



December 2017

PERSONNEL SECURITY CLEARANCES

Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigation Backlog

Accessible Version

GAO Highlights

Highlights of [GAO-18-29](#), a report to congressional addressees

Why GAO Did This Study

A high-quality personnel security clearance process is necessary to minimize the risks of unauthorized disclosures of classified information and to help ensure that security-relevant information is identified and assessed. The passage of IRTPA initiated an effort to reform the security clearance process government-wide.

This report assesses the extent to which (1) executive branch agencies made progress reforming the security clearance process; (2) executive branch agencies completed timely initial clearances from fiscal years 2012-2016, and reported on timeliness; and (3) NBIB has taken steps to improve the background investigation process and address the backlog. GAO reviewed documentation; analyzed timeliness data; and interviewed officials from the four PAC Principals and NBIB. This is a public version of a sensitive report that GAO issued in December 2017. Information that the DNI and OPM deemed sensitive has been omitted.

What GAO Recommends

Congress should consider reinstating the IRTPA requirement for clearance timeliness reporting. GAO is also making six recommendations, including that the DNI and other PAC Principals set a milestone for establishing measures for investigation quality, and that NBIB develop a plan to reduce the backlog and establish goals for increasing total investigator capacity. NBIB concurred with the recommendations made to it. The DNI did not concur with GAO's conclusions and recommendations. GAO continues to believe they are valid, as discussed in the report.

View [GAO-18-29](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov.

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What GAO Found

Executive branch agencies have made progress reforming the security clearance process, but long-standing key initiatives remain incomplete. Progress includes the issuance of common federal adjudicative guidelines and updated strategic documents to help sustain the reform effort. However, agencies face challenges in implementing certain aspects of the 2012 Federal Investigative Standards—criteria for conducting background investigations—including establishing a continuous evaluation program, and the issuance of a reciprocity policy to guide agencies in honoring previously granted clearances by other agencies remains incomplete. Executive branch agencies have taken recent steps to prioritize over 50 reform initiatives to help focus agency efforts and facilitate their completion. In addition, while agencies have taken steps to establish government-wide performance measures for the quality of investigations, neither the Director of National Intelligence (DNI) nor the Security, Suitability, and Credentialing Performance Accountability Council (PAC) have set a milestone for their completion. Without establishing such a milestone, completion may be further delayed and agencies will not have a schedule against which they can track progress or to which they are accountable.

The number of executive branch agencies meeting established timeliness objectives for initial security clearances decreased from fiscal years 2012 through 2016, and reporting has been limited. For example, 59 percent of the executive branch agencies reviewed by GAO reported meeting investigation and adjudication timeliness objectives for initial top secret clearances in fiscal year 2012, compared with 10 percent in fiscal year 2016. The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) required the executive branch to submit an annual report, through 2011, to appropriate congressional committees on, among other things, the time required to conduct investigations, adjudicate cases, and grant clearances. Since the requirement ended, reporting has been limited to a portion of the intelligence community. Without comprehensive reporting, Congress will not be able to monitor agencies' progress in meeting timeliness objectives, identify corrections, or effectively execute its oversight role.

The National Background Investigations Bureau (NBIB), within the Office of Personnel Management (OPM), has taken steps to improve the background investigation process, but it faces operational challenges in addressing the investigation backlog and increasing investigator capacity. While NBIB has taken positive steps to improve its oversight of background investigation contracts, it faces operational challenges in reducing the investigation backlog—which grew from 190,000 cases in August 2014 to more than 709,000 in September 2017. To increase capacity NBIB has hired additional federal investigators and increased the number of its investigative fieldwork contracts, but it has not developed a plan for reducing the backlog or established goals for increasing total investigator capacity. Without such a plan and goals, the backlog may persist and executive branch agencies will continue to lack the cleared personnel needed to help execute their respective missions. The bill for the National Defense Authorization Act for Fiscal Year 2018, passed by Congress in November 2017, would authorize DOD to conduct its own background investigations.

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Abbreviations

CIO	Chief Information Officer
COR	contracting officer's representative
DOD	Department of Defense
FIS	Federal Investigative Services
GPRA	Government Performance and Results Act of 1993
IT	information technology
IRTPA	Intelligence Reform and Terrorism Prevention Act of 2004
ODNI	Office of the Director of National Intelligence
OMB	Office of Management and Budget
OPM	Office of Personnel Management
NBIB	National Background Investigations Bureau
NBIS	National Background Investigation System
PAC	Security, Suitability, and Credentialing Performance Accountability Council
QART	Quality Assessment Reporting Tool
USIS	U.S. Investigations Services, LLC

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December 12, 2017

Congressional Addressees

The enactment of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) initiated a reform effort that includes goals and requirements for improving the personnel security clearance process government-wide.¹ A high-quality personnel security clearance process is necessary to minimize the risks of unauthorized disclosures of classified information and to help ensure that information about individuals with criminal histories or other questionable behavior is identified and assessed. In 2014, emphasis on security clearance reform was renewed following high-profile events. These events included the June 2013 disclosure of classified documents by a former National Security Agency contractor, and the September 2013 shooting at the Washington Navy Yard by an individual who had both access to the facility and a security clearance. However, these reform efforts immediately faced significant challenges. In 2014, the Office of Personnel Management (OPM)² experienced issues with respect to its largest background investigation contractor, and it did not exercise an option to extend the contract.³ According to OPM, it conducts about 95 percent of the federal government's background investigations. Additionally, in 2015, OPM was subjected to a massive security breach of its information technology (IT) systems. Moreover, OPM reports that it has a significant backlog of background investigations, which has raised congressional concerns

¹Pub. L. No. 108-458, § 3001 (2004) (codified in relevant part at 50 U.S.C. § 3341). While IRTPA was a far-reaching act with many broad implications, our references to it throughout this report pertain solely to section 3001, unless otherwise specified.

²The National Background Investigations Bureau (NBIB) is the entity within OPM with responsibility for conducting personnel background investigations. It absorbed the Federal Investigative Services—the prior entity within OPM that conducted background investigations—when it became operational on October 1, 2016.

³Specifically, OPM did not exercise an option to extend the contract for its largest background investigator, U.S. Investigations Services, LLC (USIS), following allegations related to the contractor's completion of quality reviews of background investigations. In August 2015, the Department of Justice announced that USIS and its parent company agreed to a \$30 million settlement in exchange for a release of liability under the False Claims Act; accordingly, the claims resolved by the settlement agreement were allegations only, and there was no determination of liability.

about delays in processing security clearances and risks to national security.⁴

Executive Order 13467 established the Security, Suitability, and Credentialing Performance Accountability Council (PAC) as the government-wide structure responsible for driving the implementation of and overseeing security and suitability reform efforts.⁵ The Executive Order also designated the Deputy Director for Management of the Office of Management and Budget (OMB) as the Chair of the PAC, and the Director of National Intelligence as the Security Executive Agent responsible for developing consistent policy and procedures for, among other matters, timely investigations and adjudications.⁶

We have issued numerous reports highlighting issues related to personnel security clearances.⁷ For example, in 2017, we reported on challenges related to the implementation of an executive branch-wide continuous evaluation program, and in 2015 we reported on the need to take steps to improve the reciprocity of security clearances among

⁴See, e.g., H.R. Rep. No. 115-251, at 19-20 (2017); S. Rep. No. 115-125, at 218-20 (2017); H.R. Rep. No. 115-200, at 100-01 (2017); H.R. Rep. No. 115-258, at 2 (2017).

⁵See Exec. Order No. 13,467, § 2.2, 73 Fed. Reg. 38,103, 38,105 (June 30, 2008). The Council was previously named the Suitability and Security Clearance Performance Accountability Council. The name was changed by Executive Order 13764, 82 Fed. Reg. 8115 (Jan. 17, 2017). Suitability refers to determinations that the executive branch uses to ensure that individuals are suitable, based on character and conduct, for federal employment in their agency or position. Credentialing refers to the process that the executive branch uses to issue identification used to access federally controlled facilities and information systems. Suitability and credentialing are not used to determine eligibility for access to classified information.

⁶Exec. Order No. 13,467, §§ 2.2(b), 2.3(c)(ii), 73 Fed. Reg. at 38,105-06. Once an executive branch agency determines that a position requires a certain level of access to classified information, the employee in that position completes a questionnaire for national security positions, which the requesting agency sends to an investigative service provider. The investigative service provider then conducts a background investigation and submits an investigative report to the requesting agency. Adjudicators from the requesting agency use the information from the investigative report to determine whether to grant or deny the employee eligibility for a security clearance by considering guidelines in 13 specific areas that address (1) conduct that could raise security concerns and (2) factors that could allay those security concerns and permit granting a clearance.

⁷A listing of these reports is included in the Related GAO Products page at the end of this report.

executive branch agencies.⁸ Appendix I provides the status of recommendations we have made to improve the personnel security clearance process. Moreover, in our 2015 and 2017 updates to our High-Risk series, we identified the Department of Defense's (DOD) personnel security clearances as a previous high-risk area that we continue to monitor to determine whether the improvements we have noted are sustained and whether any new issues have emerged.⁹

We began our work under the authority of the Comptroller General to conduct evaluations on his own initiative. The Ranking Member of the Senate Committee on Homeland Security and Governmental Affairs, the Vice Chairman of the Senate Select Committee on Intelligence, and Senator Jon Tester subsequently submitted requests to be addressees for this review. Additionally, Senate Report 114-280 included a provision that we review the transition, oversight, and operation of the newly established National Background Investigations Bureau (NBIB), within OPM.¹⁰ This report assesses the extent to which: (1) executive branch agencies have made progress in reforming the security clearance

⁸Continuous evaluation is a process to review the background of an individual who has been determined to be eligible for access to classified information or to hold a sensitive position at any time during the period of eligibility. GAO, *Personnel Security Clearances: Plans Needed to Fully Implement and Oversee Continuous Evaluation of Clearance Holders*, [GAO-18-117](#) (Washington, D.C.: Nov. 21, 2017). Generally, personnel security clearance reciprocity refers to the decision of an agency to accept a background investigation or clearance determination completed by another authorized investigative or adjudicative agency. GAO, *Personnel Security Clearances: Funding Estimates and Government-Wide Metrics Are Needed to Implement Long-Standing Reform Efforts*, [GAO-15-179SU](#) (Washington, D.C.: Apr. 23, 2015) (FOUO/LE/INVESTIGATORY FILES PRIVILEGED).

⁹In 2005, we designated the Department of Defense's (DOD) personnel security clearance program a high-risk area because of delays and backlogs in the personnel security clearance process. We continued that designation in the 2007 and 2009 updates to our High-Risk list because delays continued and we found problems with the quality of OPM-produced investigation reports and DOD adjudication documentation. In our 2011 High-Risk report, we removed DOD's personnel security clearance program from the High-Risk list because DOD took actions to improve the timeliness of clearance processing, issue guidance on adjudication standards, and develop and implement quality assessment tools for background investigations and adjudications. GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, [GAO-17-317](#) (Washington, D.C.: Feb. 15, 2017); and GAO, *High-Risk Series: An Update*, [GAO-15-290](#) (Washington, D.C.: Feb. 11, 2015).

¹⁰S. Rep. No. 114-280, at 99 (2016) (accompanying the Financial Services and General Government Appropriations Bill, 2017, S. 3067); see also 163 Cong. Rec. H3782 (daily ed. May 3, 2017) (Joint Explanatory Statement, accompanying the Consolidated Appropriations Act, 2017, Pub. L. No. 115-31 (2017)).

process; (2) executive branch agencies met established timeliness objectives for initial personnel security clearances from fiscal year 2012 through fiscal year 2016, and reported on their timeliness; and (3) NBIB has taken steps to improve the background investigation process and address the investigation backlog.

This report is a public version of a sensitive report that we issued on December 7, 2017.¹¹ ODNI and OPM deemed some of the information in our December report to be sensitive, which must be protected from public disclosure. Therefore, this report omits sensitive information. Although the information provided in this report is more limited, the report addresses the same objectives as the sensitive report and uses the same methodology.

To address our first objective, we compared the PAC's strategic framework for fiscal years 2017 through 2021 and quarterly progress updates against recommendations from the PAC's 120-day and 90-day reviews and PAC-identified reform milestones. Additionally, we interviewed PAC Program Management Office officials as well as officials from OMB, OPM, the Office of the Director of National Intelligence (ODNI), and DOD, due to their roles as principal members of the PAC. We also interviewed officials from the Departments of Homeland Security, Justice, and State with regard to their plans to implement continuous evaluation—a key reform effort. We compared this information against *Standards for Internal Control in the Federal Government* related to the identification of risks and monitoring activities; criteria for assessing high-risk areas, such as leadership commitment; and best practices for comprehensive and effective IT strategies identified in our prior work.¹² We also reviewed the executive branch's guide for quality standards and tools, and we identified and applied criteria developed from our body of

¹¹GAO, *Personnel Security Clearances: Additional Actions Needed to Address Quality, Timeliness, and Investigation Backlog*, GAO-18-26SU (Washington, D.C.: Dec. 7, 2017) (FOUO).

¹²GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014). [GAO-17-317](#). Best practices for comprehensive and effective IT strategies are identified in GAO, *Information Technology: FDA Has Taken Steps to Address Challenges but Needs a Comprehensive Strategic Plan*, [GAO-16-182](#) (Washington, D.C.: Dec. 17, 2015); and GAO, *Library of Congress: Strong Leadership Needed to Address Serious Information Technology Management Weaknesses*, [GAO-15-315](#) (Washington, D.C.: March 31, 2015).

work on using results-oriented management tools to help achieve desired program outcomes.¹³

To address our second objective, we reviewed relevant statutes and ODNI guidance addressing the timeliness of background investigations and adjudications as well as reporting requirements. We also reviewed available executive branch reports on timeliness. We obtained data from ODNI on the timeliness of initial personnel security clearances for fiscal years 2012 through 2016 for specific executive branch agencies.¹⁴ We excluded the data reported by State to ODNI from our analysis due to a July 2017 report by the State Office of Inspector General, which identified a number of errors in the department's security clearance timeliness data.¹⁵ As such, we reported on the timeliness of the remaining executive branch agencies for which ODNI provided data. To assess the reliability of the data for the remaining executive branch agencies, we reviewed relevant documentation and interviewed officials about data quality control procedures. Based on these steps, we determined that the data were sufficiently reliable for the purposes of this report. For that reason, we did not independently test the accuracy of the agencies' databases.

We selected the fiscal year 2012 through 2016 timeframe for our analysis because the executive branch has not publicly reported on the timeliness of individual executive branch agencies since fiscal year 2011. We analyzed the data to determine the extent to which agencies are meeting IRTPA timeliness objectives for completing the fastest 90 percent of initial secret clearance determinations within 60 days (40 days to investigate

¹³See, for example, GAO, *Managing for Results: Critical Issues for Improving Federal Agencies' Strategic Plans*, [GAO/GGD-97-180](#) (Washington, D.C.: September 1997); *Major Management Challenges and Program Risks: A Governmentwide Perspective*, [GAO-03-95](#) (Washington, D.C.: January 2003); and *Military Transformation: Clear Leadership, Accountability, and Management Tools Are Needed to Enhance DOD's Efforts to Transform Military Capabilities*, [GAO-05-70](#) (Washington, D.C.: December 2004).

¹⁴The number of agencies included in our review was omitted because the information is sensitive. These data are not inclusive of all executive branch agencies with employees who hold security clearances. As the Security Executive Agent, ODNI collects clearance timeliness data from executive branch agencies on a quarterly basis. ODNI provided data for the executive branch agencies that have responded to ODNI's requests for clearance timeliness data for fiscal years 2012 through 2016. ODNI officials stated that some agencies do not report timeliness data to ODNI because those agencies stated that it would be a manual and intensive process.

¹⁵Office of Inspector General, U.S. Department of State, *Evaluation of the Department of State's Security Clearance Process*, July 2017.

and 20 days to adjudicate).¹⁶ Appendix II provides additional details on IRTPA as it relates to personnel security clearances. We also analyzed the extent to which agencies are meeting ODNI revised timeliness objectives for completing the fastest 90 percent of initial top secret clearance determinations. In addition, we reviewed relevant ODNI and PAC reports for information regarding the timeliness of investigations and compared it against criteria for assessing high-risk areas such as monitoring and demonstrated progress.¹⁷ Finally, we interviewed PAC, ODNI, and NBIB officials regarding timeliness challenges, efforts to improve timeliness, and the reporting of timeliness information.

To address our third objective, we analyzed studies, organizational charts, plans, and other documents related to the establishment, transition, oversight, and operation of NBIB. We compared these documents against key principles of strategic workforce planning that we have identified in prior work, such as determining the critical skills and competencies needed to achieve current and future programmatic results and developing strategies that are tailored to address gaps in numbers of people, skills and competencies, and deployment of the workforce; selected OPM workforce planning best practices; OMB policy that requires agencies to take actions to ensure that they have sufficient internal capability to maintain control over functions that are core to the agency's mission and operations; and criteria for assessing high-risk areas such as leadership commitment, capacity, action plans, monitoring, and demonstrated progress.¹⁸ Additionally, given the OPM data breach in 2015 and a decision to shift security clearance IT functions to a new DOD-developed and -operated National Background Investigation System (NBIS), we examined efforts to operationalize the new system

¹⁶IRTPA required the development of a plan to reduce the length of the personnel security clearance process. To the extent practical, the plan was to require that each authorized adjudicative agency make a determination on at least 90 percent of all applications for a personnel security clearance within an average of 60 days after receipt of the completed application by an authorized investigative agency, including not longer than 40 days to complete the investigative phase and not longer than 20 days to complete the adjudicative phase. Pub. L. No. 108-458, § 3001(g) (2004) (codified at 50 U.S.C. § 3341(g)).

¹⁷[GAO-17-317](#).

¹⁸GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003). OPM, *Migration Planning Guidance Information Documents: Workforce Planning Best Practices* (Washington, D.C.: Oct. 7, 2011). OMB, Office of Federal Procurement Policy, Policy Letter 11-01, *Performance of Inherently Governmental and Critical Functions*, 76 Fed. Reg. 56,227, 56,228 (Sept. 12, 2011). [GAO-17-317](#).

and leveraged our recent work examining IT security at OPM.¹⁹ Further, we reviewed and analyzed current and former NBIB/ Federal Investigative Services (FIS) background investigation fieldwork services contracts to determine investigative capacity and steps taken to improve timeliness. FIS is the prior entity within OPM that conducted background investigations for the federal government. We interviewed NBIB officials to determine how NBIB was providing oversight of investigative contracts and how that process changed in the wake of the 2014 issues related to a major investigative service provider. We also interviewed NBIB, PAC, and DOD officials regarding the transition, oversight, and operation of NBIB.

The performance audit upon which this report is based was conducted from July 2016 through December 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We subsequently worked with ODNI and OPM from November 2017 to December 2017 to prepare this report for public release. This public version was also prepared in accordance with these standards.

Background

Personnel Security Clearances

Personnel security clearances are required for access to certain national security information. National security information may be classified at one of three levels: confidential, secret, or top secret.²⁰ The level of classification denotes the degree of protection required for information

¹⁹GAO, *Information Security: OPM Has Improved Controls, but Further Efforts are Needed*, [GAO-17-614](#) (Washington, D.C.: Aug. 3, 2017).

²⁰A top secret clearance is generally required for approval to access Sensitive Compartmented Information; a secret or top secret clearance is generally required for approval to access special access programs. Sensitive Compartmented Information is classified intelligence information concerning or derived from intelligence sources, methods, or analytical processes that is required to be protected within formal access-control systems established and overseen by the Director of National Intelligence. A special access program is a program established for a specific class of classified information that imposes safeguarding and access requirements that exceed those normally required for information at the same classification level.

and the amount of damage that unauthorized disclosure could reasonably be expected to cause to national security. Specifically, unauthorized disclosure could reasonably be expected to cause (1) “damage,” in the case of confidential information; (2) “serious damage,” in the case of secret information; and (3) “exceptionally grave damage,” in the case of top secret information.²¹ As part of the security clearance process, individuals granted security clearances are investigated periodically—for as long as they remain in a position requiring access to classified information—to ensure their continued eligibility. As of October 1, 2015, the latest date for which data are available, approximately 4.2 million government and contractor employees, at nearly 80 executive branch agencies, were eligible to hold a security clearance.²²

IRTPA, Executive Orders, and Recent Legislation

IRTPA. As noted earlier, IRTPA initiated a reform effort that includes goals and requirements for improving the personnel security clearance process government-wide. For example, IRTPA established specific objectives for the timeliness of security clearance processing.²³ It also required that all security clearance background investigations and determinations completed by an authorized investigative agency or authorized adjudicative agency be accepted by all agencies (known as reciprocity), subject to certain exceptions.²⁴ Appendix II provides additional details on IRTPA as it relates to personnel security clearances.

Relevant Executive Orders. The personnel security clearance process and reform efforts are governed by various executive orders. Key executive orders affecting personnel security clearance reform include Executive Orders 12968, 13467, 13741, and 13764, which, among other things, provide definitions, processes, responsibilities, and authorities related to eligibility for access to classified information, suitability and

²¹ See Exec. Order No. 13,526, § 1.2, 75 Fed. Reg. 707, 707-08 (Dec. 29, 2009).

²² ODNI, *2015 Annual Report on Security Clearance Determinations*. As of July 2017, ODNI had not yet issued its Annual Report on Security Clearance Determinations for fiscal year 2016.

²³ See Pub. L. No. 108-458, § 3001(g) (2004) (codified at 50 U.S.C. § 3341(g)). The timeliness objectives were included in a provision requiring the development of a plan to reduce the length of the personnel security clearance process.

²⁴ Pub. L. No. 108-458, § 3001(d) (codified at 50 U.S.C. § 3341(d)).

fitness for government employment, and security clearance reform.²⁵ Aspects of the reform effort covered by the Executive Orders include the establishment of the PAC and NBIB, the transfer of IT responsibilities to DOD, the definition of continuous evaluation, and the addition and amendment of certain roles and responsibilities.

Recent legislation. Section 951 of the National Defense Authorization Act for Fiscal Year 2017 requires, among other things, the Secretary of Defense to develop an implementation plan for the Defense Security Service to conduct background investigations for certain DOD personnel—presently conducted by OPM—after October 1, 2017.²⁶ The Secretary of Defense was to submit the plan to the congressional defense committees by August 1, 2017. DOD provided the plan to the congressional defense committees on August 25, 2017. Section 951 also requires the Secretary of Defense and the Director of OPM to develop a plan by October 1, 2017, to transfer investigative personnel and contracted resources to DOD in proportion to the workload if the plan for the department to conduct background investigations were implemented.²⁷

In November 2017, after the conclusion of our audit work, Congress passed a bill for the National Defense Authorization Act for Fiscal Year 2018. The bill includes a provision that, among other things, would authorize DOD to conduct its own background investigations and would require DOD to begin carrying out the implementation plan required by section 951 of the National Defense Authorization Act for Fiscal Year 2017 by October 1, 2020. It would also require the Secretary of Defense,

²⁵See *generally* Exec. Order No. 12,968, 60 Fed. Reg. 40,245 (Aug. 2, 1995); Exec. Order No. 13,467, 73 Fed. Reg. 38,103 (June 30, 2008); Exec. Order No. 13,741, 81 Fed. Reg. 68,289 (Sept. 29, 2016); Exec. Order No. 13,764, 82 Fed. Reg. 8115 (Jan. 17, 2017).

²⁶Specifically, the implementation plan would cover background investigations for DOD personnel whose investigations are adjudicated by the DOD Consolidated Adjudications Facility. See Pub. L. No. 114-328, § 951(a) (2016). According to the Consolidated Adjudications Facility, its mission is to determine security clearance eligibility of non-intelligence agency DOD personnel, with a customer base including all military service members, military applicants, civilian employees, and consultants affiliated with DOD.

²⁷§ 951(a)(2).

in consultation with the Director of OPM, to provide for a phased transition.²⁸

Governance Structure for Security Clearance Reform Effort

To help guide the personnel security clearance reform effort, in June 2007, the Director of National Intelligence and the Under Secretary of Defense for Intelligence established the Joint Reform Team through a memorandum of agreement to execute joint reform efforts to achieve IRTPA timeliness objectives and improve the processes related to granting security clearances and determining suitability for government employment. The team consisted of cognizant entities within OMB, OPM, ODNI, and DOD. The team worked on improving the security clearance process governmentwide, including providing progress reports on the reform effort, recommendations for research priorities, and oversight of the development and implementation of an information technology strategy, among other things.

In June 2008, Executive Order 13467 established the PAC as the government-wide governance structure responsible for driving the implementation of and overseeing security and suitability reform efforts.²⁹ Its specific responsibilities include ensuring the enterprise-wide alignment of suitability, security, credentialing, and, as appropriate, fitness processes; working with agencies to implement continuous performance improvement programs, policies, and procedures; establishing annual goals and progress metrics; and preparing annual reports on results.³⁰ In addition, the PAC is to develop and continuously reevaluate and revise outcome-based metrics that measure the quality, efficiency, and effectiveness of the vetting enterprise, among other things.³¹ As noted

²⁸See H.R. Rep. No. 115-404, at 245-46 (2017) (Conf. Rep., relaying section 925 of the bill, as passed by the Senate on November 16 and the House of Representatives on November 14).

²⁹See Exec. Order No. 13,467, § 2.2, 73 Fed. Reg. 38,103, 38,105 (June 30, 2008).

³⁰Fitness is the level of character and conduct determined necessary for an individual to perform work for or on behalf of a federal agency as an employee in the excepted service (other than a position subject to suitability), as a contractor employee, or as a non-appropriated fund employee.

