top secret. The effort needed to grant each level of clearance varies in the scope of the investigation and the amount of information considered in the adjudication. Confidential and secret clearances require a minimum of investigative and adjudicative effort, while top secret clearances require additional steps and information.

Confidential and Secret Clearances. The basic investigative method for confidential and secret clearances is the National Agency Check (NAC). A NAC is a records check of Federal Government agencies that maintain information relevant to making a personnel security determination. That records check covers a period of 5 years or the years back to the subject's eighteenth birthday, whichever is shorter. At a minimum, a NAC includes checks of prior DoD investigative files and inquiries of the Federal Bureau of Investigations; however, a NAC may also include checks with other agencies such as the Department of State, Department of Treasury, Central Intelligence Agency, or Office of Personnel Management.

In addition to a NAC, the adjudicative guidelines developed in response to Executive Order 12968 require that a confidential or secret clearance include verification of the subject's financial status and date and place of birth. Financial status is verified through credit bureau checks.

Top Secret Clearances. The investigative method for a top secret clearance is a single scope background investigation (SSBI). An SSBI is more

comprehensive in scope than the investigations for confidential and secret clearances. In addition to the NAC, credit bureau check, and date and place of birth verification, an SSBI requires:

- verification of U.S. citizenship;
- corroboration of educational degree or diploma claimed;
- confirmation of employment (includes personal interviews with supervisors, coworkers, or both) and military service;
- examination of public records to verify or reveal divorces, bankruptcies, or court actions; and
- interviews of neighbors and persons who have social knowledge of the subject.

An SSBI also covers a longer period of time, 10 years.

Effect on the Adjudication Process. Generally, the adjudication facilities take less time to grant a confidential or secret clearance than a top secret clearance. An adjudicating official must review all the information, resolve conflicting reports, and decide whether to grant the type of clearance sought. The adjudicator must review significantly more information for an SSBI because of the longer period covered and additional investigative steps.

Procedures Within the DoD Adjudication Program

The DoD needs to improve and streamline procedures within the adjudication program to provide consistent and timely security clearances, and more efficient customer service.

Consistently Adjudicated Security Clearances. The Joint Security Commission issued a report, "Redefining Security," February 28, 1994, that examined the processes used to formulate and implement security policies in DoD and the Intelligence Community. The report included a review of the adjudication process. It stated that even though DoD and the Intelligence Community established procedural safeguards in the adjudication process, the Commission:

> . . . remains concerned about the lack of reciprocity of adjudications. Efforts are underway to establish standard adjudicative criteria for the entire community and these must be brought to fruition.

In March 1997, the President approved a single set of adjudication guidelines for all security clearances and SCI access, with reciprocity as the national objective.

However, within DoD, an employee's security clearance and SCI access must be administratively transferred or reciprocally accepted by the gaining DoD adjudication facility when the employee moves from one DoD organization to another. While much improved over past practice, a transfer or acceptance still entails paperwork and administrative action and reciprocal acceptance is not automatic.

To illustrate the administrative process, an individual who moves from an Army location to a Navy location must have a Navy adjudication facility clearance line added in the Defense Clearance and Investigations Index (DCII)[4] to replace the Army adjudication facility clearance line. The clearance transfer may be delayed a week to several months, even though the person was fully eligible for a security clearance and program access. DoD contractors who work with multiple DoD SCI and SAP authorities may also experience reciprocity and administrative delays in obtaining clearances and access.

Timely Adjudicated Security Clearances. Customers of the adjudication facilities expressed dissatisfaction with the time the adjudication facilities took to decide cases with unfavorable information. However, the customers and six of the eight adjudication facilities did not keep statistics about timeliness by type of request (single scope background, NAC, or periodic reinvestigation) and type of information found (favorable or unfavorable) about the clearance applicant. The customers and the adjudication facilities had not established parameters or goals for case timeliness.

The Army adjudication facility maintained the most detailed statistics. The statistics for October 1996 through June 1997, showed that SSBIs with favorable information were in the adjudication process an average of 11 days; with unfavorable information that were not appealed 153 days; and with unfavorable information that were appealed 212 days. For the same period, the Air Force showed 15 days to process the combination of SSBIs with favorable information and unfavorable information that were not appealed. The Air Force adjudication facility experienced an average process of 360 days (including appeals) for cases with unfavorable information. Although Navy and Washington Headquarters Services (WHS) did not maintain detailed statistics, personnel from those adjudication facilities estimated that cases with unfavorable information (with no appeals) were in process 45 to 60 days for the Navy and 14 to 150 days for WHS.

[4] The DCII is a computer application and database used to store and process files containing personnel security clearance information.

Without tracking performance against an agreed-upon standard for case timeliness, neither the customer nor the adjudication facility could determine whether long-lived adjudication cases were a common occurrence or a problem.

Efficient Customer Service. Customer service to DoD, and particularly the Joint Combatant Commands, has improved since 1993. However, the Joint Combatant Commands, with personnel from all services, could benefit from interchangeable processing for clearances, SCI access, or SAP access. As of July 1997, the Joint Combatant Commands use guidance and forms specific to the adjudication facility to process personnel security clearances and report adverse actions. The variation in processing and forms can be confusing for personnel supporting the Joint Combatant Commands personnel security function. Some personnel supporting the personnel security function operate without formal training, as an additional duty.

