



The Security Clearance Process: A Defense Dinosaur?

Introduction

Contractors play an essential part in our nation's defense. Since 11 September 2001 a huge increase in the demand for jobs requiring clearances has created a surge in clearance investigations. A dated, tedious process to clear personnel remains; meanwhile, calls for scrutiny in the clearance process have increased. The process used to gain security clearances faces a number of simultaneous challenges that endanger the quality and quantity of work. The security clearance process is broken, and its effects reach across the defense establishment. The loss in time and productivity not only delays contractors' contributions but costs the American taxpayers money. The importance of having qualified personnel in these jobs cannot be overstated. However, with the urgent need for cleared workers, the system needs repair so that it serves the intelligence community instead of working against it.

Background

The current security clearance process has changed little since World War II. The three levels of clearance are top secret, secret and confidential. Top secret deals with the most sensitive classified information. Obtaining a security clearance involves three stages: preinvestigation, which determines if the job requires access to classified information; the background investigation of the individual; and adjudication, which establishes the level of security clearance. Reinvestigations occur every five years for top secret, 10 years for secret and 15 years for a confidential

clearance. **Approximately 360,000 cases await investigation or adjudication in the Department of Defense (DoD) or the Office of Personnel Management (OPM).** The Army Central Adjudication Facility has roughly 35,000 investigations waiting to be adjudicated.¹

On 1 October 2003, Defense personnel security investigations were to be transferred from DoD to OPM. However, in December 2003, that transfer of DoD's investigation duties and employees was delayed until at least Fiscal Year 2005 over concerns about financial risk to OPM. As a result, approximately 100,000 cases sit without action in DoD pending transfer to OPM. In February 2004, the backlog of cases in clearance purgatory numbered almost 88,000. Of those, 43,822 requests had been received after 1 October, and no action has been taken on them.

What Needs Repair?

The current process prevents thousands of jobs from being filled in a timely manner. Workers with a current security clearance usually command from 5 to 15 percent more salary than their counterparts who do not have clearance. This elite pool of cleared personnel can spend their entire careers working for a few companies, going from one contractor to another. Industry has reported instances of hiring less-qualified but cleared personnel simply to get staff on the job sooner. The value of having someone with a current security clearance is obvious: As of February 2003, initial top secret investigations were taking an average of 257 days to complete.² In 2000, the

¹ General Accounting Office, "DoD Personnel Clearances: DoD Needs to Overcome Impediments to Eliminating Backlog and Determining Its Size," GAO-03344, February 2004, p. 12.

² *Ibid.*, p. 23.



Aerospace Industries Association figured costs of more than \$44,000 per employee for clearances that took more than 90 days.³ At the current rate, even if only 20 percent of cases took 90 days or longer, that would still represent more than \$2 billion lost in productivity. Hiring a cleared employee at a higher salary can be less expensive than hiring a noncleared employee and paying less. At worst, depending on this elite group of cleared personnel could stifle innovation and create a system where clearance carries more value than job performance. Employers are showing their lack of confidence in the system by their reluctance to hire workers without a current clearance. Several other challenges to the current system exist:

- **Varying processes:** The process for clearing employees varies significantly from agency to agency, and a seamless transfer from one company or government entity to another does not exist.
- **Time-consuming processes:** Processing a background investigation and granting a security clearance can take more than a year. Even those employees who already have clearance still must wait for clearance conversion or reinstatement by the government before starting work.
- **Inadequate staff:** The Intelligence Community and DoD do not have enough staff to validate and revalidate clearances. Defense Security Service/Office of Personnel Management needs to fully staff its team or employ contract investigators/adjudicators. OPM estimates it needs 3,500 full-time employees to clear the backlog. At the National Reconnaissance Office, the National Security Agency and the Defense Intelligence Agency, use of contract investigators has saved approximately 200 working days and millions of dollars.

Recommendations

Fortunately, several measures to get personnel on the job swiftly involve simply following current rules more closely and modifying outdated guidelines.

- **Enforce current rules.** At a minimum, consistently execute security directives already in place to improve effectiveness of background investigations and other procedures needed to get contractors the clearance necessary to do their jobs.
- **Establish a 30-day grace period for contractors who change employers while being reinvestigated.** Currently, a reinvestigation is terminated when an employee ends employment with the company sponsoring the reinvestigation. With a grace period, an employee changing employers but not leaving the workforce could keep his/her reinvestigation on track instead of having it terminated and restarted under a new employer.
- **Institute a fast-track approach for “clean” cases.** The Navy Central Adjudication Facility already has a system to process issue-free cases within 14 days. A goal of 90 days for processing clearances, including polygraph, needs to be established.
- **Have a ready bench of employees with clearances.** Currently, the National Industrial Security Program Operating Manual prohibits companies having pools of cleared employees for surge times. However, with such a bench, flexibility and rapid response would be available when needed.

Summary

The 21st century national security environment requires that we have adequate tools to employ classified information in a variety of ways in a timely manner. However, the current security clearance system lacks the capability to get personnel on jobs quickly. The backlog in DoD resulting from inadequate staff is wasting millions of dollars in lost time and productivity, not to mention creating a potential threat created by the shortage of staff to analyze the classified information the intelligence community receives. Merely enforcing rules already on the books and pragmatically changing aspects of the system that no longer serve current needs will go a long way toward streamlining the process.

Key Points

- The 21st century national security environment requires that we have adequate tools to evaluate intelligence and act on it. The current system lacks these attributes.
- The clearance system wastes millions of dollars in lost time and productivity through the outdated, lengthy process required for employees to obtain needed access to classified information.
- Enforcing rules already on the books, streamlining and standardizing procedures across agencies, allowing personnel to easily transfer their clearance to new employers and having a ready bench will go a long way toward improving the nation’s security posture.

³ Kenneth A. Minihan, Lt. Gen., USAF (Ret.), President and Chairman of the Board, Security Affairs Support Association. Letter to Hon. George J. Tenet, Director of Central Intelligence, Central Intelligence Agency, 13 February 2004. (<http://www.greaterlasac.com/docs/sasaltrdci.doc>)