³¹Exec. Order No. 13,467, § 2.4(d)(i), (iv), (xii), *as amended through* Exec. Order No. 13,764, 82 Fed. Reg. 8115, 8122-23 (Jan. 17, 2017).

above, the Deputy Director for Management of OMB serves as the Chair of the PAC and has authority, direction, and control over its functions.

In addition to the Deputy Director for Management of OMB, the PAC has three additional principal members: the Director of National Intelligence, the Director of OPM, and the Under Secretary of Defense for Intelligence.

- **Director of National Intelligence:** The Director of National Intelligence serves as the Security Executive Agent and is responsible for, among other things, developing and issuing uniform and consistent policies and procedures to ensure the effective, efficient, timely, and secure completion of investigations, polygraphs, and adjudications related to determinations of eligibility for access to classified information or eligibility to hold a sensitive position.³² In this role, the Director of National Intelligence is also to direct the oversight of such investigations, reinvestigations, and adjudications.
- **Director of OPM:** The Director of OPM serves as the Suitability and Credentialing Executive Agent and is responsible for, among other things, prescribing suitability standards and minimum standards of fitness for employment.³³
- **Under Secretary of Defense for Intelligence:** The Under Secretary of Defense for Intelligence became the fourth principal member of the PAC with the issuance of Executive Order 13741 in September 2016.³⁴ Additionally, Executive Order 13467, as amended, assigns DOD responsibility for designing, developing, operating, defending, and continuously updating and modernizing, as necessary, IT systems that support all background investigation processes conducted by NBIB.³⁵

In addition, in April 2014, the PAC established the Program Management Office to implement personnel security clearance reforms. This office includes subject-matter experts with knowledge of personnel security clearances and suitability determinations from OMB, ODNI, OPM, DOD, the Department of Homeland Security, the Department of Justice, the

³²Exec. Order No. 13,467, § 2.5(e)(iii), *as amended by* 82 Fed. Reg. at 8125.

³³Exec. Order No. 13,467, § 2.5(b)(i), *as amended by* 82 Fed. Reg. at 8123.

³⁴81 Fed. Reg. 68,289 (Sept. 29, 2016) (amending Executive Order 13467).

³⁵Exec. Order No. 13,467, § 2.6(b), *as amended through* Exec. Order No. 13,764, 82 Fed. Reg. at 8126.

Department of the Treasury, and the Federal Bureau of Investigation. Prior to the establishment of the Program Management Office, the PAC was supported by the Joint Reform Team as well as various subcommittees that addressed specific tasks, such as investigator and adjudicator training and the development of performance measures.

Key Efforts to Reform the Personnel Security Clearance Process

Since 2014, there have been a number of key efforts to reform the personnel security clearance process. For example, following the September 2013 shooting at the Washington Navy Yard, the PAC conducted a 120-day interagency review to assess risks inherent in the federal government's security, suitability, and credentialing processes. The February 2014 report resulting from that review highlighted 37 recommendations to improve, among other things, the federal government's processes for granting security clearances.³⁶ Some of the recommendations address longstanding issues of the reform effort—such as improving data sharing between local, state, and federal law enforcement; and others are consistent with previous GAO recommendations—such as reporting measures for the quality of background investigations.³⁷ The status of the implementation of these recommendations is discussed later in this report.

In addition, in March 2014, OMB established Insider Threat and Security Clearance Reform as a government-wide, cross-agency priority goal in part to improve interagency coordination and implementation within the

³⁶OMB, *February 2014 Suitability and Security Processes Review—Report to the President* (February 2014).

³⁷In May 2009, we found that the executive branch's annual reports to Congress on the personnel security clearance process provided decision makers with limited data on quality. We recommended that the Deputy Director for Management of OMB, in the capacity as Chair of the PAC, include metrics on quality in future versions of the IRTPA-required annual report to Congress on personnel security clearances. OMB concurred with the recommendation; however, the 2010 report to Congress did not include quality metrics, and the IRTPA reporting requirement expired in 2011. GAO, *DOD Personnel Clearances: Comprehensive Timeliness Reporting, Complete Clearance Documentation, and Quality Measures Are Needed to Further Improve the Clearance Process*, [GAO-09-400](#) (Washington D.C.: May 19, 2009).

area of personnel security clearances.³⁸ Through this goal, the PAC and executive-branch agencies are to work to improve oversight to ensure that investigations and adjudications meet government-wide quality standards. From the second quarter of fiscal year 2014 to the fourth quarter of fiscal year 2016, the PAC has reported quarterly on, among other things, the status of key milestones and the timeliness of initial investigations and periodic reinvestigations for the executive branch as a whole. As part of the cross-agency priority goal, the PAC identified various sub goals on which to focus its work. The sub goals were originally based on recommendations from the 120-day review and, according to PAC Program Management Office officials, were later updated to reflect the PAC's strategic plans. The current sub goals are as follows: trusted workforce, modern vetting, secure and mission-capable IT, and continuous process improvement.

Further, in 2015, in response to the OPM data breach and at the request of the President, the PAC conducted a second review—a 90-day review—of the government's suitability and security processes. In the January 2016 summary of the review, the administration identified four actions to create a more secure and effective federal background investigations infrastructure. Specifically, it identified the need to: (1) establish NBIB as the new federal entity to strengthen how the government performed background investigations; (2) leverage IT expertise at DOD for processing background investigations and protecting against threats; (3) update governance authorities, roles, and responsibilities; and (4) drive continuous performance improvement to address evolving threats. The status of these actions is discussed later in this report.

³⁸The GPRA Modernization Act of 2010 requires OMB to report through a website—www.performance.gov—on long-term cross-agency priority goals to improve the performance and management of the federal government, one of which is Insider Threat and Security Clearance Reform. See Pub. L. No. 111-352, § 5 (2011) (codified at 31 U.S.C. § 1120). The performance planning and reporting framework originally put into place by the Government Performance and Results Act of 1993, Pub. L. No. 103-62 (1993), was updated by the GPRA Modernization Act of 2010. There were 16 of these goals as of July 2017.

NBIB's Use of Contract Investigators to Conduct Background Investigations

NBIB maintains an in-house federal investigator workforce, but according to NBIB, as of July 2017, it relied on contract investigators to conduct about 60 percent of the background investigations it provides to customer agencies, such as DOD. In 2011, OPM awarded three indefinite delivery/indefinite quantity contracts to three contractors to conduct investigation fieldwork services—CACI Premier Technology, Inc., KeyPoint Government Solutions, Inc., and U.S. Investigations Services, LLC (USIS).³⁹ According to NBIB, USIS was responsible for about 65 percent of the contractor workload.

In September 2014, OPM decided not to exercise the option for the USIS contract for fiscal year 2015. Eleven months prior, in October 2013, the Department of Justice had announced that the government would intervene in a civil suit against USIS, filed by a former employee under the False Claims Act. The government alleged that the contractor had circumvented contractually required quality reviews of completed background investigations to increase the company's revenues and profits.⁴⁰ In August 2015, the Department of Justice announced that USIS and its parent company had agreed to a \$30 million settlement in exchange for a release of liability under the False Claims Act; accordingly, the claims resolved by the settlement agreement were allegations only, and there was no determination of liability. In June 2015, OPM conducted a review of USIS cases and found that the investigations for which USIS did not conduct the quality review were generally less complex cases. In addition, these cases had a lower return rate from OPM reviewers.

³⁹Indefinite delivery/indefinite quantity contracts are used when the exact quantities and timing for products or services are not known at the time of award. An indefinite delivery/indefinite quantity contract provides for the issuance of orders, which are used to procure specific products or services during the period of the contract. Under an indefinite delivery/indefinite quantity contract, the government must order, and the contractor must provide, a minimum agreed-upon quantity. In addition, the contractor must provide any other quantities ordered, up to a stated maximum.

⁴⁰Under the 2011 fieldwork contracts, each contractor was required to perform a pre-submission quality review of all its investigations prior to releasing them to OPM. USIS also had a support contract with OPM to provide final closing reviews before the cases were sent to customer agencies.

In September 2016, OPM awarded new indefinite delivery/indefinite quantity contracts for investigation fieldwork services to four companies—CACI Premier Technology, Inc., KeyPoint Government Solutions, Inc., CSRA LLC, and Securitas Critical Infrastructure Services, Inc. The 2-year base period for these contracts runs to the end of fiscal year 2018, and OPM may exercise three 1-year option periods for each contract, with the first beginning on October 1, 2018.

Executive Branch Agencies Have Made Progress Reforming the Security Clearance Process, but Long-Standing Key Initiatives Remain Incomplete

Executive branch agencies have made progress in reforming the personnel security clearance process by, for example, issuing guidance, such as Quality Assessment Standards to guide background investigations, updated strategic documents to sustain the momentum of the reform effort, and adjudicative guidelines to establish single, common adjudicative criteria for security clearances. However, agencies face challenges in implementing certain aspects of the 2012 Federal Investigative Standards, including full implementation of continuous evaluation, and the issuance of a reciprocity policy remains incomplete. In addition, while the executive branch has taken steps toward establishing performance measures for the quality of government-wide personnel security clearance investigations, there is no milestone for their completion.

The PAC Has Made Progress Reforming the Personnel Security Clearance Process

The PAC has made progress in reforming the personnel security clearance process, as demonstrated through actions taken in response to recommendations and milestones outlined in four key reform effort documents: (1) the February 2014 120-day review; (2) the 2015 90-day review; (3) the Insider Threat and Security Clearance Reform cross-agency priority goal quarterly progress updates; and (4) the PAC's strategic framework for fiscal years 2017 through 2021.

120-day review. According to PAC documentation, as of August 2017, the PAC had implemented 73 percent of the 120-day review

recommendations. For example, in response to a recommendation from the review, ODNI and OPM jointly issued Quality Assessment Standards in January 2015, which establish federal guidelines for assessing the quality of national security and suitability investigations. The establishment of the standards is intended to facilitate the measurement and continued improvement of investigative quality across the executive branch. In response to another related recommendation, ODNI developed the Quality Assessment Reporting Tool (QART), through which agencies will report on the completeness of investigations. According to ODNI officials, the QART was implemented in October 2016, and full implementation is expected by the end of calendar year 2017.

90-day review. By January 2017, the PAC had taken steps to implement all of the actions identified in the January 2016 summary of the 90-day review. Specifically, Executive Order 13741, issued in September 2016, established NBIB, within OPM, to replace FIS as the primary executive branch service provider for background investigations. It also identified DOD as the entity responsible for designing, developing, operating, and securing IT systems that support NBIB's background investigations. Additionally, the Executive Order elevated the Under Secretary of Defense for Intelligence to a full principal member of the PAC and directed the PAC to review and update governance, authorities, roles, and responsibilities.⁴¹ Subsequently, Executive Order 13764, issued in January 2017, further clarified relevant authorities, roles, and responsibilities, among other things.⁴² Further, according to PAC Program Management Office officials, the PAC has taken steps to implement continuous process improvements, such as developing a research and innovation program through which it has undertaken a number of projects aimed at improving the personnel security clearance process. In addition, the PAC established a continuous performance improvement initiative to develop mechanisms to improve the quality and efficiency of the end-to-end security, suitability, and credentialing vetting processes. As of July 2017, the PAC had identified seven categories of performance measures for the end-to-end security, suitability, and credentialing processes—such

⁴¹ See Exec. Order No. 13,741, § 1(d), (e), (f), 81 Fed. Reg. at 68,289-90 (amending Exec. Order No. 13,467) (Sept. 29, 2016); *id.* § 2, 81 Fed. Reg. at 68,291 (directing the PAC to review and update executive-level authorities across the vetting enterprise and submit recommendations to the President).

⁴² See *generally* Exec. Order No. 13,764, 82 Fed. Reg. 8115 (Jan. 17, 2017) (amending Exec. Order No. 13,467 and Exec. Order No. 12,968, among others).

as timeliness, volume, and cost-efficiency—which it planned to implement in a phased approach.

Cross-agency priority goal. From the second quarter of fiscal year 2014 through the fourth quarter of fiscal year 2016, the PAC reported quarterly on the status of key initiatives, among other things, as part of the Insider Threat and Security Clearance Reform cross-agency priority goal.⁴³ For each initiative, the PAC reported the milestone due date, the milestone status—on track, complete, at risk, missed, or not started—and the responsible agencies. As of the PAC’s last publicly reported quarterly update, for the fourth quarter of fiscal year 2016, 8 of 33 initiatives were listed as complete. According to PAC Program Management Office officials, they have continued to track the status of these milestones internally, and almost half of the initiatives—16 of 33—were listed as complete as of the third quarter of fiscal year 2017. These initiatives include the establishment of a Federal Background Investigations Liaison Office within NBIB to oversee and resolve issues between federal, state, and local law enforcement entities when collecting criminal history record information for background investigations, and developing plans to implement improved investigator and adjudicator training.

Strategic framework. The PAC has issued three documents that serve as its updated strategic framework for the next 5 years.⁴⁴ In July 2016, it issued its Strategic Intent for Fiscal Years 2017 through 2021, which identifies the overall vision, goals, and 5-year business direction to achieve an entrusted workforce. In October 2016, it issued an updated

⁴³The PAC has not reported publicly on the status of the reform effort since the fourth quarter of fiscal year 2016 since the content on performance.gov, the vehicle through which the PAC has issued its quarterly updates, was being reviewed based on the presidential transition and, as of August 2017, was undergoing revision as agencies develop updated goals and objectives for release in February 2018 with the President’s next budget submission to Congress.

⁴⁴In May 2009, we found that the security clearance reform effort lacked a strategic framework that included important elements of a successful transformation. We recommended that the Deputy Director for Management of OMB, in the capacity as Chair of the PAC, establish a strategic framework for the reform effort. OMB partially concurred with the recommendation, and in February 2010, the reform effort established the Security and Suitability Process Reform Strategic Framework. The framework identified a mission statement and seven strategic goals: for reciprocity, a database, automation, timeliness, alignment, continuous evaluation, and quality. The framework also included a strategic communications plan that provided a formal communication strategy to sustain reform initiatives, and it discussed information technology initiatives. GAO, *Personnel Security Clearances: An Outcome-Focused Strategy Is Needed to Guide Implementation of the Reformed Clearance Process* [GAO-09-488](#) (Washington, D.C.: May 19, 2009).

PAC Enterprise IT Strategy, which provides the technical direction to provide mission-capable and secure security, suitability, and credentialing IT systems.⁴⁵ According to PAC Program Management Office officials, the third document—the PAC Strategic Intent and Enterprise IT Strategy Implementation Plan (Implementation Plan)—was distributed to executive branch agencies in February 2017. The Implementation Plan documents the key initiatives, targets, and measures for achieving the strategic vision.

In March 2009, the Joint Reform Team issued an Enterprise IT Strategy, but the PAC's own February 2014 120-day review found that this strategy stopped short of actions needed to develop enterprise-wide IT capabilities to modernize, integrate, and automate agency capabilities and retire legacy systems. It further stated that absent a strategy for integrated IT capabilities, agencies created disparate tools designed only to meet their specific requirements and recommended the development and execution of an enterprise reform IT strategy to ensure interoperability and improved sharing of relevant information. We compared the PAC's 2016 Enterprise IT Strategy against leading practices for comprehensive and effective IT strategies and found that it generally aligns with such practices.⁴⁶ For example, it contains results-oriented goals and strategies for agencies to achieve desired results, and describes interdependencies within and across projects.

In addition to these four key areas, PAC members noted additional progress in reforming the personnel security clearance process. Specifically, ODNI officials highlighted the development of seven Security Executive Agent Directives, five of which have been issued as of August 2017, related to the use of polygraphs and social media in the investigative process, among other things. For example, in December 2016, the Director of National Intelligence issued Security Executive Agent Directive 4, National Security Adjudicative Guidelines.⁴⁷ Effective in

⁴⁵Security, Suitability, and Credentialing Performance Accountability Council, *Strategic Intent Fiscal Years 2017-2021* (July 2016); and *Enterprise Information Technology Strategy Fiscal Years 2017-2021* (October 2016).

⁴⁶These leading practices are identified in GAO, *Information Technology: FDA Has Taken Steps to Address Challenges but Needs a Comprehensive Strategic Plan*, [GAO-16-182](#) (Washington, D.C.: Dec. 17, 2015); and GAO, *Library of Congress: Strong Leadership Needed to Address Serious Information Technology Management Weaknesses*, [GAO-15-315](#) (Washington, D.C.: Mar. 31, 2015).

⁴⁷Office of the Director of National Intelligence, *Security Executive Agent Directive 4: National Security Adjudicative Guidelines* (Dec. 10, 2016) (effective June 8, 2017).

June 2017, the directive is meant to establish the single, common adjudicative criteria for all covered individuals who require initial or continued eligibility for access to classified information or eligibility to hold a sensitive position. DOD officials stated that having standardized adjudicative criteria such as these guidelines constitutes an important step in helping to ensure reciprocity. Additionally, a senior PAC Program Management Office official noted that the PAC has designated eight executive branch-wide IT shared service capabilities, such as the electronic adjudication of certain background investigations and a new electronic questionnaire for national security positions. According to this official, the latter two shared services are expected to be rolled out in 2017, with the remaining six shared services being rolled out as they become available.⁴⁸

Key Aspects of the 2012 Federal Investigative Standards and the Development of a Reciprocity Policy Remain Incomplete

While the PAC has reformed many parts of the personnel security clearance process, implementing certain key aspects of the 2012 Federal Investigative Standards, including changing the frequency of periodic reinvestigations for certain clearance holders and establishing a continuous evaluation program, remain incomplete. In addition, the issuance of ODNI's draft reciprocity policy has been delayed.

2012 Federal Investigative Standards. These standards outline criteria for conducting background investigations to determine eligibility for a security clearance and are intended to ensure cost-effective, timely, and efficient protection of national interests and to facilitate reciprocal

⁴⁸According to PAC Program Management Office officials, the other six shared services include: (1) position designation—an automated application to help determine the appropriate investigation level needed for a position; (2) low-side repository—a central location to store investigative and adjudicative information; (3) investigation—development of investigative reports and advanced analytics; (4) low-side information exchange—allows for the sharing of vetting information; (5) adjudication management—supports the adjudication of investigations, including case management and reporting capabilities; and (6) post-determination management—supports the functions that security managers, suitability managers, or similar resources perform once an adjudicative determination has been rendered (e.g., visit requests).

recognition of the resulting investigations.⁴⁹ In April 2015, we reported that executive branch agencies with responsibilities for security clearances and suitability determinations had twice approved updated Federal Investigative Standards to replace the 1997 Standards, but that progress in implementing the updated standards had been limited.⁵⁰ Specifically, as part of the reform effort that began after the passage of IRTPA, the Director of National Intelligence and the Acting Director of OPM, in their roles as Security and Suitability Executive Agents, signed new Federal Investigative Standards on December 13, 2008, and stated that the anticipated initial deployment of the standards was to begin in the third quarter of fiscal year 2009. However, the 2008 Federal Investigative Standards were not implemented, according to ODNI officials, because key terms were not clearly defined and required further clarification.

In December 2012, the Director of National Intelligence and Director of OPM approved updated Federal Investigative Standards. Among other things, the 2012 Federal Investigative Standards identify five investigative tiers. According to OPM Federal Investigations Notice 16-02, tier 3 investigations are required for eligibility for access to secret and confidential information, or for noncritical sensitive positions, or “L” access.⁵¹ OPM Federal Investigations Notice 16-07 indicates that tier 5 investigations are required for eligibility for access to top secret or Sensitive Compartmented Information, or for critical sensitive or special sensitive positions, or “Q” access.⁵² The updated standards also changed the frequency of periodic reinvestigations for certain clearance holders. The Federal Investigative Standards milestone for full operating capability is the end of fiscal year 2017. Specific details on this topic were omitted because the information is sensitive. See figure 1 for a timeline of efforts made since 1997 to implement updated Federal Investigative Standards.

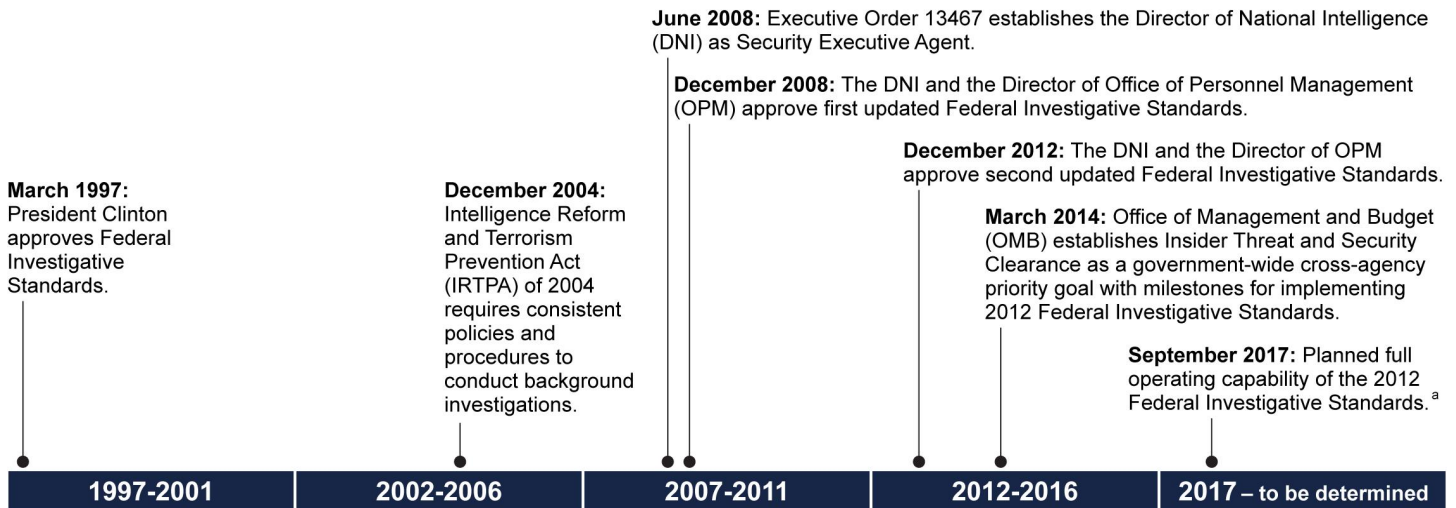
⁴⁹In addition to eligibility for access to classified information, the standards cover investigations to determine eligibility for logical and physical access, suitability for government employment, eligibility to hold a sensitive position, and fitness to perform work for or on behalf of the government as a contractor employee.

⁵⁰[GAO-15-179SU](#).

⁵¹OPM, Federal Investigations Notice No. 16-02, *Federal Investigative Standards for Tier 3 and Tier 3 Reinvestigation* (Oct. 6, 2015).

⁵²OPM, Federal Investigations Notice No. 16-07, *Implementation of Federal Investigative Standards for Tier 4, Tier 4 Reinvestigation, Tier 5, and Tier 5 Reinvestigation* (Sept. 26, 2016).

Figure 1: Timeline of Efforts to Update Federal Investigative Standards



Source: GAO analysis of Office of the Director of National Intelligence (ODNI), Office of Management and Budget (OMB), and Office of Personnel Management (OPM) data. | GAO-18-29

^aWhile the milestone for full operating capability of the 2012 Federal Investigative Standards is September 30, 2017, the standards were not fully implemented by that date due to delays in implementing the change in frequency for periodic reinvestigations for certain clearance holders and in the full implementation of continuous evaluation. A revised date for full operating capability has not been determined.

The 2012 standards include continuous evaluation as a new requirement for certain clearance holders. This is a key executive branch initiative to more frequently identify and assess security-relevant information between periodic reinvestigations. Efforts to implement a continuous evaluation program were included in the implementation documents from the prior reform effort following approval of the 2008 Federal Investigative Standards, including an operational milestone for implementing a continuous evaluation program by the fourth quarter of fiscal year 2010. ODNI has adjusted the milestones for implementing the program and issuing a Security Executive Agent Directive for continuous evaluation several times. For example, in April 2015, we reported that ODNI planned to issue a continuous evaluation policy by September 2016 and to implement a continuous evaluation capability for certain clearance holders by December 2016.⁵³ However, in November 2017 we found that while ODNI has taken an initial step to implement continuous evaluation in a phased approach across the executive branch, it has not yet issued a Security Executive Agent Directive for continuous evaluation or

⁵³GAO-15-179SU.

determined when the future phases of implementation will occur.⁵⁴ According to ODNI officials, as of August 2017, this directive was undergoing interagency coordination and would be issued upon completion of that process. As of August 2017, continuous evaluation had not yet been fully implemented and ODNI had not set a new milestone for when it would occur. In November 2017, we recommended, among other things, that the Director of National Intelligence issue a continuous evaluation directive and develop an implementation plan. ODNI generally concurred with those recommendations.⁵⁵ Figure 2 provides an overview of the adjusted executive branch milestones for issuing a continuous evaluation policy and implementing a continuous evaluation program, including developing a technical capability.

