

**A** *udit*



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SECURITY CLEARANCE INVESTIGATIVE PRIORITIES

Report No. D-2000-111

April 5, 2000

Office of the Inspector General  
Department of Defense

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### **Acronyms**

ANACI	Access National Agency Check with Written Inquiries
CCMS	Case Control Management System
DSS	Defense Security Service
ENTNAC	Entrance National Agency Check
NACIC	National Agency Check with Written Inquiries
NACLIC	National Agency Check with Local Agency Checks and Credit Check



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April 5, 2000

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

SUBJECT: Audit Report on Security Clearance Investigative Priorities  
(Report No. D-2000-111)

We are providing this report for review and comment. This report is the second in a series of audit reports addressing security clearance and access issues. We considered management comments on a draft of this report when preparing the final report.

DoD Directive 7650.3 requires that audit recommendations be resolved promptly. The Director, Defense Security Service, comments were responsive and no further reply is necessary. The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) comments were partially responsive. As a result of management comments, we revised Recommendation 1.b. We also combined draft Recommendations 1.b. and 1.c. into Recommendation 1.b. in this final report. We request the Assistant Secretary to provide additional comments on Recommendations 1.a. and 1.b. by June 2, 2000.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Robert K. West at (703) 604-8983 (DSN 664-8983) ([rwest@dodig.osd.mil](mailto:rwest@dodig.osd.mil)) or Ms. Lois A. Therrien at (703) 602-1577 (DSN 332-1577) ([ltherrien@dodig.osd.mil](mailto:ltherrien@dodig.osd.mil)). See Appendix J for the report distribution. The audit team members are listed inside the back cover.

A handwritten signature in black ink that reads "Robert J. Lieberman".

Robert J. Lieberman  
Assistant Inspector General  
for Auditing

## Office of the Inspector General, DoD

**Report No. D-2000-111**  
(Project No. 9AD-0046.03)

**April 5, 2000**

### Security Clearance Investigative Priorities

#### Executive Summary

**Introduction.** This report is the second in a series of audit reports addressing security clearance and access issues.

**Objectives.** During our audit to determine the status of actions taken within DoD relating to access reciprocity between special access programs, we identified problems with obtaining security clearances that affected the execution of special access programs and other DoD operations. This report addresses the overall issue of whether security clearances were being obtained and updated for personnel in the most critical and high-risk positions. We addressed the impact of obtaining background investigations for security clearances on three special access programs in Inspector General, DoD Report No. D-2000-072, "Expediting Security Clearance Background Investigations for Three Special Access Programs" (U), January 31, 2000 (SECRET). Future audit reports will cover the mechanisms for tracking the status of requested clearances, the adjudication processes, the impact of security clearance issues on special access programs, access reciprocity, and the acquisition of the Case Control Management System.

**Results.** There is no DoD-wide system to prioritize security clearance requirements. As a result, there is no assurance that personnel in mission-critical and high-risk positions will receive timely security clearances, as the DoD has been unable to prevent major delays in the investigative process. Without standards for assessing risk and focusing resources, mission-critical programs will be operationally impacted and subjected to a higher risk of compromise. For details of the audit results, see the Finding section of this report.

**Summary of Recommendations.** We recommend that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) establish an Integrated Process Team to develop criteria for determining the highest priority mission-critical and high-risk positions and develop a process for relating individual clearance requests to those mission-critical and high-risk positions. We recommend that the Director, Defense Security Service, establish the process and metrics to ensure expeditious processing of personnel security clearance investigations in accordance with the priorities established.

**Management Comments.** The Office of the Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) nonconcurred with the recommendation to prioritize mission-critical and high-risk positions, stating

prioritization is beyond its ability to implement, especially in the near future. In addition, it stated that implementation of several recent initiatives would decrease the workload of the Defense Security Service, allowing it to more expeditiously complete investigations. The Defense Security Service supported the intent of the recommendation for DoD to prioritize security clearance requests. The Army disagreed with the recommendation to prioritize, stating the Deputy Secretary of Defense's Personnel Security Overarching Integrated Process Team recommendation to transfer all Secret/Confidential clearance investigations to the Office of Personnel Management would eliminate the backlog and restore timeliness within 2 years. The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) and the Defense Security Service concurred with the recommendation for processes and metrics to ensure that security investigations are based on whatever priorities are established, although the Assistant Secretary's concurrence extended only to investigative priorities already established and the Defense Security Service Performance Contract. A discussion of the management comments is in the finding section of the report and the complete text is in the Management Comments section.

**Audit Response.** The Director, Defense Security Service, comments were generally responsive. The Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) and Army comments were not. The DoD has taken various measures to improve the responsiveness and efficiency of the personnel clearance investigative process, but much more needs to be done. The volume of clearance requests necessitates having a viable prioritization program, extended well beyond existing guidelines, even if dramatic productivity increases are achieved in the investigative process. Strong managerial leadership can meet this challenge. We request that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) reconsider his position and provide comments on the final report by June 2, 2000.

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## Background

This report is the second in a series and discusses security clearances for personnel in mission-critical and high-risk positions requiring access to classified information. The first report discussed the impact of security clearances on three special access programs. The third report will address tracking personnel security requests. Subsequent reports will address the adjudication processes, the impact of security clearances on all special access programs and the status of access reciprocity, and the acquisition of the Case Control Management System.

**Security Clearances.** Personnel security clearance investigations are intended to establish and maintain a reasonable threshold for trustworthiness through investigation and adjudication before granting and maintaining access to classified information. The initial investigation provides assurance that a person has not demonstrated behavior that could be a security concern. Reinvestigation is an important, formal check to help uncover changes in behavior that occurred after the initial clearance was granted. The standard for reinvestigation is 5 years for Top Secret, 10 years for Secret, and 15 years for Confidential clearances. Reinvestigations are even more important than the initial clearance investigation, because people who have held clearances longer are more likely to be working with more critical information and systems.

**Clearance Requirements.** On March 24, 1997, the President approved the uniform Adjudicative Guidelines, and Temporary Eligibility Standards and Investigative Standards, as required by Executive Order 12968, "Access to Classified Information." The investigative standards dictate that the initial investigation and reinvestigation for access to Top Secret and Sensitive Compartmented Information are the single-scope background investigation and the single-scope background investigation periodic reinvestigation, respectively. The investigative standards for access to Top Secret and Sensitive Compartmented Information were implemented by the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) on July 1, 1996.

The investigation and reinvestigation for access to Secret and Confidential information consists of a national agency check with local agency checks and a credit check (NACLC). A November 10, 1998, memorandum from the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) established that, effective January 1, 1999, the Defense Security Service (DSS) would begin implementing the NACLC for Secret and Confidential access; however, the national agency check with written inquiries and credit check (NACIC) or the access NACIC (ANACI), used by the Office of Personnel Management, will continue to serve as the basis for Secret and Confidential clearances for DoD civilian employees. The "Report of the Joint Security Commission II," August 24, 1999, stated that DoD Secret clearances were based on national agency checks alone, without the credit checks and the local agency checks required by the standards. Based on the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) memorandum and the Joint Security Commission II report, DSS

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was not following the 2-year old investigative standards for Secret and Confidential access until January 1, 1999. Appendix C shows the definition of the various investigations and Appendix D shows the investigation steps for each type of investigation.

**DoD Security Clearances.** The process of obtaining a security clearance begins with a request from a military commander, contractor, or other DoD official for a security clearance for an individual because of the sensitive nature of his or her duties. The individual then completes a security questionnaire that is forwarded to the DSS Operations Center-Baltimore, in Linthicum, Maryland. The Center's case analysts review clearance requests to ensure that all necessary forms are complete, develop a scope for the investigation, and assign the required work to the 12 DSS operating locations throughout the United States. An investigation may be sent to one or more operating locations depending on where the individual seeking the clearance lived, worked, or attended school. Once received in the field, an investigation is assigned to an investigator who seeks information in that geographic location about the subject's loyalty, character, reliability, trustworthiness, honesty, and financial responsibility. The investigation must be expanded to clarify and resolve any information that raises questions about the subject's suitability to hold a position of trust. As investigative elements are completed, the field sends reports to the DSS Operations Center-Baltimore, where case analysts determine if all investigative criteria have been met and all relevant issues have been resolved. The case analysts also request information from other federal agencies, such as the Office of Personnel Management, the Federal Bureau of Investigation, the Central Intelligence Agency, and the Immigration and Naturalization Service. DSS sends the completed investigation to the appropriate adjudication facility, which decides whether to grant or deny a clearance.

**Defense Security Service.** DSS has three missions: personnel security investigations, industrial security, and security education and training. The personnel security investigations mission is to conduct background investigations on individuals assigned to, or affiliated with, DoD. Military and civilian personnel security investigations are processed at the Operations Center-Baltimore. Industrial or contractor security clearances are processed at the Operations Center-Columbus.

**Timeliness Problems.** The General Accounting Office Report, "DoD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks," October 27, 1999, highlighted the inability of the Defense Security Service to meet mission requirements, resulting in significant backlogs of investigations and clearance requests.

The extended period of time needed to complete personnel security clearance investigations has been a periodic concern to DoD. In April 1982, the Defense Audit Service, our predecessor organization, issued Report No. 82-084, "Management Survey of the Defense Investigative Service," reporting a similar situation, albeit not as severe, as exists today. At that time, the Defense Audit Service reported that case completion was averaging 179 days against a Defense Investigative Service (predecessor organization to DSS) standard of 65 days. In addition, the General Accounting Office, in its September 15, 1981, report,

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“Faster Processing of DoD Personnel Security Clearances Could Avoid Millions in Losses,” estimated productivity losses of DoD and its contractors in FY 1982 could have been as much as \$920 million.

## **Objectives**

During our audit to determine the status of actions taken within the Department of Defense relating to access reciprocity between special access programs, we identified problems with obtaining security clearances that affected individuals' access to special access programs and all DoD operations. The specific audit objective that this report addresses is whether security clearances were being obtained and updated for personnel in the most critical and high-risk positions. See Appendix A for a discussion of the audit scope and methodology. See Appendix B for a summary of prior coverage related to the audit objectives.