Management Emphasis Could Improve Adjudication Program Services

Although certain commendable process reengineering initiatives have been made, additional improvements are necessary to provide across the board improvement in consistent, timely security clearances and efficient customer service. To date, management has focused principally on responding to the Defense Management Report Decision (DMRD) No. 986, "Consolidation of Personnel Security Adjudication in DoD," December 11, 1992, and establishing the policy to meet Executive Order 12968, "Access to Classified Information," August 2, 1995.

Action Proposed by DMRD 986. The Deputy Secretary of Defense approved the DMRD No. 986 alternative to consolidate DoD personnel security adjudication facilities from 19 to 8 facilities. DMRD No. 986 states, "The large number of facilities results in an inefficient system where oversight is difficult and policy implementation inconsistent." The Deputy Secretary of Defense based his decision on a study done by the Defense Personnel Security Research Center (PERSEREC). PERSEREC studied the potential for achieving improved efficiency and effectiveness through consolidating DoD adjudication facilities and issued the report, "Consolidation of Personnel Security in DoD," October 1991. The report identifies consolidation options to either merge all facilities excluding the National Security Agency; or to remain in the current configuration.

Requirements of Executive Order 12968. The intent of Executive Order 12968 is to consolidate the various policies regarding personnel security that different agencies have previously issued. The Order establishes uniform policy procedures for all agencies when deciding whether to issue or renew a

clearance, define job-based need for access, and initiate standards for investigating and adjudicating clearances. Specifically, Executive Order 12968 requires that the Security Policy Board establish a single set of adjudicative guidelines. The President approved those guidelines on March 24, 1997.

Defense leaders executed the approved DMRD No. 986 alternative in 1993 and DoD developed policy to comply with Executive Order 12968 and the approved guidelines. Although reciprocity of a clearance in DoD has improved since 1993, management could further improve reciprocity and the adjudication process by emphasizing the following areas: oversight of the adjudication process, continuing training for adjudicators, facilitating appeals of denials and revocations, and more effective use of the DCII.

Oversight of the Adjudicative Process. The Joint Security Commission reported in "Redefining Security," February 1994, that "The establishment and *enforcement* [emphasis added] of a single adjudicative standard would eliminate the need for costly readjudications." Inconsistent application of the standards occur in the adjudication program because the system is not accountable to any one office. While it is the responsibility of DoD management to enact policies and procedures, no office is assigned the responsibility to ensure that the various facilities consistently implement those polices and procedures. Additionally, there are no established standards on resource management and productivity to effectively measure an adjudication facility.

In order to ensure compliance and consistent application of policies and procedures across the adjudication facilities, a peer review system could be implemented. Such reviews are common within the Inspector General community as well as public accounting firms. These reviews serve to ensure that the work produced meets quality control standards. The reviews would ensure that established polices and procedures are being consistently applied across all DoD adjudication facilities, and would also identify areas for improvement.

Continuing Training for Adjudicators. DoD adjudicators are not receiving continuing education training in specified time frames, nor do they have training development plans to be able to work towards a "certificate of adjudication." Training together would increase reciprocity and trust among the adjudication facilities. Additionally, DoD SCI access and security clearance adjudicators should work and train in the same environment. Such consistency could foster enhanced credibility throughout Government agencies. DoD could more readily ask other Government agencies to reciprocally accept DoD clearances, eliminating excessive and unnecessary delays caused by obtaining investigative dossiers and conducting another adjudication.

Facilitating Appeals of Denials and Revocations. If an adjudicative facility denies or revokes a clearance, it issues a letter of intent stating the reason for

the denial or revocation. It is up to the individual to obtain their file to determine the exact cause of the denial or revocation if they want to appeal the decision. That process can be facilitated by having each adjudication facility obtain approval from DSS to provide the individual a copy of their investigation file along with a statement of the reason their clearance was denied or revoked. Currently, WHS has an agreement with DSS that allows WHS to release the DSS file to the individual. Including the report of investigation along with the letter of intent to deny or revoke a clearance decreases the appeal process time, provides a modest cost savings, and better utilizes the adjudicators' time.

More Effective Use of the DCII. The DCII is a database listing all cleared employees of the DoD. Among other elements, DCII entries currently show which adjudication facility granted the clearance. Every time an individual is readjudicated, the adjudication facility enters the data into the DCII. The DCII could be changed so that the adjudicating office no longer is identified in the entry, and all clearances are considered DoD-wide clearances. A DoD clearance code would reduce review processes, eliminate performing redundant adjudications, and improve efficiencies, particularly for individuals who are transferred or hold multiple positions (for example, a contractor who belongs to the Air National Guard). The DoD label would force reciprocity and eliminate adjudication facilities second guessing each other or performing redundant adjudications.