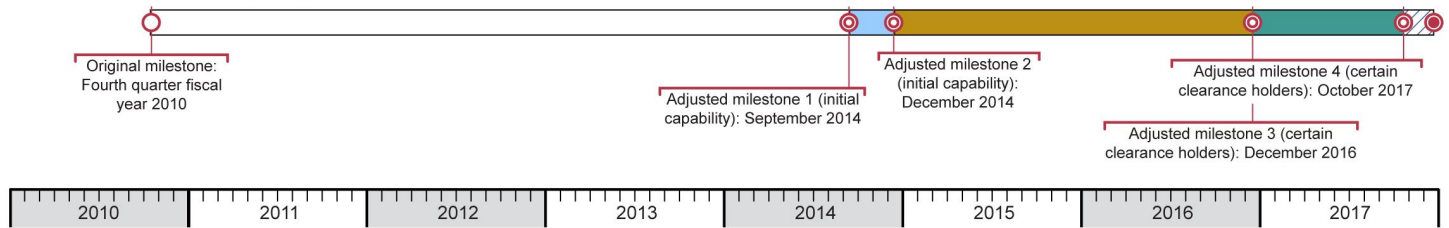
Figure 2: Milestones for the Issuance of Continuous Evaluation Policy and Implementation of the Program

Action

Issuance of continuous evaluation policy



Continuous evaluation capability for certain clearance holders



⊙ Adjusted milestone ⊗ Full implementation: No milestone reported for full implementation

Source: GAO analysis of Office of the Director of National Intelligence and Office of Management and Budget data. | GAO-18-29

Reciprocity policy. In 2004, IRTPA required that all security clearance background investigations and determinations completed by an authorized investigative agency or authorized adjudicative agency be

⁵⁴ GAO-18-117.

⁵⁵ GAO-18-117.

accepted by all agencies, subject to certain exceptions.⁵⁶ As reported in a cross-agency priority goal quarterly update in fiscal year 2016, the milestone for ODNI to issue and promulgate an updated national security reciprocity policy was September 2016. Security clearance reciprocity is statutorily required by IRTPA, subject to certain exceptions,⁵⁷ and it is currently implemented by executive orders and guidance across executive-branch agencies. To consolidate existing reciprocity guidance, ODNI planned to issue a comprehensive, national-level security clearance reciprocity policy intended to resolve challenges associated with consistent, timely reciprocity processing across the executive branch. However, the issuance date has been postponed multiple times—the original milestone was September 2013—and as of July 2017, ODNI had not yet issued a reciprocity policy or identified a new milestone for its issuance. In July 2017, ODNI officials stated that a draft reciprocity policy was pending entry into the formal interagency coordination process and would be issued upon completion of that process.⁵⁸ However, ODNI officials were unable to provide an estimated issuance date because, according to the officials, the length of the interagency coordination process can vary. PAC Program Management Office officials noted that issuance delays are due, in part, to the development of related personnel security policies, including continuous evaluation, with which the reciprocity policy must be aligned. Figure 3 shows milestones for the issuance of the reciprocity policy.

⁵⁶Pub. L. No. 108-458, § 3001(d)(1), (5) (2004) (codified at 50 U.S.C. § 3341(d)(1), (5)). IRTPA also precluded authorized investigative or adjudicative agencies from conducting an investigation for the purposes of determining whether to grant a security clearance when a current investigation or clearance of equal level already exists or has been granted by another authorized adjudicative agency. § 3001(d)(4) (codified at 50 U.S.C. § 3341(d)(4)).

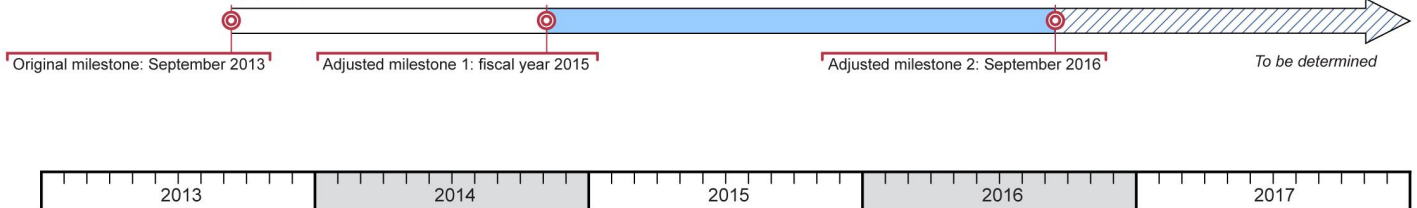
⁵⁷Pub. L. No. 108-458, § 3001(d) (codified at 50 U.S.C. § 3341(d)). The Intelligence Authorization Act for Fiscal Year 2013 required the President to develop a strategy and schedule for carrying out the requirements of section 3001(d) of IRTPA. Pub. L. No. 112-277, § 306 (2013). We reported in April 2015 that ODNI developed the *Strategy and Schedule for Security Clearance Reciprocity* in response to this requirement. [GAO-15-179SU](#).

⁵⁸According to ODNI officials, the reciprocity policy will be issued as Security Executive Agent Directive 7.

Figure 3: Milestones Related to the Issuance of a Personnel Security Clearance Reciprocity Policy

Action

Development of reciprocity policy



⊙ Policy issuance: No milestone reported for policy issuance

Source: GAO analysis of Office of the Director of National Intelligence (ODNI) and Office of Management and Budget (OMB) data. | GAO-18-29

In November 2010, we found that although executive-branch agency officials stated that reciprocity is regularly granted, agencies did not have complete records on the extent to which previously granted security clearance investigations and adjudications are honored government-wide.⁵⁹ Further, we found that agencies lacked a standard metric for tracking reciprocity. We recommended that the Deputy Director for Management, OMB, in the capacity as chair of the PAC, develop comprehensive metrics to track when reciprocity is granted and report the findings from the expanded tracking to Congress. OMB concurred with our recommendation. However, in April 2015, we found that executive branch agencies still did not consistently track when reciprocity is or is not granted, nor did they have metrics in place to measure how often reciprocity occurs.⁶⁰ ODNI officials stated that they planned to develop them by 2016. Although the Director of National Intelligence had requested Intelligence Community elements take steps to begin capturing reciprocity data in December 2014, such baseline data needed to support measures for reciprocity were not being collected government-wide. We recommended, in 2015, that the Director of National Intelligence require the development of baseline data to support measures for reciprocity.⁶¹ These data would help to identify and monitor changes in reciprocity government-wide. ODNI did not state whether it concurred with the

⁵⁹GAO, *Personnel Security Clearances: Progress Has Been Made to Improve Timeliness but Continued Oversight Is Needed to Sustain Momentum*. [GAO-11-65](#). (Washington, D.C.: Nov. 19, 2010).

⁶⁰GAO-15-179SU.

⁶¹GAO-15-179SU.

recommendation, and as of November 2017, it had not been implemented.

PAC officials stated that the greatest challenge of the reform effort is the breadth and complexity of the issues it is trying to resolve, noting that the reform effort involves nearly every executive branch agency. In addition, these officials stated that sometimes agencies focus on short-term high-visibility issues instead of longer-term efforts, which are needed for systemic change. ODNI officials also noted the complexities of reforming the personnel security clearance process and working toward a whole-of-government solution. These officials noted that the reform efforts involve coordination among a number of agencies across the executive branch, which is both time and resource intensive. Both PAC Program Management Office and ODNI officials also identified limited agency resources and competing priorities—across executive branch agencies—as additional challenges.

The PAC has taken recent steps to help address some of these challenges to continued progress, which could facilitate the completion of the key initiatives discussed above. For example, in its Implementation Plan the PAC has identified approximately 50 initiatives on which it will focus its work over the next 5 fiscal years and has aligned those activities with its four strategic categories of initiatives—trusted workforce, modern vetting, secure and modern mission-capable IT, and continuous performance improvement. However, according to ODNI officials, during their review of a draft of the Implementation Plan, they raised concerns about the number of initiatives and highlighted the need to provide greater prioritization of the initiatives to help better focus efforts. For example, some agencies are assigned as a primary owner of multiple initiatives. Specific details of the number of initiatives to which agencies are assigned were omitted because the information is sensitive.

PAC Program Management Officials stated that, to alleviate these concerns, they subsequently identified two to four priority initiatives within each of the four categories to help focus agency efforts. These officials further stated that the PAC intends to update and reissue a condensed version of its Implementation Plan annually so that it can make revisions as issues that affect these priorities, such as reduced budgets, occur. These 11 priority initiatives are identified in the PAC's Implementation Plan which, according to PAC Program Management Office officials, the PAC finalized and circulated to executive branch agencies in February 2017. For example, establishing a continuous evaluation capability and strengthening and aligning guidelines for the reciprocal recognition of

existing vetting decisions are listed among the PAC's priority initiatives. Given the limited agency resources cited by ODNI and PAC Program Management Office officials and other key competing efforts, such as improving investigation timeliness, the PAC's prioritization of initiatives could help to refocus efforts on the most critical areas of the reform effort, and could provide agencies with a manageable number of initiatives on which to prioritize their efforts.

Executive Branch Has Taken Steps to Establish Government-wide Performance Measures for the Quality of Background Investigations, but It Is Unclear When This Effort Will Be Completed

Our prior work on personnel security clearances has identified concerns about the quality of background investigations and has highlighted the need to build quality throughout the process for almost 20 years.⁶² Additionally, we found that executive branch reports on the personnel security clearance process contained limited information on quality in the process. In May 2009, we recommended, among other things, that the Deputy Director for Management of OMB, in the capacity as Chair of the PAC, include in an IRTPA-required report to Congress quality metrics to provide more transparency on personnel security clearances.⁶³ OMB concurred with that recommendation. However, the 2010 report to Congress did not include quality metrics, and the IRTPA reporting requirement expired in 2011. Appendix III provides an overview of our work in this area and of executive branch efforts to establish government-wide performance measures for the quality of background investigations.

According to Executive Order 13467, the PAC is to establish annual goals and progress metrics related to security and suitability processes and continuous performance improvement.⁶⁴ This focus on performance measures is consistent with our body of work on using results-oriented

⁶²See figure 6 for a comprehensive timeline of our prior work related to personnel security clearance process quality.

⁶³[GAO-09-400](#).

⁶⁴See Exec. Order No. 13,467, § 2.4(d)(iv), *as amended through* Exec. Order No. 13,764, 82 Fed. Reg. 8115, 8122 (Jan. 17, 2017). Under Executive Order 13467, as amended, the PAC is also to develop and continuously reevaluate and revise outcome-based metrics that measure the quality, efficiency, and effectiveness of the vetting enterprise. Exec. Order No. 13,467, § 2.4(d)(xii), *as amended*.

management tools to help achieve desired program outcomes—derived from our work on how to effectively implement the Government Performance and Results Act (GPRA) and the GPRA Modernization Act of 2010. This body of work provides agencies with a framework for effectively managing program performance to achieve desired outcomes, including establishing performance measures.⁶⁵ In addition, *Standards for Internal Control in the Federal Government* states that management should establish and review performance measures and monitor internal control systems.⁶⁶ Further, we found in previous work that interim milestones can be used to show progress toward implementing efforts or to make adjustments when necessary. Developing and using specific milestones and timelines to guide and gauge progress toward achieving an agency’s desired results informs management of the rate of progress toward achieving goals, and whether adjustments need to be made in order to maintain progress within given timeframes.⁶⁷

As of July 2017, the executive branch had taken two of three steps to establish government-wide measures for the quality of investigations. First, as previously discussed, ODNI and OPM issued Quality Assessment Standards for background investigations in January 2015 to establish standard criteria for agencies to consistently evaluate complete investigations. The standards were developed through an interagency effort chaired by ODNI, OPM, and DOD. These standards define complete investigations as those in which all required components were obtained in full and any known issues—such as criminal activity—were resolved per the standards. DOD officials highlighted issue resolution—having enough useful information about the circumstances surrounding a given issue to make an adjudicative determination—as a persistent challenge with background investigations for personnel security clearances, and as key to determining investigation quality.

Second, ODNI developed the QART, through which agencies will be able to report on the completeness of investigations, to include whether adjudicators considered issues identified during an investigation to have

⁶⁵See, for example, [GAO/GGD-97-180](#), [GAO-03-95](#), and [GAO-05-70](#).

⁶⁶[GAO-14-704G](#).

⁶⁷GAO, *Defense Health Care Reform: Additional Implementation Details Would Increase Transparency of DOD’s Plans and Enhance Accountability*, [GAO-14-49](#), (Washington, D.C.: Nov. 6, 2013).

been sufficiently resolved.⁶⁸ According to ODNI officials, they began to implement the QART in October 2016, and full implementation is expected by the end of calendar year 2017.

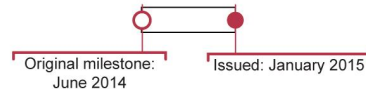
ODNI officials stated that they are collecting sufficient data from the QART in order to develop measures for the quality of investigations. In ODNI's review of a draft of this report, officials stated that it is premature to set a milestone for completing government-wide performance measures for the quality of investigations and that ODNI will set such a milestone when the QART data have been fully analyzed. Specific details on this topic were omitted because the information is sensitive. Figure 4 provides an overview of the timeline for the executive branch's three-step process to develop measures for the quality of investigations.

⁶⁸The QART may be used by agencies to document investigation completeness, but it also serves as a repository for agencies that use their own tool to assess quality under the standards.

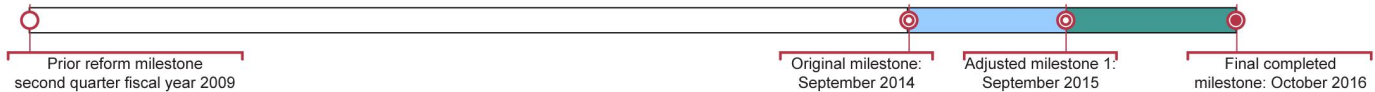
Figure 4: Milestones Related to the Development of Government-Wide Personnel Security Clearance Investigation Quality Standards, Tool, and Measures

Action

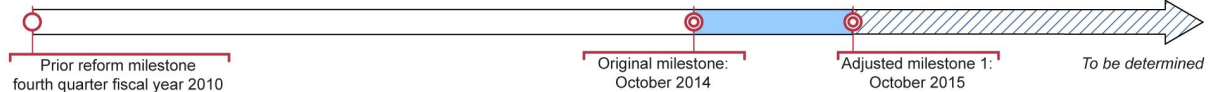
Completion of government-wide quality assessment standards



Completion of government-wide quality assessment tool



Completion of government-wide measures for background investigation quality



⊙ Adjusted milestone ⊙ Final completed milestone: No milestone reported for completion of government-wide measures ● Issued

Source: GAO analysis of Office of the Director of National Intelligence (ODNI) and Office of Management and Budget (OMB) data. | GAO-18-29

Although ODNI has developed the QART, and ODNI and OPM have issued the Quality Assessment Standards, there are still challenges to resolve as measures for the quality of investigations are established. For example, DOD officials stated that they do not intend for all of their adjudicators to use the QART, and that they have not developed an interface between their Rapid Assessment of Incomplete Security Evaluations system and the QART.⁶⁹ DOD officials also stated that they will continue to use their tool until the QART is automated for use in a new Defense Information System for Security. If DOD investigations—which represent the majority of the background investigations conducted by NBIB—are not captured by the QART, it is unclear how ODNI will have

⁶⁹The Rapid Assessment of Incomplete Security Evaluations is a quality tool used by the Department of Defense for assessing the completeness of background investigations.

sufficient data to develop government-wide measures for the quality of investigations. Further, NBIB officials noted that if their largest customer is not utilizing the QART, they are not positioned to receive comprehensive feedback.

In April 2015 we recommended, among other things, that the Director of National Intelligence, in his capacity as Security Executive Agent, develop, implement, and report to Congress on government-wide, results-oriented performance measures for security clearance background investigation quality.⁷⁰ ODNI did not state whether it concurred with that recommendation, and the recommendation has not been implemented. We continue to believe that measures for the quality of background investigations are needed to provide decision-makers, including OMB and Congress, with information on the quality of personnel security clearance background investigations, and to help ensure the quality of investigations. Without establishing a milestone for the completion of government-wide performance measures for the quality of investigations, their completion may be further delayed, and executive branch agencies will not have a schedule against which they can track progress or to which they are accountable.

Agencies Meeting Timeliness Objectives for Initial Clearances Decreased Since Fiscal Year 2012; a Government-wide Approach Has Not Been Developed to Improve Timeliness; and Reporting Has Been Limited

Executive branch agencies have experienced challenges in meeting timeliness objectives for investigation and adjudication of initial personnel security clearances, and their reporting on timeliness has been limited. The number of executive branch agencies meeting established timeliness objectives for both initial secret and initial top secret clearances decreased from fiscal year 2012 through fiscal year 2016. While ODNI has taken steps to address timeliness challenges, it has not developed a government-wide approach to help agencies improve the timeliness of initial personnel security clearances. In addition, the executive branch's

⁷⁰GAO-15-179SU.

reporting on timeliness has been limited, which inhibits both transparency and oversight of the personnel security clearance process.

The Number of Executive Branch Agencies Meeting Established Timeliness Objectives for Investigations and Adjudications for Initial Secret and Top Secret Clearances Decreased from Fiscal Years 2012 through 2016

Our analysis of timeliness data for specific executive branch agencies showed that the percent of agencies meeting established investigation and adjudication timeliness objectives for initial secret and top secret personnel security clearances decreased from fiscal year 2012 through 2016. Specifically, in fiscal year 2012, 27 percent of the agencies for which we obtained data met investigation and adjudication objectives for at least three of four quarters for initial secret clearances, and 59 percent met those objectives for initial top secret clearances. By fiscal year 2016, that decreased to 2 percent and 10 percent, respectively. IRTPA established an objective for each authorized adjudicative agency to make a determination on at least 90 percent of all applications for a personnel security clearance within an average of 60 days after the date of receipt of the completed application by an authorized investigative agency—not longer than 40 days to complete the investigative phase, and 20 days to complete the adjudicative phase.⁷¹ In assessing timeliness under these objectives, executive branch agencies exclude the slowest 10 percent and report on the average of the remaining 90 percent (referred to as the fastest 90 percent). In 2012, ODNI, in coordination with interagency participation, modified the timeliness goals for certain background investigations and established new timeliness goals.

As part of the Insider Threat and Security Clearance Reform cross-agency priority goal, from the second quarter of fiscal year 2014 until the fourth quarter of fiscal year 2016, the PAC reported quarterly on the average number of days to initiate, investigate, adjudicate, and complete the end-to-end process for initial secret and initial top secret cases for the executive branch as a whole. It reported this information as compared with the IRTPA-established timeliness objectives for initial secret

⁷¹Specifically, IRTPA required the development of a plan to reduce the length of the personnel security clearance process that included, to the extent practical, the above timeframes. See Pub. L. No. 108-458, § 3001(g) (2004) (codified as amended at 50 U.S.C. § 3341(g)).

clearances and ODNI's revised timeliness objectives for initial top secret clearances. For fiscal year 2016, the PAC reported that the government-wide average for executive branch agencies:

- Did not meet the 40-day investigation objective for the fastest 90 percent of initial secret clearances for any quarter. The averages ranged from 92 days to 135 days.
- Did not meet ODNI's revised investigation objective for the fastest 90 percent of initial top secret clearances for any quarter. The averages ranged from 168 days to 208 days.

With regard to the timeliness of investigations, our analysis of timeliness data reported by specific executive branch agencies showed that the percent of agencies that met timeliness objectives decreased from fiscal year 2012 through 2016. Specifically, our analysis showed:

- While 27 percent of the agencies met the 40-day IRTPA-established investigation objective for at least three of four quarters for the fastest 90 percent of initial secret cases in fiscal year 2012, only 2 percent met the objective for at least three of four quarters in fiscal year 2016.⁷²
- While 78 percent of the agencies met ODNI's revised investigation objective for at least three of four quarters for the fastest 90 percent of initial top secret cases in fiscal year 2012, only 12 percent met the objective for at least three of four quarters in fiscal year 2016.
- Across the agencies we reviewed, the average number of days to complete the investigation phase of the fastest 90 percent of initial top secret cases for the fourth quarter of fiscal year 2016 ranged from 26 days to 459 days.

Furthermore, our analysis showed that, for the executive branch agencies included in our review, the time required to investigate initial personnel security clearances increased from fiscal year 2012 through fiscal year 2016, often exceeding the investigation phase objective established by

⁷²Agencies without delegated authority rely on OPM to conduct their background investigations, while agencies with delegated authority have been authorized to conduct their own background investigations. As such, investigative phase timeliness data for agencies without delegated authority is generally a reflection of OPM's timeliness.

IRTPA.⁷³ In addition, we found that both agencies with delegated authority to conduct their own investigations and those that used FIS (now NBIB) as their investigative service provider experienced challenges in meeting established investigation timeliness objectives. However, the only agencies that met investigation timeliness objectives for at least three of four quarters of fiscal year 2016—for the fastest 90 percent of initial secret and initial top secret clearances—have delegated authority to conduct their own investigations.⁷⁴

The executive branch's challenges in meeting investigation timeliness objectives for initial personnel security clearances have contributed to a significant backlog of background investigations at the primary entity responsible for background investigations, NBIB.⁷⁵ NBIB documentation shows that its backlog of pending investigations increased from about 190,000 in August 2014 to more than 709,000 investigations, as of September 2017. NBIB officials stated that more than 70 percent of the bureau's pending background investigations had been pending for longer than the established timeliness objectives, as of June 2017. Additional details about NBIB's investigation backlog and actions the bureau is taking to address it are discussed later in this report.

With regard to the timeliness of adjudications, our analysis showed:

- While 51 percent of the agencies met the 20-day adjudication objective for at least three of four quarters for the fastest 90 percent of initial secret cases in fiscal year 2012, only 35 percent met the objective for at least three of four quarters in fiscal year 2016.
- While 65 percent of the agencies met the 20-day adjudication objective for at least three of four quarters for the fastest 90 percent of

⁷³We found that average security clearance processing times generally increased from 2012 through 2016 for the fastest 90 percent of cases in the scope of our data request. Average times for initial secret and initial top secret investigations increased by statistically significant amounts (i.e., distinguishable from no change at the 0.01 level of significance). Due to the small sample size of reporting quarters and other factors, however, our analyses did not find statistically significant increases for average times for initial secret adjudications or initial top secret adjudications.

⁷⁴The data provided by ODNI identified the agencies with delegated authority to conduct their own investigations.

⁷⁵According to ODNI officials, NBIB is one of several investigative service providers government-wide.

initial top secret cases in fiscal year 2012, only 43 percent met the objective for at least three of four quarters in fiscal year 2016.

- Across the executive branch agencies included in our review, the average number of days to adjudicate the fastest 90 percent of initial top secret cases for the fourth quarter of fiscal year 2016 ranged from 3 days to 175 days.

Table 1 shows the percent of agencies meeting the investigation and adjudication objectives for the fastest 90 percent of initial secret and initial top secret cases for at least three of four quarters from fiscal years 2012 through 2016.

Table 1: Percent of Executive Branch Agencies Meeting Timeliness Objectives for the Fastest 90 Percent of Initial Cases for at Least Three of Four Quarters from Fiscal Years 2012-2016

Fiscal year	Initial secret investigations	Initial secret adjudications	Initial top secret investigations	Initial top secret adjudications
2012	27	51	78	65
2013	27	49	65	63
2014	20	45	55	57
2015	0	51	12	57
2016	2	35	12	43

Source: GAO analysis of ODNI timeliness information for specific executive branch agencies. | GAO-18-29

In November 2017, we reported that the percent of executive branch agencies meeting established timeliness goals for completing periodic reinvestigations also decreased from fiscal years 2012 through 2016.⁷⁶

Appendix IV provides information on executive branch agency periodic reinvestigations from fiscal years 2012 through 2016.

ODNI Has Taken Steps to Address Timeliness Challenges but Has Not Developed a Government-wide Approach to Help Improve Timeliness

ODNI has taken steps to address challenges in meeting established timeliness objectives, such as revising the timeliness objective for top secret investigations in 2012; however, it has not developed a government-wide approach to help agencies improve the timeliness of

⁷⁶GAO-18-117.

initial personnel security clearances. ODNI officials stated that several significant events contributed to agency challenges in meeting timeliness objectives over the past 5 fiscal years, including a government shutdown, the 2015 OPM data breach, a loss of OPM contractor support, and OPM's review of the security of its IT systems, which resulted in the temporary suspension of the web-based platform used to complete and submit background investigation forms. In addition, executive branch agencies noted the increased investigative requirements stemming from the 2012 Federal Investigative Standards as a further challenge to meeting established timeliness objectives in the future.

Standards for Internal Control in the Federal Government states that management evaluates and, if necessary, revises defined objectives so that they are consistent with requirements and expectations.⁷⁷ In addition, the standards state that management should use quality information to achieve the entity's objectives, including relevant data from internal and external sources.

As previously discussed, ODNI, in coordination with interagency participation, modified the timeliness goals for certain background investigations and established new timeliness goals. Since then, meeting timeliness objectives has become even more challenging due, for example, to updated investigation standards.

However, since 2012, ODNI has not revisited the investigation or adjudication timeliness objectives for secret and top secret clearances. Specifically, ODNI has not conducted an evidence-based review, using relevant data, to ensure that these objectives are appropriate, given changes to the investigative requirements and other stated challenges. In addition, while ODNI and interagency partners modified certain timeliness goals in 2012, the number of executive branch agencies able to consistently meet the revised objectives also decreased over the past 5 fiscal years. Without conducting an evidence-based review of the investigation and adjudication timeliness objectives for both secret and top secret clearances to ensure that they are appropriate, agencies may experience further timeliness challenges and delays in determining eligibility.

⁷⁷ [GAO-14-704G](#).

According to ODNI officials, they are aware of each agency that does not meet timeliness objectives and, in the capacity as Security Executive Agent, the Director of National Intelligence has taken steps to help these agencies improve their timeliness. Specifically, ODNI officials stated that the Director of National Intelligence issues annual agency performance letters to heads of agencies when security clearance timeliness objectives are not met. In the letters, the Director of National Intelligence requests that the agency submit an action plan, within 60 days of the date of the letter, identifying the factors that prevented the agency from meeting established timeliness objectives and the actions the agency will take to remedy those impediments. Officials stated that since the letter comes directly from the Director, this helps to attract the maximum amount of attention possible.

