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Briefing Report to the Chairman,  
Subcommittee on Oversight and  
Investigations, Committee on Energy and  
Commerce, House of Representatives

November 1987

# INFORMATION SECURITY

## Actions Taken to Improve Lockheed's Special Access Document Accountability



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

National Security and  
International Affairs Division

B-223830

November 16, 1987

The Honorable John D. Dingell  
Chairman, Subcommittee on Oversight  
and Investigations  
Committee on Energy and Commerce  
House of Representatives

Dear Mr. Chairman:

In July 1986, we testified<sup>1</sup> before your Subcommittee on the Lockheed Corporation's accountability for classified documents for a special access program<sup>2</sup> at its facility in Burbank, California. Lockheed also testified on the corrective actions it was taking or planned to take to improve document accountability.

As you requested, we have reviewed Lockheed's corrective actions. Our work was conducted primarily at Lockheed's Burbank facility, after allowing Lockheed time to complete most corrective actions, except for reaching closure on its investigations of document inventory discrepancies. Lockheed had earlier identified 4,343 discrepancies, for which it initiated investigations to either locate the items or properly account for their disposition. (Lockheed has since found or accounted for many of the items.) While Lockheed has made significant progress in establishing an effective document accountability system for documents now in the system, the disposition of many of the 4,343 documents may never be fully resolved due to deficiencies in the system previously in effect.

Our review of Lockheed's document control system included selecting 235 classified documents and testing Lockheed's control over them. Except for three documents, we either located the documents or found proper documentation

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<sup>1</sup>"Control over Classified documents for a Special Access Program at Lockheed Corporation," testimony given by Martin M Ferber, Associate Director, National Security and International Affairs Division, on July 24, 1986.

<sup>2</sup>Any program imposing need-to-know or access controls beyond those normally prescribed for access to confidential, secret, or top secret information.

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supporting their disposition. We could not locate two documents or documentation supporting their disposition, and documentation supporting the destruction of a third document did not have the required signatures evidencing destruction. We also identified four administrative and clerical errors that Lockheed corrected. We did not assess the sensitivity of the information in any of the documents because Lockheed, at the Department of Defense's (DOD's) request, did not give us the special access program information that would be needed to make an assessment.

To test the quality of Lockheed's investigations of the discrepancies, we reviewed 149 reports of those investigations. We found that 33 (22 percent) of them had deficiencies such as incomplete or conflicting information. Lockheed officials agreed that the company needed to improve the quality of the investigations and reports and told us that they would be improved when a new audit and investigations group in the security division is fully staffed and trained.

Details of Lockheed's document accountability system and our review are in the appendixes. We discussed our findings with Lockheed officials and DOD representatives, who generally agreed with them. As your office requested, we did not ask for formal comments from Lockheed or DOD.

Unless you publicly announce its contents earlier, we plan no further distribution of this briefing report until 30 days from its date of issue. At that time, we will send copies to the Chairmen, Senate and House Committees on Armed Services, and other appropriate committees; the Secretaries of Defense and the Air Force; the Director, Office of Management and Budget; and other interested parties upon request. If you have any questions, please call me on 275-8412.

Sincerely yours,



Martin M Ferber  
Senior Associate Director

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ABBREVIATIONS

|     |                       |
|-----|-----------------------|
| DOD | Department of Defense |
|-----|-----------------------|

### INTRODUCTION

On July 7, 1986, the Chairman, Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, requested that we review the Lockheed Corporation's control of classified documents for a special access program at its Burbank plant. During a Subcommittee hearing on July 24, 1986, we identified weaknesses in Lockheed's document accountability system, including (1) a lack of periodic inventories, (2) inaccurate document control records, (3) incomplete documentation of destroyed classified documents, and (4) a lack of prompt and thorough investigations of documents that could not be located. The company's chairman of the board testified at the hearing and acknowledged Lockheed's deficiencies in its accountability system.

The company's chairman said that the company was taking corrective actions, including the establishment of a blue ribbon panel to review the existing system and the development and implementation of a corrective action plan. The panel assisted in the development of the plan. The Subcommittee Chairman asked us to review the corrective actions and to test the revised document accountability system.