Management Initiatives for Improving Adjudication Program Services

DoD management is developing the Joint Personnel Adjudication System (JPAS) to improve communication and information-sharing among adjudication facilities. In addition, the Army and WHS have established prioritization plans, and the Air Force has explored a plan for prescreening cases with only favorable information in order to expedite clearances.

Development of JPAS. Management has made progress on the JPAS system that will give the adjudication facilities a common automated information system (AIS) to support the adjudication program. The PERSEREC consolidation study estimated that AIS would be a significant cost in any consolidation. JPAS will replace the current systems with integrated data bases, distributed processing, and common and facility-unique application programs. The JPAS will allow distribution of shared and reusable information to DoD adjudication facility customers and other interfacing organizations. That common information and processing capability is expected to promote standardization and reengineering of common personnel security and adjudication processes.

Another reason the DoD adjudication facilities are developing the JPAS is to respond to DSS development of the Case Control Management System to automate the investigation process. JPAS will enable the DoD adjudication facilities to receive reports of investigation electronically from DSS. Phase I of JPAS is scheduled to be complete when the Case Control Management System becomes operational in the second quarter FY 1998. The DoD adjudication facilities plan eventually to link all the DoD adjudication facilities to each other and to their respective customer agencies using JPAS. That capability should increase the timeliness of clearance notification to end users, eliminate the unique computer systems the adjudication facilities use, and improve customer service.

Army, Air Force, and WHS Adjudication Facilities Improvements in Adjudication Process. Both the Army and the WHS adjudication facilities established case prioritization procedures for adjudicating clean cases (a case without any unfavorable information reported on the security questionnaire or any of the reports of investigation). The Army Central Personnel Security Clearance Facility Management Division identifies clean cases and reviews those cases first to determine whether the DoD adjudication facility should grant a clearance. The Director, WHS, identifies clean cases and assigns them to two adjudicators who adjudicate only clean cases. The procedures established at those two adjudication facilities have resulted in clean cases adjudicated in 1 or 2 days. The process changes implemented by the Army and WHS adjudication facilities can be used to improve the overall adjudication process.

The Air Force signed a memorandum of understanding with the Personnel Investigations Center (the Center), regarding clean case screening. The memorandum stipulates that the Center will screen all Air Force SSBIs, SSBI periodic reinvestigations, secret periodic reinvestigations, and special access program periodic reinvestigations for the Air Force adjudication facility. The Center will forward the completed investigation to the Air Force adjudication facility for special programs[5] cases that it marks "clear," and the Air Force adjudication facility will fully adjudicate those cases. The Center will not send the completed investigation to the Air Force adjudication facility for cases not identified as special programs cases and marked "clean." The Center will instead send the marked DD Form 1879[6] or Standard Form 86[7] to the Air Force adjudication facility so that a clearance entry may be made in the DCII. Although not specifically stated in the memorandum of understanding, the Air

[5]Sensitive compartmented information access, presidential support, limited access authorizations, or Air Force Office of Special Investigations personnel.

[6]DoD request for a personnel security investigation submitted by the requesting agency.

[7]Personnel Security Questionnaire completed by the subject.

Force adjudication facility stated that the objective of the case screening program is to improve case processing time and utilize personnel more efficiently. The Air Force adjudicators have reviewed 19 percent of the cases the Center identified as clean to verify that the screening process is working effectively.

Impact of Adjudication Services on Customers and DoD

Management has not regularly emphasized the need for changes and improvements to the adjudicative program. Therefore, DoD organizations have experienced contractor and government personnel employment delays, security offices use multiple forms and procedures when obtaining security clearances, and DoD employees sometimes obtain dual clearances.

Personnel Employment Delays. The duplication and complexities that exist in the adjudication program increase the time required for the adjudication process. The average time for the DSS to complete a case is 180 days, and the average time for an adjudication facility to review a case is anywhere between 14 days and 180 days. Individuals in positions that require clearance are unable to work in their full capacity until the clearance is granted.

Multiple Forms and Procedures. DoD organizations encounter multiple forms and procedures when obtaining security clearances. At the time of the audit, the Joint Combatant Commands operate using adjudication facility-specific guidance and forms for processing personnel security clearances and reporting adverse actions. Procedures to request clearance status, report derogatory information, transfer clearances, and grant interim clearances differ from one adjudication facility to another. DoD organizations are required to submit a service-specific form to initiate these procedures. The various forms, DA Form 5247-R, OPNAV 5510/413 and AF Form 2583, all contain the same information. In some cases, a facility may not require a form and only asks for a telephone, facsimile, or e-mail inquiry. The variation in procedures and forms can be confusing for personnel supporting the Joint Combatant Commands who perform the personnel security function on a rotational basis without formal training.

Duplicated Clearances. Adjudication facilities are carrying out unnecessary tasks by issuing clearances to personnel that already have clearance with another DoD organization. The existing system creates those situations when an individual leaves the employ of one service to work with another service, or when an individual works as a DoD civilian as well as a military reservists or DoD contractor. Although the individual has a clearance, the gaining DoD organization has to submit paperwork to obtain a service-specific clearance for the individual. The gaining adjudication facility will review the DSS case or the

DCII and decide whether to grant or deny a clearance. That process is not an efficient use of the adjudicator's time because another adjudicator has already deemed the individual to be trustworthy to receive a security clearance. Consistent application of the adjudication standards would enhance adjudication facilities' credibility throughout DoD and diminish excessive and unnecessary delays.