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# Prioritization of Security Clearance Investigations

There is no comprehensive DoD-wide system to prioritize security clearance requirements. Without a prioritization system, there is no assurance that personnel in mission-critical and high-risk positions will receive timely security clearances. Therefore, mission-critical programs will be impacted and DoD may be subjected to a higher risk of compromise until a more efficient process is implemented.

## DoD Prioritization

DoD components did not generally prioritize requests for security clearances based on mission criticality. Although DSS gave priority to certain special projects, which have negotiated time frames for processing the security clearance investigations, DSS operated on a first-in, first-out basis. The only DoD prioritization guidance provided is a June 15, 1999, Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) memorandum. This memorandum provided a tool for prioritizing overdue periodic reinvestigations, which specified that reinvestigations within each clearance level should be submitted for processing in priority order. However, command security offices independently submit security clearance paperwork to DSS. When DSS receives security clearance paperwork from many different command security offices, the cases are all grouped together. As a result, nothing is prioritized based on mission criticality. In addition, the larger the number of cases pending at DSS, the less impact any individual security command prioritization has. Consequently, personnel in mission-critical and high-risk positions lack clearances while investigative resources are committed to less sensitive cases.

## Background Investigations

DSS processes all background investigations for military and contractor security clearances and the background investigations for civilian Top Secret initial and periodic investigations and Secret and Confidential periodic reinvestigations. The Office of Personnel Management processes all civilian initial background investigations for Secret and Confidential clearances.

**Additional DSS Investigations.** DSS performs investigations other than just initial investigations and periodic reinvestigations for Top Secret, Secret, and Confidential clearances. Other investigations include special investigative inquiries, a trustworthiness NACLIC, and spouse national agency checks. In addition, DSS performs entrance national agency checks (ENTNAC) for each enlisted member of the Armed Forces at the time of initial entry into the service. See Appendix C for the definitions of these investigations. Of the total cases loaded into the Case Control Management System (CCMS) during

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FY 1999, 47 percent were Top Secret, Secret, or Confidential initial investigations and periodic reinvestigations, 8 percent were other investigations, and 45 percent were ENTNACs.

**Case Control Management System.** The CCMS was supposed to expedite case processing at DSS by linking all relevant information critical to a background investigation through a series of subsystems. These subsystems include:

- the Electronic Personnel Security Questionnaire, which electronically collects the personnel security data to initiate and conduct an investigation;
- the Field Information Management System, which generates field investigative reports that are then fed into the system;
- the Files Automation Scanning System, which converts paper personnel security questionnaires and attachments into electronic form for storage and retrieval;
- the Defense Clearance and Investigations Index, which integrates the system's applications with the central index of all DoD personnel security investigations and clearances; and
- the Industrial Security System, which is a separate application that shares information in the corporate database.

The CCMS has not operated as intended. Instead of expediting the transmission of requests for investigations and reports to and from DSS field offices, system problems have caused serious delays in information processing and resulted in a dramatic drop in the number of case openings and field investigations.

**DSS Processing Time.** When an electronic personnel security questionnaire is received by DSS it has to be loaded in to the CCMS. Once the questionnaire is reviewed and investigative leads are identified; the case is opened in the CCMS, the required work is assigned to the field-operating locations, and the case is opened in the Defense Clearance and Investigations Index. When the investigation is complete, the case is closed in CCMS and a Report for Adjudication is printed and sent to the appropriate adjudication facility. As of December 1999, it took an average of 50 days for a case to be opened in CCMS and 20 days for a Report for Adjudication to be printed. Therefore, on average, 70 days were added onto every investigation that DSS processed. However, security clearances averaged 84 days to open, which would mean 104 days were added to every security clearance investigation in December 1999. The average days to open security clearance increased to 109 days in February 2000. See Appendix E for the Average Days to Open.

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## Cases Closed During FY 1999

In December 1999, DSS estimated that it processed about 1,400 cases per day. However, data from CCMS showed that DSS closed about 1,200 cases per day during the last half of FY 1999 and about 1,100 cases per day during the first quarter of FY 2000. However, these numbers include the ENTNAC cases that skew the data. An ENTNAC is a personnel security investigation conducted in the same manner as the national agency check except that there is not a technical fingerprint search of Federal Bureau of Investigation files. It is a name check only and does not have a lot of impact on the workload because computerized technology processes it. In addition, the Military Entrance Processing Command sends most of the ENTNAC cases on tape, already automated for quick processing. If the ENTNACs are removed from the statistics, DSS processed 452 investigative cases per day (358 of the cases were for clearances) during the last half of FY 1999 and about 528 investigative cases per day (457 of the cases were for clearances) during the first quarter of FY 2000.

The problems with CCMS have caused the number of cases being processed and closed to be reduced, consequently the number of cases that are in process (pending) at DSS is increasing monthly. As of December 31, 1999, there were 350,564 cases pending at DSS. This number is more than double the 151,806 cases pending as of June 30, 1999, and quadruple the 85,210<sup>1</sup> cases pending as of December 31, 1998. See Appendix F for the number of cases pending and how the number has consistently grown since December 31, 1998. Appendices G, H, and I show the number of cases loaded, opened, and closed, respectively.

## Avenues to Increase Cases Closed

To process security clearance investigations more timely, DSS planned to make improvements to CCMS, issue augmentation contracts, and send investigations to the Office of Personnel Management.

**Improvements to CCMS.** Improvements to CCMS are needed to make the system run efficiently. An Air Force Red Team (a team formed to review CCMS) analyzed CCMS to identify the problem areas and determine the fixes. The Air Force Red Team transitioned into the Program Management Office on September 1, 1999, and is working on identifying and prioritizing the fixes to the problems. The Program Management Office stated that the key factors in fixing the CCMS are developing configuration management so changes can be tracked and the Program Management Office will know what the system is, and

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<sup>1</sup> The December 1998 cases pending do not compare directly to the December 1999 cases pending. DSS had approximately 40,000 paper personnel security questionnaires on hand in December 1998 that are not included in the pending cases. In addition, the pending cases were calculated on the cases opened until April 1999 when they changed the calculation to cases loaded. Therefore, the December 1998 pending cases wouldn't include those cases loaded in CCMS, but not opened.

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obtaining a test system so any changes can be tested prior to being implemented on the system. However, increased productivity is not going to happen right away.

**Augmentation Contracts.** DSS is outsourcing some of the initial and periodic reinvestigations for Top Secret, Secret, and Confidential clearances. DSS issued two contracts to have contractors perform a total of 39,000 investigations per year in FY 2000 and FY 2001.

**Office of Personnel Management.** DSS contracted with the Office of Personnel Management to complete 43,000 civilian investigations for FY 2000 and 71,000 civilian investigations for FY 2001.

## **Investigations Required in FY 2000 and FY 2001**

Program Budget Decision 434, "Defense Security Service," December 1, 1999, states the average throughput DSS expects from CCMS in FY 2000 is 2,300 cases per day and DSS based its FY 2000 budget request on processing 2,300 security clearance investigations per day. DSS is in the process of identifying and correcting problems with CCMS, but in December 1999, the DSS Program Management Office estimated that it could take 18-24 months to correct all problems and have CCMS running efficiently. Therefore, the number of cases that remain in process at DSS will continue to grow until CCMS can efficiently process cases and the Services, Defense agencies, and contractors will continue to receive security clearances in an untimely manner. Given the problems in CCMS, it would be more realistic to compute the potential cases to be completed by DSS and their contractors at 1,500 cases per day for FY 2000 and 2,000 cases per day for FY 2001.<sup>2</sup> See Table 1 for the FY 2000 Investigations. DSS showed 263,500 cases pending at the end of FY 2001 in Program Budget Decision 434. We believe there will actually be 625,300 cases pending at the end of FY 2001. See Table 2 for the Cases Pending by FY 2001.

## **Increase in Required Security Clearance Investigations**

The number of security clearance investigations required in the normal operations is going to increase because of the retirement age of the workforce, a change in the Navy and the Air Force recruitment requirements, and the quality of the background investigations.

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<sup>2</sup> Based on actual cases closed, there is no rationale for the 2,300 cases per day estimate DSS used to compute its completions for FY 2000 and FY 2001. To allow for improvements to the CCMS, we have estimated 1,500 cases for FY 2000 and 2,000 cases for FY 2001. We believe these are optimistic estimates since DSS only closed 1,200 cases per day for the last half of FY 1999 and 1,100 cases for the first quarter of FY 2000.

**Table 1. FY 2000 Investigations**

	<u>PBD 434<sup>a</sup></u>	<u>Auditor Calculations</u>
Cases processed by DSS per day	2,300	1,500
Workdays per year	x <u>251</u>	x <u>251</u>
Cases processed by DSS per year	577,300	376,500
Cases processed by contractors	39,000	39,000
<b>DSS Completions<sup>b</sup></b>	<b>616,300</b>	<b>415,500</b>

<sup>a</sup> Program Budget Decision 434, "Defense Security Service," December 1, 1999

<sup>b</sup> This does not include any of the estimated 505,000 overdue periodic reinvestigations nor the 43,000 civilian cases that will be sent to the Office of Personnel Management.

**Table 2. Potential Cases Pending Through FY 2001**

<u>FY 2000 Cases</u>	<u>DSS Estimate</u>	<u>Inspector General Estimate</u>
Beginning Balance 10/01/99 <sup>a</sup>	244,200	244,200
Added During FY 2000 <sup>a</sup>	<u>634,100</u>	<u>634,100</u>
Total	878,300	878,300
Less Completed During FY 2000	<u>617,000<sup>b</sup></u>	<u>415,500</u>
<b>Total Pending 9/30/00</b>	<b>261,300</b>	<b>462,800</b>
<u>FY 2001 Cases</u>		
Beginning Balance 10/01/00 <sup>a</sup>	261,300	462,800
Added During FY 2001 <sup>a</sup>	<u>664,500</u>	<u>664,500</u>
Total	925,800	1,127,300
Less Completed During FY 2001	<u>662,300</u>	<u>502,000<sup>c</sup></u>
<b>Total Pending 9/30/01</b>	<b>263,500</b>	<b>625,300</b>

<sup>a</sup> The Carry-in and the new orders contain ENTNAC and Auto-ENTNAC cases.

<sup>b</sup> DSS rounded 616,300 from Table 1 to 617,000.

<sup>c</sup> The estimate of 2000 cases per day for each of the 251 working days, was used for FY 2001, which assumes the CCMS has been improved.