### DOD REQUIREMENTS FOR DOCUMENT ACCOUNTABILITY SYSTEMS

DOD requires contractors to protect all classified information in their custody; however, it requires them to maintain accountability<sup>1</sup> only for top secret and secret documents. Confidential documents at contractors like Lockheed generally comprise the largest body of classified documents and do not require accountability. Document accountability systems for special access contracts are similar to those for other contracts involving classified information, but stricter controls are required over personnel access to special access documents.

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<sup>1</sup>To maintain accountability, a contractor establishes a separate record for each top secret or secret document, showing (1) its assigned identifying number, (2) the date of receipt or origin, (3) the activity from which the document was received or originated, (4) the classification of the information, (5) a brief unclassified description of the document, and (6) its disposition--transfer, downgrading, declassification, or destruction.

Three major parts of a document accountability system are the document control records, periodic inventories, and investigations of discrepancies. Periodic inventories of the documents verify the accuracy of the records and document control. Investigations resolve document or record discrepancies noted during the inventories or at other times, such as when there is a change of document custodians (individuals responsible for specific documents).

Document control records can be maintained manually or with the help of a computer. Large document control systems, such as Lockheed's, generally consist of a master document control center, containing the control records for all secret and top secret documents, and document control substations located throughout the plant. The number of substations varies depending on the physical location, type of activity (such as engineering or administration), volume of documents, or other factors. Substation operators have overall responsibility for the protection and control of documents assigned to their substations. Employees are responsible for specific documents used in their work and are accountable to their substation operators.

DOD requires contractors to conduct physical inventories of top secret documents at least annually. DOD does not have a similar requirement for secret documents; DOD units, however, may require periodic inventories of secret documents. (In Lockheed's case, DOD required a random inventory every 60 days of at least 10 percent of its secret documents.) A properly conducted inventory locates the documents listed in the accountability records or examines evidence of the documents' disposition. It also identifies any documents that cannot be accounted for.

Whenever there is a loss, compromise, or suspected compromise of classified information, DOD requires the contractor to immediately submit a preliminary report of the incident to the cognizant government security officer (the resident plant security representative in Lockheed's case). DOD requires the government security officer to review the contractor's preliminary incident report and determine whether (1) the report is acceptable and no further investigation is required, (2) the incident requires further investigation by the contractor, or (3) the incident requires further administrative inquiry by the government. Among the many required items in a final investigation report are the specific reasons for concluding (1) that a compromise of classified information occurred or is suspected, (2) that no compromise occurred, or (3) that the probability of a compromise is considered remote. The investigation report must also contain a statement about

corrective action taken to preclude a recurrence of similar incidents.

#### DOD INSPECTIONS

During the past year, the Air Force's Research Development and Acquisition Headquarters Office conducted four formal security inspections of the special access program at Lockheed's Burbank facility. The inspections covered all aspects of security at the facility, including document accountability, and were made between June 1986 and June 1987. Headquarters office representatives also made numerous security-related visits to the facility.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to evaluate Lockheed's actions to improve its document accountability system and to test the accuracy of the revised system. To accomplish these objectives, we compared the corrective actions Lockheed proposed in August 1986 with the actions that it had taken, tested the document accountability records at Lockheed's Burbank facility, and reviewed investigation reports of document inventory discrepancies.

To test the accuracy of the document accountability system, we randomly selected 235 document control numbers from three sources--158 from the master document control center records and 30 from investigation reports to locate the documents or documentation supporting their disposition, and 47 from the document control substations' records for comparison with the master document control center's records. The control numbers included in our sample involved 13 of the 23 document control substations, including the master document control center, since it also acts as a substation and is accountable for some classified documents.

We also (1) reviewed 149 of the 2,307 investigation reports of inventory discrepancies that had been completed at the time of our visit and (2) held discussions with Lockheed officials, the DOD plant security representative, and other DOD security representatives. We conducted our review from March through July 1987, in accordance with generally accepted government auditing standards.



STATUS OF LOCKHEED'S CORRECTIVE ACTIONS

Lockheed developed a corrective action plan in August 1986 that identified the following four major actions to be accomplished:

- the reorganization of security administration responsibilities to strengthen security;
- the establishment of a new automated document control system and related procedures, including document destruction;
- the completion of a wall-to-wall inventory of top secret and secret documents to establish a baseline for a new document control system; and
- the establishment of education and training programs for document control personnel and for all other employees.