Consolidation as a Means to Attain Program Improvement

Consolidation of the adjudication facilities is feasible, although there are mixed views on its merits.

In the opinion of the Joint Security Commission, as stated in its February 1994 report, consolidation of adjudication facilities in DoD would improve efficiency, effectiveness, and consistency within the program; increase timeliness and customer responsiveness; and provide direct cost savings. Consolidation would simplify customer service because a consolidated adjudication facility would need only one AIS, one set of forms, and one set of procedures. A consolidated adjudication facility would encourage consistency through single management, systems, and procedures.

Whether timeliness and customer responsiveness would improve under consolidation is less predictable. WHS, which became the consolidated Defense Agency adjudication facility in 1993, asked security officers in 11 agencies whether further consolidation would be good for them as customers. Of the 11 security officers, 7 saw no benefit, 1 strongly endorsed, and 3 said it would be "okay". Less responsiveness and "getting lost in the shuffle" were among the concerns expressed. Significant direct cost savings from consolidating adjudication facilities seem unlikely. In the past, cost savings have generally come from personnel reductions. The 1991 PERSEREC study estimated the staffing level for two adjudication facilities would be 644 full-time personnel. The current staffing level of the eight adjudication facilities is 409.5 full-time personnel. Further staffing decreases must be considered in the context of the Assistant to the President for National Security Affairs admonishment in the May 24, 1997, transmittal of the approved investigative and adjudicative guidelines:

> Since the President approved Executive Order 12968, it has been brought to my attention that some departments and agencies have continued reducing resources devoted to counterintelligence and security activities. In some cases, the downsizing of these functions may be disproportional to the threat and the workload. These new Guidelines and Standards, incorporating the lessons learned from the Ames, Nicholson and Pitts espionage cases, should be fully

> implemented, which cannot occur with inadequate resources. . . . Therefore, in implementing these new Guidelines and Standards, you should ensure that sufficient attention is given to budgeting for the requirements contained therein.

The cost savings of staffing reductions likely would be offset in the near term by costs to physically consolidate the adjudication facilities but the efficiencies of a consolidated adjudication facility may increase savings over the long term. We did not conduct an economic analysis of the many alternatives.

Management Comments on the Finding and Audit Response

The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments. The Office of the Assistant Secretary commented that the report did not address the potential benefits or drawbacks of consolidating the adjudication facilities. According to the Office of the Assistant Secretary, the report dismisses consolidation as a viable option even though consolidation could result in indirect savings and efficiencies.

Audit Response. Nothing in this report dismisses any option. We did not identify any legal or regulatory prohibitions that prevent the Office of the Assistant Secretary from deciding to consolidate the adjudication facilities, although there are mixed views on the merits of consolidation among facility users and operators.

Recommendations, Management Comments, and Audit Response

We recommend that the Assistant Secretary of Defense (Command, Control Communications, and Intelligence):

1. **Implement peer review within the DoD adjudication program.**

The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments. The Office of the Assistant Secretary agreed that every program should welcome scrutiny, but doubted that internal resources would be available to conduct peer reviews and that personnel security experts from non-DoD agencies would provide added value. The Office of the Assistant Secretary further stated that sufficient equivalent peer review mechanisms are already in place.

Audit Response. The Office of the Assistant Secretary comments were not fully responsive to Recommendation 1. Although the Office of the Assistant Secretary agreed that programs benefit from scrutiny, it proposed no actions to provide such scrutiny for the adjudication program. It cites resource shortages as a reason for not proposing action. We recognize that resource availability constrains many DoD organizations, yet some of those organizations perform peer reviews. Obviously, a peer review program would have to be carefully designed to consider resource constraints. We did not intend for DoD to obtain review services from non-DoD sources, but rather from DoD organizations. The Office of the Assistant Secretary further stated that sufficient equivalent peer review mechanisms are already in place, but did not describe the guidance, function, or effectiveness of those existing mechanisms. We request that the Office of the Assistant Secretary reconsider its position and provide additional comments on Recommendation 1. If systematic review procedures are already in place, and we found none, we request that the Office of the Assistant Secretary clarify what they are.

2. Establish continuing education standards and a program to encourage the development and certification of professional adjudicators.

The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments. The Office of the Assistant Secretary agreed with establishing continuing education and professional certification programs; programs that were long-standing goals. It stated that DoD expects a continuing education course to be in place by June 1998 and the Security Policy Board is expected to propose a professional adjudicator certification program by the end of calendar year 1998.

3. Require each adjudication facility to show a DoD clearance code rather than a facility-specific clearance code in the Defense Clearance Investigation Index.