In addition to establishing the current timeliness objectives for initial security clearances, IRTPA also established a 5-year timeframe and an interim milestone for the executive branch to implement those objectives. Specifically, the act required the development of a plan to reduce the length of the personnel security clearance process, including the IRTPA-established timeliness objectives described above. The plan was to be developed in consultation with appropriate committees of Congress and each authorized adjudicative agency, and to take effect 5 years after the date of enactment.⁷⁸ Beginning no later than 2 years after the enactment of IRTPA and ending on the date the plan took effect, authorized adjudicative agencies were to make a determination on at least 80 percent of all applications within an average of 120 days after receipt by an authorized investigative agency—not longer than 90 days to investigate and 30 days to adjudicate.⁷⁹ In November 2005, the executive branch submitted a plan to improve the timeliness of personnel security clearance processes government-wide.⁸⁰ The Joint Reform Team

⁷⁸Pub. L. No. 108-458, § 3001(g)(1), (2), (3)(A) (2004) (codified at 50 U.S.C. § 3341(g)). IRTPA required the President to select a single entity to be responsible for specified matters related to security clearances within 90 days of enactment, and required that entity to develop the plan within 90 days of selection. § 3001(b), (g)(1).

⁷⁹See § 3001(g)(3)(B) (codified at 50 U.S.C. § 3341(g)(3)(B)).

⁸⁰The November 2005 plan included quarterly timeliness goals for initial investigations of clearances from November 2005 through December 2006 and an action plan for improving the security clearance process to meet the requirements of IRTPA, such as timeliness, reciprocity, and the establishment of an integrated database to track investigative and adjudicative information.

submitted its first reform plan to the President on April 30, 2008, which proposed a new process for determining clearance eligibility.

Standards for Internal Control in the Federal Government establishes that management should define objectives clearly to enable the identification of risks and define risk tolerances.⁸¹ In our prior work on interagency collaboration, we found that overarching plans can help agencies overcome differences in missions, cultures, and ways of doing business, and help agencies better align their activities, processes, and resources to collaborate effectively to accomplish a commonly defined outcome.⁸² Additionally, to help sustain and enhance collaboration among federal agencies, we found that agencies that create a means to monitor, evaluate, and report the results of collaborative efforts can better identify areas for improvement.⁸³ Further, we have found in previous work, including our prior work on personnel security clearances, that interim milestones can be used to show progress toward implementing efforts or to make adjustments when necessary.⁸⁴ Developing and using specific milestones to guide and gauge progress toward achieving an agency's desired results informs management of the rate of progress toward achieving goals, and whether adjustments need to be made in order to maintain progress within given time frames.⁸⁵

While ODNI requests individual corrective action plans from agencies not meeting security clearance timeliness objectives, the executive branch has not developed a government-wide plan, with goals and interim milestones, to meet established timeliness objectives for initial security clearances that takes into consideration increased investigative requirements and other stated challenges. A coordinated approach, in addition to the ODNI-requested agency-specific plans, could help to improve timeliness, given that: (1) both agencies that use NBIB as their investigative service provider and those that have delegated authority to

⁸¹[GAO-14-704G](#).

⁸²GAO, *Interagency Collaboration: Key Issues for Congressional Oversight of National Security Strategies, Organizations, Workforce, and Information Sharing*, [GAO-09-904SP](#) (Washington, D.C.: Sept. 25, 2009).

⁸³GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, [GAO-06-15](#) (Washington, D.C.: Oct. 21, 2005).

⁸⁴[GAO/GGD/AIMD-99-69](#), [GAO/GGD-96-118](#), and [GAO-09-400](#).

⁸⁵[GAO-14-49](#).

conduct their own investigations have experienced challenges in meeting established investigation and adjudication timeliness objectives over the past 5 fiscal years; and (2) timeliness challenges include government-wide challenges, such as the increased requirements stemming from the 2012 Federal Investigative Standards and past challenges in relation to OPM contractor support, as discussed above, and not just agency-specific challenges, such as staffing shortfalls. While the individual agency action plans represent a positive step toward helping to improve timeliness, agencies across the executive branch continue to experience timeliness challenges. A government-wide plan would better position ODNI to identify and address any systemic issues. Without a government-wide plan, including goals and interim milestones, for achieving timeliness objectives for initial secret and top secret investigations and adjudications—similar to the plan previously required by IRTPA—there could be continued delays in determining individuals' eligibility for access to classified information. Ultimately, such delays may leave agencies unable to fill critical positions that require a security clearance.

Current Timeliness Reporting Provides Limited Transparency and Oversight of the Reform Effort

Since 2011, the executive branch's reporting on the timeliness of personnel security clearances has provided limited transparency and oversight of the overall reform effort. Specifically, IRTPA required the executive branch to submit an annual report, through 2011, to the appropriate congressional committees on the progress made toward meeting the act's requirements, including timeliness data and a discussion of any impediments to the smooth and timely functioning of its requirements. With respect to timeliness data, the act required that those reports include the periods of time required by the authorized investigative agencies and authorized adjudicative agencies for conducting investigations, adjudicating cases, and granting clearances, from date of submission to ultimate disposition and notification to the subject and the subject's employer.⁸⁶

In response to this requirement, the executive branch provided a series of reports from 2006 through 2011 on the timeliness of executive branch agencies' initial investigations and periodic reinvestigations. For example, ODNI's *IRTPA Title III Annual Report for 2010* specified the average

⁸⁶Pub. L. No. 108-458, § 3001(h) (2004) (presently codified at 50 U.S.C. § 3341(h)).

number of days by quarter it took for selected individual agencies to initiate, investigate, adjudicate, and complete the end-to-end process for the fastest 90 percent of security clearances.⁸⁷ The report also included average timeliness data for the executive branch as a whole.

However, since the IRTPA requirement ended in 2011, executive branch reporting has been limited. For example, as previously discussed, the PAC did not begin its quarterly reporting on the timeliness of executive branch agencies' personnel security clearances until the second quarter of fiscal year 2014 through the Insider Threat and Security Clearance Reform cross-agency priority goal. In addition, while these reports include the timeliness of both initial investigations and periodic reinvestigations, they provide the average timeliness of the executive branch as a whole and not the timeliness of individual executive branch agencies—as was provided under the prior IRTPA reporting—which makes it difficult to identify specific agencies that may be experiencing challenges.

Additionally, the Intelligence Authorization Act for Fiscal Year 2010 requires the President to submit an annual report on security clearance determinations to Congress. Among other things, the report is to include, for the preceding fiscal year, the number of federal and contractor employees who held a security clearance at each level and the number of employees who were approved for a security clearance at each level, as well as in-depth security clearance determination timeliness information for each element of the intelligence community.⁸⁸ However, the annual reports that ODNI provides to the congressional intelligence committees in response to this requirement include only limited data as compared with reports that were completed in response to IRTPA. Specifically, the Intelligence Authorization Act for Fiscal Year 2010 requires information on the total amount of time for the longest and shortest determinations, and the age of pending investigations, not average timeliness. The reports are also limited in that they capture data for only a portion of the intelligence

⁸⁷ODNI, *IRTPA Title III Annual Report for 2010*, Feb. 15, 2011.

⁸⁸Pub. L. No. 111-259, § 367 (2010) (presently codified at 50 U.S.C. § 3104). The provision permits the use of two security clearance levels for reporting purposes: one consisting of confidential and secret, and one consisting of top secret or higher. § 3104(a)(2).

community.⁸⁹ Specifically, ODNI's *2015 Annual Report on Security Clearance Determinations* states that the report includes information for 7 of 15 elements of the intelligence community and that the other 8 elements reported that collecting the information would be a manual, resource-intensive process that was not viable due primarily to technology restrictions.⁹⁰

Standards for Internal Control in the Federal Government states that management should externally communicate the necessary quality information to achieve the entity's objectives through reporting lines so that external parties can help the entity achieve its objectives and address related risks.⁹¹ In addition, our high-risk criteria for monitoring and demonstrated progress call for agencies to report on program progress and related risks as well as show that issues are being effectively managed.⁹²

However, since the IRTPA annual reporting requirement ended in 2011, the executive branch has provided limited reporting on the timeliness of individual agencies' initial investigations or periodic reinvestigations for personnel security clearances. In addition, while the PAC had regularly reported publicly on timeliness for the executive branch as a whole on a quarterly basis, it has not provided a public quarterly status update since the fourth quarter of fiscal year 2016. According to performance.gov, the

⁸⁹The House bill for the Intelligence Authorization Act for Fiscal Year 2018 includes a proposed provision related to intelligence community reports on security clearances, which would amend the reporting requirement. Specifically, it would require the Director of National Intelligence to submit an annual report to the congressional intelligence committees on matters related to the security clearances processed by each element of the intelligence community, such as the number of background investigations that remained pending for specified periods of time, as well as the causes of delays for determinations that have taken longer than 1 year to complete. H.R. 3180, 115th Cong. § 603(3) (as passed by House, July 28, 2017). In addition to the proposed amendment, the House Permanent Select Committee on Intelligence directed ODNI, within 90 days of the enactment of the act, to brief the congressional intelligence and defense committees on the amount of time required for processing initial security clearances, periodic reinvestigations, and reciprocal actions for intelligence community agencies started during fiscal years 2016 and 2017. The briefing is to include the average time required for certain steps in the process, including investigation and adjudication. H.R. Rep. No. 115-251, at 19-20 (2017).

⁹⁰Office of the Director of National Intelligence, *2015 Annual Report on Security Clearance Determinations*.

⁹¹[GAO-14-704G](#).

⁹²[GAO-17-317](#).

website through which the PAC distributes its quarterly updates, the content—including the PAC’s quarterly updates—is undergoing an overhaul as agencies develop updated goals and objectives for release in February 2018 with the President’s next budget submission to Congress.⁹³ It is unclear whether the new administration will continue to designate personnel security clearance reform as a cross-agency priority goal. PAC Program Management Office officials stated that they continue to track and report this information internally within the executive branch. These officials stated that they were uncertain as to whether performance.gov would remain a vehicle by which they would report on the status of the reform effort, including executive branch-wide timeliness. However, the officials also stated that it is important for the information to be reported in order to maintain transparency and the momentum of the reform effort.

Without transparent reporting by the executive branch on investigation and adjudication timeliness for both initial investigations and periodic reinvestigations, Congress will not be able to effectively execute its oversight role and monitor individual executive branch agency progress in meeting timeliness objectives. In addition, the absence of comprehensive reporting on personnel security clearance timeliness limits the ability of congressional decision makers to thoroughly evaluate and precisely identify where and why delays exist within the process, as well as to identify corrections as necessary. In addition, should the PAC’s quarterly progress updates be suspended indefinitely, Congress and the public will have limited transparency into the status of key reform effort initiatives, which may delay the timely identification of problems, and ultimately disrupt the momentum of the reform effort as a whole.⁹⁴

⁹³We last verified the status of performance.gov on August 11, 2017.

⁹⁴As this report was in its final stages of issuance, the House of Representatives and Senate passed a bill for the National Defense Authorization Act for Fiscal Year 2018 that included matters related to the security clearance process. Section 925(k) of the bill would require an annual report to the appropriate congressional committees on the timeliness of personnel security clearance initiations, investigations, and adjudications, by clearance level, for both initial investigations and periodic reinvestigations, including the average periods of time taken by each authorized investigative agency and authorized adjudicative agency to initiate cases, conduct investigations, and adjudicate cases as compared with established timeliness objectives. See H.R. Rep. No. 115-404, at 249-50 (2017) (Conf. Rep., relaying section 925(k) of the bill, as passed by the Senate on November 16 and the House of Representatives on November 14).

NBIB Has Taken Steps to Improve the Background Investigation Process but Faces Operational Challenges in Addressing the Investigation Backlog and Workforce Planning

The transition from FIS to NBIB has involved organizational changes intended to improve the background investigation process, but the bureau faces operational challenges in addressing the investigation backlog and associated workforce planning. NBIB's organizational changes include the creation of some new departments, and DOD is now responsible for designing, developing, and maintaining a new IT system for the bureau, but must contend with risks posed by vulnerabilities in OPM's legacy IT systems, which NBIB still utilizes. As NBIB transitions, it has taken steps to improve its oversight of background investigations contracts and measure the completeness of background investigations; however, it faces operational challenges in developing a plan to reduce the size of the investigation backlog to a manageable level and in ensuring that its overall workforce is sized and structured to meet its mission.

Establishment of NBIB Involved Organizational Changes, the Designation of Oversight Roles, and Transfer of IT Responsibilities to DOD

The transition from FIS to NBIB involved some organizational changes, such as the creation of new departments designed to enhance information sharing and contract oversight, among other things. NBIB also made changes to existing departments, such as enhancing its counterintelligence division to foster greater collaboration with the intelligence community. In addition, NBIB is subject to oversight from multiple entities, such as OPM, ODNI, and the PAC. Further, DOD is now responsible for designing, developing, and maintaining a new IT system for NBIB that can provide increased security. However, vulnerabilities in OPM's legacy systems pose risks to the security of the new system and could delay its implementation.

Transition from FIS to NBIB Involved Changes to Organizational Structure

NBIB was established to replace FIS, and the transition has involved changes to the organizational structure. In response to the results of 90-day review that were announced in January 2016, in September 2016, Executive Order 13741 amended Executive Order 13467 to establish the roles and responsibilities of NBIB within OPM and made the Director of NBIB a member of the PAC.⁹⁵ According to Executive Order 13467, as amended, NBIB is to serve as the primary executive branch service provider for background investigations for, among other things, eligibility for access to classified information; eligibility to hold a sensitive position; suitability or fitness for government employment; and authorization to be issued a federal credential for logical and physical access to federally controlled facilities or information systems.⁹⁶ Among other things, the bureau is to also provide effective, efficient, and secure personnel background investigations for the federal government.⁹⁷

When announcing the establishment of NBIB, in January 2016, the administration reported the intention to create a dedicated transition team headquartered in Washington, D.C., to develop and implement a transition plan to: (1) stand up the bureau; (2) ensure that the transition timeline fully aligns with business needs; (3) transition the management of FIS IT systems to DOD; (4) migrate the existing mission, functions, personnel, and support structure of FIS to NBIB; and (5) provide continuity of service to customer agencies during the transition. According to its charter, the transition team was composed of current OPM employees, and federal employees detailed or assigned to OPM or DOD from other executive branch agencies and departments. NBIB officials noted that employees from across the executive branch with relevant experience and qualifications were recruited to ensure that stakeholder agencies' equities were represented, and that the transition team leader

⁹⁵Exec. Order No. 13,741, 81 Fed. Reg. 68,289 (Sept. 29, 2016). The Executive Order designated the Director of NBIB as a member of the PAC, but not one of the four PAC principals.

⁹⁶Executive Order 13467 defines logical and physical access as access other than occasional or intermittent access to federally controlled facilities or information systems. Exec. Order No. 13,467, § 1.3(m) (as amended).

⁹⁷Exec. Order No. 13,467, § 2.6(a), as amended through Exec. Order No. 13,764.

was recruited from outside of OPM and reported directly to the OPM Director throughout the transition process.

OPM reported that NBIB became operational on October 1, 2016, but that the complete transition will take some time.⁹⁸ For example, the transition plan specifies activities throughout fiscal year 2017 and into fiscal year 2018 to implement the transition from FIS to NBIB. NBIB officials said they expect that the bureau will have migrated to the new organizational structure substantially by mid-2018. The transition also involved some organizational changes intended to streamline certain business processes or more effectively manage background investigations as the organization has continued to evolve. NBIB officials stated that the transition team established the organizational structure by assessing essential FIS functions in coordination with key community stakeholders—including new and external customers—through the PAC as well as FIS personnel. The officials said that the transition team then linked similar functions and interdependencies to establish each of the offices. Additionally, NBIB officials stated that the 2015 90-day review helped to determine the organizational structure because it identified a need for a business process reengineering analysis.

Through its establishment, NBIB absorbed FIS and assumed its mission. NBIB's organizational structure has several changes from the structure of FIS, to include the establishment of the following four new departments:

1. **Federal Investigative Records Enterprise.** The functions of this department include a new law enforcement and records outreach group to improve outreach and more effectively collect information with state and local law enforcement offices.
2. **Policy, Strategy and Business Transformation.** The functions of this department include expanding existing performance reporting to incorporate metrics regarding effectiveness; and researching and identifying systemic issues in workload, processes, and products to determine where process improvement could be achieved.
3. **Contracting and Business Solutions.** The functions of this department include enhancing and consolidating administration of NBIB contracts to provide consistent oversight.

⁹⁸OPM, *Agency Financial Report Fiscal Year 2016* (November 2016).

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4. **Information Technology Management Office.** The functions of this department include supporting the delivery and enhancement of quality IT systems to NBIB in a timely and effective manner, gathering and communicating needs and requirements for new applications, and coordinating implementation of changes to current systems.

In addition to the creation of these new departments, NBIB also made changes to several other departments from FIS. For example, according to NBIB documents, the Field Operations department added a “Field Contracts” division that is designed to oversee and monitor the contractor workforce performing background investigations, to ensure quality and timely products. This department also enhanced its counterintelligence division to focus on counterintelligence and insider threat support and to foster greater collaboration with the intelligence community. Further, NBIB created a new financial office to oversee budgeting, pricing and funding models, financial reporting, data accuracy, and internal controls monitoring. Moreover, NBIB created a new Integrity Assurance, Compliance, and Inspection division by merging the FIS Integrity Assurance and Inspection divisions to streamline similar functions and improve processes and efficiencies.

Executive Order 13741 provided some guidelines governing the structure and location of NBIB. Specifically, it required that NBIB be headquartered in or near Washington, D.C., and that NBIB have dedicated resources, including but not limited to a senior privacy official.⁹⁹ NBIB’s headquarters is located in Washington, D.C., but according to NBIB officials, as of July 2017, only 48—including both occupied and vacant positions—of NBIB’s 3,260 positions, or about 1.5 percent, were located in Washington, D.C. In addition, although the position of the senior privacy official has been established in the NBIB organization chart, according to NBIB officials, this position had not been filled as of July 2017. NBIB officials explained that they work closely with OPM’s senior privacy officer, and so they decided to prioritize filling other leadership positions within NBIB.

NBIB Subject to Oversight from OPM, ODNI, and the PAC

NBIB is subject to oversight from multiple entities, such as OPM, ODNI, and the PAC. Executive Order 13741 provided that the bureau would be

⁹⁹Exec. Order No. 13,741, § 1(f), 81 Fed. Reg. at 68,290 (amending Exec. Order No. 13,467). Executive Order 13764 subsequently amended the relevant provision to require a senior privacy and civil liberties official. 82 Fed. Reg. 8115, 8126 (Jan. 17, 2017).

established within OPM.¹⁰⁰ NBIB officials stated that the bureau is part of OPM and is governed in a manner consistent with its other operational components. They also said that although the structure of NBIB is different from that of FIS, its general relationship with OPM and its leadership reporting chain are similar. Specifically, comparing the organizational charts of FIS and NBIB, FIS was led by an Associate Director who reported to the Director of OPM, while NBIB is led by a Director who reports to the Director of OPM.

According to NBIB, the OPM Director has delegated certain authorities to NBIB; additionally, the OPM Senior Procurement Executive delegated to NBIB certain administrative and acquisition authorities. NBIB officials said that this makes its structure more flexible. NBIB officials said that where support is provided from other OPM offices—such as communications, legislative affairs, legal, procurement, security, facilities, and the office of the Chief Information Officer—there is continual dialogue between that office’s leadership and the staff directly supporting the bureau. The officials also noted a variety of regular meetings, such as a weekly meeting between the Acting Director of OPM and the NBIB Director and Chief of Staff, attendance at daily OPM senior staff meetings, and briefings every other month with the OPM Inspector General, among others.

In addition, as previously discussed, as the Security Executive Agent, the Director of National Intelligence is responsible for various matters related to security clearance investigation oversight, programs, policies, and processes.¹⁰¹ Executive Order 13467, as amended by Executive Orders 13741 and 13764, provides that NBIB, through the Director of OPM, is subject to the oversight of the Security Executive Agent with respect to the conduct of investigations for eligibility for access to classified

¹⁰⁰ See Exec. Order No. 13,741, § 1(d), 81 Fed. Reg. at 68,289 (adding section 1.3(k) to Exec. Order No. 13,467). Executive Order 13764 subsequently amended the description of NBIB, providing that the bureau was established within OPM under section 1103(a)(3) of Title 5, U.S. Code. Exec. Order No. 13,764, § 3(k), 82 Fed. Reg. at 8120. Section 1103(a)(3) vests in the Director of OPM, or designated employees, the functions of directing and supervising OPM employees, distributing business among employees and organizational units, and directing the internal management of OPM.

¹⁰¹ See Exec. Order No. 13,467, § 2.5(e), *as amended through* Exec. Order No. 13,764, 82 Fed. Reg. at 8125.

information or to hold a sensitive position.¹⁰² Similarly, Executive Order 13467, as amended, provides that NBIB is responsible for conducting background investigations in accordance with policies, procedures, standards, and requirements established by the Security Executive Agent and Suitability Executive Agent.¹⁰³ In February 2017, the Acting Director of OPM testified that the bureau has been working closely with ODNI to identify policy and process changes to address the investigation backlog.¹⁰⁴ NBIB officials stated that the bureau and ODNI are active partners, and that the bureau participates in many of ODNI's working groups in the development of policies or processes related to personnel security clearances. In addition, the officials said that the bureau reports timeliness, quality, and performance metrics to ODNI on no less than a quarterly basis, and that its personnel collaborate with ODNI on reviews of processes, such as those related to social media, continuous evaluation, insider threat, and counterintelligence. ODNI officials told us that in its oversight role of NBIB, ODNI collects quarterly timeliness data and requests that agencies using NBIB as their investigative service provider enter the investigations into the QART to assess the quality of the investigations.

Further, Executive Order 13467, as amended by Executive Order 13741, describes an oversight relationship between the PAC and NBIB. It requires the PAC to hold NBIB accountable for the fulfillment of the bureau's responsibilities set out in the Executive Order. It further provides that NBIB is to provide the PAC with information, to the extent permitted by law, on matters of performance, timeliness, capacity, IT modernization, continuous performance improvement, and other relevant aspects of NBIB operations.¹⁰⁵ PAC Program Management Office officials told us that they worked with NBIB during the transition from FIS and answered a

¹⁰²Exec. Order No. 13,467, § 2.6(c), as amended through Exec. Order No. 13,764, 82 Fed. Reg. at 8126. Executive Order 13467 similarly subjects NBIB, through the Director of OPM, to the oversight of the Suitability and Credentialing Executive Agent in the conduct of investigations of suitability or fitness and logical and physical access. *Id.*

¹⁰³Exec. Order No. 13,467, § 2.6(a)(8), as amended.

¹⁰⁴Kathleen McGettigan, Acting Director, U.S. Office of Personnel Management, *Improving Security and Efficiency at OPM and the National Background Investigations Bureau*, testimony before the House Committee on Oversight and Government Reform, 115th Cong., 1st sess. (Feb. 2, 2017).

¹⁰⁵Exec. Order No. 13,467, § 2.6(c), (a)(3), as amended through Exec. Order No. 13,764, 82 Fed. Reg. at 8126-27.

lot of questions, and have helped to fill in staffing and organization holes that were identified by the transition team.

DOD Is Building and Managing a New Security Clearance IT System for NBIB, but Security Concerns May Delay Planned Milestones for the New System

Executive Order 13467, as amended, assigns the Secretary of Defense the role of developing and securely operating IT systems that support all background investigation processes conducted by NBIB.¹⁰⁶ According to officials from the Office of the DOD Chief Information Officer (CIO), NBIS will be built to NBIB specifications, and OPM will remain the owner of the data and processes. In testimony before the House Oversight and Government Reform Committee in February 2017, the DOD CIO estimated that NBIS would have several “prototype” capabilities by the end of fiscal year 2017, and an initial capability covering the full investigative process sometime in the fourth quarter of 2018.¹⁰⁷ According to DOD officials, full capability for NBIS is scheduled for some time in 2019. However, a NBIB official noted the existence of challenges regarding the IT infrastructure and stated that it is more realistic for NBIS to be fully operational in 2020.

According to DOD CIO officials, unexpected complications have arisen since beginning development of NBIS. Specifically, these officials stated that they have discovered that NBIS may require many more inter-connections to OPM legacy systems than originally planned. According to these officials, NBIB will continue to rely on OPM legacy systems for investigations of any complexity until NBIS becomes fully operational.

Further, according to DOD CIO officials, when the executive branch begins to use NBIS, complex background investigations would begin in NBIS’s electronic application, but would then need to pass through or draw data from multiple OPM legacy systems before returning to NBIS for adjudication. According to DOD CIO officials, since OPM has 43 back-

¹⁰⁶See Exec. Order No. 13,467, § 2.6(b), *as amended through* Exec. Order No. 13,764, 82 Fed. Reg. at 8126. Executive Order 13741 added this responsibility in September 2016; it was subsequently amended by Executive Order 13764.

¹⁰⁷Terry Halvorsen, Department of Defense Chief Information Officer, *The National Background Investigations Bureau Transition, Related Information Technology Security, and the Security Clearance Investigation Process*, testimony before the House Oversight and Government Reform Committee, 115th Cong., 1st sess. (Feb. 2, 2017).

office functions fed by various systems that are often inter-related, a simple one-to-one system swap of NBIS for an OPM legacy system is not feasible. DOD CIO officials stated that the project management team building NBIS is currently working to fully understand how OPM's various back-office functions are tied together, and also evaluating the cyber-security risks inherent in connecting to OPM's legacy systems. DOD CIO officials explained that this connection, as well as logistical challenges associated with data migration from the legacy systems to NBIS, raises concerns about risks to NBIS. Until these risks are properly evaluated, any connection to the legacy systems could present vulnerabilities, according to DOD CIO officials. OPM officials disagreed, stating that OPM and DOD already have IT connection points with the OPM legacy systems, and that the security of OPM's systems and data continues to be an OPM priority.