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**Retirement Eligibility.** Inspector General, DoD, Report No. D-2000-088, "DoD Acquisition Workforce Reduction Trends and Impacts," February 29, 2000, stated that the average age and retirement eligibility of the civilian acquisition workforce is increasing. Projections show that DoD will lose another 55,000 personnel or 43 percent of the DoD acquisition civilian workforce, excluding new hires, by FY 2005. Assuming that other portions of the DoD workforce have similar demographic profiles, turnover is likely to be high and the number of security clearance investigations needed for new hires is likely to grow substantially.

**Military Recruits.** An ENTNAC is conducted on each enlisted member of the Armed Forces at the time of the initial entry into the service. The ENTNAC is a computerized check on the person's name only, so there is not a lot of impact on the workload. The Navy and the Air Force have decided to stop using the ENTNAC and start using the NACLIC for the new recruits. There is more information on NACLIC, used for Secret and Confidential clearances, and it's cheaper to run a NACLIC up front than to run an ENTNAC and spend the money training an individual, only to lose him later on when a clearance is required. Navy and Air Force accounted for 24,968 (18,807 and 6,161 respectively) of the 51,229 ENTNAC cases loaded into CCMS in FY 1999 or 49 percent. The Marine Corps is keeping the ENTNAC because it does not require a clearance for all personnel. The Army has not announced a decision.

**Quality of the Investigation.** The General Accounting Office Report, "DoD Personnel: Inadequate Personnel Security Investigations Pose National Security Risks," October 27, 1999, stated that a review of 530 randomly sampled Top Secret security clearance investigations and reinvestigations completed by DSS in January and February 1999 for the 4 DoD adjudication facilities that received most of the DSS investigations, found that 92 percent (489) did not fully meet federal investigative standards because the investigations were incomplete. It also stated that adjudication facility officials said that because of the amount of time it has taken to receive DSS investigative reports, they have been reluctant to return incomplete investigations to DSS because of further delays. The adjudication officials frequently made decisions to grant or deny clearances based on incomplete investigations because it would take too long to have DSS obtain the missing information. DoD agreed with the report and began action to implement the report recommendations. If the adjudication facilities return increased numbers of incomplete investigations to DSS, additional investigative workload may result.

## **Required Security Clearance Investigations**

DoD will require 2 million investigations, 1.3 million of which are for security clearances, by the end of FY 2001. The total 2 million investigations (DSS workload) are comprised of initial and periodic reinvestigations for Top Secret, Secret, and Confidential security clearances, the additional investigations that DSS performs, such as special investigative inquiries, and the ENTNACs. The number of investigations includes the cases pending at the end of FY 1999; the estimated new orders for FY 2000 and FY 2001, which do not include the

43,000 FY 2000 and 71,000 FY 2001 civilian cases to be sent to the Office of Personnel Management; and the overdue periodic reinvestigations.

**Table 3. Total DSS Requirements for FY 2000 and FY 2001**

	<u>Workload<sup>a</sup></u>	<u>Investigations<sup>b</sup></u>	<u>Clearances<sup>c</sup></u>
Cases pending at the end of FY 1999	244,200 <sup>d</sup>	192,115 <sup>e</sup>	169,400 <sup>f</sup>
FY 2000 new orders	634,100 <sup>g</sup>	348,755 <sup>h</sup>	298,027 <sup>i</sup>
FY 2001 new orders	664,500 <sup>g</sup>	365,475 <sup>h</sup>	312,315 <sup>i</sup>
Overdue periodic reinvestigations	505,786 <sup>j</sup>	505,786 <sup>j</sup>	505,786 <sup>j</sup>
<b>Total Cases</b>	<b>2,048,586<sup>k</sup></b>	<b>1,412,131<sup>k</sup></b>	<b>1,285,528<sup>k</sup></b>

<sup>a</sup> Workload includes all types of investigations performed by DSS and the ENTNACs.  
<sup>b</sup> Investigations include all types of investigations performed by DSS.  
<sup>c</sup> Clearances are the initial investigations and periodic reinvestigations for Top Secret, Secret, and Confidential security clearances.  
<sup>d</sup> Program Budget Decision 434 used 244,200 cases. The DSS September 1999 monthly activity report showed 254,131 cases pending at the end of FY 1999.  
<sup>e</sup> This is the number of total investigations pending at the end of FY 1999, according to the DSS September 1999 monthly activity report.  
<sup>f</sup> This is the number of Top Secret, Secret, and Confidential investigations and reinvestigations pending at the end of FY 1999, according to the DSS September 1999 monthly activity report.  
<sup>g</sup> DSS estimate provided in Program Budget Decision 434.  
<sup>h</sup> Total investigations loaded into CCMS in FY 1999 were 55 percent of the total workload therefore, we calculated 55 percent of the new orders from column one.  
<sup>i</sup> Clearance investigations loaded into CCMS in FY 1999 were 47 percent of the total workload; therefore, we calculated 47 percent of the new orders from column one.  
<sup>j</sup> The number of overdue periodic reinvestigations per the Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence), as of February 25, 2000.  
<sup>k</sup> This does not include the 43,000 civilian clearance cases that will be sent to the Office of Personnel Management in FY 2000 or the 71,000 civilian clearance cases that will be sent in FY 2001.

## Security Clearance Investigation Timeframes

The Office of Personnel Management negotiated to conduct Top Secret initial investigations and Secret and Confidential periodic reinvestigation in 75 days and Top Secret periodic reinvestigations in 180 days. The Office of Personnel Management has always conducted civilian Secret and Confidential initial investigations.

CCMS, on average, adds 70 days (104 days for a clearance) to the investigation period for opening (50 days<sup>3</sup>, 84<sup>3</sup> days for a clearance) and printing (20 days) the case processed by DSS. The CCMS December 31, 1999, monthly activity report average days for closing a case by type are shown in Table 4. These numbers vary from month to month and are larger for the month when some of the older cases have been closed. In addition, DSS only began tracking the cases from the load date, when DSS becomes responsible for the case, in April 1999.

<u>Type of Investigation</u>	<u>Cases Closed</u>	<u>Average Days</u>
Top Secret-Initial	989	257
Top Secret-Periodic	868	262
Secret-Initial	2,720	180
Secret-Periodic	1,861	137
Confidential-Initial	116	183
Confidential-Periodic	24	146

## **Mission-Critical Programs**

Mission-critical programs will be impacted if security clearances are provided in an untimely manner. While program managers are waiting for final security clearances for their personnel, they are allowing critical jobs to be performed by less than the best-qualified personnel because the security clearances for the most qualified personnel have not been finalized. In addition, they are allowing personnel in mission-critical and high-risk positions access to classified information without current security clearances.

## **Prioritization Based on Security Questionnaire**

The Operations Research Office, DSS, has worked with MITRE Corporation to develop an algorithm to prioritize the periodic reinvestigations to more rapidly process the risky cases. Together, they developed a risk prioritization algorithm that can be applied to the electronic personnel security questionnaire responses to sort out or capture potential revocation cases. A subset of the electronic personnel security questionnaire issues were shown to occur with statistically different frequencies among revocation cases versus the general population. They believe the algorithm can capture about 80 percent of latent revocations, by investigating only 5 percent of the electronic personnel security

<sup>3</sup> In February 2000 the average days to open a case was 69 days and the average days to open a security clearance was 109 days. (See Appendix E)

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questionnaires. The algorithm can be installed in the electronic personnel security questionnaire gateway to the CCMS so that each questionnaire can be reviewed before it is loaded into the CCMS. However, this would not address the 350,564 cases pending in the system as of December 31, 1999, and the additional cases added since then. In addition, the algorithm does not allow for the mission criticality and risk of the position.

## **Personnel Security Overarching Integrated Process Team**

On November 30, 1999, the Deputy Secretary of Defense established the Personnel Security Overarching Integrated Process Team. The Overarching Integrated Process Team had until January 20, 2000, to “Pioneer a different path to solve the crisis of the continuing personnel security investigations backlog, and sell it.” The Team recommended outsourcing all Secret/Confidential Investigations, except those with overseas leads, to the Office of Personnel Management to allow DSS to focus on the Top Secret/Sensitive Compartmented Information investigations. Personnel from the Inspector General, DoD, participated in the Overarching Integrated Process Team. When the Overarching Integrated Process Team briefed the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) on January 14, 2000, the Inspector General, DoD, representative raised the issue of prioritization. He stated that in order to achieve a more efficient process, the cases needed to be prioritized according to mission criticality and risk. There was no disagreement from the members of the Overarching Integrated Process Team; however, the issue of prioritization was not addressed when the Deputy Secretary of Defense was briefed on January 20, 2000.

## **Conclusion**

The tremendous number of security clearance investigations pending at DSS and required to be processed in the future increases the risk that critical cases will not be expeditiously processed. The algorithm developed by DSS can help to identify those individuals who are high-risk for revocation or denial of a security clearance, but DSS cannot determine mission criticality or the risk associated with the position held by individuals. Currently, the only prioritization for the position is at the individual command’s security office, which is eroded by the volume of requests at DSS. Although DoD efforts to improve DSS efficiency and to outsource part of the workload are commendable, more needs to be done. The Department needs to initiate a business re-engineering effort that results in a comprehensive DoD-wide system to prioritize security clearance requirements. Once the system is in place, DSS should establish the process and metrics for expeditiously processing security clearance investigations for personnel in the prioritized positions.

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## Management Comments on the Finding and Audit Response

**Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments on the Finding.** The Director of Security, Office of the Assistant Secretary of Defense (Command, Control, Communication, and Intelligence), stated that the draft report was extremely comprehensive and factual with regard to the DSS investigative backlog and processing issues confronting DoD customers as a result of problems with CCMS. However, he stated that while DSS does process most cases on a first-in, first-out basis, it does prioritize many kinds of investigations, such as Project Blowtorch (personnel assigned to NSA [National Security Agency]) and Yankee White (White House cases). These priorities are based on mission-critical functions and are requested and justified by the cognizant authority requesting the investigation. He further states that other priority investigations associated with mission-critical functions may be suffering, but there is no practical way to prioritize all the cases other than to have the local security manager identify the cases. In addition, the number of priority investigations resulting would be huge, ensuring there would be no prioritization at all. The Director of Security also stated the algorithm developed by DSS, which attempts to categorize cases on the likelihood that they would result in an adverse adjudicative outcome, would not determine relative priorities, which is the proper and sole purview of the component requesting and paying for the investigation.