The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments. The Office of the Assistant Secretary stated that a DoD clearance code would make sense only if DoD consolidated the adjudication facilities. According to that Office, without consolidation the cost of systems revisions to use one code and to provide accountability, produce management reports, and automatically update the various military and civilian personnel databases could have a negative cost benefit. It further stated that the eight adjudication facilities routinely and reciprocally accept each other's clearances with little time or administration expended.

Audit Response. The Office of the Assistant Secretary comments were not responsive to Recommendation 3. We disagree that a DoD clearance code would provide function only if DoD consolidated the adjudication

facilities. Whether or not DoD consolidates the adjudication facilities, the DoD will have to account to Congress for the clearances granted, produce management reports by Service and Agency, and automatically update the various military and civilian personnel databases. A DoD clearance code implements standardization consistent with Executive Order 12968 and the Security Policy Board guidelines. The management position on this data element standardization issue is inconsistent with overall DoD and Office of the Assistant Secretary policy on data element standardization. We request that the Office of the Assistant Secretary reconsider its position and provide additional comments on Recommendation 3.

4. Arrange for a copy of an individual's investigation report to be provided along with a letter of intent to deny or revoke clearance.

The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments. The Office of the Assistant Secretary partially agreed with the recommendation to provide investigation reports and pointed out that one facility follows the practice. However, the Office of the Assistant Secretary considered providing investigation reports an unreasonable workload for larger facilities because of the privacy reviews needed and an unnecessary vulnerability to disclosure of privacy act information. When fully implemented in FY 1999, according to the Office of the Assistant Secretary comments, the Case Control Management System could provide a feasible and cost effective means for the adjudication facilities to print out an individual's entire investigation report.

Audit Response. The Office of the Assistant Secretary of Defense comments were not responsive to Recommendation 4. We disagree that providing investigation reports would unduly burden the adjudication facilities because the review process to select relevant documents to a particular action has already established the workload. In addition, the vulnerability to disclosure of personal information does not significantly change whether one document or many relevant to a case are released or whether personal information is printed by copying paper records or computer files. Therefore, as part of its oversight role, the Office of the Assistant Secretary should implement procedures to provide a copy of an individual's investigative report along with a letter of intent. We request that the Office of the Assistant Secretary reconsider its position and provide additional comments on Recommendation 4.

5. Standardize the request and report forms that customers must use for personnel security actions.

The Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments. The Office of the Assistant Secretary agreed with standardizing request and report forms and described automation efforts that will meet the intent of the recommendation. The Joint

Personnel Adjudication System will eliminate redundant systems and use common data standards. The Office of the Assistant Secretary expects the Joint Personnel Adjudication System to be completed by the end of FY 1999 and to fully implement this recommendation beginning in FY 2000.

See Part III for the complete text of the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) comments.

Director for Administration and Management Comments. Although not required to comment, the Director for Administration and Management generally agreed with the recommendations. The Director expressed reservations regarding peer reviews among the adjudication facilities because of resource and workload constraints. The Director reiterated the position that the adjudication process could be improved without consolidating the adjudication facilities and objected to terming further consolidation as feasible. The complete text of the Director for Administration and Management comments is in Part III.

Part II - Additional Information

Appendix A. Audit Process

Scope

This audit did not include an evaluation of the management control program because consolidating adjudication facilities is a policy option. Therefore, management controls would not apply to the objective as they would to an assessment of ongoing operations.

Methodology

To assess the feasibility of consolidating adjudication facilities, we sent data request packages to the eight adjudication facilities requesting information on their operating costs, staffing, work space requirements, and adjudication workload. We also asked for their opinions on the advantages and disadvantages of consolidating all adjudication facilities to create one DoD facility. We analyzed the operating costs, budget, staffing levels, and productivity statistics of each adjudication facility for FYs 1994 to 1997. We interviewed officials from the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence); DoD adjudication facilities; and other DoD Components. We did not perform an economic analysis of consolidation options because of the multiplicity of potential options and the lack of any stated DoD consolidation plans that would have helped define the most likely options.

Audit Type, Dates, and Standards. We performed this program audit from July 1 through October 30, 1997, in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. We did not assess the reliability of the computer-processed data provided by the adjudication facilities because the data included in the report are for informational purposes and are not relevant to the audit results. We did not use statistical sampling procedures for this audit.

Contacts During the Audit. We visited or contacted individuals and organizations within the DoD and Government contractors that receive security clearances. Further details are available on request.

Appendix B. Summary of Prior Coverage

General Accounting Office, Report No. NSIAD-95-101 (OSD Case No. 9869), "Background Investigations," March 24, 1995. The audit objective was to evaluate the Federal processes for conducting background investigations, deciding an individual's suitability for government employment, and determining whether an individual meets established criteria for access to classified information. The issue relevant to our audit discussed the feasibility of having one central agency conduct all background investigations and adjudication functions. The report concluded that it may be feasible to have such a central agency, however; consolidation could result in less agency control over the process and reduce the extent to which an individual agency's requirements and priorities are met. The report did not contain any recommendations.