Securing the legacy systems will be a joint effort by DOD and OPM, according to an October 2016 Memorandum of Agreement between the two agencies regarding the roles, responsibilities, and expectations of each party throughout the entire lifecycle of OPM's use of DOD's IT systems in support of the background investigation process. Under the agreement, OPM will retain ownership and responsibility for the operation and performance of all system authorization activities for OPM legacy systems throughout their lifecycle. The agreement provides that OPM will maintain security documentation and information and interconnection exchange agreements, own control selection and security role assignment processes, and perform risk executive functions. The memorandum further states that the security of the legacy OPM IT environment will be a joint effort between OPM and DOD, with DOD assisting in a comprehensive security assessment of all OPM legacy IT systems and related infrastructure on a reimbursable basis. According to DOD CIO and NBIB officials, there is close coordination on a technical level between the two agencies on securing the OPM legacy systems used by NBIB. The officials said that weekly coordination meetings are held between the two agencies, and that DOD has embedded staff at OPM who are under the direct supervision of the OPM CIO.

Both GAO and the OPM Inspector General have raised concerns on multiple occasions about various aspects of IT security at OPM, including

OPM legacy systems used by NBIB.¹⁰⁸ For example, in August 2017, we reported on OPM's progress in implementing 19 recommendations made by the United States Computer Emergency Readiness Team to bolster its information security practices and controls in the wake of the 2015 breaches.¹⁰⁹ We found that, as of May 2017, OPM had fully implemented 11 of the recommendations. For the remaining 8 recommendations, actions for 4 were still in progress, and for the other 4, OPM indicated it had completed actions to address them, but we noted further improvements were needed.

We further reported that since the 2015 data breaches, which included a compromise of OPM's systems and files related to background investigations for 21.5 million individuals, OPM has made progress in improving its security to prevent, mitigate, and respond to data breaches involving sensitive personal records and background investigations information.¹¹⁰ However, we also found that OPM did not effectively monitor actions taken to remediate identified weaknesses. OMB requires agencies to create a Plan of Action and Milestones to track efforts to remediate identified weaknesses, such as those leading to the 19 recommendations made by the United States Computer Emergency Readiness Team.¹¹¹ In addition, OPM's policy requires that scheduled completion dates be included in the plan. The policy also requires a system's Information System Security Officer to develop a weakness closure package containing evidence of how an open Plan of Action and Milestones has been remediated before the issue, or recommendation in

¹⁰⁸Additionally, a provision in the Consolidated Appropriations Act, 2017 limited the obligation of certain amounts available to OPM for IT systems until the Director submits to congressional committees a plan for expenditure, prepared in consultation with the Director of OMB, the Administrator of the United States Digital Service, and the Secretary of Homeland Security that, among other things, complies with OMB, Department of Homeland Security, and National Institute of Standards and Technology requirements related to securing the agency's information system. See Pub. L. No. 115-31, div. E, tit. V (2017).

¹⁰⁹GAO, *Information Security: OPM Has Improved Controls, but Further Efforts Are Needed*, [GAO-17-614](#) (Washington, D.C.: Aug. 3, 2017). Due to the sensitive nature of the United States Computer Emergency Readiness Team recommendations, we are not providing the specific recommendations or specific examples associated with them. Generally, the recommendations pertained to strengthening activities and controls related to passwords, access permissions, patches, audit, and monitoring, among other things.

¹¹⁰[GAO-17-614](#).

¹¹¹OMB, *FY 2004 Reporting Instructions for the Federal Information Security Management Act, M-04-25* (August 23, 2004).

this case, can be closed. Although OPM has a Plan of Action and Milestones to address the 19 recommendations, we found that it had not validated actions taken in a timely manner or updated completion dates in the plan. Because the United States Computer Emergency Readiness Team recommendations are intended to improve the agency's security posture, we recommended that more timely validation of the effectiveness of the actions taken is warranted. Until closure packages are created and the evidence of such actions is validated, OPM has limited assurance that the actions taken have effectively mitigated vulnerabilities that can expose its systems to cybersecurity incidents.

Additionally, in May 2016 we reported on the implementation of OPM's information security program and the security of selected high-impact systems.¹¹² We found that OPM, one of four agencies reviewed, had implemented numerous controls to protect selected systems, but that access controls had not always been implemented effectively. We reported that weaknesses also existed in patching known software vulnerabilities and planning for contingencies, and that an underlying reason for these weaknesses was that OPM had not fully implemented key elements of its information security program. We recommended that OPM fully implement key elements of its program, including addressing shortcomings related to its security plans, training, and system testing. According to OPM officials, the agency is taking actions to address these recommendations. In August 2016, we issued a restricted version of our May 2016 report that identified vulnerabilities specific to each of the two systems we reviewed and made recommendations to resolve access control weaknesses in those systems.¹¹³ In December 2016, OPM indicated its concurrence with the recommendations and provided timeframes for implementing them. OPM officials expressed concern that the information from our 2016 reports was now dated, stating that it no longer reflects the current security posture at OPM, and said that they had taken actions to address these recommendations. However, all of the recommendations directed to OPM from the two reports remained open as of November 2017. We had not received any documentation regarding these actions as of November 2017 and thus could not validate the extent that any of these recommendations have been addressed.

¹¹²GAO, *Information Security: Agencies Need to Improve Controls over Selected High-Impact Systems*, [GAO-16-501](#) (Washington, D.C.: May 18, 2016).

¹¹³GAO, *Information Security: OPM Needs to Improve Controls over Selected High-Impact Systems*, [GAO-16-687SU](#) (Washington, D.C.: Aug. 15, 2016).

OPM's Office of the Inspector General has also raised related concerns, most recently in its October 2017 report on OPM's security program and practices.¹¹⁴ Overall, the OPM Inspector General found that OPM's cybersecurity maturity level was measured at a level 2, "Defined", meaning that its policies, procedures and strategy were formalized and documented but were not consistently implemented.¹¹⁵ According to the report, OPM has made improvements in its security assessment and authorization program, and its previous material weakness related to authorizations is now considered a significant deficiency for fiscal year 2017.¹¹⁶ The report noted that there are still widespread issues related to system authorizations, primarily related to documentation inconsistencies and incomplete or inadequate testing of the systems' security controls. In addition, the report identified a significant deficiency in OPM's information security management structure, and found that OPM was not making substantial progress in implementing prior Inspector General recommendations. The report noted that OPM had only closed 34 percent of its findings issued in the past 2 years.¹¹⁷

In addition to these IT security concerns, funding uncertainties have also complicated the development of NBIS. The President's fiscal year 2017 budget included \$95 million for the development of the system; however,

¹¹⁴OPM, Office of the Inspector General, *Federal Information Security Modernization Act Audit Fiscal Year 2017*, 4A-CI-00-17-020 (Washington, D.C.: Oct. 27, 2017).

¹¹⁵According to the Inspector General report, the fiscal year 2017 reporting metrics fully adopted a maturity model evaluation system derived from the National Institute of Standards and Technology's Cybersecurity Framework. The Cybersecurity Framework is comprised of seven "domain" areas, and the modes (i.e., the number that appears most often) of the domain scores are used to derive the agency's overall cybersecurity score. In this model, level 1 is the lowest maturity level, and level 5 is the highest maturity level.

¹¹⁶According to an earlier OPM Inspector General report, an information system authorization is a comprehensive assessment that evaluates whether a system's security controls are meeting the security requirements of that system. The purpose of this assessment is to document the system's controls, risks, and remediation plans. If the security risk associated with the system is deemed to be acceptable, then the system is formally authorized to operate in the agency's production IT environment. OPM, Office of the Inspector General, *Audit of the U.S. Office of Personnel Management's Security Assessment and Authorization Methodology*, 4A-CI-00-17-014 (Washington, D.C.: June 20, 2017). According to the Office of the Inspector General at OPM, an IT material weakness is a severe control deficiency that prohibits the organization from adequately protecting its data; a significant deficiency is less serious than a material weakness.

¹¹⁷For information on the specific recommendations made in the OPM Inspector General's report, and OPM's response to those recommendations, please see the report, which is available at <https://www.opm.gov/our-inspector-general/reports/>.

according to DOD CIO officials, of the \$95 million that was appropriated, DOD had provided only \$31 million for NBIS as of June 2017.¹¹⁸

According to DOD CIO officials, the fiscal year 2017 continuing resolution had complicated decisions about the funding and disbursement schedule with consequences for planning and the apportioning of resources. A draft funding profile covering fiscal years 2017-2023 estimates funding needs of \$175.7 million for research, development, test and evaluation, and \$709.4 million for operation and maintenance, over this 7-year period, for a total of \$885.2 million.

NBIB Has Taken Steps to Improve Operations but Faces Workforce Challenges

As NBIB transitions, it has taken steps to improve its operations but continues to face workforce challenges that may hinder its ability to address the backlog of investigation cases and strengthen the background investigation process. The bureau has taken positive steps to improve its oversight of background investigation contracts, including changing contract oversight processes and measuring the completeness of background investigations. However, it faces operational challenges in developing a plan to reduce the size of the investigation backlog and in ensuring that its overall workforce is sized and structured to address it.

OPM Has Taken Steps to Improve Oversight of Background Investigation Contracts

Contractors are responsible for about 60 percent of NBIB's background investigation fieldwork, according to NBIB officials. Since 2014, OPM has taken steps to improve its oversight of contracts. NBIB officials stated that changes were made in response to OPM Inspector General recommendations, and that some others were made in response to lessons learned after issues that led to the loss of OPM's largest fieldwork contractor in 2014. These changes included (1) having federal employees review all background investigation reports, (2) increasing the number of individuals responsible for monitoring contractors' compliance with

¹¹⁸The Consolidated Appropriations Act, 2017, enacted on May 5, 2017, appropriated up to \$95 million to DOD from the Defense-Wide Operation and Maintenance and Defense-Wide Research, Development, Test and Evaluation accounts to develop, replace, and sustain OPM security and suitability background investigation IT systems. Pub. L. No. 115-31, § 8125 (2017). A similar provision appeared in the Continuing Appropriations Act, 2017, enacted in September 2016. Pub. L. No. 114-223, div. C, § 121 (2016).

contractually established requirements, and (3) establishing a contracting activity within NBIB.

Since February 2014, federal employees have reviewed 100 percent of background investigation reports produced by contractors. In contrast, prior to February 2014, federal employees at FIS or a support contractor would review a subset of all of the investigations before releasing them to the respective customer agencies for adjudication. As currently structured, NBIB officials stated that there are now about 350 federal employees within NBIB's Quality Oversight department who conduct these reviews for both contractor- and federal investigator-conducted cases to determine whether an investigation meets investigative standards for completeness before being released to the customer agency for adjudication.

Using an internal database, OPM reviewers identify what, if any, elements of the investigative reports are incomplete and do not meet standards, and they return cases to the investigators for rework as necessary. When OPM reviewers determine that a case meets investigative standards, they close the case and submit it to an adjudicator. Contractors are evaluated for quality performance based on the number of times a case is returned by OPM reviewers for rework as a percentage of the total number of cases completed. According to NBIB data from its internal quality database, the percentage of cases conducted by contractors requiring rework decreased between the last quarters of fiscal years 2014 and 2016 from about 6 percent to 3.2 percent.

According to NBIB officials, in 2014, OPM established an independent inspections branch to help the agency's contracting officer's representatives (CORs) oversee the background investigation fieldwork contracts. CORs, who are designated in writing by contracting officers, assist in the technical monitoring or administration of a contract. Under NBIB's current background investigation fieldwork contracts, the COR provides technical direction and control during contractor performance, monitors contract progress, and determines for payment approval purposes whether performance is acceptable with respect to content, quality of services and materials, cost, and timeliness.¹¹⁹ NBIB officials

¹¹⁹CORs do not have authority to make commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the contract, or to direct the contractor or subcontractors to operate in conflict with contract terms and conditions. 48 C.F.R. § 1.602-2(d)(5) (2017).

stated that prior to the establishment of the inspections branch, the CORs were responsible for monitoring all aspects of contract compliance as well as a range of administrative duties, such as tracking performance data, IT support, and billing. Under the current NBIB structure, 16 inspectors in the Integrity Assurance, Compliance and Inspections division focus on contract oversight, according to NBIB officials. In addition to the inspectors, the officials said that there are 17 CORs—one in the Integrity Assurance, Compliance and Inspections division and 16 in the Field Operations department.

Additionally, according to NBIB officials, FIS, NBIB's predecessor, did not have its own contracting division, and instead relied on OPM's centralized Office of Procurement Operations for contracting support. NBIB's new organizational structure includes a Contracting and Business Solutions department. According to NBIB officials, they filled the new Head of Contracting Activity position in January 2017. NBIB officials stated that OPM established this new position and department in an effort to strengthen the bureau's contracting function by creating dedicated positions more narrowly focused on overseeing the contracting function for background investigations and support services.

NBIB Has Taken Steps to Measure Completeness of Background Investigations

NBIB has developed quality assurance processes and tools to measure the completeness of its investigations. Specifically, NBIB has developed an internal quality database through which federal case reviewers can determine the completeness of investigations, in accordance with investigative standards, that are being produced by both its federal and contract investigators, and can rate cases as either "meets standards" or "below standards." Cases that are marked as "below standards" are returned to the contractor for rework prior to being finalized and sent to the customer for adjudication. NBIB then monitors, through its Key Performance Indicators, the percentage of investigations that are returned by customer agencies and that NBIB agrees require additional work. Our prior work found that relying on agencies to provide information on investigation quality, by itself, may not provide an accurate reflection of the quality of background investigations. We have reported in the past that officials from several agencies have stated that to avoid further costs or delays, agencies often choose to perform additional steps internally to obtain missing information, clarify or explain issues identified in

investigative reports, or gather evidence for issue resolution or mitigation.¹²⁰ As recently as July 2017, DOD officials stated that issue resolution was still a concern for them. However, NBIB officials stated that they conduct background investigations in accordance with the Federal Investigative Standards, and that while adjudicators may want more or different details, these are considered outside the scope of background investigations, but can be provided on a case-by-case basis.

NBIB Leadership Has Not Developed a Plan to Reduce the Investigation Backlog

NBIB leadership has not developed a plan to reduce the size of the investigation backlog to a manageable level. NBIB's Key Performance Indicators report states that a "healthy" inventory of work, representing approximately 6 weeks of work and allowing NBIB to meet timeliness objectives, is around 180,000 pending investigations. According to NBIB, the backlog of pending investigations increased from about 190,000 in August 2014, before OPM decided not to exercise subsequent option periods for its largest investigative fieldwork contract at the time, to more than 709,000 investigations as of September 2017, as shown in figure 5.¹²¹ NBIB estimated the backlog grew at an average rate of about 3,600 investigations each week from October 2016 through July 2017.

As we reported when placing DOD's personnel security clearance program on the high-risk list, problems related to backlogs and the resulting delays in determining clearance eligibility and issuing initial clearances can result in millions of dollars of additional costs to the federal government, longer periods of time needed to complete national security-related contracts, lost opportunity costs if prospective employees decide to work elsewhere rather than wait to get a clearance, and diminishing quality of the work because industrial contractors may be performing government contracts with personnel who have the necessary security clearances but are not the most experienced and best-qualified personnel for the positions involved.¹²² Delays in renewing previously-issued clearances can lead to heightened risk of national security

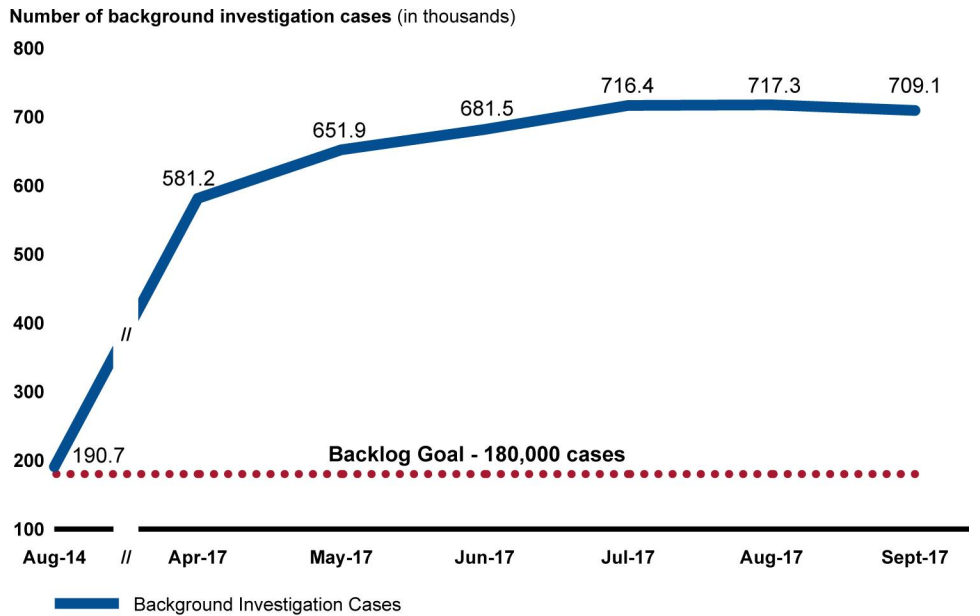
¹²⁰See GAO-15-179SU and [GAO-11-65](#).

¹²¹About 46 percent of the backlogged investigations as of July 2017 (approximately 327,000) were for initial clearances, and about 28 percent (approximately 204,000) were for reinvestigations. The remaining 26 percent were for suitability and other cases.

¹²²[GAO-05-207](#).

breaches because the longer individuals hold a clearance, the more likely they are to be working with critical information and systems.

Figure 5: National Background Investigation Bureau’s Backlog of Background Investigations, August 2014 to September 2017



Source: GAO analysis of National Background Investigations Bureau information. | GAO-18-29

As the backlog has grown, NBIB has taken steps to increase its capacity to conduct background investigations by increasing its own investigator staff as well as awarding new contracts, effective in December 2016, to four contractors for investigation fieldwork services. NBIB officials said that NBIB has a goal to increase its total number of investigators—federal employees and contractors—to about 7,200 by the end of fiscal year 2017. Specifically, to help address the backlog, NBIB officials reported that NBIB increased its authorized federal investigator workforce by adding 400 federal investigator positions in fiscal year 2016 and 200 positions in fiscal year 2017—an increase from 1,375 to 1,975 authorized positions.¹²³ As of July 2017, NBIB had filled 1,620 of the 1,975 positions, and 1,513 of its federal investigators were fully trained. NBIB officials explained that they do not plan to increase the federal investigator capacity beyond the currently approved 1,975 because they do not have

¹²³According to NBIB officials, the authorized federal investigator workforce refers to the workforce capacity approved by OPM.

the ability to absorb more staff. According to the officials, new investigators must be trained by experienced investigators which reduces the amount of time the experienced investigators have to conduct investigative work. When estimating federal investigator capacity, NBIB assumes it will have 277 full-time equivalent vacancies at any given time due to high attrition rates. Further, NBIB officials could not project the federal investigator workforce past April 2018 due to high attrition rates.

Given challenges with increasing its federal investigative staff, NBIB continues to rely on contractors to conduct the majority of investigations. NBIB officials noted that contractors perform about 60 percent of NBIB's total investigative cases. OPM awarded four new investigative fieldwork services contracts that became effective in December 2016—two to incumbent contractors and two to new vendors. In July 2017, OPM officials told us that the contractor and federal staff capacity they currently possess enables them to complete a sufficient number of investigations to prevent the number of pending investigations from increasing further. However, they acknowledged that the four contracts and federal investigator staff do not currently provide OPM enough capacity to reduce the pending number of investigations to the “healthy” inventory level of 180,000 cases.

NBIB officials have conducted analyses to determine how changes in the total number of investigators could affect the backlog over time, accounting for current and projected investigator capacity, prior time studies, historical data, geographic location, and other factors. Specifically, NBIB officials assessed four scenarios, from the status quo—assuming no additional contractor or federal investigator hires—to an aggressive contractor staffing plan beyond January 2018, but in July 2017 they determined that the aggressive plan was not feasible. The two scenarios that NBIB identified as most feasible would not result in a “healthy” inventory level until fiscal year 2022 at the earliest. For example, under one scenario, each contractor would increase investigator capacity under current staffing projections through early 2018. Assuming that the contractors adhere to these projections, NBIB would have the capacity to address incoming cases and begin to reduce the backlog, but the backlog would not reach a “healthy” inventory level until sometime after fiscal year 2022. However, NBIB leadership has not determined whether the costs and benefits of any one scenario are preferable to the costs and benefits of the others.

Standards for Internal Control in the Federal Government establishes that management should clearly define objectives to enable the identification

of risks and define risk tolerances.¹²⁴ In addition, our high-risk criteria for capacity call for agencies to ensure they have the capacity, in terms of people and resources, to address and resolve risks.¹²⁵ We have also found in previous work that milestones can be used to show progress toward implementing efforts, or to make adjustments when necessary.¹²⁶ Developing and using specific milestones to guide and gauge progress toward achieving an agency's desired results informs management of the rate of progress toward achieving goals or whether adjustments need to be made in order to maintain progress within given timeframes. However, NBIB leadership has not established goals or milestones for reducing the size of the investigation backlog, or goals for increasing total investigator capacity—for both federal employees and contractor personnel. As a result, the value of NBIB's backlog analysis is limited, because it is not part of a broader plan to address the backlog and achieve timeliness objectives. Further, the extent to which NBIB should adjust its investigator capacity in the future remains unclear, as the currently projected capacity levels are not tied to any established goals or milestones to address the backlog or achieve the timeliness objectives.

In addition to increasing investigative capacity, NBIB personnel are attempting to decrease the backlog by making the background investigation process more effective and efficient. To do so, NBIB conducted a business process reengineering effort that was intended to identify challenges in the process and their root causes. This effort identified 57 challenges, which were divided into five main categories that affected multiple phases of the background investigation process. NBIB then developed five portfolios, with 21 initiatives, to address the identified challenges. For example, one of the categories of challenges was poor data quality at the start of the investigation, which was described as related to issues such as no auto-validation of information, no pre-population of forms, and variable quality of submissions. NBIB developed four initiatives related to automation and digitization to improve the quality of this information. NBIB officials said that this business process reengineering effort is working to reduce the investigative level of effort across the community. Specifically, NBIB officials cited efforts that have been implemented to reduce the number of personnel hours necessary to

¹²⁴ [GAO-14-704G](#).

¹²⁵ [GAO-17-317](#).

¹²⁶ [GAO/GGD/AIMD-99-69](#) and [GAO/GGD-96-118](#).

complete an investigation, such as centralizing interviews and using video-teleconferencing for overseas investigations (to decrease travel time), automated record checks, and focused writing (to make reports more succinct and less time-consuming to prepare). However, NBIB has not identified how the implementation of the business process reengineering effort will affect the backlog or the need for additional investigators in the future.

Without a plan, including goals and milestones, for reducing the backlog, which includes a determination of the effect of the business process reengineering efforts on the backlog, NBIB will lack the information and a course of action needed to effectively manage the inventory of pending investigations it conducts on behalf of other executive branch agencies. Further, without establishing goals for increasing total investigator capacity—for both federal employees and contractor personnel—in accordance with the plan for reducing the backlog, NBIB may not be positioned to achieve the goals and milestones outlined in that plan. Ultimately, if NBIB is unable to reduce the backlog, executive branch agencies will continue to lack the cleared personnel needed to help execute their respective missions, which could decrease the agencies' overall effectiveness and efficiency, and pose risks to national security.

NBIB Has Identified Some Workforce Needs but Does Not Have a Strategic Workforce Plan

Our review of NBIB planning and workforce documents indicates that it has taken workforce planning steps. For example, the bureau developed a transition plan to help guide the transition from FIS to NBIB. This plan includes a request for a personnel study for its new Contracting and Business Solutions department to determine any needs or realignment of resources, skills, or qualification gaps; however, the transition plan does not mention a personnel study to address the needs of any other departments within NBIB. NBIB officials stated that the bureau conducted this study in early fiscal year 2017, and those results are being used to build the Contracting and Business Solutions department. NBIB officials said that NBIB plans to conduct a personnel study for its other departments once there is greater clarity and direction regarding the conduct of background investigations as a result of the plan developed by DOD to conduct its own investigations and any subsequent direction from Congress and the Administration. The officials stated that the personnel study was needed for the contracting department because this work had not been done in NBIB before and so they needed to establish a baseline for staffing it.

As previously discussed, section 951 of the National Defense Authorization Act for Fiscal Year 2017 required, among other things, the Secretary of Defense to develop an implementation plan for the Defense Security Service to conduct background investigations for certain DOD personnel—presently conducted by OPM—after October 1, 2017.¹²⁷ Additionally, in November 2017, as this report was in its final stages, Congress passed a bill for the National Defense Authorization Act for Fiscal Year 2018, which includes a provision that, among other things, would authorize DOD to conduct its own background investigations. It would also require DOD to begin carrying out the implementation plan developed in response to section 951 by October 1, 2020.¹²⁸ The legislation would further require the Secretary of Defense, in consultation with the Director of OPM, to provide for a phased transition of the conduct of investigations from NBIB to the Defense Security Service.¹²⁹ Moreover, this legislation would require the Secretary of Defense to conduct a comprehensive assessment of workforce requirements for both DOD and NBIB as part of planning for the transfer of certain functions from OPM to DOD.¹³⁰

In addition, the NBIB transition team developed a talent acquisition strategy for the establishment of the bureau; however, this strategy was focused solely on filling nine key leadership positions (according to NBIB officials, four positions are senior executive service positions, and five are general schedule grade 14 and 15 positions). As of July 2017, NBIB officials said that six of these positions had been filled, and that another position was in the process of being staffed. The only mention of other positions in this strategy was a statement that once these key leadership positions have been filled, executives should build their respective departments consistent with mission needs and aligned with the NBIB strategic plan, and that NBIB use current FIS leadership for field operations, engagements and customer service, and integrity assurance. According to NBIB officials, NBIB has 3,260 positions authorized by OPM but had 495 vacancies as of July 1, 2017—approximately a 15 percent

¹²⁷See Pub. L. No. 114-328, § 951(a)(1) (2016). DOD delivered the report in August 2017.