**Audit Response.** We agree that DSS negotiated time frames for processing security clearance investigations for special projects, such as Yankee White. During FY 1999 there were 6,647 cases closed and 8,510 cases pending for the special projects. The prioritization of 15,157 special project cases in FY 1999 does not begin to deal with the 225,168 security clearance cases loaded into the CCMS in FY 1999. There is no prioritization for the 236,062 clearance investigations pending at DSS as of December 31, 1999. Since only 75,346 clearance investigations were closed in FY 1999, we believe most of the cases pending as of December 31, 1999, will require more than one year to complete. As far as the DSS algorithm is concerned, we view it as a tool to supplement a prioritization system. Since the number of priority cases could potentially be large, being able to identify those cases that the DSS algorithm determined more likely to result in adverse adjudicative decisions would be beneficial.

## Recommendations, Management Comments, and Audit Response

**Revised and Renumber Recommendations.** Based on management's comments, we revised draft Recommendation 1.b. to recognize the prioritization system would not be developed and implemented immediately; however, it should be applied to the workload that exists at the time of system completion. We also combined draft Recommendation 1.c. with Recommendation 1.b.

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**1. We recommend that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) establish an Integrated Process Team to:**

- a. Develop criteria to determine the highest priority mission-critical and high-risk positions based on their impact on mission-critical programs. The criteria must also include a review of the special projects at the Defense Security Service.**
- b. Develop a process for relating specific clearance requests to mission-critical and high-risk positions. This process must identify specific individuals as they are submitted for initial investigations and periodic reinvestigations. The process should continually adjust the highest priority mission-critical and high-risk positions to actions that may impact them.**

**Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments.** The Director of Security, Office of the Assistant Secretary of Defense (Command, Control, Communication, and Intelligence), nonconcurrent, stating that the recommendations are beyond the scope and ability of the Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) to implement, especially in the near future. Implementation of several initiatives: two contracts for 37,000 investigations, the Office of Personnel Management performing civilian investigations (43,000 in FY 2000 and 71,000 in FY 2001), a DSS initiative to engage additional outside vendors to conduct investigations, and moving all NACLIC investigations to the Office of Personnel Management will reduce DSS workload, permitting it to more expeditiously open and complete the more critical Top Secret/Sensitive Compartmented Information periodic reinvestigations. The Director of Security also stated that priorities for submission of investigations already exist in DoD and it would be extremely difficult to develop a priority listing across all components. Such an attempt would likely result in everything becoming a high priority since no component would voluntarily concede that one of its programs is less important than another component's. In addition, the Director of Security stated that the electronic personnel security questionnaires would have to be analyzed and prioritized, which would cause delays and additional costs. The cost would impose a significant additional burden on the Components, which are being asked to identify an additional \$205 million to fund the elimination of the periodic reinvestigation backlog. If a prioritization method were feasible, the Director stated that it should be developed by DSS customers.

**Audit Response.** The Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) comments are not responsive. We commend the Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) and DSS for the initiatives underway to reduce the backlog and excessive number of pending clearances. This report acknowledges the efforts underway relating to the letter contracts and the civilian investigations being performed by the Office of Personnel Management. We agree that prioritization will be difficult; however, we believe that a rigorous business process re-engineering effort would have positive results. The large number of

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investigative cases pending and additional requests for initial investigations and periodic reinvestigations underscore the necessity for DoD to have a systematic process that prioritizes mission-critical and high-risk positions.

We agree that making determinations between one program and another will be difficult, but it is done when developing war plans and budgets. Prioritization systems exist within other areas of DoD such as the Uniform Material Movement and Issue Priority System that is used for the supply system. Unrealistic or improper use of priority codes can be minimized by appropriate management controls and strong leadership.

We recommend a team problem solving approach on this matter because we share the view of the Director of Security that neither his office nor DSS can unilaterally devise and operate a prioritization process. However, strong leadership from the Assistant Secretary of Defense level will be vital.

We request that the Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) reconsider his position and provide additional comments in response to the final report.

**Defense Security Service Comments.** The Defense Security Service concurred with the intent of the recommendation, but did not agree with the approach of the recommendation. The Defense Security Service suggested that a central requirements facility be established by each DoD activity that has a central adjudication facility. The central requirements facility should scrub, validate, and prioritize clearance requests; review clearance requests for accuracy; review fingerprint cards for currency; and be the office for communication on security clearance requirement matters. The central requirements facility would reduce costs by eliminating unnecessary requests and providing a usable clearance package, allow the Defense Security Service to function efficiently, and result in improved national security.

**Audit Response.** We do not believe that a central requirements facility is necessarily the best solution, but we welcome the constructive suggestion. Our recommendation would prioritize the positions and identify the security clearance with the position. A prioritization code, identified on the clearance request by the requesting security office, could allow the prioritization to be implemented when cases are received by the Defense Security Service so a central requirements facility would not be required to perform this function.

**Department of the Army Comments.** The Army disagreed with the recommendation. The Army stated that the Overarching Integrated Process Team's recommendations will eliminate the security clearance backlog of periodic reinvestigations and restore timeliness within 2 years. In addition, the Army stated that special access programs and other critical positions are already given highest priority for investigative submission and that the investigative prioritization has already been addressed by the Overarching Integrated Process Team through recommending research on prioritizing personnel security investigative cases based upon both personnel history and job position risk factors as determined by a validated algorithm.

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**Audit Response.** We agree that implementing the Overarching Integrated Process Team recommendation to transfer all Secret/Confidential clearance investigations to the Office of Personnel Management will be beneficial, but it does not eliminate the need for DoD prioritization of mission-critical and high-risk positions. Although the special projects that are given priority by DSS do include some special access programs and other critical positions, most special access programs are not included in the special projects. The DSS algorithm can determine those cases that may potentially result in denial of the clearance, and can factor in the risk of whether an individual has access to special access programs, sensitive compartmented information, and classified information. However, the sheer volume of requests pending at DSS, those that will be received by DSS for the normal workload, and the additional requests required for periodic reinvestigations necessitates having a DoD-wide process for prioritizing mission-critical and high-risk positions.

**2. We recommend that the Director, Defense Security Service, establish the process and metrics to ensure expeditious processing of personnel security clearance investigations in accordance with established priorities.**

**Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments.** The Assistant Secretary of Defense (Command, Control, Communication, and Intelligence) generally concurred with the recommendation.

**Defense Security Service Comments.** The Defense Security Service concurred with the recommendation, stating it will work with the appropriate personnel to ensure that the process and metrics are in place.

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## Appendix A. Audit Process

### Scope

**Work Performed.** We evaluated the DSS plan to improve the CCMS and to process initial and overdue periodic reinvestigations. We reviewed DSS performance results for the period of October 1998 through December 1999.

**DoD-wide Corporate Level Government Performance and Results Act (GPRA) Coverage.** In response to the GPRA, the Secretary of Defense annually establishes DoD-wide corporate level goals, subordinate performance goals, and performance measures. This report pertains to achievement of the following goal, subordinate performance goals, and performance measures:

**FY 2000 DoD Corporate Level Goal 2:** Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities. Transform the force by exploiting the Revolution in Military Affairs, and reengineering the Department to achieve a 21st century infrastructure. **(00-DoD-2) FY 2000 Subordinate Performance Goal 2.1:** Recruit, retain, and develop personnel to maintain a highly skilled and motivated force capable of meeting tomorrow's challenges. **(00-DoD-2.1) FY 2000 Performance Measure 2.1.1:** Enlisted Recruiting. **(00-DoD-2.1.1) FY 2000 Subordinate Performance Goal 2.3:** Streamline the DoD infrastructure by redesigning the Department's support structure and pursuing business practice reforms. **(00-DoD-2.3) FY 2000 Performance Measure 2.3.1:** Percentage of the DoD Budget Spent on Infrastructure. **(00-DoD-2.3.1) FY 2000 Subordinate Performance Goal 2.4:** Meet combat forces' needs smarter and faster, with products and services that work better and cost less, by improving the efficiency of DoD's acquisition processes. **(00-DoD-2.4)**

**DoD Functional Area Reform Goals.** Most major DoD functional areas have also established performance improvement reform objectives and goals. This report pertains to achievement of the following functional area objectives and goals in the Information Technology Management Functional Area.

- **Objective:** Deliver great service. **Goal:** Deliver new major defense systems to the users in 25 percent less time. **(ACQ-1.1)**
- **Objective:** Provide services that satisfy customer information needs. **Goal:** Modernize and integrate Defense information infrastructure. **(ITM-2.2)**

**General Accounting Office High-Risk Area.** The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Defense Weapon System Acquisition, the Information Management and Technology, and the Military Personnel Management high-risk areas.

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## Methodology

To determine how many security clearance investigations DSS can process, we reviewed the number of cases closed for the period from October 1998 through December 1999. We also attended briefings and interviewed personnel to determine what actions DSS is taking to process security clearance investigations in a timely manner.

**Use of Computer-Processed Data.** We relied on computer-processed data without performing tests of system general and application controls to confirm the reliability of the data. We did not establish reliability of the data because there is no other source of security clearance requests without going to every individual security office in DoD and DoD contractors. We established that some requests have been lost so we know CCMS is inaccurate. However, because of the size of the number of cases, we believe any error rate would be insignificant to the finding. Therefore, not establishing the reliability of the database will not materially affect the results of our audit.

**Audit Type, Dates, and Standards.** We conducted this economy and efficiency audit from September 1999 through January 2000, in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD.

**Contacts During the Audit.** We visited or contacted individuals and organizations within DoD. Further details are available upon request.

**Management Control Program.** We are addressing the DSS management control program in Inspector General, DoD, Project No. 9AD-0046.04, "Tracking Security Clearance Requests."

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## **Appendix B. Prior Coverage**

During the last 6 years, the Inspector General, DoD, issued four reports and the General Accounting Office, the Joint Security Commission II, the Commission on Protecting and Reducing Government Secrecy, and the Joint Security Commission issued one report each on security clearance background investigations.

### **General Accounting Office**

United States General Accounting Office Report No. NSIAD-00-12 (OSD Case No. 1901), "DoD Personnel, Inadequate Personnel Security Investigations Pose National Security Risks," October 27, 1999.