Inspector General, DoD, Report. 98-067, "Access Reciprocity Between DoD Special Access Programs," February 10, 1998. The report states that the Navy and the Air Force generally did not reciprocally acknowledge special access program security eligibility determinations adjudicated within and between their respective Military Departments. The report also states that although the Army established reciprocity within Army special access programs, Army access criteria was not reciprocal with Navy and Air Force special access program access criteria. As a result, Navy and Air Force special access programs implemented inefficient and redundant processes that were contrary to good business practices. In addition, the lack of reciprocity impeded access within DoD special access programs, and potentially increased contractor overhead costs to the Government and delayed performance on contracts. The report recommended that the appropriate offices within the Office of the Secretary of Defense develop standardized special access program security eligibility implementing criteria; establish policy, assign responsibilities, and develop operating procedures for a DoD centralized special access program data base; develop a special access critical information update form; and establish, compartment, and train a cadre of special access adjudicators. In addition, the report recommended that the Military Department central coordinating offices establish reciprocity by accepting access security eligibility determinations already made and establishing points of contact to identify individuals already accessed to a program.

The Office of the Under Secretary of Defense for Acquisition and Technology and the Office of the Deputy to the Under Secretary of Defense for Policy for Policy Support basically concurred with the recommendations of the report. Both offices commented that actions were currently underway to address the finding and recommendations identified in the report. The Navy concurred with the recommendations, the Army partially concurred with the recommendations, and the Air Force comments were not fully responsive.

Inspector General, DoD, Report No. 97-196, "Personnel Security in the Department of Defense," July 25, 1997. The audit objective was to determine the effectiveness and efficiency of the management of the DoD personnel security program. The audit reviewed procedures for investigating and adjudicating clearances for DoD civilian, military, and contractor personnel. The report concluded that the DoD personnel security program is in the process of making several improvements and made no recommendations.

Inspector General, DoD, Report No. 95-INS-15, "The Defense Investigative Service Inspection Report," September 21, 1995. The inspection evaluated the effectiveness and efficiency of the management programs and processes used by DSS to support its mission. The report concluded that methodologies for determining staffing requirements were not in place for 20 percent of DSS. As a result of not using standard methodologies, DSS could not ensure that the quantity and skill mix of personnel were appropriate to support mission requirements. The report recommended that DSS establish standard methodologies to ensure that all staffing requirements are based on uniformly applied standards. DSS responded that it was actively pursuing the most efficient structure for support services. That effort began during a conference DSS held in March 1997.

US Army Audit Agency, Report No. WR 94-215, "Installation Security Support," September 26, 1994. The audit objective was to determine if installation security support programs at Fort Huachuca, Arizona were effectively implemented. The report concluded that proper procedures were in place to ensure efficiently processed security requirements; however; the installation's security training program was inadequate. The audit team recommended that the Fort Huachuca Commands establish a joint command process action team of instructors and conduct joint quarterly training sessions with the career and non-career assistant security managers. The Commands nonconcurred with the recommendation.

Joint Security Commission, "Redefining Security," February 28, 1994. The Joint Security Commission report discussed the processes used to formulate and implement security policies in the DoD and the intelligence community. The Joint Security Commission concluded that the clearance process is needlessly complex, cumbersome, and costly. The Joint Security Commission made various recommendations that would create a new policy structure, enhance security, and lower cost by avoiding duplication and increasing efficiency. The President issued Executive Order 12968 in response to the Commission's report.

Appendix C. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
  Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
  Deputy Chief Financial Officer
  Deputy Comptroller (Program/Budget)
Under Secretary of Defense for Personnel and Readiness
Assistant Secretary of Defense (Command, Control, Communications, and Intelligence)
Assistant Secretary of Defense (Public Affairs)
Director, Administration and Management
  Chief, Security Policy, Personnel and Security Directorate, Washington Headquarters Services
  Chief, Consolidated Adjudication Facility, Personnel and Security Directorate, Washington Headquarters Services

Joint Staff

Chief, Joint Staff Security

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy
Assistant Director, Central Adjudication Facility, Naval Criminal Investigative Service

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force
Director, Directorate of Security and Communications Management, Headquarters, 497th Intelligence Group

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Intelligence Agency
  Inspector General, Defense Intelligence Agency
  Director, Central Clearance Facility Division, Counterintelligence and Security Activity, Directorate for Administration, Defense Intelligence Agency
Director, Defense Investigative Service
  Director, Defense Personnel Security Research Center
Director, Defense Logistics Agency
Director, Defense Office of Hearings and Appeals, Defense Legal Services Agency
Director, National Security Agency
  Inspector General, National Security Agency
  Director, Personnel Security Services, Office of Security, National Security Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division, General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Senate Select Committee on Intelligence
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on Government Management, Information, and Technology, Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
House Committee on National Security
House Permanent Select Committee on Intelligence

Part III - Management Comments

Asisstant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE

FEB 12 1998

MEMORANDUM FOR DIRECTOR, CONTRACT MANAGEMENT DIRECTORATE, DODIG

SUBJECT: Audit Report on the Department of Defense Adjudication Program (Project No. 7RD-0048)

This is in response to your December 8, 1997 memorandum which provided the subject draft report for final comment. Specific comments for each of the five recommendations for corrective action are contained at the attachment and represent only the views of OASD(C3I). While these comments were discussed with the other DoD Components that possess central adjudication facilities, they do not necessarily reflect their views.