¹²⁸See H.R. Rep. No. 115-404, at 245-46 (2017) (Conf. Rep., relaying section 925 of the bill, as passed by the Senate on November 16 and the House of Representatives on November 14).

¹²⁹See *id.*

¹³⁰See *id.* at 246-47 (Conf. Rep., relaying section 925(d) of the bill).

vacancy rate. NBIB officials said that most positions were not affected by the recent executive-branch hiring freeze, including investigators and investigative assistants, because they qualified for national security waivers; however, some positions, such as administrative support, were not covered by the waivers.

The greatest total number of vacancies within NBIB is in its field operations department, which as of July 2017 had almost 400 vacancies, or a vacancy rate of about 17 percent. The Field Operations department provides contractor oversight, including program and project managers for fieldwork and CORs; it also includes federal investigator staff. NBIB officials stated that their greatest challenge in filling vacancies has been with their investigative workforce, and that as they fill their investigator positions, they will be able to better perform their mission of delivering completed background investigations in a timely manner due to having greater capacity. NBIB officials told us that they plan to hire another 200 federal investigators in fiscal year 2017 to help address the backlog of investigations; however, hiring 200 new federal investigator positions was not listed as a step on the transition plan for the Field Operations department, and these new investigator positions also are not included in the planned new hires listing of personnel hiring priorities. NBIB officials said that these new investigator positions were not included in the transition plan because the decision to hire for these positions had already been made and the hiring was being executed when the transition plan was developed.

Furthermore, NBIB has developed detailed plans to hire new personnel. NBIB's listing of personnel hiring priorities showed that NBIB initially planned to hire 155 new personnel. NBIB officials explained that in developing this initial hiring plan, organizational leaders assessed OPM legacy resources that would align with NBIB's mission, roles and responsibilities, and identified gaps. These officials stated that at a leadership offsite held in December 2016, small groups identified existing and notional resources, prioritized resource gaps for identified programs, and briefed out their assessment of priorities. These officials said that the offsite participants then selected the top priorities for fiscal years 2017 and 2018, and that NBIB leadership subsequently developed individualized proposals outlining revisions and changes to personnel requirements and organization of each of the program areas. NBIB officials said that they subsequently refined these plans and reduced the number of planned new hires. The officials stated that in 2017, NBIB established a transitional hiring committee to further prioritize and select the final NBIB personnel structure, and that through a series of meetings

in March, May, and June 2017, they refined their plans to reduce the number of planned new positions. As of July 2017, they said that NBIB planned to create and fill 49 new positions. According to NBIB officials, 13 of the new positions would involve an increase to the budget.¹³¹ Of those 49 new positions, they said that 21 had been filled as of July 2017.

In addition, NBIB uses contractor support to fill some positions in its Field Operations, Federal Investigative Records Enterprise, and customer service departments, but NBIB officials did not provide documentation explaining the determinations for which tasks should be performed by contractors versus federal employees. NBIB officials stated that they followed a deliberative process requiring a thoughtful assessment of the personnel resource skills and competencies required to address the new NBIB objectives, but they could not provide any supporting documentation to that effect.

A key principle of strategic workforce planning is determining the critical skills and competencies needed to achieve current and future programmatic results, such as identifying how the agency will obtain the workforce skills and competencies that are critical to achieving its strategic goals.¹³² In addition, OPM's workforce planning best practices include forecasting the optimal headcount and competencies needed to meet the needs of the organization in the future, and a gap analysis to identify headcount surpluses and deficiencies for current and future demand levels.¹³³ Further, OMB policy requires agencies to take actions to ensure they have sufficient internal capability to maintain control over functions that are core to the agency's mission and operations.¹³⁴

However, NBIB officials were unable to provide us with documentation that identified any of the gaps or explained the rationale for its determinations about the specific number and positions of additional staff

¹³¹According to documentation provided by NBIB, the 49 new positions are estimated to require budget increases of around \$2.44 million in fiscal year 2017, and \$7.22 million in fiscal year 2018, for a total increase of around \$9.66 million over the FIS-NBIB transition period.

¹³²[GAO-04-39](#).

¹³³OPM, *Migration Planning Guidance Information Documents: Workforce Planning Best Practices* (Washington, D.C.: Oct. 7, 2011).

¹³⁴OMB, Office of Federal Procurement Policy Letter 11-01, *Performance of Inherently Governmental and Critical Functions*, 76 Fed. Reg. 56,227, 56,228 (Sept. 12, 2011).

needed. The documents they did provide appeared to be summaries of the revisions and changes decided upon, and included detailed information about the identified staffing requirements, such as information about the number of positions, position titles and types, grade levels, and hiring priority. While this information reflects detailed planning and thought, it does not illuminate whether the quantities and types of positions identified are the appropriate positions with the right critical skills and competencies needed to address any gaps in the bureau's workforce. NBIB officials said that the hiring plans were originally determined at the leadership offsite, where the rationale for the specific number and positions of additional staff was discussed orally, and then further refined at a series of meetings beginning in March 2017. The officials told us that extensive review went into determining the rationale for the requests for new staff, and that these requests were the subject of robust and sometimes contentious debate, after which the requests were voted on by senior leadership.

Although NBIB has taken some steps to develop and implement certain strategic workforce planning elements, it has not created a comprehensive, formal workforce plan that is focused on workforce needs to reduce the backlog. Such a plan should include the workforce skills and competencies that are critical to achieving NBIB's strategic goals. As we previously reported, the most important consideration in identifying needed skills and competencies is that they are clearly linked to the agency's mission and long-term goals developed jointly with key congressional and other stakeholders during the strategic planning process. If an agency identifies staff needs without linking the needs to strategic goals, or if the agency has not obtained agreement from key stakeholders on the goals, the needs assessment may be incomplete and premature. In addition, a strategic workforce plan could enable NBIB to (1) develop hiring, training, staff development, succession planning, performance management, use of flexibilities, and other human capital strategies and tools that could be implemented with the resources that can be reasonably expected to be available; and (2) eliminate gaps and improve the contribution of critical skills and competencies that they have identified between the future and current skills and competencies needed for mission success.¹³⁵ NBIB officials explained that a strategic workforce plan is something they should create, but that as a new organization the bureau was focused on other priorities, such as hiring a director, selecting

¹³⁵ [GAO-04-39](#).

the headquarters location, addressing the backlog, and filling vacant positions. However, after being operational for almost a year, NBIB still lacks a comprehensive workforce plan.

While it has taken several other steps intended to strengthen the background investigation process, without a formal strategic workforce plan, NBIB does not know whether the identified needs in its new hires, transition plan, and overall workforce vacancies will provide the appropriate mix of personnel. Specifically, it does not know whether it has the appropriate mix of federal employees and contractors, with the right critical skills and competencies, to address any staffing gaps and better enable the bureau to fulfill its mission. A comprehensive strategic workforce plan that focuses on the workforce and organizational elements needed and addresses capacity issues related to its vacancies would better position NBIB to address its investigation backlog. Additionally, a comprehensive strategic workforce plan would better position the bureau to execute its roles and responsibilities related to overseeing the background investigations for DOD and other executive branch agencies that rely on NBIB as their investigative service provider.

Conclusions

The PAC has made progress in reforming the personnel security clearance process. However, 13 years after the passage of IRTPA, it is now at a crossroads. The backlog of background investigations totaled over 700,000 cases as of September 2017 and while the executive branch is taking actions to help address it, there are no indications that the government can readily do so.

We have noted in prior work concerns about the quality of background investigations and have emphasized the need to build quality throughout the personnel security clearance process for nearly two decades. Even though it has made significant attempts, the executive branch has still not established government-wide performance measures for the quality of background investigations to help ensure that critical security-relevant information is identified and mitigated when granting a security clearance. Over the past 2 years, the executive branch has taken steps toward establishing such measures. However, ODNI, as the Security Executive Agent, and the PAC have not prioritized setting a milestone for their completion. Without a milestone for establishing government-wide performance measures for the quality of investigations, their completion may be further delayed, and executive branch agencies will not have a

schedule against which they can track progress or to which they are accountable.

Executive branch timeliness in completing initial secret and initial top secret clearances has declined over the past 5 years. While ODNI has taken some steps to correct this downward trend on an agency-by-agency basis, neither ODNI nor the PAC have led a government-wide approach to improve the timeliness of initial personnel security clearances. While ODNI requests that agencies submit corrective action plans when they are not meeting timeliness objectives, it has not developed a comprehensive, government-wide plan with goals and milestones. A government-wide plan would help position ODNI, as the Security Executive Agent, as well as the PAC, to better identify and address systemic issues across the executive branch that affect the ability of agencies to meet timeliness objectives.

IRTPA also created greater transparency and oversight of the overall reform effort by mandating annual reports to the appropriate congressional committees on the progress made toward meeting the act's requirements, including reporting timeliness data. However, since the IRTPA reporting requirement ended in 2011, executive branch reporting has been limited, which makes it difficult to thoroughly evaluate and precisely identify where and why delays exist within the process, as well as to direct corrections as necessary. Without transparent reporting on investigation and adjudication timeliness, for both initial investigations and periodic reinvestigations, Congress will not be able to effectively execute its oversight role and monitor individual executive branch agency progress in meeting timeliness objectives.

The establishment of NBIB in 2016, to strengthen the background investigation process, involved a number of organizational changes and efforts to improve the process. While NBIB has taken steps to increase its investigative capacity, it faces challenges in developing a comprehensive plan, with goals and milestones, to address the investigation backlog. Without such a plan, NBIB lacks a necessary course of action to reduce the backlog to a manageable level. Relatedly, NBIB has not established goals for increasing total investigator capacity. Establishing such goals, in accordance with the plan for reducing the backlog, may better position NBIB to achieve the goals and milestones outlined in that plan. Ultimately, if NBIB is unable to reduce the investigation backlog, executive branch agencies will continue to lack the cleared personnel needed to help execute their respective missions, which poses potential risks to national security. Demonstrated leadership from ODNI, in the capacity as the

Security Executive Agent, and the PAC, by assisting NBIB as it works to reduce the investigation backlog could better position NBIB to reach a manageable level of investigations.

Additionally, NBIB faces operational challenges related to workforce planning. While the bureau has taken a number of workforce planning steps, such as identifying specific hiring needs, it has not developed a strategic workforce plan. As a result, it may not know whether it has planned for the appropriate mix of personnel, with the right critical skills and competencies, and it has experienced delays in addressing its hiring needs. A comprehensive strategic workforce plan that focuses on the workforce and organizational elements needed and addresses capacity issues related to its vacancies would better position NBIB to address its investigation backlog and strengthen the investigation process.

Matter for Congressional Consideration

Congress should consider reinstating the Intelligence Reform and Terrorism Prevention Act of 2004's requirement for the executive branch to report annually to appropriate committees of Congress on the amount of time required by authorized investigative and adjudicative agencies to conduct investigations, adjudicate cases, and grant initial personnel security clearances. Congress should also consider adding to this reporting requirement the amount of time required to investigate and adjudicate periodic reinvestigations and any other information deemed relevant, such as the status of the investigation backlog and implementing government-wide measures for the quality of investigations or other reform efforts. (Matter for Consideration 1)

Recommendations for Executive Action

We are making a total of six recommendations, including three to ODNI, in coordination with the PAC, and three to NBIB. Specifically,

- The Director of National Intelligence, in his capacity as Security Executive Agent, and in coordination with the other Security, Suitability, and Credentialing Performance Accountability Council Principals—the Deputy Director for Management of OMB in his capacity as Chair of the PAC, the Director of OPM, and the Under Secretary of Defense for Intelligence—should take the following three actions:

- establish a milestone for the completion of government-wide performance measures for the quality of investigations; (Recommendation 1)
- conduct an evidence-based review of the investigation and adjudication timeliness objectives for completing the fastest 90 percent of initial secret and initial top secret security clearances, and take action to adjust the objectives if appropriate; (Recommendation 2) and
- develop a government-wide plan, including goals and interim milestones, to meet those timeliness objectives for initial personnel security clearance investigations and adjudications. (Recommendation 3)
- The Director of NBIB, in coordination with the Deputy Director for Management of OMB, in the capacity as Chair of the PAC, and the Director of National Intelligence, in the capacity as Security Executive Agent, should take the following two actions:
 - develop a plan, including goals and milestones, that includes a determination of the effect of the business process reengineering efforts for reducing the backlog to a “healthy” inventory of work, representing approximately 6 weeks of work; (Recommendation 4) and
 - establish goals for increasing total investigator capacity—federal employees and contractor personnel—in accordance with the plan for reducing the backlog of investigations. (Recommendation 5)
- The Director of NBIB should build upon NBIB’s current workforce planning efforts by developing and implementing a comprehensive strategic workforce plan that focuses on what workforce and organizational needs and changes will enable the bureau to meet the current and future demand for its services. (Recommendation 6)

Agency Comments and Our Evaluation

We provided a draft of this report to OMB, ODNI, OPM, DOD, the Department of Justice, and the Department of Homeland Security for review and comment. OMB provided its comments via email, and the comments are summarized below. Written comments from ODNI and OPM are reprinted in their entirety in appendixes V and VI, respectively. OMB, ODNI, OPM, and the Department of Homeland Security provided additional technical comments, which we incorporated in the report as appropriate. DOD and the Department of Justice did not provide

comments. OMB and OPM concurred with the recommendations directed to them. ODNI stated that it did not concur with the report's conclusions and recommendations, but did not specifically state with which recommendations it did not concur.

In comments e-mailed to us on November 9, 2017, the Acting Deputy Director for Management of OMB concurred with the report's findings, conclusions, and recommendations. The comments also stated that the administration is committed to renewing public reporting of security clearance timeliness, once the government-wide reform initiatives are announced in early 2018, either as one of the administration's cross-cutting priority goals or via another approach. While the PAC's prior public reporting on the status of security clearance reform efforts was beneficial and helped to provide for transparency of the process, we believe that security clearance timeliness information should be reported—whether publicly or via reporting to Congress—broken out by individual executive branch agency and not only as an executive branch-wide average, as noted in our Matter for Congressional Consideration. As discussed in the report, such detailed reporting could help congressional decision-makers and OMB to thoroughly evaluate and precisely identify where and why delays exist within the process, as well as to direct corrections as necessary. In addition, OMB stated that the PAC is committed to ensuring that its Implementation Plan is continually updated to reflect the current status of reform efforts and that it incorporates any new initiatives arising from our review.

In its written comments, ODNI stated that the report appears to draw negative inferences from the facts and that the conclusions do not present an accurate assessment of the current status of the personnel security clearance process. ODNI also stated that the conclusions do not include the significant progress ODNI has achieved in coordination with executive branch agencies. We disagree with these statements. The report discusses in detail the progress that the PAC—of which ODNI is a Principal member—has made to reform the personnel security clearance process, including the implementation of recommendations and milestones from the 120-day and 90-day reviews, and cross-agency priority goal updates. The report also discusses areas of progress highlighted by ODNI officials, such as the development of seven Security Executive Agent Directives, the issuance of Quality Assessment Standards for background investigations, and the implementation of the QART.

In its comments, ODNI further stated that while it generally concurred with the factual observations in the report, it did not concur with our recommendations. While ODNI did not specifically state with which recommendations it disagreed, it discussed each of the three recommendations addressed to it. In addition, ODNI stated that it did not concur with our conclusions, and provided specific observations in the following three areas, which lead to the three recommendations.

First, ODNI disagreed with our conclusion that it has not prioritized setting a milestone for the completion of government-wide performance measures for the quality of background investigations. ODNI also stated that the report ignores significant progress that ODNI has made in this area; specifically, the approval of Quality Assessment Standards for background investigations and the implementation of the QART. We disagree with ODNI's position, as the report discusses in detail both the Quality Assessment Standards and the QART, and identifies these as the two steps toward the development of performance measures for the quality of background investigations. Additionally, ODNI stated that it has the ability to determine trends in background investigative quality from the data collected by the QART. However, as we note in the report, DOD background investigations—which represent the majority of the investigations conducted by NBIB—are not captured by the QART. We further noted that according to NBIB officials, they are not positioned to receive comprehensive feedback if their largest customer, DOD, is not utilizing the QART. Therefore, as we concluded in the report, it is unclear how ODNI will have sufficient data to develop government-wide measures for the quality of investigations since it will lack data for a significant portion of the executive branch's background investigations.

Regarding our recommendation that the Director of National Intelligence, in coordination with the other PAC Principals, establish a milestone for the completion of government-wide performance measures for the quality of investigations, ODNI stated that it is premature to do so and that it will set a milestone once the QART metrics discussed above have been fully analyzed. However, in its written comments, ODNI did not state when it anticipates the QART metrics will be fully analyzed. We recognize that fully analyzing the QART data may take time and that initial performance measures may be refined as ODNI collects and assesses data regarding the quality of background investigations. However, setting a milestone—that takes into consideration the amount of time needed to analyze QART data—will help to ensure that the analysis is completed, that initial performance measures are developed, and that agencies will have a greater understanding of what they are being measured against. We

identify in the report that the executive branch previously set a milestone for the completion of government-wide performance measure for quality, which was adjusted over time and most recently set as October 2015. We further identify that the PAC has set milestones for the completion of nearly 50 other initiatives in its Implementation Plan, and that in the aftermath of the 2013 Washington Navy Yard shooting, the PAC (which includes ODNI) issued a 120-day review report that, among other things, recommended reporting on measures for quality. We continue to believe that setting a milestone could help to prevent further delays to their completion and provide the executive branch with a schedule against which it would be accountable.

Second, ODNI did not agree with our conclusion that neither ODNI nor the PAC have led a government-wide approach to improve timeliness of initial personnel security clearances. In its written comments, ODNI discusses actions it has taken to improve timeliness since the passage of IRTPA, including resetting timeliness goals for certain clearances in 2012, in coordination with interagency stakeholders, issuing annual memorandums to agencies on their performance, and requesting that agencies develop agency-specific corrective action plans. We discuss all of these actions in the report and while we agree that they are positive actions, the executive branch would further benefit from a more coordinated approach. For example, even with the cited actions, the executive branch is experiencing significant challenges related to the timely processing of initial personnel security clearances. Specifically, as discussed in the report, in fiscal year 2016, only 2 percent of the agencies for which ODNI provided timeliness data met the 40-day IRTPA-established investigation objective for at least three of four quarters for the fastest 90 percent of initial secret cases; and only 12 percent met ODNI's revised investigation objective for at least three of four quarters for the fastest 90 percent of initial top secret cases. In addition, as discussed in the report, timeliness challenges are not only an issue for agencies that use NBIB as their investigative service provider. Agencies with delegated authority to conduct their own investigations have also experienced timeliness challenges over the past 5 fiscal years. Further, the timeliness challenges cited by agencies to GAO include government-wide challenges, such as the increased investigative requirements—not just agency-specific challenges, such as staffing shortfalls. A government-wide plan would better position ODNI to identify and address any systemic government-wide issues.

Regarding our recommendation that the Director of National Intelligence, in coordination with the other PAC Principals, conduct an evidence-based

review of the timeliness objectives for completing initial secret and initial top secret security clearances, and take action to adjust the objectives if appropriate, ODNI stated that it is premature to revise the existing timeliness goals until NBIB's backlog is resolved. In its written comments, ODNI states that while timeliness has exceeded the established standards, this is not necessarily an indication of a flaw in timeliness goals, but an indicator of the impact of the backlog and that as such, the current challenge in meeting timeliness should not serve as the sole basis for modifying existing goals. Our recommendation is to conduct an evidence-based review of the timeliness objectives, through which ODNI could determine whether there are any issues with the timeliness goals or, as ODNI suggests, whether the timeliness challenges are just a reflection of the backlog. At the conclusion of that review, ODNI can determine if it is appropriate to adjust the timeliness objectives, and take action if necessary. We do not suggest that ODNI should immediately revise the timeliness objectives without first determining if there is an evidence-based need to do so. ODNI further notes that other agencies that are not supported by NBIB are still achieving or very close to achieving current standards. However, as discussed in the report, even agencies with delegated authority to conduct their own investigations are experiencing challenges meeting established timeliness objectives.

ODNI further stated in response to our recommendation that the Director of National Intelligence will continue to assess the impact of the implementation of the 2012 Federal Investigative Standards and modify the timeliness goals as appropriate. Given that ODNI has not comprehensively revisited the investigation or adjudication timeliness objectives for initial security clearances since 2012 despite the increased investigative requirements stemming from the implementation of the 2012 Federal Investigative Standards, we continue to believe that our recommendation to conduct an evidence-based review, using relevant data, is valid.

Third, ODNI disagreed with our conclusion that demonstrated leadership from ODNI, in the capacity as the Security Executive Agent, and the PAC, by assisting NBIB as it works to reduce the investigation backlog could better position NBIB to reach a manageable level of investigations. ODNI stated that it has demonstrated leadership in this area and has worked closely as the Security Executive Agent with NBIB to reduce its investigation backlog and noted recent efforts by the Director of National Intelligence and the other PAC Principals to help reduce the backlog. We believe that these recent actions, which have taken place since the completion of our review, are positive steps that, along with our

recommendations to NBIB, could help to reduce the backlog of background investigations. However, as discussed in the report, prior to these recent actions, ODNI had not demonstrated the leadership necessary to improve executive branch timeliness, as evidenced by the decrease in the number of agencies meeting timeliness objectives from fiscal years 2012 through 2016 and a backlog of over 700,000 investigations as of September 2017. Additionally, while the recent actions could help to reduce the backlog, sustained demonstrated leadership by the Director of National Intelligence and the other PAC Principals will be crucial to maintaining and increasing momentum, and ultimately critical to comprehensively addressing the current timeliness challenges and reducing the investigation backlog.

Regarding our recommendation that the Director of National Intelligence develop a government-wide plan, including goals and interim milestones, to meet timeliness objectives for initial personnel security clearances, ODNI stated that it has already established timeliness goals for the security clearance process and that prior to the investigation backlog, which was created, in part, due to a loss of OPM investigator capacity, the executive branch met those goals. ODNI further stated that until NBIB reduces its backlog, departments and agencies that use NBIB cannot accurately predict budgetary requirements for the phases of the security clearance process under their control, which complicates the development of a government-wide plan at this time. However, as discussed in the report, the most feasible date by which NBIB could reduce the backlog of background investigations to a “healthy” inventory level is fiscal year 2022 at the earliest. Given the significant timeliness challenges that the executive branch is currently experiencing, agencies would benefit from developing a government-wide plan now, rather than waiting at least 5 years for the reduction of the backlog to do so. In addition, through the development of a government-wide plan, ODNI could help to identify additional actions to more quickly reduce the investigation backlog. Without such a plan, continued delays in processing clearances may leave agencies unable to fill critical positions that require a security clearance. Ultimately, developing a government-wide plan, including goals and interim milestones, will better ensure timely determinations of individuals’ eligibility for access to classified information. As such, we continue to believe that the recommendation is valid.

In its written comments, OPM concurred with the three recommendations directed to NBIB, and described some actions it plans to take to address them. Separate from the recommendations, OPM also provided

comments related to the discussion in the draft report regarding DOD's development of NBIS and the security of OPM's IT systems and data. Specifically, OPM expressed concerns about some of the statements by DOD officials, stating that they were unverified opinions. We agree that including the countering views of OPM officials could provide some helpful context. As a result, we have added language to the report to include OPM's perspectives on the statements made by the DOD CIO officials.

In addition, OPM stated that the prior GAO and OPM Inspector General audits referenced in the IT discussion were outdated audit assessments. We agree that some information in the draft report from the prior audits was based on reports from 2016 or earlier in 2017, and we understand that circumstances may have changed since those reports were issued. Specifically, the OPM Inspector General released a new audit report in October 2017, when this report was with the agency for comment, regarding the state of security of OPM IT systems. Accordingly, we replaced the discussion of the older OPM Inspector General reports in the draft report with a discussion of the OPM Inspector General's October 2017 report. This latest OPM Inspector General report found, among other things, that OPM had made improvements in its security assessment and authorization program, and its previous "material weakness" related to authorizations has been upgraded to a "significant deficiency" for fiscal year 2017. Overall, the OPM Inspector General found that OPM's cybersecurity maturity level was measured at a level 2, "Defined", meaning that its policies, procedures and strategy were formalized and documented, but were not consistently implemented. We also added language to emphasize the date of the 2016 GAO reports, and added information about the status of the recommendations from those two reports, because none of the recommendations directed to OPM from the two 2016 GAO reports had been closed as implemented as of November 2017.

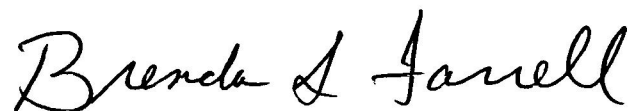
OPM further stated that it has implemented critical enhancements to strengthen the security of OPM's networks and has improved its security and assessment authorization process. In the draft report, we stated that OPM has strengthened the security of its networks, and we noted that—as stated in our 2017 report—OPM has made progress in improving its security to prevent, mitigate, and respond to data breaches involving sensitive personal records and background investigations information. However, as we noted our 2017 report, we also found that OPM did not effectively monitor actions taken to remediate identified weaknesses, and

we continue to believe that discussion of the deficiencies we identified in our prior reports is appropriate in this report.