### **Inspector General, DoD**

Inspector General, DoD Project No. 9AD-0046.04, "Tracking Security Clearance Requests," March 31, 2000.

Inspector General, DoD Report No. D-2000-072, "Expediting Security Clearance Background Investigations for Three Special Access Programs" (U), January 31, 2000. (SECRET)

Inspector General, DoD Report No. 98-067, "Access Reciprocity Between DoD Special Access Programs" (U), February 10, 1998. (CONFIDENTIAL)

Inspector General, DoD Report No. 97-196, "Personnel Security in the Department of Defense," July 25, 1997.

### **Others**

Joint Security Commission II, "Report of the Joint Security Commission II," August 24, 1999.

Commission on Protecting and Reducing Government Secrecy, Senate Document 105-2, "Report of the Commission on Protecting and Reducing Government Secrecy," March 3, 1997.

Joint Security Commission, "Redefining Security," February 28, 1994.

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## Appendix C. Definitions

**Access National Agency Check (ANACI):** A personnel security investigation conducted by the Office of Personnel Management for access to classified information, which consists of a National Agency Check, and written inquiries to law enforcement agencies, former employers and supervisors, references, schools, and credit check.

**Credit Check:** Verification of the subject's financial status, including credit bureau checks covering all locations where the subject has resided, been employed, or attended school for six months or more for the past seven years.

**Entrance National Agency Check (ENTNAC):** A personnel security investigation scoped and conducted in the same manner as the National Agency Check except that a technical fingerprint search of the files of the Federal Bureau of Investigations is not conducted. An ENTNAC is conducted on each enlisted member of the Armed Forces at the time of initial entry into the service.

**Local Agency Checks:** As a minimum, all investigations will include checks of law enforcement agencies having jurisdiction where the subject lived, worked, and/or attended school within the last 5 years, and if applicable, of the appropriate agency for any identified arrests.

**National Agency Check:** The National Agency Check is part of all investigations and reinvestigations. The scope for the NAC is 5 years and at a minimum, it consists of a review of the following:

1. Investigative and criminal history files of the Federal Bureau of Investigations, including a technical fingerprint search
2. OPM's Security/Suitability Investigations Index
3. Defense Clearance and Investigations Index
4. Such other national agencies appropriate to the individual's background.
  - a. Central Intelligence Agency
  - b. Immigration and Naturalization Service
  - c. State Department
  - d. Military Personnel Record Center

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e. Treasury Department

f. Other agencies such as the National Guard Bureau

**National Agency Check Plus Written Inquiries:** A personnel security investigation conducted by the Office of Personnel Management, combining a NAC and written inquiries to law enforcement agencies, former employers and supervisors, references and schools.

**National Agency Check with Local Agency Checks and Credit Check (NACLIC):** The NACLIC applies to the investigations and reinvestigations conducted to determine eligibility for access to Secret and Confidential.

**Special Investigative Inquiries:** A supplemental personnel security investigation of limited scope conducted to prove or disprove relevant allegations that have arisen concerning a person upon whom a personnel security determination has been previously made and who, at the time of the allegation, holds a security clearance or otherwise occupies a position that requires a security determination.

## Appendix D. Investigation Requirements

<u>Investigative Requirement</u>	<u>NACLC</u>	<u>SSBI<sup>1</sup></u>	<u>SSBI-PR<sup>2</sup></u>
Completion of Forms (electronic personnel security questionnaire and supporting documentation)	X	X	X
National Agency Check	X	X	X
NAC for the Spouse or Cohabitant		X	X
Date and Place of Birth	X	X	
Citizenship		X	
Education		X	
Employment		X	X
References		X	X
Former Spouse		X	X
Neighborhoods		X	X
Financial Review (Credit Check)	X	X	X
Local Agency Checks	X	X	X
Public Records		X	X
Subject Interview		X	X
Polygraph		X	
<sup>1</sup> Single-Scope Background Investigation			
<sup>2</sup> Single-Scope Background Investigation Periodic Reinvestigation			

## Appendix E. Average Days To Open a Case

December 1999				
Case Type	Cases Opened (a)	Average Days To Open (b)	Total Days to Open (a*b= c)	Weighted Average (sum c/sum a= d)
Confidential	290	92	26,680	
Confidential PR	32	114	3,648	
Secret (new)	7,076	87	615,612	
Secret PR (new)	2,317	77	178,409	
Secret PR (old)	6	389	2,334	
Top Secret (new)	1,902	82	155,964	
Top Secret PR	2,562	84	215,208	
<b>Clearances</b>	<b>14,185</b>		<b>1,197,855</b>	<b>84</b>
NAC	2,543	54	137,322	
NACLC for Trustworthiness	1	47	47	
Other	6	45	270	
Spouse NAC	7	64	448	
Special Investigative Inquiries	114	84	9,576	
Expanded NAC	18	155	2,790	
<b>Other Investigations</b>	<b>2,689</b>		<b>150,453</b>	<b>56</b>
Automated-ENTNAC	10,663	2	21,326	
ENTNAC	3,212	50	160,600	
<b>Total ENTNACs</b>	<b>13,875</b>		<b>181,926</b>	<b>13</b>
<b>Total Workload</b>	<b>30,749</b>		<b>1,530,234</b>	<b>50</b>

## Appendix E. Average Days To Open a Case (cont'd)

February 2000				
Case Type	Cases Opened (a)	Average Days To Open (b)	Total Days to Open (a*b= c)	Weighted Average (sum c/sum a= d)
Confidential	461	125	57,625	
Confidential PR	49	133	6,517	
Secret (new)	10,915	116	1,266,140	
Secret PR (new)	4,172	99	413,028	
Secret PR (old)	4	443	1,772	
Top Secret (new)	2,649	99	262,251	
Top Secret PR	3,359	106	356,054	
<b>Clearances</b>	<b>21,609</b>		<b>2,363,387</b>	<b>109</b>
Defense Clearance & Investigations Index NAC	3	0	0	
NAC	1472	88	129,536	
NACLC for Trustworthiness	2	181	362	
Other	1	75	75	
Spouse NAC	5	41	205	
Special Investigative Inquiries	119	112	13,328	
Expanded NAC	17	124	2,108	
<b>Other Investigations</b>	<b>1,619</b>		<b>145,614</b>	<b>90</b>
Automated-ENTNAC	13,138	1	13,138	
ENTNAC	1,461	64	93,504	
<b>Total ENTNACs</b>	<b>14,599</b>		<b>106,642</b>	<b>7</b>
<b>Total Workload</b>	<b>37,827</b>		<b>2,615,643</b>	<b>69</b>

**Appendix F. Cases Pending at DSS**

<u>Case Type</u>	<u>First Quarter FY 1999</u>	<u>Second Quarter FY 1999</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
Confidential	134	691	586	721	1,408	1,701	2,010	2,424	3,248	3,433	3,850
Confidential PR <sup>1</sup>	6	23	16	47	94	151	201	289	341	347	359
Secret	3,025	19,579	17,457	18,476	36,284	44,425	50,442	59,804	76,158	88,505	100,308
Secret PR <sup>1</sup>	5,207	8,270	6,824	7,095	12,484	14,867	16,875	21,858	25,076	28,105	30,967
Top Secret	16,900	24,228	22,441	24,178	34,340	39,319	41,720	45,826	47,840	50,110	52,714
Top Secret PR <sup>1</sup>	12,959	16,489	15,173	15,952	24,593	28,747	32,398	39,199	42,480	45,090	47,864
<b>Clearances</b>	<b>38,231</b>	<b>69,280</b>	<b>62,497</b>	<b>66,469</b>	<b>109,203</b>	<b>129,210</b>	<b>143,646</b>	<b>169,400</b>	<b>195,143</b>	<b>215,590</b>	<b>236,062</b>
Other											
Investigations <sup>2</sup>	19,972	14,947	13,801	12,780	16,225	18,397	20,147	22,715	28,546	33,491	36,889
<b>Total</b>											
<b>Investigations</b>	<b>58,203</b>	<b>84,227</b>	<b>76,298</b>	<b>79,249</b>	<b>125,428</b>	<b>147,607</b>	<b>163,793</b>	<b>192,115</b>	<b>223,689</b>	<b>249,081</b>	<b>272,951</b>
ENTNACs	27,007	32,015	27,795	17,419	26,378	33,515	38,519	62,016	72,459	77,504	77,613
<b>Total</b>	<b>85,210</b>	<b>116,242</b>	<b>104,093</b>	<b>96,668</b>	<b>151,806</b>	<b>181,122</b>	<b>202,312</b>	<b>254,131</b>	<b>296,148</b>	<b>326,585</b>	<b>350,564</b>

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<sup>1</sup> Periodic Reinvestigation

<sup>2</sup> Includes special investigative inquiries (SII), trustworthiness NACLIC, and spouse national agency checks.