REORGANIZATION OF SECURITY  
ADMINISTRATION RESPONSIBILITIES

Lockheed has reorganized its security operations by hiring a new security director and by establishing an audit and investigations group within the Security Directorate. The new director, who started work in October 1986, reports to the vice president for administration. (Previously, the security director reported to the human resources director.) The audit and investigations group replaced an investigations unit (a temporary group formed specifically to investigate the large number of discrepancies Lockheed found in conducting its inventories). The new group is responsible for day-to-day oversight and periodic audits of the document control system. The company also reduced the number of document control substations from 53 to 23 to improve control.

AUTOMATED DOCUMENT CONTROL SYSTEM

Lockheed has installed in its Burbank facility a computerized document control system based on one developed by the Lockheed Georgia Company. The system's microcomputer and data base are used to store document control records at the master document control center. The system has terminals at the document control substations to assist substation operators in their duties. Lockheed officials believe that the new system will make it easier to control documents because it can be used to produce document holding listings, by individual, for use during self-inspections and random sample audits.

INVENTORY OF TOP SECRET  
AND SECRET DOCUMENTS

Lockheed completed an inventory of classified documents in July 1986, which identified 1,460 discrepancies. However, because of concerns about the quality and completeness of the inventory process, the company started a new wall-to-wall inventory in August 1986. The inventory of top secret documents was finished in August 1986, and the inventory of secret documents in March 1987. These inventories identified 2,395 top secret documents, 56,248 secret documents, and 4,343 discrepancies, which were submitted for investigation. Lockheed had completed 2,307 investigations of discrepancies at the time of our review in March 1987 and had completed all the investigations by July 15, 1987. Table II.1 shows the results of the completed investigations, as compiled by Lockheed.

Table II.1: Completed Investigations as of July 15, 1987

| <u>Status of documents investigated</u>                        | <u>Number</u>       |
|--|---------------------|
| Resolved <sup>a</sup>  |                     |
| Documents located  | 925                 |
| Documents inadvertently destroyed <sup>b</sup>                 | 1,461               |
| Administrative errors <sup>c</sup>                             | 519                 |
| Documents destroyed and destruction supported by documentation | 350                 |
| Documents transferred out of company                           | 291                 |
| Documents removed from accountability <sup>d</sup>             | 66                  |
| Miscellaneous reasons <sup>e</sup>                             | <u>145</u>          |
| Total  | <u>3,757</u>        |
| Unresolved <sup>f</sup>  | <u>586</u>          |
| Total  | <u><u>4,343</u></u> |

<sup>a</sup>Lockheed found or accounted for the documents.

<sup>b</sup>Individuals responsible for the documents believe that they were accidentally destroyed along with unaccountable classified documents.

<sup>c</sup>Examples of administrative errors are incorrect identification of document control numbers, document control substations, or document custodians.

<sup>d</sup>Lockheed had not recorded the removal of documents by DOD representatives.

<sup>e</sup>Lockheed's breakdown of this category showed 111 documents as "copy number changed." According to the company, this means that appropriate paperwork was not prepared when there was a change in the number of copies of the 111 documents.

<sup>f</sup>All logical leads have been exhausted and the documents remain out of accountability and have been referred to DOD for resolution.

The investigation reports contain damage assessment sections that include determinations of the potential damage to national security that could result from compromises of the information. DOD either accepts the investigation reports or requests further investigations.

The resident DOD plant security representative said that he considered all documents not located or supported by proper disposition documentation to be unresolved. Therefore, in addition to the 586 documents that Lockheed reported to be unresolved, he considered the 1,461 inadvertently destroyed documents and 145 documents said to be resolved for miscellaneous reasons to be unresolved. He is requiring Lockheed to leave the 2,192 discrepancies open (unresolved) for 4 years, in the event some of the documents are found in the future. If the documents are not accounted for within 4 years, they will be removed from accountability.

#### EDUCATION AND TRAINING PROGRAM

Lockheed has instituted a multifaceted security education and training program. The company has a security awareness program for all personnel who have access to classified information, a security awareness briefing for executives, and a training and certification program for document control personnel. It also has prepared a document control procedures and systems manual.

