



Highlights of [GAO-08-470T](#), a testimony before the Subcommittee on Readiness, Committee on Armed Services, House of Representatives

Why GAO Did This Study

The Department of Defense (DOD) maintains approximately 2.5 million security clearances on servicemembers, federal DOD civilian employees, industry personnel for DOD and 23 other federal agencies, and employees in the legislative branch. Delays in determining eligibility for a clearance can heighten the risk that classified information will be disclosed to unauthorized sources, increase contract costs, and pose problems in attracting and retaining qualified personnel. In this statement, GAO addresses: (1) the status of DOD's efforts to improve its projections of the numbers of clearances needed for industry personnel, and (2) other long-standing challenges that have a negative effect on the efficiency and effectiveness of DOD's personnel security clearance program for industry personnel. This statement is based on a report GAO is issuing today ([GAO-08-350](#)) and other prior work, which included reviews of clearance-related documents and interviews of senior officials at DOD and the Office of Personnel Management (OPM).

What GAO Recommends

GAO made recommendations to address DOD's security clearance challenges. For example, in the report we are issuing today, GAO recommended that DOD provide Congress with information on funding and quality in clearance processes. DOD concurred and indicated it would provide that information in its 2009 report to Congress.

To view the full product, click on [GAO-08-470T](#). For more information, contact Jack Edwards at (202) 512-8246 or edwardsj@gao.gov, or Brenda Farrell at (202) 512-3604 or farrellb@gao.gov.

DOD PERSONNEL CLEARANCES

DOD Faces Multiple Challenges in Its Efforts to Improve Clearance Processes for Industry Personnel

What GAO Found

DOD has had a long-standing challenge in accurately projecting the number of clearance investigations that will be required in the future for industry personnel. The Office of Management and Budget (OMB) developed criteria for these projections in November 2005. It established a governmentwide goal for agencies to refine their projections of the number of clearance investigations that will be required in any given year to be within 5 percent of the number of actual requests for investigation. At a May 2006 congressional hearing, an OPM Assistant Director stated that DOD had exceeded its departmentwide projection by 59 percent for the first half of fiscal year 2006. The negative effects of such inaccurate projections include impediments to workload planning and funding. GAO noted the problem with the accuracy of DOD's projections in its February 2004 report and recommended that DOD improve its projections for industry personnel. In the report it is issuing today, GAO noted that DOD has initiated changes to improve its estimates of future investigation needs and is conducting research that may change these methods further. For example, in 2006, DOD took steps to increase the response rate of its annual survey used as a basis for determining its projections. In 2007, it changed its methods for analyzing data that informs its projections. However, DOD has not yet demonstrated the effectiveness of these changes.

DOD must address additional long-standing challenges or issues in order to improve the efficiency and accuracy of its personnel security clearance program for industry personnel. First, continuing delays in determining clearance eligibility can result in increased costs and risk to national security. For example, when new employees' clearances are delayed, it affects their abilities to perform their duties fully since they do not have access to classified material. Second, DOD and the rest of the federal government provide limited information to one another on how they individually ensure the quality of clearance products and procedures, which affects reciprocity of clearances. Reciprocity occurs when one government agency fully accepts a security clearance granted by another government agency. GAO's September 2006 report noted that agencies may not reciprocally recognize clearances granted by other agencies because of concerns that other agencies may have granted clearances based on inadequate investigations and adjudications. Third, in DOD's August 2007 report to Congress, it provided less than 2 years of funding-requirements information, which limits congressional awareness of future year requirements for this program. Fourth, DOD does not have a comprehensive DOD-specific plan to address delays in its clearance program. While there is a governmentwide effort to reform the clearance process, it is projected not to be operational until beyond December 2008.