



U.S. Department of Energy
Office of Inspector General
Office of Inspections and Special Inquiries

Inspection Report

Office of Intelligence and
Counterintelligence Internal Controls
Over the Department of Energy's
Sensitive Compartmented Information
Access Program

DOE/IG-0790

March 2008



Department of Energy

Washington, DC 20585

March 21, 2008

MEMORANDUM FOR THE SECRETARY

FROM:

Greg Friedman
Gregory H. Friedman
Inspector General

SUBJECT:

INFORMATION: Inspection Report on "Office of Intelligence and Counterintelligence Internal Controls Over the Department of Energy's Sensitive Compartmented Information Access Program"

BACKGROUND

The Department of Energy (DOE), as a vital part of the U.S. Government's Intelligence Community, serves as the premier technical intelligence resource in the areas of nuclear weapons, nonproliferation, energy, science, technology, and emerging threats. This requires the Department to use Sensitive Compartmented Information (SCI), which is classified information derived from intelligence sources, methods, or analytical processes that requires formal access control systems. DOE's Office of Intelligence and Counterintelligence (IN) is responsible for granting SCI access to DOE Federal and contractor employees. There are over 5,000 SCI access holders across the DOE complex.

We initiated a review to determine if IN had adequate internal controls for granting, maintaining, and terminating SCI access authorizations to DOE Federal and contractor employees. The review focused on the 969 Federal and contractor employees listed on the Headquarters SCI access roster.

RESULTS OF INSPECTION

We concluded that IN did not have adequate internal controls over its SCI access program. Specifically, we found that:

- IN was not timely in removing individuals from the SCI access roster who no longer needed SCI access;
- Individuals apparently were "administratively debriefed" from SCI access by IN without that office making all attempts to contact those individuals to ensure they received instructions regarding their continued obligation to safeguard SCI;
- Individuals did not properly rejustify their need for continued SCI access as a result of job or employment status change; and,
- Nondisclosure agreements for SCI access were not properly signed or witnessed.



Past reviews by the Office of Inspector General at various DOE sites have identified weaknesses in the internal controls designed to ensure individuals' security clearances and accesses are terminated appropriately and expeditiously. IN established an SCI debriefing policy in response to one of the prior Inspector General reviews. However, based upon our findings during this review, we remain concerned that IN is not following existing policies and believe that IN needs to establish additional safeguards to ensure that requirements are followed regarding granting, maintaining, and terminating SCI access. We made several recommendations designed to address these concerns.

MANAGEMENT REACTION

In responding to a draft of this report, IN concurred with our recommendations and identified corrective actions initiated or planned. Management's comments are included in their entirety at Appendix C. We consider the comments to be responsive to our recommendations.

Attachment

cc: Acting Deputy Secretary
Chief of Staff
Director, Office of Intelligence and Counterintelligence (IN-1)
Director, Office of Internal Review (CF-1.2)

OFFICE OF INTELLIGENCE AND COUNTERINTELLIGENCE INTERNAL CONTROLS OVER THE DEPARTMENT OF ENERGY'S SENSITIVE COMPARTMENTED INFORMATION ACCESS PROGRAM

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Overview

INTRODUCTION AND OBJECTIVES

The Department of Energy (DOE) is 1 of the 16 members of the U.S. Government's Intelligence Community and serves as the premier technical intelligence resource in the areas of nuclear weapons, nonproliferation, energy, science, and technology and emerging nuclear threats. In addition to providing intelligence analyses, DOE offers specialized technology development and operational support to both intelligence and law enforcement agencies. DOE accomplishes its intelligence mission by drawing from broad technical expertise located throughout the Department complex, including the National Laboratories, and uses Sensitive Compartmented Information (SCI) that is shared between members of the Intelligence Community. SCI is a designation given to classified information derived from intelligence sources, methods, or analytical processes that requires formal access control systems.

DOE's Office of Intelligence and Counterintelligence (IN) is responsible for granting SCI access to DOE Federal and contractor employees who need access to such intelligence information. Individuals must have an active Top Secret or "Q" clearance to be granted SCI access authorization.