The DoD personnel security program has received extensive scrutiny over the past few years from the White House, Congress, the DoDIG, the General Accounting Office and others such as the Joint Security Commission in 1994 and the "Moynihan Secrecy Commission" in 1997. Many recommendations resulting from these studies have been implemented or are in the process of being implemented. They run the gamut from background investigation standards, adjudicative standards, due process procedures, security forms, to fee for service, polygraph, and pre-screening.

It is believed that the analysis and recommendations contained in this report address a few marginal personnel security program issues without assessing more fundamental concerns such as the potential benefits or drawbacks of consolidation of DoD adjudication. While your report states that consolidation of DoD adjudication facilities is feasible, it appears to dismiss it as a viable option since "significant cost savings from consolidating adjudication facilities seem unlikely." Since the report does not provide data to support that contention, it is difficult to determine how that conclusion was reached. Even if direct resource savings are unlikely, there are potential indirect savings and efficiencies that could accrue to include the resolution of most of the recommendations cited and many others besides.

The opportunity to comment on the draft report is appreciated. Questions regarding the comments at the attachment should be directed to Mr. Peter R. Nelson at 697-3969.

for Cheryl J. Roby
Acting
Deputy Assistant Secretary of Defense
(Intelligence and Security)

Attachment

OASD(C3I) COMMENTS ON DODIG RECOMMENDATIONS FOR CORRECTIVE ACTION TO THE DOD ADJUDICATION PROGRAM

1. **Implement peer review within the DoD adjudication program.**

   COMMENT: Partially concur. While every program should welcome scrutiny to ensure that its practices and procedures are consistent with appropriate policies, it is believed that there are sufficient oversight mechanisms in place within OSD and the Components to ensure compliance. When there are problems, these are either addressed by the CAF's parent Component or by C3I and corrective action taken. It is doubtful that bringing in personnel security experts from non-DoD agencies, who are unfamiliar with DoD policies and procedures, could provide any value added without a long learning curve. On the other hand, drafting personnel from within the DoD CAF community for such reviews might work, but it would place a burden on a system that is already struggling as a result of downsizing. If the current DoD CAFs were consolidated into a single CAF, oversight and control by OSD (and others) would be simpler and more cost effective. Therefore, it is felt that there are sufficient equivalent "peer review" mechanisms already in place and taking it any further would be costly without any significant value added.

2. **Establish continuing education standards and a program to encourage the development and certification of professional adjudicators.**

   COMMENT: Concur. This has been a goal of DoD for some time that has not yet been realized with respect to professional certification. However, there is currently a subcommittee of the Security Policy Board's Training and Professional Development Committee, which is addressing this very subject and will likely have a solution by the end of calendar 1998. The first phase of this effort is to revive a one-week advanced adjudicator's course, which was previously sponsored by the Director of Central Intelligence and terminated in 1994 due to resource constraints. This course is expected to be in place by June 1998. It must be pointed out that DoD has had both basic and advanced adjudicator courses since the late 1980's run by the former DoD Security Institute now Defense Security Service (DSS). Virtually all DoD adjudicators have attended the basic course and a large number have attended the advanced course.

3. **Require each adjudication facility to show a DoD clearance code rather than a facility-specific clearance code in the Defense Clearance Investigations Index.**

   COMMENT: Partially concur. This is another recommendation that would resolve itself under a single DoD adjudication facility and makes the most sense in that context. So long as there remain multiple adjudication facilities, there exists the real issue of accountability for the issuance of the security clearance. Also important is how C3I annually compiles a management report of all clearances issued, denied and revoked, broken out by CAF. Also, each CAF automatically updates its military and civilian personnel databases with the clearance information on each soldier or civilian. This process could be jeopardized without careful planning and investment in system revisions. Absent total consolidation, the adoption of this recommendation could eliminate the ability to construct such a management document without significant difficulty. Since the eight DoD CAFs routinely and reciprocally accept each other's CAF clearances with little time or administration expended, it is necessary to ensure that adoption of this recommendation will not cost more than it would gain.

4. **Arrange for a copy of an individual's investigation report to be provided along with a letter of intent to deny or revoke clearance.**

   COMMENT: Partially concur. At least one CAF already follows this practice although not required to do so by E.O. 12968. This CAF has a much smaller volume than most of the others and has an arrangement with DSS to conduct an expeditious privacy review before release. For the higher volume CAFs this becomes a significant workload issue with regard to conducting the necessary privacy reviews, either with their own resources or through DSS, and then reproducing the entire case, which could be many pages in length. Also, there may be a privacy issue involved since the statement of reasons is provided to the subject through his unit security manager. With the entire case file attached, other persons would be privy to potentially sensitive personal information. If DSS were to conduct the review for all CAFs, valuable time could be lost in processing the action since their resources may be insufficient for a larger volume of cases. When DSS fully implements their Case Control Management System (CCMS) and

begins providing electronic reports of investigation to the CAFs with an effective print capability, this may be a more feasible and cost effective option. This could possibly be implemented in FY99 so long as CCMS provides the needed print functionality to the CAFs. Until that time comes, it is believed that the current system of providing only the investigative documents relevant to the unfavorable action is appropriate and consistent with E.O. 12968.

