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ONE HUNDRED TENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

Majority (202) 225–5051
Minority (202) 225–5074

May 17, 2007

The Hon. Robert M. Gates
Secretary
Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301

Dear Mr. Secretary

This is to alert you to the possibility of another devastating disruption in the Department's capabilities to process security clearances for contractors, and to express my profound concerns over the failure to address this matter in any serious or sustained way. Information essential to correcting chronic budget shortfalls and other deficiencies at the Defense Security Service has not been provided to Congress, as required. As a result, DSS continues to teeter on the brink of insolvency, dependent on inter-departmental transfers and annual reprogramming actions just to meet steady-state demand for clearances. Any spike in applications would both surprise and paralyze DSS because the Department still has no reliable system to anticipate, much less meet, contractor clearance requirements.

Last year Congress specifically tasked DoD "to resolve the budgetary problems facing DSS" and report "on plans to more accurately build future DSS budget submissions."[1] That report was due December 29, 2006. It has not been submitted. The John Warner National Defense Authorization Act for Fiscal Year 2007[2] required the Department to submit, with budget justification documents, "a report on the future requirements of the Department of Defense with respect to Personnel Security Investigations for Industry and the National Industrial Security Program of the Defense Security Service." The Comptroller General is directed to provide a detailed analysis of that report within 180 days. The President's budget arrived in January. The required report has not been submitted.

DOD failure to provide the information on DSS budgeting and clearance projections obscures Congress' view of dangerous, systemic weaknesses in the current system. It creates the false impression the problem is minor, or manageable, or under

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[1] Conference Report to accompany H.R. 5631, An Act Making Appropriations for the Department of Defense for the Fiscal Year Ending September 30, 2007. House Report 109-276.
[2] Public Law 109-364, Sec. 347.

control. It is not. Contractors continue to experience frustrating delays, inconsistent application of policies on clearance reciprocity and fluctuating levels of quality in the processing of applications. And, another year of hand-to-mouth budgeting at DSS further delays the systems modernization, agency transformation and human capital improvements DSS absolutely needs to meet its critical national security mission.

In the post-9/11 era, we face new threats and unprecedented demand for cleared personnel to perform work to meet those threats. Yet the federal agencies most involved in the clearance process – DOD, the Office of Management and Budget, and others – seem satisfied pursuing a policy of slow-motion incrementalism when it comes to reforming the contractor clearance process. But the current system is already running on empty and cannot be fixed on the cheap or at the margins. Continued gentle neglect of DSS by the Department makes another interruption of contractor clearance processing all but inevitable.

I urge you to provide the long-overdue reports to Congress immediately and focus DOD attention and resources on modernizing the contractor clearance system.

Sincerely,

Tom Davis
Ranking Republican Member
Committee on Oversight
and Government Reform

cc: Hon. Henry A. Waxman
Hon. Clay Johnson, Deputy Director for Management, OMB
Hon. Tina Jonas, Undersecretary of Defense (Comptroller)
Hon. Robert Andrews, Under Secretary of Defense for Counterintelligence and Security