The objective of this inspection was to determine if IN had adequate internal controls for granting, maintaining, and terminating SCI access authorizations to DOE Federal and contractor employees. As of December 2006, there were 5,240 SCI access holders across the DOE complex. This review focused on the 969 Federal and contractor employees listed on the Headquarters SCI access roster. The Office of Inspector General (OIG) is currently completing a second review of internal controls over SCI access from a field element perspective.

OBSERVATIONS AND CONCLUSIONS

We concluded that IN did not have adequate internal controls over its SCI access program. From a judgmental sample of 199 of the 969 individuals on the Headquarters SCI access roster, we found that:

- IN was not timely in removing individuals from the SCI access roster who no longer needed SCI access: 17 individuals who had already left the Department or had been debriefed from SCI access remained on the Headquarters SCI roster;
- Five individuals apparently were “administratively debriefed” from SCI access by IN without that office making all attempts to contact those individuals to ensure they received instructions regarding their continued obligation to safeguard SCI. (Administrative debriefing occurs when an official from IN annotates the individual’s Debriefing Acknowledgement indicating that he/she is “Unavailable to Sign”);
- Four individuals did not properly rejustify their need for continued SCI access as a result of job or employment status change; and,
- Five nondisclosure agreements for SCI access, which serve as legal agreements between the individual and the Government, were not properly signed or witnessed.

Past reviews by the OIG at various DOE sites have identified weaknesses in the internal controls designed to ensure individuals’ security clearances and accesses are terminated appropriately and expeditiously. (A list of the associated reports is located in Appendix B.) IN established an SCI debriefing policy in response to one of those reviews. However, based upon our findings during this review, we remain concerned that IN is not following existing policies and believe that IN needs to establish additional internal controls, such as periodic internal reviews, to ensure that requirements are followed regarding granting, maintaining, and terminating SCI access.

Details of Findings

BACKGROUND

We reviewed a judgmental sample of 199 (20 percent) of the 969 Federal and contractor employees listed on the Headquarters SCI access authorization roster as of December 2006.

Pursuant to DOE Order 5639.8A, “Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities,” the Department must implement Director of Central Intelligence Directives (DCIDs) 1/19 and 6/4 for the protection of SCI. DCID 1/19, “Security Policy for Sensitive Compartmented Information and Security Policy Manual,” establishes the policies and procedures for the security, dissemination, and use of SCI. DCID 6/4, “Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information,” establishes the standards, procedures, and security programs for the protection of SCI.

As a result of a previous OIG report published in 2006, IN produced the “Sensitive Compartmented Information Debriefing Policy No. 001-06.” This policy established criteria and guidelines to administer debriefings, including administrative debriefings.

REMOVAL FROM SCI ROSTER

We found that IN was not timely in removing individuals from the SCI access roster who no longer needed SCI access. Specifically, 17 individuals who had already left the Department or had been debriefed from SCI access remained on the Department’s SCI roster. DCID 1/19 states that when a previously established need-to-know no longer exists due to reorganization, reassignment, change in duties, or any other reason, the SCI access shall be cancelled and the individual debriefed from SCI. Debriefing is the final instruction provided to individuals regarding their continued obligation for safeguarding SCI, as defined by DCID 6/4. An IN official told us that an individual is terminated from SCI access when the individual is debriefed.

We determined that 14 of the 17 individuals had left DOE but had not been debriefed and removed from the SCI access roster. Based on the separation dates, these individuals remained on the SCI roster between 2 months and 64 months after their departure or the termination of their DOE clearance. In one instance, IN received a request from the National Nuclear Security Administration to delay removal of an individual from the SCI roster for a few months and allowed that individual to remain on the roster after his departure from DOE. However, IN did not follow up on the issue, and the individual remained on the roster 1½ years later, until we identified the lapse. Further, as noted previously, a Q or Top Secret

clearance is a prerequisite to having SCI access. We were told by IN that if a Q clearance were terminated, then the SCI access would also be discontinued immediately. Yet we determined that 3 of the 14 individuals had their Q clearances terminated in August 2001, June 2006, and September 2006, respectively. The individual whose Q clearance was terminated in August 2001 was detailed to DOE from another agency and should have been removed from DOE's SCI roster when he left. Responsible IN officials were unaware of the detailee's departure until we brought the issue to their attention.

