



Highlights of [GAO-04-632](#), a report to the Chairman, Committee on Government Reform, and Chairman, Subcommittee on National Security, Emerging Threats and International Relations, House of Representatives

Why GAO Did This Study

As more and more federal jobs are privatized, individuals working for private industry are taking on a greater role in national security work for the Department of Defense (DOD) and other federal agencies. Because many of these jobs require access to classified information, industry personnel must hold a security clearance. As of September 30, 2003, industry workers held more than one-third of all clearances issued by DOD.

Long-standing security clearance backlogs and delays in determining clearance eligibility affect industry personnel, military members, and federal employees. As requested, we reviewed the clearance eligibility process for industry personnel and (1) describe the size of the backlog and changes in the time needed to issue eligibility determinations, (2) identify reasons for the backlog and delays, and (3) evaluate initiatives that DOD could take to eliminate the backlog and decrease the delays.

What GAO Recommends

GAO is recommending that the Secretary of Defense direct the Under Secretary of Defense for Intelligence to improve projections of industry clearances required, eliminate reciprocity limitations, develop an integrated plan to eliminate the backlog and reduce delays, and analyze the feasibility of initiatives to reduce the backlog and delays. DOD fully concurred with three recommendations and partially concurred with one.

www.gao.gov/cgi-bin/getrpt?GAO-04-632.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Derek B. Stewart at (202) 512-5559 or stewartd@gao.gov.

DOD PERSONNEL CLEARANCES

Additional Steps Can Be Taken to Reduce Backlogs and Delays in Determining Security Clearance Eligibility for Industry Personnel

What GAO Found

As of March 31, 2004, DOD's security clearance backlog for industry personnel was roughly 188,000 cases, and the time needed to conduct an investigation and determine eligibility for a clearance during the last 3 fiscal years had increased by 56 days to a total of 375 days. DOD identified three separate backlog estimates:

- more than 61,000 reinvestigations (required for renewing clearances) that were overdue but had not been submitted,
- over 101,000 new investigations or reinvestigations that had not been completed within DOD's established time frames, and
- over 25,000 adjudications (a determination of clearance eligibility) that had not been completed within DOD's established time frames.

From fiscal year 2001 through fiscal year 2003, the average time that it took DOD to conduct an investigation and determine clearance eligibility for industry personnel increased from 319 days to 375 days. Delays in conducting investigations and determining clearance eligibility can increase national security risks, prevent industry personnel from beginning or continuing work on classified programs and activities, hinder industrial contractors from hiring the most experienced and best qualified personnel, increase the time needed to complete national-security-related contracts, and increase costs to the federal government.

Several impediments hinder DOD's ability to eliminate the backlogs and reduce the amount of time needed to conduct an investigation and determine security clearance eligibility for industry personnel. Impediments include a large number of new clearance requests; an increase in the proportion of requests for top secret clearances, which require more time to process; inaccurate workload projections for both the number and type of clearances needed for industry personnel; and insufficient investigative and adjudicative workforces to handle the large workloads. Industrial contractors cited the lack of full reciprocity (the acceptance of a clearance and access granted by another department, agency, or military service) as an obstacle that can cause industry delays in filling positions and starting work on government contracts. Also, the effects of past conditions, such as the backlog itself, have been identified as impediments to timely eligibility determinations. Furthermore, DOD does not have an integrated, comprehensive management plan for addressing the backlog and delays.

DOD is considering several initiatives that might reduce security clearance backlogs and processing times for determining clearance eligibility for industry personnel. Among those initiatives that DOD is exploring are (1) conducting a phased, periodic reinvestigation; (2) establishing a single adjudicative facility for industry; (3) reevaluating investigative standards and adjudicative guidelines; and (4) implementing an automated verification process for identifying and validating industrial security clearance requirements. These initiatives could, however, face implementation obstacles, such as the need to change governmentwide regulations.