Appendix G. Cases Loaded By DSS

Case Type	First Quarter FY 1999	Second Quarter FY 1999	April	May	June	July	Aug	Sept	FY 1999 Totals	Last Half Totals
Confidential	21	882	289	330	804	337	393	483	3,448	2,745
Confidential PR <sup>1</sup>	1	12	33	11	12	59	66	60	254	241
Secret	1,006	18,997	6,991	11,412	17,978	8,599	8,206	11,821	85,010	65,007
Secret PR <sup>1</sup>	3,321	6,707	2,170	2,572	2,954	2,780	3,533	5,709	29,746	19,718
Top Secret	7,493	15,220	6,526	6,601	5,565	5,681	5,061	6,881	59,028	36,315
Top Secret PR <sup>1</sup>	4,366	11,077	4,328	5,431	4,287	4,049	5,418	8,706	47,662	32,219
<b>Clearances</b>	<b>16,228</b>	<b>52,695</b>	<b>20,337</b>	<b>26,366</b>	<b>31,700</b>	<b>21,505</b>	<b>22,677</b>	<b>33,660</b>	<b>225,168</b>	<b>156,245</b>
Other Investigations <sup>2</sup>	11,161	5,909	2,442	6,643	3,894	2,814	2,739	4,638	40,240	23,170
<b>Total Investigations</b>	<b>27,389</b>	<b>58,604</b>	<b>22,779</b>	<b>33,009</b>	<b>35,594</b>	<b>24,319</b>	<b>25,416</b>	<b>38,298</b>	<b>265,408</b>	<b>179,415</b>
ENTNACs	31,629	51,551	10,849	31,613	30,306	21,548	15,231	20,492	213,219	130,039
<b>Total Workload</b>	<b>59,018</b>	<b>110,155</b>	<b>33,628</b>	<b>64,622</b>	<b>65,900</b>	<b>45,867</b>	<b>40,647</b>	<b>58,790</b>	<b>478,627</b>	<b>309,454</b>
<b>Total Workload</b>	<b>59,018</b>	<b>110,155</b>	<b>33,628</b>	<b>64,622</b>	<b>65,900</b>	<b>45,867</b>	<b>40,647</b>	<b>58,790</b>	<b>478,627</b>	<b>309,454</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Loaded per Day	952	1,806	1,520	3,231	2,995	2,184	1,848	2,800	1,907	2,418
<b>Total Investigations</b>	<b>27,389</b>	<b>58,604</b>	<b>22,779</b>	<b>33,009</b>	<b>35,594</b>	<b>24,319</b>	<b>25,416</b>	<b>38,298</b>	<b>265,408</b>	<b>179,415</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Loaded per Day	442	961	1,035	1,650	1,618	1,158	1,155	1,824	1,057	1,402
<b>Clearances</b>	<b>16,228</b>	<b>52,695</b>	<b>20,337</b>	<b>26,366</b>	<b>31,700</b>	<b>21,505</b>	<b>22,677</b>	<b>33,660</b>	<b>225,168</b>	<b>156,245</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Loaded per Day	262	864	924	1,318	1,441	1,024	1,031	1,603	897	1,221
ENTNACs	31,629	51,551	10,849	31,613	30,306	21,548	15,231	20,492	213,219	130,039
Work Days	62	61	22	20	22	21	22	21	251	128
Loaded per Day	510	845	493	1,581	1,378	1,026	692	976	849	1,016

<sup>1</sup> Periodic Reinvestigation

<sup>2</sup> Includes special investigative inquiries (SII), trustworthiness NACLC, and spouse national agency checks.

Appendix G. Cases Loaded By DSS (cont'd)

Case Type	FY 2000			First Quarter Subtotal	Oct 1, 1998 Through Dec 31, 1999
	Oct	Nov	Dec		
Confidential	502	393	407	1,302	4,750
Confidential PR <sup>1</sup>	45	21	18	84	338
Secret	11,897	16,532	14,919	43,348	128,358
Secret PR <sup>1</sup>	4,390	4,577	4,232	13,199	42,945
Top Secret	5,221	5,407	4,279	14,907	73,935
Top Secret PR <sup>1</sup>	5,193	4,881	4,240	14,314	61,996
<b>Clearances</b>	<b>27,248</b>	<b>31,811</b>	<b>28,095</b>	<b>87,154</b>	<b>312,322</b>
Other Investigations <sup>2</sup>	6,564	6,593	4,361	17,518	67,758
<b>Total Investigations</b>	<b>33,812</b>	<b>38,404</b>	<b>32,456</b>	<b>104,672</b>	<b>370,080</b>
ENTNACs	20,686	17,766	13,924	52,376	265,595
<b>Total Workload</b>	<b>54,498</b>	<b>56,170</b>	<b>46,380</b>	<b>157,048</b>	<b>635,675</b>
<b>Total Workload</b>	<b>54,498</b>	<b>56,170</b>	<b>46,380</b>	<b>157,048</b>	<b>635,675</b>
Work Days	20	20	21	61	312
Loaded per Day	2,725	2,809	2,209	2,575	2,037
<b>Total Investigations</b>	<b>33,812</b>	<b>38,404</b>	<b>32,456</b>	<b>104,672</b>	<b>370,080</b>
Work Days	20	20	21	61	312
Loaded per Day	1,691	1,920	1,546	1,716	1,186
<b>Clearances</b>	<b>27,248</b>	<b>31,811</b>	<b>28,095</b>	<b>87,154</b>	<b>312,322</b>
Work Days	20	20	21	61	312
Loaded per Day	1,362	1,591	1,338	1,429	1,001
<b>ENTNACs</b>	<b>20,686</b>	<b>17,766</b>	<b>13,924</b>	<b>52,376</b>	<b>265,595</b>
Work Days	20	20	21	61	312
Loaded per Day	1,034	888	663	859	851

<sup>1</sup> Periodic Reinvestigation

<sup>2</sup> Includes special investigative inquiries (SI), trustworthiness NACLC, and spouse national agency checks

## Appendix H. Cases Opened By DSS

<u>Case Type</u>	<u>First Quarter FY 1999</u>	<u>Second Quarter FY 1999</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>FY 1999 Totals</u>	<u>Last Half Totals</u>
Confidential	2	528	98	267	339	315	287	380	2,216	1,686
Confidential PR <sup>1</sup>	1	13	5	35	33	43	51	62	243	229
Secret	68	16,302	3,490	6,032	9,152	9,411	8,460	9,438	81,353	45,983
Secret PR <sup>1</sup>	3,023	5,225	1,007	1,744	2,945	3,837	2,932	3,505	24,218	15,970
Top Secret	6,182	12,710	3,090	4,382	5,313	5,688	4,948	4,123	46,636	27,744
Top Secret PR <sup>1</sup>	2,985	8,561	2,635	2,512	3,300	5,544	3,538	3,753	32,828	21,282
<b>Clearances</b>	<b>12,261</b>	<b>42,339</b>	<b>10,325</b>	<b>14,972</b>	<b>21,082</b>	<b>25,038</b>	<b>20,216</b>	<b>21,261</b>	<b>167,494</b>	<b>112,894</b>
Other Investigations <sup>2</sup>	25,469	5,083	1,235	2,882	3,346	3,518	3,073	3,725	48,331	17,779
<b>Total Investigations</b>	<b>37,730</b>	<b>47,422</b>	<b>11,560</b>	<b>17,854</b>	<b>24,428</b>	<b>28,556</b>	<b>23,289</b>	<b>24,986</b>	<b>215,825</b>	<b>130,673</b>
ENTNACs	37,860	48,104	15,421	15,631	16,466	21,774	22,558	32,927	210,741	124,777
<b>Total Workload</b>	<b>75,590</b>	<b>95,526</b>	<b>26,981</b>	<b>33,485</b>	<b>40,894</b>	<b>50,330</b>	<b>45,847</b>	<b>57,913</b>	<b>426,566</b>	<b>255,450</b>
<b>Total Workload</b>	<b>75,590</b>	<b>95,526</b>	<b>26,981</b>	<b>33,485</b>	<b>40,894</b>	<b>50,330</b>	<b>45,847</b>	<b>57,913</b>	<b>426,566</b>	<b>255,450</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Opened per Day	1,219	1,568	1,226	1,674	1,859	2,397	2,084	2,758	1,699	1,998
<b>Total Investigations</b>	<b>37,730</b>	<b>47,422</b>	<b>11,560</b>	<b>17,854</b>	<b>24,428</b>	<b>28,556</b>	<b>23,289</b>	<b>24,986</b>	<b>215,825</b>	<b>130,673</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Opened per Day	609	777	525	893	1,110	1,360	1,059	1,190	860	1,021
<b>Clearances</b>	<b>12,261</b>	<b>42,339</b>	<b>10,325</b>	<b>14,972</b>	<b>21,082</b>	<b>25,038</b>	<b>20,216</b>	<b>21,261</b>	<b>167,494</b>	<b>112,894</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Opened per Day	198	694	469	749	958	1,192	919	1,012	667	882
ENTNACs	37,860	48,104	15,421	15,631	16,466	21,774	22,558	32,927	210,741	124,777
Work Days	62	61	22	20	22	21	22	21	251	128
Opened per Day	611	789	701	782	748	1,037	1,025	1,568	840	975

<sup>1</sup> Periodic Reinvestigation

<sup>2</sup> Includes special investigative inquiries (SI), trustworthiness NAJLC, and spouse national agency checks.

Appendix H. Cases Opened By DSS (cont'd)

Case Type	FY 2000			First Quarter Subtotal	Oct 1, 1998 Through Dec 31, 1999
	Oct	Nov	Dec		
Confidential	315	288	290	894	3,110
Confidential PR <sup>1</sup>	38	35	32	105	348
Secret	8,125	7,638	7,076	22,840	84,193
Secret PR <sup>1</sup>	2,672	2,522	2,323	7,517	31,735
Top Secret	3,530	2,618	1,902	8,050	54,686
Top Secret PR <sup>1</sup>	4,540	4,372	2,562	11,474	44,302
<b>Clearances</b>	<b>19,220</b>	<b>17,475</b>	<b>14,185</b>	<b>50,880</b>	<b>218,374</b>
Other Investigations <sup>2</sup>	2,571	2,514	2,689	7,774	56,105
<b>Total Investigations</b>	<b>21,791</b>	<b>19,989</b>	<b>16,874</b>	<b>58,654</b>	<b>274,479</b>
ENTNACs	15,803	18,839	13,875	48,617	259,358
<b>Total Workload</b>	<b>37,594</b>	<b>38,928</b>	<b>30,749</b>	<b>107,271</b>	<b>533,837</b>
<b>Total Workload</b>	<b>37,594</b>	<b>38,928</b>	<b>30,749</b>	<b>107,271</b>	<b>533,837</b>
Work Days	20	20	21	61	312
Opened per Day	1,880	1,946	1,464	1,801	1,680
<b>Total Investigations</b>	<b>21,791</b>	<b>19,989</b>	<b>16,874</b>	<b>58,654</b>	<b>274,479</b>
Work Days	20	20	21	61	312
Opened per Day	1,080	999	804	962	880
<b>Clearances</b>	<b>19,220</b>	<b>17,475</b>	<b>14,185</b>	<b>50,880</b>	<b>218,374</b>
Work Days	20	20	21	61	312
Opened per Day	961	874	675	834	700
<b>ENTNACs</b>	<b>15,803</b>	<b>18,839</b>	<b>13,875</b>	<b>48,617</b>	<b>259,358</b>
Work Days	20	20	21	61	312
Opened per Day	790	947	661	797	831

<sup>1</sup> Periodic Reinvestigation.