Finally, we identified that the remaining 3 of the 17 individuals from the roster had been debriefed from SCI and had signed the requisite out-processing SCI nondisclosure agreement, yet they were still listed as holding SCI access authorizations. These individuals remained on the SCI roster between 9 and 27 months after having been debriefed from SCI. An IN official agreed that these individuals should not have been on the SCI roster.

The Intelligence Community maintains a database of the current status of individuals' clearances and SCI accesses. Failure to remove DOE individuals from the SCI roster could result in inaccurate reporting to the Intelligence Community and cause other agencies to rely on inaccurate clearance and access information, resulting in individuals potentially gaining access to SCI with expired authorizations.

ADMINISTRATIVE DEBRIEFING

We found that five individuals apparently were administratively debriefed from SCI access by IN without IN making all attempts to contact those individuals to ensure they received instructions regarding their continued obligation to safeguard SCI.

Debriefing from SCI is intended to remind individuals of their continued obligation to safeguard SCI and to have them sign a nondisclosure agreement. Pursuant to DCID 6/4, the debriefing includes, among other things, reading appropriate sections of U.S. laws regarding espionage and unauthorized disclosure of classified information; acknowledging lack of possession of any documents containing SCI; and agreeing to report to the Federal Bureau of Investigation information regarding any attempt by an individual to solicit classified information. IN's "Sensitive Compartmented Information Debriefing Policy No. 001-06" states that all attempts should be made for a personal debriefing (in-person, by telephone, or by mail) and that administrative debriefings should only be performed under extenuating circumstances, such as medical illness or death. Administrative debriefing occurs when an official

from IN annotates the individual's Debriefing Acknowledgement indicating that he/she is "Unavailable to Sign."

In five instances, when the OIG informed an IN official that there were individuals who had left DOE and were still on the SCI roster, the IN official contacted the program offices that had employed the individuals and verified that the individuals had left DOE and should no longer have been on the SCI roster.

Regarding two of these individuals, the IN official, in the presence of the OIG, signed the debriefing forms stating that the individuals were administratively debriefed, without making any further attempt to locate these individuals for an actual debriefing.

Regarding the other three individuals, we had concerns that they were similarly administratively debriefed after we identified that they were still on the SCI roster. Although we did not observe the action taken by the IN official to follow up on the individuals' unsigned debriefing forms, subsequently we observed that all three forms were simply signed by an IN official. This was done within one day of IN having been notified by the OIG that the individuals should have been removed from the SCI roster. The forms were not signed by the individuals, there was no statement on each debriefing form that the individual was unavailable to sign for the debriefing, and there was nothing in the files to indicate IN had made any attempts to locate the individuals.

EMPLOYMENT STATUS CHANGE

We found that four individuals did not properly rejustify their need for continued SCI access as a result of job or employment status change. These employees had transferred internally within DOE or had changed from Federal to contractor employee status. DCID 1/19 states that when a previously established need-to-know no longer exists due to reorganization, reassignment, change in duties, or any other reason, the SCI access shall be cancelled and the individual debriefed from SCI. We were told by an IN official that if an individual transfers to another program office, becomes a contract employee, or has changed personnel status, that individual's need for SCI must be rejustified or terminated.

We were told by an IN official that one way that IN can determine a change in personnel status is through self-reporting during the biennial SCI security refresher training. Despite this apparent safeguard, one of the individuals we had identified had transferred to another program office more than two years earlier and had subsequently attended SCI refresher training. After we identified

the issue, IN determined that the individual no longer needed SCI access, and he was subsequently debriefed.