In November 2017, after the conclusion of our audit work, Congress passed a bill for the National Defense Authorization Act for Fiscal Year 2018. Among other things, the bill includes a provision that would authorize DOD to conduct its own background investigations and require DOD to begin carrying out the implementation plan required by section 951 of the National Defense Authorization Act for Fiscal Year 2017 by October 1, 2020. It would also require the Secretary of Defense, in consultation with the Director of OPM, to provide for a phased transition.¹³⁶ While this pending legislation may affect how some background investigations are conducted, we believe that our recommendations remain important points on which the executive branch should focus in order to help improve the security clearance process as these legislative changes are implemented.

We are sending copies of this report to the appropriate congressional committees, the Director of National Intelligence, the Secretary of Defense, the Director of OMB, the Secretary of Homeland Security, the Director of OPM, the Director of NBIB, the Attorney General of the United States, the Director of the Federal Bureau of Intelligence, and the Director of the Bureau of Alcohol, Tobacco, Firearms, and Explosives. In addition, this report will also be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your members of your staff have any questions regarding this report, please contact me at (202) 512-3604 or farrellb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made significant contributions to this report are listed in appendix VII.



¹³⁶See H.R. Rep. No. 115-404, at 245-46 (2017) (Conf. Rep., relaying section 925 of the bill, as passed by the Senate on November 16 and the House of Representatives on November 14).

Letter

Brenda S. Farrell
Director, Defense Capabilities and Management

List of Addressees

The Honorable John McCain
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Claire McCaskill
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Mark R. Warner
Vice Chairman
Select Committee on Intelligence
United States Senate

The Honorable Shelley Moore Capito
Chairman
The Honorable Christopher Coons
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
United States Senate

The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Devin Nunes
Chairman
The Honorable Adam Schiff
Ranking Member
Permanent Select Committee on Intelligence
House of Representatives

The Honorable Tom Graves
Chairman

The Honorable Michael Quigley
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
House of Representatives

The Honorable Jon Tester
United States Senate

Appendix I: Status of Prior GAO Personnel Security Clearance Recommendations to Executive Branch Agencies as of November 2017

Since May 2009, we have made 37 recommendations to appropriate executive branch agencies—the Office of Management and Budget (OMB), Office of Personnel Management (OPM), Office of the Director of National Intelligence (ODNI), Department of Defense (DOD), and Department of Homeland Security (DHS)—to improve the personnel security clearance process. As of November 2017, these agencies had implemented 12 of those recommendations; we closed 4 due to the inaction of the responsible agencies; and 21 remained open. Examples of implemented recommendations include DOD’s issuance of adjudication guidance related to incomplete investigative reports, ODNI and OPM’s jointly proposed chapter and part to the Code of Federal Regulations clarifying, among other things, the position sensitivity designation of national security positions, and DHS’s issuance of new standards for tracking information on security clearance revocations and appeals.

The 21 recommendations that remain open as of November 2017 focused on different aspects of the personnel security clearance process. First, in February 2012, we reported on background investigation pricing and costs, and we found, among other things, that the Performance Accountability Council had not provided the executive branch with guidance on cost savings.¹ Second, in September 2014, we reported on the security clearance revocation processes at DHS and DOD. We found that DHS and DOD data systems did not track complete revocation information; there was inconsistent implementation of the requirements in the governing executive orders by DHS, DOD, and some of their components; and there was limited oversight over the revocation process,

¹GAO, *Background Investigations: Office of Personnel Management Needs to Improve Transparency of Its Pricing and Seek Cost Savings*, [GAO-12-197](#) (Washington, D.C.: Feb. 28, 2012).

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among other things.² Third, in April 2015, we reported on the status of government-wide security clearance reform efforts. We found, among other things, that limited progress had been achieved in implementing updated Federal Investigative Standards, and that the extent to which reciprocity is granted government-wide was unknown.³ Fourth, in November 2017, we found that ODNI had taken an initial step to implement continuous evaluation across the executive branch, but it had not yet determined key aspects of the program; and it lacked plans for implementing, monitoring, and measuring program performance.⁴ See table 2 for the 21 open recommendations from these four reports as of November 2017.

Table 2: Open GAO Security Clearance Recommendations as of November 2017

GAO report number	Responsible agency	Recommendation	Agency's response
1 GAO-12-197	Office of Management and Budget (OMB)	To improve transparency of costs and the efficiency of suitability and personnel security clearance background investigation processes that could lead to cost savings, expand and specify reform-related guidance to help ensure that reform stakeholders identify opportunities for cost savings, such as preventing duplication in the development of electronic case-management and adjudication technologies in the suitability determination and personnel security clearance processes.	Concur
2 GAO-14-640	Department of Defense (DOD)	To help ensure that DOD data systems contain sufficiently complete and accurate information to facilitate effective oversight of the personnel security clearance revocation and appeal process, take steps to ensure that data are recorded and updated in the Joint Personnel Adjudication System (JPAS) and the department's new systems, so that the relevant fields are filled.	Concur

²[GAO-14-640](#). We noted in the report that although certain differences are permitted or required by the executive orders, some components' implementation of the clearance revocation process could potentially be inconsistent with the executive orders or agency policy in two areas.

³GAO, *Personnel Security Clearances: Funding Estimates and Government-Wide Metrics Are Needed to Implement Long-Standing Reform Efforts*, GAO-15-179SU (Washington, D.C.: Apr. 23, 2015) (FOUO/LE/INVESTIGATORY FILES PRIVILEGED).

⁴GAO, *Personnel Security Clearances: Plans Needed to Fully Implement and Oversee Continuous Evaluation of Clearance Holders*, [GAO-18-117](#) (Washington, D.C.: Nov. 21, 2017).

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GAO report number	Responsible agency	Recommendation	Agency's response
3 GAO-14-640	DOD	To help ensure independence and the efficient use of resources, first, resolve the disagreement about the legal authority to consolidate the Personnel Security Appeals Boards (PSAB) and, in collaboration with the PSABs and the Under Secretary of Defense for Intelligence, address any other obstacles to consolidating DOD's PSABs.	Partial concur
4 GAO-14-640	DOD	To help ensure independence and the efficient use of resources, and, if the General Counsel determines that there are no legal impediments and that other obstacles to consolidation can be addressed, take steps to implement the Secretary of Defense's direction to consolidate DOD's PSABs.	Partial concur
5 GAO-14-640	DOD	To help ensure that all employees within DOD receive the same rights during the revocation process, revise Secretary of the Navy Manual M-5510. 30 to specify that any information collected by the Navy PSAB from the employee's command will be shared with the employee, who will also be given the opportunity to respond to any such information provided.	Concur
6 GAO-14-640	DOD	To help ensure that all employees within DOD receive the same rights during the revocation process, revise Army Regulation 380-67 to specify that any information collected by the Army PSAB from the employee's command or by the Army PSAB itself will be shared with the employee, who will also be given the opportunity to respond to any such information provided.	Concur
7 GAO-14-640	Department of Homeland Security (DHS)	To help ensure that all employees are treated fairly and receive the protections established in the executive order, revise the Coast Guard instruction for military personnel to specify that military personnel may be represented by counsel or other representatives at their own expense.	Concur
8 GAO-14-640	Office of the Director of National Intelligence (ODNI)	To facilitate department-wide review and assessment of the quality of the personnel security clearance revocation process, in consultation with the Secretaries of Defense and Homeland Security, develop performance measures to better enable them to identify and resolve problems, and direct the collection of related revocation and appeals information.	Concur
9 GAO-14-640	DOD	To facilitate coordination between personnel security and human capital offices regarding how a security clearance revocation should affect an employee's employment status, and to help ensure that individuals are treated in a fair and consistent manner, in consultation with the Under Secretary of Defense for Intelligence, review and revise policy regarding coordination between the personnel security and human capital offices to clarify what information can and should be communicated between human capital and personnel security officials at specified decision points in the revocation process, and when that information should be communicated.	Concur

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2017**

GAO report number	Responsible agency	Recommendation	Agency's response
10 GAO-14-640	DOD	To help ensure that the Director of National Intelligence (DNI) report to Congress contains accurate data about the number of current DOD military and federal civilian employees eligible to access classified information, review and analyze the discrepancies in the total number of employees and the number of employees eligible to access classified information, and take immediate steps to address the problems.	Concur
11 GAO-14-640	ODNI	To help ensure that similarly situated individuals are treated consistently, and to facilitate oversight and help ensure the quality of the security clearance revocation process, review whether the existing security clearance revocation process is the most efficient and effective approach. In this review, the DNI should consider whether there should be a single personnel security clearance revocation process used across all executive-branch agencies and workforces, with consideration of areas such as the timing of the personal appearance in the revocation process, and the ability to cross-examine witnesses. Further, to the extent that a single process or changes to the existing parallel processes are warranted, the DNI should consider whether there is a need to establish any policies and procedures to facilitate a more consistent process, and recommend as needed any revisions to existing executive orders or other executive-branch guidance.	Concur
12 GAO-15-179 SU	OMB	To assist executive-branch agencies in budget planning to implement the 2012 Federal Investigative Standards and obtain needed personnel security clearances, develop long-term funding estimates for changes to the federal government's investigation practices resulting from the implementation of the standards. These long-term funding estimates should include but not be limited to: (1) costs related to information technology adjustments to enable government-wide data sharing; (2) costs related to implementing continuous evaluation of clearance holders; and (3) costs related to additional personnel resources for twice-as-frequent reinvestigations.	Concur
13 GAO-15-179 SU	ODNI	To provide decision makers—including OMB and Congress—with information on the quality of personnel security clearance background investigations and help ensure the quality of the investigations, develop, implement, and report to Congress on government-wide, results-oriented performance metrics to measure security clearance background investigation quality.	Did not state
14 GAO-15-179 SU	ODNI	To provide executive-branch agencies necessary information concerning incomplete prior investigations or adjudications, develop procedures to require information sharing between executive-branch agencies concerning incomplete investigations or adjudications that may affect the eligibility of an individual for a security clearance.	Did not state
15 GAO-15-179 SU	ODNI	To provide Congress with information on the extent of personnel security clearance background investigation and adjudication reciprocity, require the development of government-wide baseline data on required reciprocity determinations to support government-wide metrics to measure the extent of reciprocity.	Did not state

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GAO report number	Responsible agency	Recommendation	Agency's response
16 GAO-18-117	ODNI	Issue a Security Executive Agent Directive for continuous evaluation to formalize the program, which includes, among other things, an expanded definition of continuous evaluation in advance of the next phase of implementation.	Concur
17 GAO-18-117	ODNI	In coordination with the Continuous Evaluation Working Group, develop an implementation plan for continuous evaluation across the executive branch that includes a schedule with timeframes and expectations for agencies, such as the requirements (e. g., the size of the enrolled population in continuous evaluation) for future phases of implementation.	Concur
18 GAO-18-117	ODNI	Develop a plan for monitoring continuous evaluation performance, to include assessing continuous evaluation at various phases of implementation.	Concur
19 GAO-18-117	ODNI	Develop performance measures that agencies must track and determine a process and schedule for agencies to regularly report those measures to ODNI. At minimum, these performance measures should be clear, quantifiable, objective, and linked to measurable goals.	Concur
20 GAO-18-117	ODNI	In coordination with the Deputy Director for Management of the Office of Management and Budget in the capacity as Chair of the Security, Suitability, and Credentialing Performance Accountability Council, conduct an evidence-based review of the timeliness goal of 195 days for completing the fastest 90 percent of periodic reinvestigations and the associated goals for the different phases of periodic reinvestigations, and adjust the goal if appropriate, taking into consideration available resources, the additional workload of continuous evaluation, and the risks associated with individuals retaining access to classified information without determining their continued eligibility.	Concur
21 GAO-18-117	ODNI	Once ODNI has further defined the continuous evaluation program, to include issuing a Security Executive Agent Directive and developing an implementation plan, in coordination with the Deputy Director for Management of the Office of Management and Budget in the capacity as Chair of the Security, Suitability, and Credentialing Performance Accountability Council, assess the potential effects of continuous evaluation on agency resources and develop a plan, in consultation with implementing agencies, to address those effects, such as modifying the scope of periodic reinvestigations, changing the frequency of periodic reinvestigations, or replacing periodic reinvestigations for certain clearance holders.	Concur

Source: GAO status of open recommendations. | GAO-18-29

Appendix II: Overview of Selected Personnel Security Clearance Provisions in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA)

The 2004 enactment of IRTPA initiated a reform effort that includes goals and requirements for improving the personnel security clearance process government-wide.¹ Specifically, among other things, IRTPA required that:

- The President select a single entity—currently designated as the Office of the Director of National Intelligence—to be responsible for, among other things, the development and implementation of uniform and consistent policies and procedures to ensure the effective, efficient, and timely completion of security clearances.
- The President, in consultation with the head of the entity above, select a single agency—currently designated as the National Background Investigations Bureau within the Office of Personnel Management (OPM)—tasked with conducting, to the maximum extent practicable, security clearance investigations of federal employees and contractor personnel, among other things.² It also required this entity to ensure that investigations are conducted in accordance with uniform standards and requirements.
- All security clearance background investigations and determinations completed by an authorized investigative agency or authorized

¹Pub. L. No. 108-458, § 3001 (2004) (codified in relevant part at 50 U.S.C. § 3341). While IRTPA was a far-reaching act with many broad implications, our references to it throughout this report pertain solely to section 3001, unless otherwise specified.

²The Office of the Director of National Intelligence (ODNI), as the Security Executive Agent, may designate other agencies to conduct such investigations to the extent that it is not practicable to use NBIB. See Exec. Order No. 13,467, § 2.5(e)(vi), as amended through Exec. Order No. 13,764, 82 Fed. Reg. 8115, 8125 (Jan. 17, 2017).

adjudicative agency be accepted by all agencies (known as reciprocity), subject to certain exceptions.³

- Not later than 12 months after the date of enactment of the act, the Director of OPM in cooperation with the heads of the entities selected above, establish and commence operating and maintaining an integrated, secure database of personnel security clearance information.
- The executive branch evaluate the use of available information technology and databases to expedite investigative and adjudicative processes and to verify standard information submitted as part of an application for a security clearance and, not later than 1 year after enactment, submit a report to the President and the appropriate committees of Congress on the results of that evaluation.⁴
- The executive branch submit an annual report, through 2011, to the appropriate congressional committees on the progress made toward meeting IRTPA requirements, including timeliness data and a discussion of any impediments to the smooth and timely functioning of IRTPA requirements.⁵

IRTPA also established specific objectives for the timeliness of security clearance processing. Specifically, the act required the entity selected under section 3001(b) to develop a plan to reduce the length of the personnel security clearance process, in consultation with appropriate committees of Congress and each authorized adjudicative agency. To the

³IRTPA also provided that authorized investigative or adjudicative agencies may not establish additional investigative or adjudicative requirements, other than requirements for polygraph examinations, that exceed requirements specified in Executive Orders establishing security requirements for access to classified information without the approval of the agency selected under section 3001(b) (currently ODNI). However, it authorizes the head of that agency to establish additional requirements considered necessary for national security purposes. § 3001(d)(3) (codified at 50 U.S.C. § 3341(d)(3)). IRTPA also precluded authorized investigative or adjudicative agencies from conducting an investigation for the purposes of determining whether to grant a security clearance when a current investigation or clearance of equal level already exists or has been granted by another authorized adjudicative agency. § 3001(d)(4) (codified at 50 U.S.C. § 3341(d)(4)). As an exception to reciprocity, IRTPA authorized the head of the entity selected under section 3001(b) to disallow the reciprocal recognition of an individual security clearance on a case-by-case basis, if determined necessary for national security purposes. § 3001(d)(5) (codified at 50 U.S.C. § 3341(d)(5)).

⁴This evaluation was to be conducted by the head of the entity selected under section 3001(b).

⁵This report was to be submitted by the head of the entity selected under section 3001(b).

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Intelligence Reform and Terrorism Prevention
Act of 2004 (IRTPA)**

extent practical, the plan was to require that each authorized adjudicative agency make a determination on at least 90 percent of all applications for a personnel security clearance within an average of 60 days after the date of receipt of the completed application by an authorized investigative agency—not longer than 40 days to complete the investigative phase and 20 days to complete the adjudicative phase. IRTPA required the plan to take effect December 17, 2009.⁶

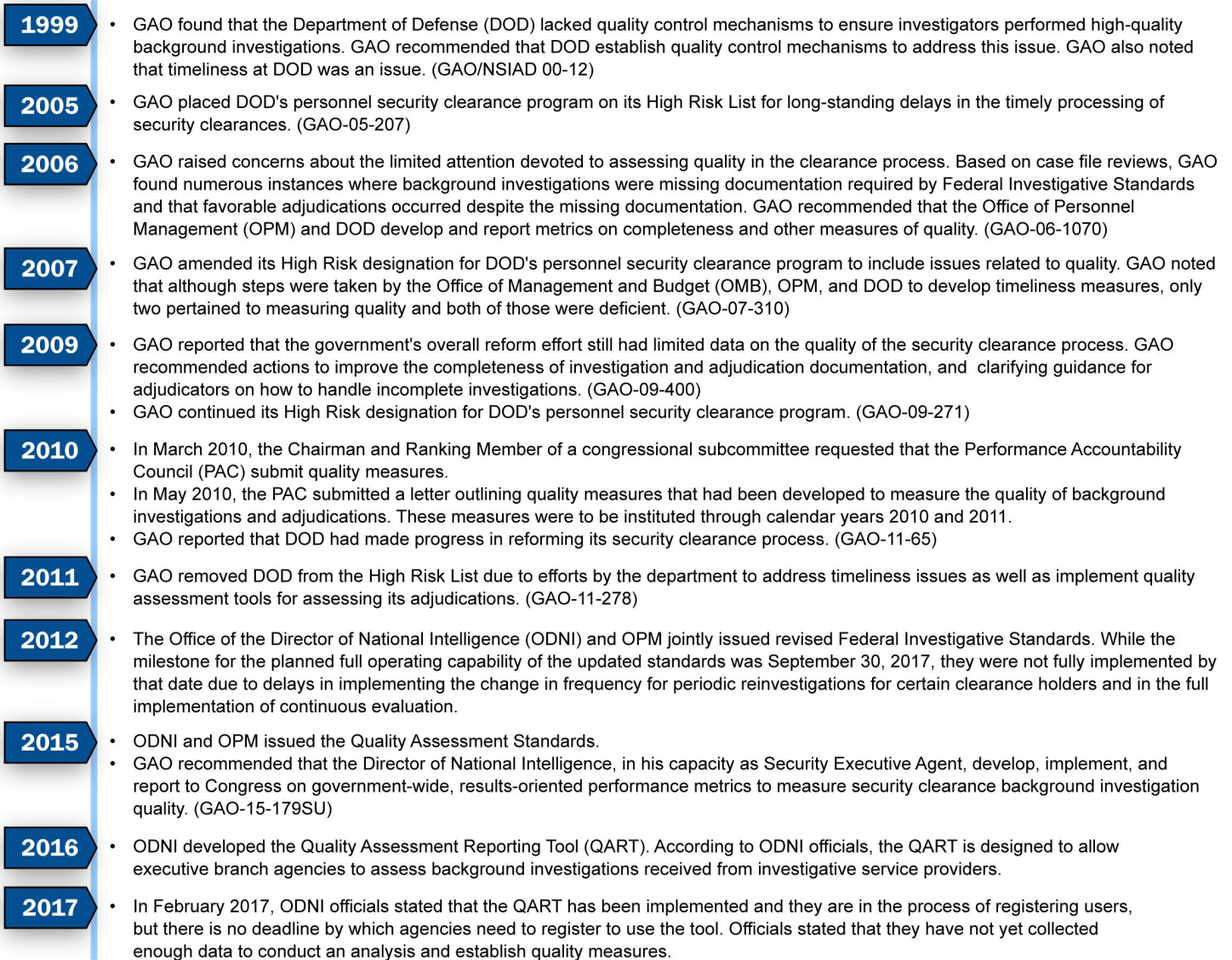
⁶See § 3001(g) (codified at 50 U.S.C. § 3341(g)). IRTPA also established timeliness requirements prior to the plan taking effect. Specifically, the act required that, from not later than December 2006 until the plan took effect, each authorized adjudicative agency make a determination on at least 80 percent of all applications within an average of 120 days after receipt by an authorized investigative agency—not longer than 90 days to complete the investigative phase and 30 days to complete the adjudicative phase. § 3001(g)(3)(B) (codified at § 3341(g)(3)(B)).

Appendix III: GAO Work on Personnel Security Clearance Quality and Executive Branch Efforts to Establish Government-wide Measures for the Quality of Investigations

Since 1999 we have reported on issues related to investigative quality at the Department of Defense and the Office of Personnel Management and have issued recommendations to help ensure the personnel security clearance reform effort results in the development of metrics to track quality. Figure 6 provides an overview of our work in this area and executive branch efforts to establish government-wide performance measures for investigation quality.

Appendix III: GAO Work on Personnel Security Clearance Quality and Executive Branch Efforts to Establish Government-wide Measures for the Quality of Investigations

Figure 6: Timeline Regarding Selected GAO Work and Executive Branch Efforts to Establish Government-wide Measures for the Quality of Investigations



Source: GAO analysis of OMB, OPM, ODNI and DOD information. | GAO-18-29

Appendix IV: Timeliness of Executive Branch Periodic Reinvestigations

In November 2017, we reported on the timeliness of the executive branch’s periodic reinvestigations for fiscal years 2012 through 2016, among other things.¹ Our analysis of timeliness data for select executive branch agencies showed that the percent of agencies meeting timeliness goals decreased from fiscal year 2012 through 2016. The timeliness goals for periodic reinvestigations are outlined in a 2008 Joint Security and Suitability Reform Team report to the President entitled *Security and Suitability Process Reform*.² Specifically, the report includes Office of Management and Budget-issued interim government-wide processing goals for security clearances for calendar year 2008. The calendar year 2008 government-wide goal for the fastest 90 percent of periodic reinvestigations is the same as the goal currently in place: 15 days to initiate a case, 150 days to conduct the investigation, and 30 days to adjudicate—totaling 195 days to complete the end-to-end processing of the periodic reinvestigation. Table 3 shows the percent of executive branch agencies meeting the timeliness goals for investigating, adjudicating, and completing the fastest 90 percent of periodic reinvestigations for at least three of four quarters from fiscal years 2012 through 2016.

Table 3: Percent of Executive Branch Agencies Meeting Timeliness Goals for the Fastest 90 Percent of Periodic Reinvestigations for at Least Three of Four Quarters of Fiscal Years 2012-2016

Fiscal year	Investigation	Adjudication	End-to-end processing
2012	84	61	84
2013	76	73	71
2014	84	73	78
2015	16	80	22
2016	18	67	22

Source: GAO analysis of Office of the Director of National Intelligence (ODNI) information. | GAO-18-29

¹GAO-18-117.

²The Joint Security and Suitability Reform Team, *Security and Suitability Process Reform*, December 2008.

**Appendix IV: Timeliness of Executive Branch
Periodic Reinvestigations**

Note: We analyzed timeliness data from the Office of the Director of National Intelligence for specific executive branch agencies from fiscal years 2012 to 2016. The timeliness goals for the fastest 90 percent of periodic reinvestigations are 15 days to initiate a case, 150 days to investigate, and 30 days to adjudicate—totaling 195 days to complete the end-to-end processing of the periodic reinvestigations.

Specific details of the timeliness of initial secret and initial top secret clearances for select individual executive branch agencies were omitted because the information is sensitive.

Appendix V: Comments from the Office of the Director of National Intelligence

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE
DIRECTOR OF LEGISLATIVE AFFAIRS
WASHINGTON, DC 20511

NOV 08 2017

Ms. Brenda S. Farrell
Director, Defense Capabilities and Management
United States Government Accountability Office
Washington, DC 20548

Dear Ms. Farrell:

We welcome the opportunity to review and respond to the Government Accountability Office (GAO) draft report entitled "Personnel Security Clearances: Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigation Backlog" (GAO-18-265U). The Office of the Director of National Intelligence (ODNI)¹ generally concurs with the factual observations provided in the report (with some caveats as listed); but for the reasons given below, ODNI non-concurs with many of the report's conclusions and recommendations as unsupported or unhelpful.

The ODNI notes that the wording of the report appears to draw negative inferences from the facts whenever possible. In this vein, the report's formal conclusions do not present an accurate assessment of the current status of the executive branch personnel security clearance process, and they do not accurately reflect efforts and ongoing initiatives conducted to date. The conclusions also ignore the significant progress ODNI has achieved in coordination with executive branch stakeholders. Specific areas of disagreement with GAO's formal conclusions and recommendations are addressed below:

Conclusion 1: ODNI has not prioritized setting a milestone for the completion of government-wide performance measures for the quality of background investigations.

The ODNI non-concurs with this conclusion to the extent that it ignores the significant progress in this area that ODNI has attained in favor of setting a premature deadline. The ODNI is committed to assuring the quality of background investigations and adjudications across the executive branch. In pursuit of this objective, the ODNI established the Quality Assessment Standards for Background Investigations which were approved by the Security and Suitability Executive Agents and endorsed by the Chair of the Suitability and Security Clearance Performance Accountability Council (PAC) on 22 January 2015. The ODNI has also established quality standards for background investigations and designed, developed and implemented the Quality Assessment Reporting Tool (QART). QART collects data to support initial reporting of background investigation quality to Departments and Agencies (D/A). ODNI has the ability to determine trends in background investigative quality from the data collected and share the information with Investigative Service Providers for awareness and inform training for background investigators. ODNI's analysis of the quality of investigations, along with any indicators of a lack of quality, is an ongoing effort. For this reason, the setting of a milestone for the completion of government-wide performance measures for the quality of investigations is

¹ To maintain consistency with GAO's Report, we reference the ODNI and the DNI (the Security Executive Agent) interchangeably.

premature. ODNI will set such a milestone when the quality metrics described above have been fully analyzed.