5. **Standardize the request and report forms that customers must use for personnel security actions.**

COMMENT: Concur. This is another issue that could also be resolved through CAF consolidation. However, this can also be achieved through the successful conclusion of efforts currently underway via the Joint Personnel Adjudication System (JPAS). This effort, headed by C3I, will create a "virtual CAF" by eliminating redundant, stovepipe systems, adopting common data standards using shared and reusable data, and establishing common data links with all customer agencies. The DoD CAFs will be electronically linked to each other, external databases and their customers. Beginning in March 1998, the JPAS Program Management Office and its contractor will be holding a series of workshops with CAF customer personnel to design common electronic formats that will be used to communicate information between the field and the CAF. This effort is expected to be completed by the end of FY99 barring any unexpected changes in the funding stream and full implementation of this recommendation could begin in FY2000.

Director for Administration and Management Comments

OFFICE OF THE SECRETARY OF DEFENSE
1950 DEFENSE PENTAGON
WASHINGTON, DC 20301-1950

ADMINISTRATION & MANAGEMENT

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL
Attn: Ms. Judy Padgett, Audit Project Manager

SUBJECT: Inspector General, DOD, Draft Audit Report on the Department of Defense Adjudication Program (Project No. 7RD-0048)

This is in response to your request for comment on the subject draft.

We welcome the draft's selection of operational refinements as the platform for system improvements. In our judgment, this approach is far more workable and preferable than that suggested in a previous draft: total consolidation of adjudication facilities. There is no sound basis for the latter, as cited in my 18 August 1997 memorandum (copy attached). It would unnecessarily disrupt a carefully designed departmental structure. That structure is working well. Whatever improvements considered desirable can be implemented by policy and management initiatives. Accordingly, there is no justification for the unsupported conclusion in the draft that "consolidating DOD adjudication facilities is feasible."

Attached for your reference are comments by my staff on the draft's five "Recommendations for Corrective Action". While I may not share their views on every detail, I urge that your office give them full consideration.

D.O. Cooke
Director

Attachments: a/s

ADMINISTRATION & MANAGEMENT

OFFICE OF THE SECRETARY OF DEFENSE
1155 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1155

18 AUG 1997

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL
Attn: Ms. Judy Padgett, Audit Project Manager

SUBJECT: Inspector General, DOD, "Audit of the DOD Adjudication Program," Project No. 7RD-0048, Request for Information

This is in response to your office's July 15, 1997 memorandum, same subject.

Attached, as requested, are data prepared by my staff in connection with operating costs, workload, budget, staffing, and work space requirements.

While we interpose no objection to your inquiry, it is unclear what is meant by your reference to "consolidating the DOD adjudication facilities." As you may recall, in September 1993, the department consolidated the adjudication system into its current configuration, from 18 to 8 facilities, after an extremely thorough examination of the best way to ensure efficiency and customer responsiveness and to protect quality and adaptability. That decision eliminated multiple adjudicative functions within the military departments and defense agencies, while maintaining the adjudicative facilities within the organic chain of authorities and organizations they service.

So far as we know there is no substantive finding that DOD management interests are not best addressed by the existing structure. Nor is it evident that the department would necessarily be better served by a massive disruption to it.

I trust that if the IG staff finds feasible an internal recommendation of further consolidation, no proposal would go forward absent the opportunity of affected senior managers to comment in detail.

D. O. Cooke
Director

Attch: a/s

WHS Staff Comments on Draft IG Recommendations, Audit Report 7RD- 0048

1. *Implement Peer Review within the DOD Adjudication Program.* We think the system can and should be regularly oversighted by the departmental proponent, OASD/C3I, working with component Policy staffs. Peer review among CAFs is a non-starter, due to impracticability and workload constraints.

2. *Establish Continuing Education Standards and a Program to Encourage the Development and Certification of Professional Adjudicators.* Agree, so long as previously identified legal issues surrounding certification are resolved.

3. *Require Each adjudication Facility to Show a DOD Clearance Code rather than Facility-specific Clearance Code in the Defense Clearance and Investigative Index.* Since CAFs are issuing DOD clearances anyway and it's a support for reciprocity, we like the idea so long as any necessary technical adjustments are made first. These shouldn't be costly.

4. *Arrange for a Copy of an Individual's Investigation Report to be Provided Along with a Letter of Intent to Deny or Revoke Clearance.* WHS is strongly committed to this practice, leads the department on it, and will continue with it. It should be expanded across the entire DOD program.

5. *Standardize the Request and Report Forms that Customers Must Use for Personnel Security Actions.* A straightforward enough notion, addressable to some degree with introduction of the expected Joint Personnel Security Adjudication System, but we have some doubt that there is a significant problem with forms among the customers.

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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