The second employee we identified had retired from Federal service in 2002, became a contract employee in the same office doing the same work, but did not have an SCI rejustification, as required. An IN official agreed that the employee's office should have rejustified the individual's SCI access.

The third employee we identified had transferred to another program office several months prior. IN officials were unaware of this personnel change and subsequently had the individual provide another justification for maintaining SCI access.

The fourth employee we identified had transferred to another program office, and the rejustification document submitted for the employee was signed by his supervisor, who did not have SCI access. DCID 1/19 states that a "need-to-know" determination should be made by an authorized individual, having the appropriate security clearances and access approvals, certifying that a prospective SCI recipient requires access to specific classified information to perform his duty. Upon our inquiry, IN verified that the individual's supervisor did not have SCI access and could not have properly made the request. IN subsequently approved a properly executed rejustification request for the individual.

**INCOMPLETE
NONDISCLOSURE
AGREEMENTS**

We found that five nondisclosure agreements for SCI access, which serve as legal agreements between the individual and the Government, were not properly signed or witnessed. In three instances, the portion of the nondisclosure agreement form acknowledging an understanding of the responsibilities for holding SCI access was not signed by the individuals, as required. The remaining two nondisclosure agreements were not signed by an IN witness and the section of the form acknowledging security briefing indoctrination was not signed by the individual receiving the SCI access.

DCID 1/19 states that, as a provision of access to SCI, individuals must sign an authorized nondisclosure agreement and that failure to do so is cause for denial or revocation of existing SCI access. The nondisclosure agreement serves as a legal agreement between the individual and the Government that the individual has been granted SCI access and that the individual understands his obligations and the criminal penalties for any unauthorized disclosure of SCI. An IN official agreed that the forms should

have been properly signed and subsequently had the individuals sign and properly complete the nondisclosure agreements.

RECOMMENDATIONS

We recommend that the Director, Office of Intelligence and Counterintelligence, ensures that the policies for granting, maintaining, and terminating SCI access are followed so that:

1. Individuals no longer requiring SCI access are removed from the Department's SCI roster on a timely basis;
2. Debriefings are completed in accordance with IN policy;
3. Nondisclosure agreements are properly executed; and
4. A periodic review of SCI access holders is accomplished at Headquarters and throughout the Department complex to ensure that all SCI access program requirements, including both employment status and rejustification of access, are being followed.

**MANAGEMENT
COMMENTS**

In comments to a draft version of this report, IN management concurred with our recommendations and identified corrective actions. Management's comments are included in their entirety at Appendix C.

**INSPECTOR
COMMENTS**

We found management's comments to be responsive to our recommendations.

Appendix A

SCOPE AND METHODOLOGY

We conducted our inspection fieldwork between December 2006 and May 2007. We interviewed officials from DOE's Office of Intelligence and Counterintelligence and DOE's Office of Health, Safety and Security. We reviewed applicable policies and procedures pertaining to SCI access. We obtained an SCI roster of DOE Headquarters individuals and reviewed the SCI access personnel files of select individuals on the SCI roster.

As part of our review, we evaluated implementation of the "Government Performance and Results Act of 1993" in the context of activities included in our review. We did not identify any performance measure issues regarding DOE's SCI access program.

This inspection was conducted in accordance with the "Quality Standards for Inspections" issued by the President's Council on Integrity and Efficiency.

Appendix B

RELATED OIG REPORTS

The following OIG reports involve work similar to this inspection:

- “Selected Aspects of the East Tennessee Technology Park's Security Clearance Retention Process” (DOE/IG-0779, October 2007);
- “Badge Retrieval and Security Clearance Termination at Sandia National Laboratory-New Mexico” (DOE/IG-0724, April 2006);
- “Security Clearance Terminations and Badge Retrieval at the Lawrence Livermore National Laboratory” (DOE/IG-0716, January 2006);
- “Security and Other Issues Related to Out-Processing of Employees at Los Alamos National Laboratory” (DOE/IG-0677, February 2005);
- “Personnel Security Clearances and Badge Access Controls at Selected Field Locations” (DOE/IG-0582, January 2003); and
- “Personnel Security Clearances and Badge Access Controls at Department Headquarters” (DOE/IG-0548, March 2002).