Conclusion 2: Neither ODNI nor the PAC have led a government-wide approach to improve timeliness of initial personnel security clearances.

The ODNI non-concurs with this conclusion. The ODNI has led government-wide efforts to improve the timeliness of initial personnel security clearances. In 2008 the DNI implemented the requirements of the 2004 Intelligence Reform and Terrorism Prevention Act (IRTPA), which required that by 2009, a plan be in place to reduce the length of the personnel security process, with the objective of completing the fastest 90% of all applications for a security clearance within an average of 60 days. The DNI implemented the metrics collection process to record and monitor progress towards the goal. As data was accumulated, it became clear that the accuracy of metrics data was impacted by differences in the volume and investigative requirements of the clearance process for Secret and Top Secret security clearances.

In 2012, the ODNI, in coordination with executive branch partners, conducted a comprehensive review of investigative and adjudicative timeliness. The DNI, in coordination with interagency stakeholders reset timeliness goals and as a result, executive branch performance met or exceeded the standards up until the Office of Personnel Management data breach.

ODNI obtains end-to-end timeliness data from across the government on a quarterly basis, analyzes the IRTPA data, and provides feedback to D/As. The DNI issues memorandums to D/A heads on their performance annually. ODNI meets with those D/As that do not meet timeliness goals at the end of each FY to discuss reasons that goals are not met and requests a Corrective Action Plan to address the deficiencies.

With regard to future timeliness goals and GAO's recommendation concerning an evidenced-based review, while security clearance timeliness has exceeded the established standards, this is not necessarily an indication of a flaw in the timeliness goals, but an indicator of the impact of the internal investigative backlog at the National Background Investigations Bureau (NBIB). As such, the current challenge in meeting existing timeliness goals should not serve as the sole basis for modifying those goals. The DNI will continue to assess the impact of implementation of the 2012 Federal Investigative Standards, which were substantially complete as of 30 September 2017, and modify the timeliness goals as appropriate without sacrificing the need for timely investigations.

Conclusion 3: Demonstrated leadership from ODNI, in the capacity as the Security Executive Agent (SecEA), and the PAC, by assisting NBIB as it works to reduce the investigation backlog could better position NBIB to reach a manageable level of investigations.

ODNI has demonstrated leadership in this area and has worked closely as the SecEA with NBIB to reduce its investigation backlog. The DNI is a principal member of the PAC and leads the security clearance process for National Security. We remain engaged in transforming and modernizing security clearance processes, to include maximizing the use of Continuous Evaluation and the automation of records checks when conducting background investigations. The DNI is finalizing a plan to eliminate the backlog of periodic reinvestigations, and is working

with the PAC and other key stakeholders in backlog mitigation and reduction efforts. On September 22, 2017, the DNI led a meeting, with PAC Principals participation, and announced ten temporary mitigation initiatives (derived out of an Interagency Working Group) that will immediately assist in reducing the backlog. The recommendations are forthcoming in executive correspondence and are consistent with modernization and preservation of the quality and integrity of personnel security vetting practices while promoting reciprocity. The SecEA will continue to lead the way forward in the transformation and modernization of the security vetting processes, policy, and methodology. We will also continue to work with the PAC and key stakeholders to identify and consider additional efficiencies and improvements that will further reduce the backlog.

With regard to GAO's recommendation concerning a government-wide plan on timeliness, ODNI has already established specific timeliness goals for the security clearance process. The metrics collected from the executive branch indicate that existing goals were met from the time the goals were implemented until the development of the NBIB investigative backlog.

The NBIB conducts approximately 90% of the background investigations for the executive branch. Overall security clearance timeliness is largely dependent upon NBIB's ability to meet investigative timeliness standards. As NBIB has noted, the backlog exists in large part due to a lack of investigative capacity and workforce. Until NBIB's backlog is resolved and NBIB's investigative timeliness is improved, it would be premature to revise existing government-wide investigative goals.

In addition, other agencies that are not supported by NBIB are still achieving, or are very close to achieving, current standards. There would be no utility in adjusting existing standards for these agencies. Furthermore, until NBIB reduces its backlog, D/As that utilize NBIB cannot accurately predict budgetary requirements and effectively allocate resources for those phases of the security clearance process under their control. This further complicates any consideration of development of a government-wide plan at this time. As the SecEA, the DNI conducts quarterly reviews of existing timeliness standards across the executive branch and modifies timeliness goals as necessary.

If you have any questions regarding this matter, please contact my Office of Legislative Affairs at (703) 275-2474.

Sincerely,



Deirdre M. Walsh

Appendix VI: Comments from the Office of Personnel Management



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

October 24, 2017

Brenda S. Farrell
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Farrell:

Thank you for providing us the opportunity to respond to the U.S. Government Accountability Office (GAO) draft report, Personnel Security Clearances: Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigative Backlog, GAO-18-26SU, GAO job code number 100970.

The U.S. Office of Personnel Management (OPM) and the National Background Investigations Bureau (NBIB) is appreciative of the collaborative and fair-minded approach the GAO team took in developing this report. As you know, NBIB is a young organization that is still establishing itself. It has made great strides over the past year in building a strong focus on national security, customer service, and continuous process improvement to meet the critical Governmentwide need for a trusted workforce. In this context, we believe the observations contained in this draft report will be helpful as NBIB further matures internal operational and management controls and procedures.

Responses to the draft report's recommendations pertinent to NBIB are provided below:

Recommendation #4: Develop a plan, including goals and milestones, that includes a determination of the effect of the business process reengineering efforts for reducing the backlog to a "healthy" inventory of work, representing approximately 6 weeks of work.

Management Response:

We concur. NBIB has developed a multi-pronged approach that includes implementing efficiencies identified through business process reinvention to reduce the level of effort and increasing investigator capacity through hiring while maintaining quality investigative products.

As part of this strategy, NBIB has dedicated resources over the last several months to work with the Office of the Director of National Intelligence, Office of Management and Budget, Department of Defense (DoD), OPM and other Departments and Agencies to further develop, scope, and implement a series of operational and administrative process

changes aimed at bringing about both short- and long-term reductions in the current inventory.

NBIB's long-term strategic plans are impacted by uncertainties related to the FY2017 National Defense Authorization Act (NDAA), Section 951, which directed DoD to develop a plan to transfer responsibility for conducting background investigations on DoD personnel from NBIB to DoD. NBIB therefore has been developing contingency plans and models, including milestones, to work down the current inventory to a "healthy" inventory, that take into account DoD's 951 Plan, phased transition and variable timeline.

Concurrently, NBIB will continue its focus on the backlog mitigation effort, which is an outgrowth of the business reengineering effort that will produce the goals/milestones plan envisioned by the recommendation.

Recommendation #5: Establish goals for increasing total investigator capacity—Federal employees and contractor personnel—in accordance with the plan for reducing the backlog of investigations.

We concur. We agree that an increase in investigator capacity—both Federal and contractor—is critical in order to reduce the current inventory. In our view, the more process-focused efforts at backlog mitigation discussed in response to Recommendation #4 and the need to increase capacity are separate, but parallel efforts. Between 2016 and 2017, NBIB added 600 funded field investigator positions and hired 646 in the same time period. Although there is always attrition in the workforce, our aggressive hiring efforts will continue for the foreseeable future. Today, NBIB has approximately 1,700 fully trained and productive Federal investigators in place, and is in the process of hiring additional investigators with a current goal of sustaining a workforce of 1975 total Federal investigators.

In September 2016, OPM awarded four new contracts for investigator services. Three of these contractors began receiving casework from NBIB by February 1, 2017, and the fourth contractor received casework starting in April, 2017. Since February 2017, these 4 contractors have increased available resources by over 800 investigators, with a total of over 5,200 contractor investigators deployed in the field as of October 2017.

Collectively, NBIB's comprehensive Federal and contractor workforce is over 6,900 investigators, a number we plan to continue to grow. NBIB is not only increasing capacity, but also increasing productivity by reducing the level of effort required by investigators to work on each case in order to maximize overall productivity. The less time an investigator spends on each case, the quicker the investigator can begin work on the next. This concept has led NBIB to streamline processes, reallocate resources, and amend internal policies for greater efficiencies and effectiveness while simultaneously maintaining quality and reciprocity for all of Government.

Our FY17 strategy that included increasing the capacity of our contractor and Federal investigative resources and reducing the level of effort has yielded positive gains in the investigative case inventory. Overall, NBIB has not only reduced the inventory, but also reduced the level of effort needed to work down the existing inventory, seeing consistent and ongoing reduction in inventory over the past 10 weeks. Further, we are confident that these results will trend into FY2018 as we continue to increase capacity and streamline processes while working with mission stakeholders.

Recommendation #6: The Director of NBIB should build upon NBIB's current workforce planning efforts by developing and implementing a comprehensive strategic workforce plan that focuses on what workforce and organizational needs and changes will enable the Bureau to meet the current and future demand for its services.

We concur. NBIB will need to develop a solid workforce strategy that is accommodating of the anticipated new automation and business process improvement initiatives, and the potential congressional decisions that may significantly alter program ownership and future workload. It is essential to our workforce and our mission to conduct a more comprehensive strategic assessment and build a plan based on future automation and planned business process improvements with full consideration of pending congressional decisions.

Other Considerations:

Although not tied to a specific recommendation, GAO examined aspects of OPM's cybersecurity posture as it relates to the role of the Department of Defense in designing, building, and securing a new IT system for NBIB's background investigations program. The security of OPM's systems and data continues to be an OPM priority, an important aspect of agency culture from the top down, and area of continual enhancement. GAO's findings are partially based on statements made by DoD personnel expressed concern with OPM's IT security that is contributing to delays in the development of NBIS. OPM is concerned with the accuracy of the statements made by GAO that appear in the draft report that are premised on the unverified opinions of DoD officials and outdated audit assessments.

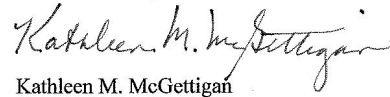
Contrary to what is suggested by the draft report, OPM's Office of the Chief Information Officer has supported major enhancements and new mission capabilities for NBIB, such as the new eAdjudication electronic response system to adjudicate cases with speed and accuracy, improved and secured investigator access to the OPM network, and the new eApplication interface that is scheduled for implementation in FY2018. Meanwhile, OPM has centralized its cybersecurity resources and effort under the Chief Information Security Officer, published policies so that proactive steps can be taken to secure and control access to sensitive information, and continues to engage regularly with the Office of the Inspector General (OIG) to collaborate and remediate audit findings.

OPM has implemented critical enhancements to strengthen the security of OPM's networks and has improved its security and assessment authorization process. OPM has also taken a leadership role in its support for Federal initiatives such as the OMB cyber

sprint and the DHS Continuous Diagnostic and Mitigation program. OPM welcomes continued dialogue with GAO, the OPM OIG, and its partner agencies regarding the many actions OPM has taken to strengthen IT security.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding our response, please contact Christy Wilder, Chief of Staff, NBIB, at (202) 418-3325, or by email, at christy.wilder@nbib.gov.

Sincerely,



Kathleen M. McGettigan
Acting Director

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Brenda S. Farrell, (202) 512-3604 or farrellb@gao.gov

Staff Acknowledgments

In addition to the contact named above, Kimberly Seay (Assistant Director), Nathan Tranquilli (Assistant Director), Renee S. Brown, Chris Businsky, Molly Callaghan, Jenny Chanley, Katheryn Hubbell, Saida Hussain, Jeffrey L. Knott, James Krustapentus, Caryn E. Kuebler, Michael Shaughnessy, Rachel Stoiko, Paul Sturm, John Van Schaik, Cheryl Weissman, and Jina Yu made significant contributions to this report.

Appendix VIII: Accessible Data

Data Tables

Data table for Figure 5: National Background Investigation Bureau's Backlog of Background Investigations, August 2014 to September 2017

Date	Background Investigation Cases (thousands)	Backlog Goal
Aug-14	190.7	180
Apr-17	581.2	180
May-17	651.9	180
Jun-17	681.5	180
Jul-17	716.4	180
Aug-17	717.3	180
Sept-17	709.1	180

Agency Comment Letters

Text of Appendix V: Comments from the Office of the Director of National Intelligence

Page 1

Ms. Brenda S. Farrell

Director, Defense Capabilities and Management United States
Government Accountability Office Washington, DC 20548

Dear Ms. Farrell:

We welcome the opportunity to review and respond to the Government Accountability Office (GAO) draft report entitled "Personnel Security Clearances: Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigation Backlog" (GAO-18-26SU). The Office of the Director of National Intelligence (ODNI)¹ generally concurs

¹ To maintain consistency with GAO 's Report, we reference the ODNI and the DNI (the Security Executive Agent) interchangeably.

with the factual observations provided in the report (with some caveats as listed); but for the reasons given below, ODNI non-concurs with many of the report's conclusions and recommendations as unsupported or unhelpful.

The ODNI notes that the wording of the report appears to draw negative inferences from the facts whenever possible. In this vein, the report's formal conclusions do not present an accurate assessment of the current status of the executive branch personnel security clearance process, and they do not accurately reflect efforts and ongoing initiatives conducted to date. The conclusions also ignore the significant progress ODNI has achieved in coordination with executive branch stakeholders. Specific areas of disagreement with GAO's formal conclusions and recommendations are addressed below:

Conclusion 1: ODNI has not prioritized setting a milestone for the completion of government-wide performance measures for the quality of background investigations.

The ODNI non-concurs with this conclusion to the extent that it ignores the significant progress in this area that ODNI has attained in favor of setting a premature deadline. The ODNI is committed to assuring the quality of background investigations and adjudications across the executive branch. In pursuit of this objective, the ODNI established the Quality Assessment Standards for Background Investigations which were approved by the Security and Suitability Executive Agents and endorsed by the Chair of the Suitability and Security Clearance Performance Accountability Council (PAC) on 22 January 2015. The ODNI has also established quality standards for background investigations and designed, developed and implemented the Quality Assessment Reporting Tool (QART). QART collects data to support initial reporting of background investigation quality to Departments and Agencies (D/A). ODNI has the ability to determine trends in background investigative quality from the data collected and share the information with Investigative Service Providers for awareness and inform training for background investigators. ODNI's analysis of the quality of investigations, along with any indicators of a lack of quality, is an ongoing effort. For this reason, the setting of a milestone for the completion of government-wide performance measures for the quality of investigations is

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pre-remature-;-----ODNf-wiH set such a milestone when the quality metrics described above have been fully analyzed.

-

Conclusion 2: Neither ODNI nor the PAC have led a government-wide approach to improve timeliness of initial personnel security clearances.

The ODNI non-concurs with this conclusion. The ODNI has led government-wide efforts to improve the timeliness of initial personnel security clearances. In 2008 the DNI implemented the requirements of the 2004 Intelligence Reform and Terrorism Prevention Act (IRTPA), which required that by 2009, a plan be in place to reduce the length of the personnel security process, with the objective of completing the fastest 90% of all applications for a security clearance within an average of 60 days. The DNI implemented the metrics collection process to record and monitor progress towards the goal. As data was accumulated, it became clear that the accuracy of metrics data was impacted by differences in the volume and investigative requirements of the clearance process for Secret and Top Secret security clearances.

In 2012, the ODNI, in coordination with executive branch partners, conducted a comprehensive review of investigative and adjudicative timeliness. The DNI, in coordination with interagency stakeholders reset timeliness goals and as a result, executive branch performance met or exceeded the standards up until the Office of Personnel Management data breach.

ODNI obtains end-to-end timeliness data from across the government on a quarterly basis, analyzes the IRTPA data, and provides feedback to D/As. The DNI issues memorandums to DIA heads on their performance annually. ODNI meets with those D/As that do not meet timeliness goals at the end of each FY to discuss reasons that goals are not met and requests a Corrective Action Plan to address the deficiencies.

With regard to future timeliness goals and GAO's recommendation concerning an evidenced-based review, while security clearance timeliness has exceeded the established standards, this is not necessarily an indication of a flaw in the timeliness goals, but an indicator of the impact of the internal investigative backlog at the National Background

Investigations Bureau (NBIB). As such, the current challenge in meeting existing timeliness goals should not serve as the sole basis for modifying those goals. The DNI will continue to assess the impact of implementation of the 2012 Federal Investigative Standards, which were substantially complete as of 30 September 2017, and modify the timeliness goals as appropriate without sacrificing the need for timely investigations.

Conclusion 3: Demonstrated leadership from ODNI, in the capacity as the Security Executive Agent (SecEA), and the PAC, by assisting NBIB as it works to reduce the investigation backlog could better position NBIB to reach a manageable level of investigations.

ODNI has demonstrated leadership in this area and has worked closely as the SecEA with NBIB to reduce its investigation backlog. The DNI is a principal member of the PAC and leads the security clearance process for National Security. We remain engaged in transforming and modernizing security clearance processes, to include maximizing the use of Continuous Evaluation and the automation of records checks when conducting background investigations.

The DNI is finalizing a plan to eliminate the backlog of periodic reinvestigations, and is working

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September 22, 2017, the DNI led a meeting, with PAC Principals participation, and announced ten temporary mitigation initiatives (derived out of an Interagency Working Group) that will immediately assist in reducing the backlog. The recommendations are forthcoming in executive correspondence and are consistent with modernization and preservation of the quality and

- integrity-of-personnel security vetting practices while promoting reciprocity. The SecEA will continue to lead the way forward in the transformation and modernization of the security vetting processes, Policy and methodology. We will also continue to work with the PAC and key stakeholders to identify and consider additional efficiencies and improvements that will further reduce the backlog.

With regard to GAO's recommendation concerning a government-wide plan on timeliness, ODNI has already established specific timeliness goals for the security clearance process. The metrics collected from the

executive branch indicate that existing goals were met from the time the goals were implemented until the development of the NBIB investigative backlog.

The NBIB conducts approximately 90% of the background investigations for the executive branch. Overall security clearance timeliness is largely dependent upon NBIB's ability to meet investigative timeliness standards. As NBIB has noted, the backlog exists in large part due to a lack of investigative capacity and workforce. Until NBIB's backlog is resolved and NBIB's investigative timeliness is improved, it would be premature to revise existing government-wide investigative goals.

In addition, other agencies that are not supported by NBIB are still achieving, or are very close to achieving, current standards. There would be no utility in adjusting existing standards for these agencies. Furthermore, until NBIB reduces its backlog, DIAs that utilize NBIB cannot accurately predict budgetary requirements and effectively allocate resources for those phases of the security clearance process under their control. This further complicates any consideration of development of a government-wide plan at this time. As the SecEA, the DNI conducts quarterly reviews of existing timeliness standards across the executive branch and modifies timeliness goals as necessary.

If you have any questions regarding this matter, please contact my Office of Legislative Affairs at (703) 275-2474.

Sincerely,

Deirdre M. Walsh

Text of Appendix VI: Comments from the Office of
Personnel Management

Page 1

October 24, 2017

Brenda S. Farrell

Director, Defense Capabilities and Management

U.S. Government Accountability Office 441 G Street, NW

Washington, DC 20548

Dear Ms. Farrell:

Thank you for providing us the opportunity to respond to the U.S. Government Accountability Office (GAO) draft report, Personnel Security Clearances: Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigative Backlog, GAO-18-26SU, GAO job code number 100970.

The U.S. Office of Personnel Management (OPM) and the National Background Investigations Bureau (NBIB) is appreciative of the collaborative and fair-minded approach the GAO team took in developing this report. As you know, NBIB is a young organization that is still establishing itself. It has made great strides over the past year in building a strong focus on national security, customer service, and continuous process improvement to meet the critical Governmentwide need for a trusted workforce. In this context, we believe the observations contained in this draft report will be helpful as NBIB further matures internal operational and management controls and procedures.

Responses to the draft report's recommendations pertinent to NBIB are provided below:

Recommendation #4:

Develop a plan, including goals and milestones, that includes a determination of the effect of the business process reengineering efforts for reducing the backlog to a "healthy" inventory of work, representing approximately 6 weeks of work.

Management Response:

We concur. NBIB has developed a multi-pronged approach that includes implementing efficiencies identified through business process reinvention to reduce the level of effort and increasing investigator capacity through hiring while maintaining quality investigative products.

As part of this strategy, NBIB has dedicated resources over the last several months to work with the Office of the Director of National Intelligence, Office of Management and Budget, Department of Defense

(DoD), OPM and other Departments and Agencies to further develop, scope, and implement a series of operational and administrative process

Page 2

changes aimed at bringing about both short- and long-term reductions in the current inventory.

NBIB's long-term strategic plans are impacted by uncertainties related to the FY2017 National Defense Authorization Act (NDAA), Section 951, which directed DoD to develop a plan to transfer responsibility for conducting background investigations on DoD personnel from NBIB to DoD. NBIB therefore has been developing contingency plans and models, including milestones, to work down the current inventory to a "healthy" inventory, that take into account DoD's 951 Plan, phased transition and variable timeline.

Concurrently, NBIB will continue its focus on the backlog mitigation effort, which is an outgrowth of the business reengineering effort that will produce the goals/milestones plan envisioned by the recommendation.

Recommendation #5: Establish goals for increasing total investigator capacity- Federal employees and contractor personnel-in accordance with the plan for reducing the backlog of investigations.

We concur. We agree that an increase in investigator capacity-both Federal and contractor-is critical in order to reduce the current inventory. In our view, the more process-focused efforts at backlog mitigation discussed in response to Recommendation #4 and the need to increase capacity are separate, but parallel efforts. Between 2016 and 2017, NBIB added 600 funded field investigator positions and hired 646 in the same time period. Although there is always attrition in the workforce, our aggressive hiring efforts will continue for the foreseeable future. Today, NBIB has approximately 1,700 fully trained and productive Federal investigators in place, and is in the process of hiring additional investigators with a current goal of sustaining a workforce of 1975 total Federal investigators.

In September 2016, OPM awarded four new contracts for investigator services. Three of these contractors began receiving casework from NBIB by February 1, 2017, and the fourth contractor received casework starting in April, 2017. Since February 2017, these 4 contractors have increased

available resources by over 800 investigators, with a total of over 5,200 contractor investigators deployed in the field as of October 2017.

Collectively, NBIB's comprehensive Federal and contractor workforce is over 6,900 investigators, a number we plan to continue to grow. NBIB is not only increasing capacity, but also increasing productivity by reducing the level of effort required by investigators to work on each case in order to maximize overall productivity. The less time an investigator spends on each case, the quicker the investigator can begin work on the next. This concept has led NBIB to streamline processes, reallocate resources, and amend internal policies for greater efficiencies and effectiveness while simultaneously maintaining quality and reciprocity for all of Government.

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Our FY 17 strategy that included increasing the capacity of our contractor and Federal investigative resources and reducing the level of effort has yielded positive gains in the investigative case inventory. Overall, NBIB has not only reduced the inventory, but also reduced the level of effort needed to work down the existing inventory, seeing consistent and ongoing reduction in inventory over the past 10 weeks. Further, we are confident that these results will trend into FY2018 as we continue to increase capacity and streamline processes while working with mission stakeholders.

Recommendation #6:

The Director of NBIB should build upon NBIB's current workforce planning efforts by developing and implementing a comprehensive strategic workforce plan that focuses on what workforce and organizational needs and changes will enable the Bureau to meet the current and future demand for its services.

We concur.

NBIB will need to develop a solid workforce strategy that is accommodating of the anticipated new automation and business process improvement initiatives, and the potential congressional decisions that may significantly alter program ownership and future workload. It is essential to our workforce and our mission to conduct a more comprehensive strategic assessment and build a plan based on future automation and planned business process improvements with full consideration of pending congressional decisions.

Other Considerations:

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Page 4

sprint and the DHS Continuous Diagnostic and Mitigation program. OPM welcomes continued dialogue with GAO, the OPM OIG, and its partner agencies regarding the many actions OPM has taken to strengthen IT security.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding om- response, please contact Christy Wilder, Chief of Staff, NBIB, at

(202) 418-3325, or by email, at christy.wilder@nbib.gov.

Sincerely,

Kathleen M. McGettigan Acting Director

Related GAO Products

Personnel Security Clearances: Additional Actions Needed to Address Quality, Timeliness, and Investigation Backlog. GAO-18-26SU. Washington, D.C.: December 7, 2017 (FOUO).

Personnel Security Clearances: Additional Planning Needed to Fully Implement and Oversee Continuous Evaluation of Clearance Holders. GAO-18-159SU. Washington, D.C.: November 21, 2017 (FOUO).

Personnel Security Clearances: Plans Needed to Fully Implement and Oversee Continuous Evaluation of Clearance Holders. [GAO-18-117](#). Washington, D.C.: November 21, 2017.

High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others. [GAO-17-317](#). Washington, D.C.: February 15, 2017.

Personnel Security Clearances: Funding Estimates and Government-Wide Metrics Are Needed to Implement Long-Standing Reform Efforts. GAO-15-179SU. Washington, D.C.: April 23, 2015.

Personnel Security Clearances: Additional Guidance and Oversight Needed at DHS and DOD to Ensure Consistent Application of Revocation Process. [GAO-14-640](#). Washington, D. C.: September 8, 2014.

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

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

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U.S. Government Accountability Office, 441 G Street NW, Room 7814,
Washington, DC 20548