Employee participation in the security awareness briefings and training programs are prerequisites for the issuance and use of employee badges. To ensure that employees have had the required security awareness briefing (where they are reminded of their responsibilities in protecting classified information), the training is tracked by a computer that controls the issuance of employee badges with expiration dates. (Employees need these badges to enter the facility and to gain access to various parts of it.) If an employee has not had a recent security awareness briefing, the badge is not reissued or renewed until the employee has the briefing.

GAO REVIEW OF THE DOCUMENT ACCOUNTABILITY SYSTEM

We reviewed the document accountability system by testing the new, automated document control system to see if the special access documents were being properly accounted for and by reviewing investigation reports for inventory discrepancies.

Of the documents selected for review, we were unable to locate two documents and the proper documentation supporting destruction of a third. We located the rest or found valid documentation supporting their disposition.

We concluded, and Lockheed and DOD representatives agreed, that some improvement is still needed in the investigations and reports because many were incomplete or unclear, had inadequate or conflicting evidence, or contained indications of systemic problems that were not recognized. Lockheed representatives said that the systemic problems had been addressed in the company's corrective action plan.

TEST OF NEW DOCUMENT CONTROL SYSTEM

To test the accuracy of the new document control system, we selected 235 document control numbers from three sources:

- 158 numbers from the automated records maintained by the master document control center,
- 30 numbers from completed investigation reports for documents that had been located or whose disposition had been properly documented, and
- 47 numbers from the records of 8 document control stations (to verify that the documents were also shown in the master document control center's records).

We located the documents or found supporting disposition documentation for all of the 158 numbers we selected from the records in the master document control center. However, the form for the destruction of one document (destroyed in 1983) did not have the required signatures of the person who destroyed the document and a witness.

Of the 30 numbers we selected from completed investigation reports, 2 documents or any documentation showing their disposition could not be located. In one of the cases, the investigator had considered the document accounted for because he reported seeing the classified material incorporated in another document, and he told us that he had seen the missing classified

document. The investigator indicated that both documents probably were destroyed after his investigation.

Of the 47 numbers we selected from the document control station records, 4 documents contained administrative and clerical errors. As a result of the administrative errors, documents were transferred between document control substations without the required documentation being submitted to the master document control center. Consequently, the individuals responsible for custody of the documents were not properly identified in the central records system. As a result of the clerical errors, the central records system had incorrect information about the year of origin for one document and about the copy number for another document. Lockheed corrected the four errors.

#### REVIEW OF INVESTIGATION REPORTS

To evaluate the investigation reports, we reviewed 149 reports and identified deficiencies in 33 (22 percent) of them. We selected 90 reports that involved discrepancies from Lockheed's July 1986 inventory and 59 that involved discrepancies from the second Lockheed inventory. According to DOD requirements, any classified document that cannot be located is presumed to be lost until an investigation determines otherwise. DOD requires a thorough investigation and a complete report on it. Table III.1 summarizes the deficiencies we identified.

Table III.1: Investigation Report Deficiencies

| <u>Deficiency</u>                  | <u>No. of reports</u> |
|------------------------------------|-----------------------|
| Incomplete or unclear              | 11                    |
| Inadequate or conflicting evidence | 16                    |
| Systemic problem not recognized    | <u>6</u>              |
| Total                              | <u>33</u>             |

The following are examples of the three types of deficiencies found:

- One investigation report said that a missing document had been transferred out of the company, but the investigation file did not contain a copy of a signed receipt to support the transfer.

- One investigation was made to account for "copy 19" of a document. However, the investigation report did not account for copy 19 but accounted twice for "copy 20"-- stating that it had been both destroyed and transferred to another contractor.
- Although one investigation report contained information indicating that a document had been improperly handled, it recommended increased employee training rather than action to correct an inadequate document-handling procedure.