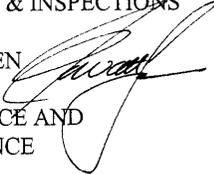
Appendix C



Department of Energy
Washington, DC 20585

NOV 30 2007

MEMORANDUM FOR: CHRISTOPHER R. SHARPLEY
DEPUTY INSPECTOR GENERAL
FOR INVESTIGATIONS & INSPECTIONS

FROM: ROLF MOWATT-LARSEN 
DIRECTOR
OFFICE OF INTELLIGENCE AND
COUNTERINTELLIGENCE

SUBJECT: Draft Report on "Internal Controls Over the
Department of Energy's Sensitive Compartmented
Information Access Program" (S07IS006)

Thank you for the opportunity to review and comment on the subject draft report. It bears noting that the Special Security Office workload increased over 300% in the past five years with no increase in staff until FY 07. The workload continues to increase as the intelligence mission continues to grow. IN will hire an additional security specialist in FY 08. This will allow us to implement the internal reviews and quality controls discussed below. The position description has been completed and we are awaiting the posting of the position through our Human Resource office.

This office concurs with your recommendations and plans to take the following actions to remedy the identified deficiencies.

For additional questions, please contact Deborah Johnson, Director of Security for the Office of Intelligence and Counterintelligence on 202-586-3298.

Attachment



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Appendix C (continued)

**Comments on
Inspector General Draft Report
"Internal Controls Over the Department of Energy's SCI Access Program"**

1. Recommendation

Individuals no longer requiring SCI access are removed from the Department's SCI roster on a timely basis.

Management Comment

Concur.

IN is working with appropriate DOE personnel to obtain access to the personnel databases used during this inspection to independently identify employees who have resigned or retired from the Department. We will also continue to work with DOE administrative offices to ensure that employee exit clearance forms are properly executed for individuals holding SCI access, and beginning in Dec 07, will send quarterly reports to DOE Headquarter Security Officers requesting that they verify the employment status of SCI accessed individuals.

Effective immediately, the Special Security Officers (SSOs) placed added emphasis on reminding SCI access holders of their responsibilities to notify this office of any change in employment or access requirements during SCI access briefings. IN will continue to remind employees of this requirement during the annual refresher briefings. ***This action will be completed: June 30, 2008***

2. Recommendation

Administrative debriefings are completed in accordance with existing IN policy. Individuals granted SCI access appropriately sign the nondisclosure agreement.

Management Comment

Concur:

In Nov 07, IN issued a reminder to all HQs and Field security personnel regarding our debriefing policy. As noted above, we plan to conduct periodic reviews of our records for quality control and will attempt to contact any individual we identify that has left the Department without the proper debriefing, in accordance with our existing policy. ***This action is closed.***

Appendix C (continued)

3. Recommendation

Individuals granted SCI accesses appropriately sign the nondisclosure agreement.

Management Comment

Concur:

IN instituted better quality controls in this area last year with the hiring of an Administrative Support contractor. In the SSO office prior to posting an individual's access to the IN database, the SSO office conducts a review and verification of Nondisclosure Agreement paperwork to ensure proper dates and signatures are executed appropriately. With the initiation of periodic internal reviews, we will be able to systematically identify and correct older records. ***This action is closed.***

4. Recommendation

A periodic review of SCI access holders is accomplished at Headquarters and throughout the Department complex to ensure that all SCI access program requirements are being followed.

Management Comment

Concur:

As described above, IN will begin conducting quarterly reviews of the SCI roster in Dec 07 and periodic internal reviews of our records upon the hiring of additional staff in FY 08. ***This action will be completed: June 30, 2008***

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3. What format, stylistic, or organizational changes might have made this report's overall message clearer to the reader?
4. What additional actions could the Office of Inspector General have taken on the issues discussed in this report which would have been helpful?
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