<sup>2</sup> Includes special investigative inquiries (SI), trustworthiness NACLIC, and spouse national agency checks.

Appendix I. Cases Closed By DSS

Case Type	First	Second	April	May	June	July	Aug	Sept	FY 1999	Last
	Quarter	Quarter							Totals	Half
	FY 1999	FY 1999							Totals	Totals
Confidential	-	7	32	132	79	91	89	95	525	518
Confidential PR <sup>1</sup>	-	1	2	4	8	23	21	11	70	69
Secret	-	214	1,126	4,988	2,594	2,841	2,935	2,345	17,043	16,829
Secret PR <sup>1</sup>	2,202	2,314	1,367	1,457	1,330	1,464	1,871	1,438	13,443	8,927
Top Secret	7,681	5,289	1,594	2,394	1,936	1,786	1,779	1,512	23,971	11,001
Top Secret PR <sup>1</sup>	6,896	4,953	1,333	1,653	1,330	1,430	1,523	1,176	20,294	8,445
<b>Clearances</b>	<b>16,779</b>	<b>12,778</b>	<b>5,454</b>	<b>10,628</b>	<b>7,277</b>	<b>7,635</b>	<b>8,218</b>	<b>6,577</b>	<b>75,346</b>	<b>45,789</b>
Other Investigations <sup>2</sup>	19,447	9,560	1,567	3,619	2,061	1,973	1,186	1,719	41,132	12,125
<b>Total Investigations</b>	<b>36,226</b>	<b>22,338</b>	<b>7,021</b>	<b>14,247</b>	<b>9,338</b>	<b>9,608</b>	<b>9,404</b>	<b>8,296</b>	<b>116,478</b>	<b>57,914</b>
ENTNACs	19,950	46,215	12,918	26,101	9,437	13,945	17,935	13,929	160,430	94,265
<b>Total Workload</b>	<b>56,178</b>	<b>68,553</b>	<b>19,939</b>	<b>40,348</b>	<b>18,775</b>	<b>23,553</b>	<b>27,339</b>	<b>22,225</b>	<b>276,908</b>	<b>152,179</b>
<b>Total Workload</b>	<b>56,178</b>	<b>68,553</b>	<b>19,939</b>	<b>40,348</b>	<b>18,775</b>	<b>23,553</b>	<b>27,339</b>	<b>22,225</b>	<b>276,908</b>	<b>152,179</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Closed per Day	906	1,124	906	2,017	853	1,122	1,243	1,058	1,103	1,189
<b>Investigations</b>	<b>36,226</b>	<b>22,338</b>	<b>7,021</b>	<b>14,247</b>	<b>9,338</b>	<b>9,608</b>	<b>9,404</b>	<b>8,296</b>	<b>116,478</b>	<b>57,914</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Closed per Day	584	366	319	712	424	458	427	395	464	452
<b>Clearances</b>	<b>16,779</b>	<b>12,778</b>	<b>5,454</b>	<b>10,628</b>	<b>7,277</b>	<b>7,635</b>	<b>8,218</b>	<b>6,577</b>	<b>75,346</b>	<b>45,789</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Closed per Day	271	209	248	531	331	364	374	313	300	358
<b>ENTNACs</b>	<b>19,950</b>	<b>46,215</b>	<b>12,918</b>	<b>26,101</b>	<b>9,437</b>	<b>13,945</b>	<b>17,935</b>	<b>13,929</b>	<b>160,430</b>	<b>94,265</b>
Work Days	62	61	22	20	22	21	22	21	251	128
Closed per Day	322	758	587	1,305	429	654	815	663	639	736

<sup>1</sup> Periodic Reinvestigation

<sup>2</sup> Includes special investigative inquiries (SII), trustworthiness NACLIC, and spouse national agency checks

Appendix I. Cases Closed By DSS (cont'd)

<u>Case Type</u>	<u>FY 2000</u> <u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>First</u> <u>Quarter</u> <u>Subtotal</u>	<u>Oct 1, 1998</u> <u>Through</u> <u>Dec 31, 1999</u>
Confidential	207	192	116	515	1,040
Confidential PR <sup>1</sup>	19	34	24	77	147
Secret	4,360	3,919	2,720	10,999	28,042
Secret PR <sup>1</sup>	1,078	2,044	1,861	5,883	19,326
Top Secret	2,758	2,221	989	5,968	29,939
Top Secret PR <sup>1</sup>	1,965	1,625	868	4,458	24,752
<b>Clearances</b>	<b>11,287</b>	<b>10,035</b>	<b>6,578</b>	<b>27,900</b>	<b>103,246</b>
Other Investigations <sup>2</sup>	1,952	1,534	848	4,334	45,466
<b>Total Investigations</b>	<b>13,239</b>	<b>11,569</b>	<b>7,426</b>	<b>32,234</b>	<b>148,712</b>
ENTNACs	10,121	10,225	12,196	32,542	192,972
<b>Total Workload</b>	<b>23,360</b>	<b>21,794</b>	<b>19,622</b>	<b>64,776</b>	<b>341,684</b>
<b>Total Workload</b>	<b>23,360</b>	<b>21,794</b>	<b>19,622</b>	<b>64,776</b>	<b>341,684</b>
Work Days	20	20	21	61	312
Closed per Day	1,168	1,090	934	1,062	1,095
<b>Investigations</b>	<b>13,239</b>	<b>11,569</b>	<b>7,426</b>	<b>32,234</b>	<b>148,712</b>
Work Days	20	20	21	61	312
Closed per Day	662	578	354	528	477
<b>Clearances</b>	<b>11,287</b>	<b>10,035</b>	<b>6,578</b>	<b>27,900</b>	<b>103,246</b>
Work Days	20	20	21	61	312
Closed per Day	564	502	313	457	331
<b>ENTNACs</b>	<b>10,121</b>	<b>10,225</b>	<b>12,196</b>	<b>32,542</b>	<b>192,972</b>
Work Days	20	20	21	61	312
Closed per Day	506	511	581	533	619

<sup>1</sup> Periodic Reinvestigation

<sup>2</sup> Includes special investigative inquiries (SII), trustworthiness NACLC, and spouse national agency checks.

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## **Appendix J. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense for Acquisition, Technology, and Logistics  
  Director, Special Programs  
  Director, Defense Logistics Studies Information Exchange  
Assistant Secretary of Defense (Command, Control, Communications, and Intelligence)  
  Director, Security  
Under Secretary of Defense (Comptroller)  
  Deputy Chief Financial Officer  
  Deputy Comptroller (Program/Budget)

### **Department of the Army**

Assistant Secretary of the Army (Financial Management and Comptroller)  
Chief, Army Technology Management Office  
Auditor General, Department of the Army

### **Department of the Navy**

Naval Inspector General  
Director, Special Programs Division, Chief of Naval Operations  
Auditor General, Department of the Navy  
Superintendent, Naval Post Graduate School

### **Department of the Air Force**

Assistant Secretary of the Air Force (Financial Management and Comptroller)  
Director, Security and Special Programs Oversight, Administrative Assistant to the Secretary of the  
  Air Force  
Auditor General, Department of the Air Force

### **Other Defense Organizations**

Director, Defense Contract Audit Agency  
Director, Defense Logistics Agency  
Director, Defense Security Service  
  Inspector General, Defense Security Service  
Director, National Security Agency  
  Inspector General, National Security Agency  
Inspector General, Defense Intelligence Agency

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## **Non-Defense Federal Organizations and Individuals**

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

## **Congressional Committees and Subcommittees, Chairman and Ranking Minority Members**

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 Defense, Committee on Appropriations  
House Committee on Armed Services  
House Committee on Government Reform  
House Subcommittee on Government Management, Information, and Technology, Committee on Government Reform  
House Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform  
House Permanent Select Committee on Intelligence

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



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

February 28, 2000

## MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING

SUBJECT: Audit Report on Security Clearance Investigative Priorities  
(Project No. 9AD-0046.03)

This is in response to your January 31, 2000 memorandum, subject as above, in which you requested comments on the recommendations for OASD(C3I) to form an IPT to "develop criteria for determining the highest priority mission-critical and high-risk position and develop a process for relating individual clearance requests to those mission-critical and high-risk positions." The draft report is extremely comprehensive and factual with regard to the Defense Security Service (DSS) investigative backlog and processing issues confronting DoD customers as a result of problems with the Case Control Management System (CCMS).

While this office concurs with the serious nature and scope of the problems confronting DSS and the need for expeditious conduct of mission-critical personnel security investigations (PSI) for DoD, the recommendations as written are beyond the scope and ability of OASD(C3I), and perhaps the DoD Components, to implement, especially in the near future. The reasons for this conclusion are numerous and are addressed at the attachment. A variety of initiatives to resolve the problems confronting DSS and address the periodic reinvestigation (PR) backlog are either in place or pending a final decision as to implementation. Among these are: 1) letter contracts with two contractors, OMNIPLEX and MSM, which are scheduled to deliver 37K investigations in FY00; 2) the decision in September 1999 to refer all civilian PSIs for DoD to OPM and its contractor, US Investigations Services (43K scheduled for FY00; 71K in 01); 3) the recommendations of the DEPSECDEF chartered OIPT to temporarily move all NACLIC investigations to OPM as soon as possible; 4) the DSS initiative to engage additional outside vendors to conduct PSIs, and 5) contrary to the finding in the report, priorities for submission of PSIs, including periodic reinvestigations (PR), already exist in DoD and have for some time.

The above mentioned initiatives are designed to relieve pressure on the overburdened CCMS until such time as it can successfully achieve its goal of opening a minimum of 2500 investigations per day. Since the current capacity is approximately half that number, DSS is unable to effectively address the backlog of critical and priority PRs (and initials) that are vital to the sustainment of a viable DoD personnel security program. With the implementation of the above initiatives, CCMS will be temporarily relieved of a large number of investigative requests thus permitting it to more expeditiously open and complete the more critical TS/SCI PRs addressed in the DoDIG report.



Final Report  
Reference

Revised

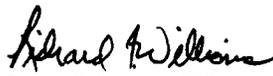
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page 12

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As discussed at the attachment, due to the scope, magnitude and nature of DoD's many varied war plans, critical missions, priority programs, including industry, it would be extremely difficult to develop a priority listing component by component much less a unified approach across all components. Even if each component could develop specific listings of critical missions and war plans unique to that agency and associate them with specific personnel, the report neglects to consider the difficulty of prioritizing these varied requirements across components. Such an attempt would likely result in everything becoming a priority since no component would voluntarily concede that one or more of their priorities is less important than another component's.