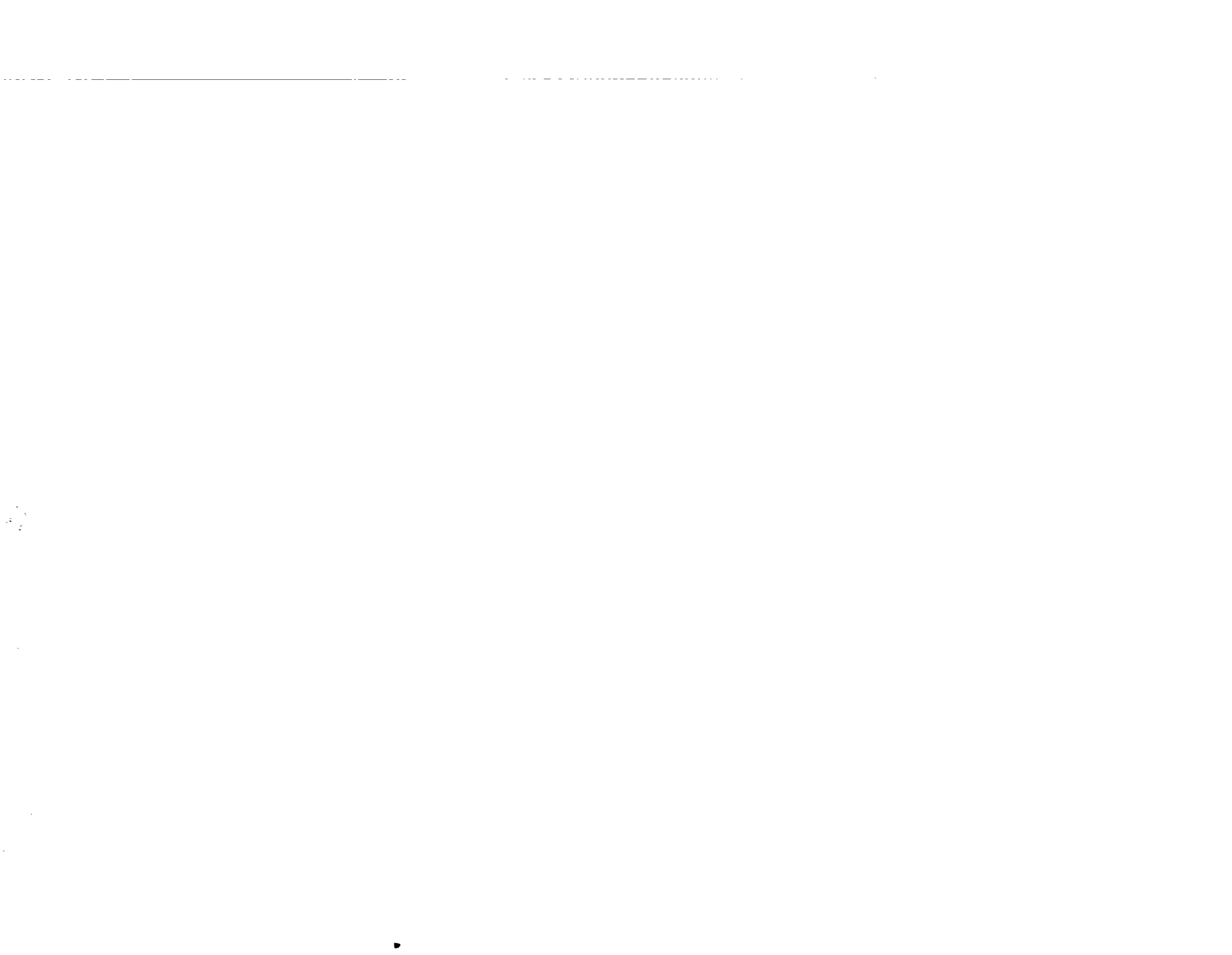
We discussed our investigation-report findings with the supervisor of the investigations unit, who agreed with us and told us that an investigator would recheck the reports and amend them as appropriate. He said that the report deficiencies were caused by several factors--the inexperience of the investigators who were recruited from other organizations in the company, the large number of investigations involved, and the fact that many of the incidents involving the discrepancies had occurred years ago.

Lockheed representatives also said that the investigations were intentionally limited in scope. Because the company's corrective action plan included remedies for systemic problems, Lockheed did not believe it necessary to duplicate the effort in these investigations.

The resident DOD security representative, who receives copies of the investigation reports, told us that he had seen the same types of deficiencies that we found in the reports he has reviewed. He said that he returns reports containing such deficiencies so that they can be corrected.

Lockheed's new audit and investigations unit may improve the quality of investigations and reports. One of the primary functions of the new group will be the investigation of future discrepancies. We did not, however, evaluate the functions of the group because it was still in the formative stage.

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