Further, since there is no known automated interface connecting the 2.5M cleared DoD population and the thousands of critical DoD missions in place at any given time, classified or unclassified, any such undertaking would be largely a manual one with a significant resource cost to the components, not to mention significant delays in reviewing incoming SF86s prior to entering them into CCMS. It is strongly recommended that the DoDIG discuss the implications of recommendation #1 with the Military Departments and selected Defense Agencies before finalizing the recommendations. If one or more Components feel such an approach is feasible, it might be helpful for them to develop a prioritization model for their Component and test it to better determine the feasibility and cost. In the final analysis, a solution, if one is possible, would be more readily accepted and implemented if it was designed by the customer rather than a "purple" answer imposed by OSD.

For the reasons enumerated above and at the enclosure, this office must non-concur with recommendation # 1. Recommendation # 2 is concurred in with regard to DSS processing PSIs in accordance with investigative priorities already established and the DSS Performance Contract.

  
Richard F. Williams, CPP  
Director of Security

Attachment

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**OASD(C3I) COMMENTS ON DODIG AUDIT REPORT ON SECURITY CLEARANCE  
INVESTIGATIVE PRIORITIES (PROJECT NO. 9AD-0046.03)**

**1. DoD Prioritization:** This paragraph is inaccurate and ignores current realities. While DSS indeed processes most cases on a first in, first out approach, it does prioritize many different kinds of investigations. DSS has a two-page list of 78 "priority" case categories, which include Project Blowtorch (personnel assigned to NSA), Yankee White (White House cases), Yankee Grey (NSA again), and many others. These numerous priorities, including SAPs, are based on mission critical functions and requested and justified by the cognizant authority requesting the investigation. Many have been in place for years. These priorities frequently cut across Service lines, such as Yankee White, and are handled by special teams at the PIC and monitored for conformance with agreed upon case completion times. It is likely that if all these priority categories were analyzed, it would reveal that they include thousands of cases annually. Clearly there are other priority investigations associated with "mission critical" functions other than those formally recognized at DSS, which may be suffering due to the serious delays incurred by the malfunctioning CCMS. However, there is no practical way to prioritize all those cases, if indeed that is even feasible, across the Department other than to have the local security manager identify the cases as such. There is no central database anywhere in DoD, which could begin to address the issue of tying cleared personnel to critical missions/war plans, and it would be virtually impossible to achieve a consensus as to such priorities across the Services and Defense agencies, not to mention within Defense industry. Even if it were, the number of priority investigations resulting would be huge, overwhelming the system and ensuring that there would be no priorities at all.

**2. Prioritization Based on Security Questionnaire:** This "algorithm" attempts to categorize cases on the likelihood that they would result in an adverse adjudicative outcome based on "yes" answers to the SF86. According to DSS officials, this process, if it becomes operational, would merely direct the "yes" cases to DSS for investigations and "no" cases to private vendors. Clearly many SF86's with all "no" answers would include "priority" mission critical investigations such as Yankee White. Thus this "prioritization" scheme would merely direct cases based on an assessment as to whether they would likely become an "issue" case but would not determine relative priorities, which is the proper and sole purview of the component requesting and paying for the investigation.

**3. Defense Industry:** Of the more than 600K Defense contractors with a security clearance, in excess of 100K involve TS/SCI. How and who would prioritize these important cases? DSS? The Components? How would the PR for a contractor working on THAAD be prioritized against a contractor working on the F-22 or Joint Strike Fighter? What about strategic missile defense? Trying to get the components to prioritize such important programs across 13K cleared contractor facilities would be a virtual impossibility since each component would have its own critical priorities that they would insist receive priority.

**4. Cost:** Since there is no known automated (and unclassified) way to effectively and efficiently connect critical DoD missions, however they would be defined, with the cleared DoD population, such a front end effort would be fraught with delays in analyzing/prioritizing each

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incoming EPSQ/SF 86, as well as adding the staff and equipment necessary to accomplish the task. If the DoD Central Adjudication Facilities (CAF) were assigned this task they would require significant additional personnel and equipment, especially the Military Department CAFs that would likely bear the brunt of any implementation. It is likely that the CAFs primary adjudicative mission would suffer if sufficient resources were not forthcoming. Further, such a cost would not only take time to budget for and implement, it would also impose a significant additional burden on the Components which are being asked to identify an additional \$205M to fund the elimination of the PR backlog.

5. **General:** The DSS, like the OPM investigation program, is a service operation designed to accommodate the legitimate PSI requirements of their customers. DSS has been prioritizing investigations for their DoD customers for many years up to the present time. Unfortunately, the malfunctioning CCMS presents significant obstacles to the timely opening, scoping and expeditious completion of true priority cases. For example, OPM addresses this priority issue by offering a 35-day case completion time at an additional cost over and above their base 75-day case for SSBI. The CCMS deficiencies are being addressed by the initiatives discussed in the memorandum until such time as the system can become fully operational. Initiating an effort as recommended in the DoDIG report will not only be costly and time consuming for those already over stressed DoD customers, but will also be divisive as each Component vigorously competes to ensure that ALL of their critical missions receive the proper priority, which, if a list were able to be capture them, would run many pages.

# Defense Security Service Comments



DEFENSE SECURITY SERVICE  
1340 BRADDOCK PLACE  
ALEXANDRIA, VA 22314-1651

February 28, 2000

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING

SUBJECT: Audit Report on Security Clearance Investigative Priorities  
(Project No. 9AD-0046.03)

The Defense Security Service (DSS) has reviewed subject audit report and recommendations. Our comments are as follows:

Recommendations 1a, b, and c: DSS concurs with the intent of the recommendation but not the approach.

DSS strongly believes that each DoD activity which has a Central Adjudicative Facility should establish a Central Requirements Facility (CRF). This facility would identify those individuals in critical and high-risk positions based on their impact on mission-critical programs. We agree that DSS cannot determine mission criticality or the potential risk derived from the position held by particular individuals. The purpose of the Central Requirements Facility would be:

- Scrub/validate clearance requests and Periodic Reinvestigations coming from across their respective activities and supporting defense industries.
- Establish the priority with which such investigations are to be conducted.
- Ensure that only properly prepared Electronic Personnel Security Questionnaires are submitted to DSS for action.
- Ensure that appropriate releases and fingerprint cards are forwarded.
- Be the responsible office for communications on requirement matters.

DSS considers the clearance process to consist of three phases. The first phase is the submission of the request for a security clearance or periodic reinvestigation. The Central Requirements Facility would be responsible for this phase. The second phase is the accomplishment by DSS of the security clearance investigation. The third phase, performed by the Central Clearance Facilities, is the adjudication of the security clearance investigation and a decision re: suitability for access and/or clearance.

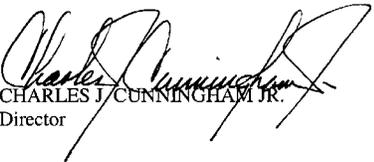
Final Report  
Reference

Revised

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Identifying investigations by mission criticality would ensure expeditious handling of these requests without negatively impacting the investigative process. It would reduce costs for the department by eliminating unnecessary requests and providing a usable clearance package, allowing DSS to function in an efficient manner and serve the needs of the Department resulting in improved national security.

Recommendation 2: DSS concurs. We have the capability to identify special and priority cases in our current system and are prepared to participate with the appropriate personnel to ensure that the process and metrics are in place.

  
CHARLES J. CUNNINGHAM JR.  
Director

# Department of the Army Comments

Final Report  
Reference



REPLY TO  
ATTENTION OF

DAMI-CHS

DEPARTMENT OF THE ARMY  
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR INTELLIGENCE  
WASHINGTON DC 20310-1001

8 MAR 2000

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE,  
OFFICE OF THE ASSISTANT INSPECTOR GENERAL  
FOR AUDITING (MR. ROBERT K. WEST), 400 ARMY  
NAVY DRIVE, ARLINGTON, VA 22202-2884

SUBJECT: Audit Report on Security Clearance Investigative Priorities (Project  
No. 9AD-0046.03)

1. References.

a. SAAG-PMO-S memorandum, 4 February 2000, SAB.

b. DODIG Project No. 9AD-0046.03, 31 January 2000, subject: Security  
Clearance Investigative Priorities.

2. The Office of the Deputy Chief of Staff for Intelligence (ODCSINT) has  
reviewed the subject report and nonconcur with the conclusions and  
recommendations as stated.

3. The DODIG's recommendation to establish an Integrated Process Team (IPT)  
to develop criteria determining which high risk and mission-critical positions  
receive priority for DSS security clearance processing is unnecessary and  
inconsistent with the DEPSECDEF-supported Personnel Security Investigation  
(PSI) Overarching IPT (OIPT) recommendations. Those recommendations,  
which OSD has drafted as a directive to the services, will eliminate the security  
clearance backlog and provide for timely accomplishment of all PSI submissions.  
Special Access Programs (SAP) and other critical positions, as determined by  
each Service, are already given highest priority for investigative submission.

4. The DODIG's recommendation to establish investigative prioritization has  
already been addressed by the PSI OIPT. On 20 January 2000, DEPSECDEF  
supported additional funding for research on prioritizing PSI cases based upon  
both personal history and job position risk factors as determined by a validated  
algorithm. The DODIG's recommendation for a centralized and continuous  
reprioritization of investigative cases will result in the constant interruption and  
postponement of other-than-top-priority cases, which will contribute to a new  
backlog of investigations and adversely affect readiness.

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page 12

DAMI-CHS  
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5. The Army's position is to support the DOD-sponsored Personnel Security investigation Overarching Integrated Process Team recommendations briefed to the DEPSECDEF on 20 January 2000. Those recommendations, if resourced, will eliminate the investigative backlog and restore timeliness within 2 years, negating the need for DOD to micromanage the Service's investigative submissions.

*for* *Maudie King, SIES, ADXSINT*  
CLAUDIA J. KENNEDY  
Lieutenant General, GS  
Deputy Chief of Staff  
for Intelligence

## **Audit Team Members**

The Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report.

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