

March 31, 1998

KENNETH J. HUNTER
CHIEF POSTAL INSPECTOR

SUBJECT: Review of United States Postal Service
Personnel Security Program – Process for
Updating Sensitive Clearances

This report presents the results of our review of the Inspection Service's process for updating sensitive security clearances (Project Number OV-MA-99-001).

The Inspection Service has not developed and implemented a system to ensure that sensitive clearances for non-Inspection Service personnel are updated at least every five years as required by the Administrative Support Manual.

The objective of our review was to determine whether the Inspection Service has a system to ensure that sensitive clearances are updated at least every 5 years. To accomplish this objective, we discussed the process with management officials at Headquarters, and the Memphis and Newark Inspection Service Operations Support Groups.

We judgmentally selected a sample of 30 Inspection Service personnel files serviced by the Newark Inspection Service Operations Support Group. USPS human resources personnel compiled the population, furnished by the Newark Inspection Service Operations Support Group, from payroll records. We also judgmentally selected a sample of 37 USPS Leadership Team members' personnel files. Both samples were reviewed to determine if sensitive clearances were updated at least every five years.

We conducted our review during October 1998 through February 1999 in accordance with the President's Council on Integrity and Efficiency, Quality Standards for Inspections.

Results In Brief

This report is the first in a series that evaluates the effectiveness of the United States Postal Inspection Service process for granting and updating security clearances for United States Postal Service (USPS) employees and contractors. This report focuses on the process for updating sensitive personnel clearances. The Chief Postal Inspector is designated as the personnel security officer for the USPS and is responsible for the issuance of security clearances, instructions, and regulations on security requirements. The objective of our review was to determine whether the Inspection Service has a system to ensure that sensitive clearances are updated at least every 5 years.

Our review disclosed that the Inspection Service has not developed and implemented a system to ensure that sensitive clearances for non-Inspection Service personnel are updated at least every five years as required by the Administrative Support Manual. The Inspection Service does have a system for ensuring that sensitive clearances are updated for Inspection Service personnel.

Based on the results of our review, we suggest the Chief Postal Inspector develop and implement a system to ensure that sensitive clearances for non-Inspection Service personnel are updated at least every five years as required by the Administrative Support Manual. Further, we suggest the Chief Postal Inspector ensure that the system is implemented in a manner that facilitates production of an accurate, current, clearance status for all Postal employees.

Background

The Chief Postal Inspector is responsible for the issuance of personnel security clearances and has delegated a security group the authority to issue and update security clearances. The Inspection Service grants basic, non-sensitive, sensitive, and interim sensitive clearances.

The following Inspection Service Operations Support Groups perform the updating process:

- Memphis Inspection Service Operations Support Group is presently responsible for granting and updating all non-Inspection Service clearances.
- Newark Inspection Service Operations Support Group is responsible for updating Inspection Service

clearances from Ohio to the Carolinas and Maine; and the

- San Bruno Inspection Service Operations Support Group is responsible for updating the remaining Inspection Service clearances.

The Administrative Support Manual requires that updates of sensitive clearances be accomplished five years after the granting of a sensitive clearance and at least once during each succeeding five years, or at the Chief Postal Inspector's direction.

Observations

Our review of the Inspection Service processes for updating sensitive clearances disclosed that:

Process for Updating Sensitive Clearances Needs Improvement

- The Inspection Service does have a system for ensuring that sensitive clearances are updated for Inspection Service personnel every five years.

The Newark and San Bruno Inspection Service Operations Support Groups used a monthly report, that was generated from the Inspection Service Data Base Information System, to track when sensitive clearances for Inspection Service personnel were due. We reviewed the Official Personnel Files for 30 Inspection Service employees. We found that the Inspection Service Operations Support Groups were applying the Administrative Support Manual procedures for updating of sensitive clearances for Inspection Service personnel.

- Inspection Service has not developed and implemented a system to ensure that sensitive clearances for non-Inspection Service personnel are updated every five years as required by the Administrative Support Manual.

The Inspection Service was not following the procedures outlined in the Administrative Support Manual when updating non-Inspection Service employees' sensitive clearances. More specifically, the Inspection Service was not tracking sensitive clearances for non-Inspection Service personnel to ensure that updates were done at least every five years. Managers with the Inspection Service Security Group at USPS Headquarters told us that they had not developed and implemented a system that identifies non-

Inspection Service personnel who need their sensitive clearances updated. Further, the Inspection Service was unable to provide us a list of non-Inspection Service personnel who had active sensitive clearances. We reviewed the Official Personnel Files for 37 members of the USPS leadership team. According to the Administrative Support Manual incumbents in these types of positions require a sensitive clearance. We found that 35 clearances were current and 2 were being processed. When discussing the analysis of our leadership team review with management, they explained that in 1997 the Internal Affairs Division performed updates on the leadership team members. In our opinion, the fact that the leadership team has updated sensitive clearances was not representative of individuals who are not on the leadership team but more the outcome of the 1997 update effort. To illustrate, we further analyzed the 37 clearances and determined that 21 needed updating when the 1997-update effort was performed. Of the 21 sensitive clearances, only 3 had been updated within the last five years.

- In the absence of an effective process that ensures all sensitive clearances are updated, the Inspection Service is compromising the integrity of sensitive information.

Suggestions

We suggest:

- The Chief Postal Inspector develop and implement a system to ensure that sensitive clearances for non-Inspection Service personnel are updated at least every five years as required by the Administrative Support Manual.
- The Chief Postal Inspector ensure that the system is implemented in a manner that facilitates production of an accurate, current, clearance status for all Postal employees.

Management Response

Management agreed with the observations and suggestions in the report. They acknowledged that no system in place to ensure that sensitive clearance for non-Inspection Service personnel are updated at least every five years. The Inspection Service is working with the Information Technology Division to develop an interim system that will identify clearances that need updating. The Inspection Service also plans to develop a permanent system that will identify and track the status of security clearances on PS Form 50.

Evaluation of Management Response

Management's comments and actions planned are responsive to the observations and suggestions in this report.

We appreciated the cooperation and courtesies provided by your staff during the review. If you have any questions, please contact me at (703) 248-2300.

//Signed//
Norman Hancock
Assistant Inspector General
For Customer

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Major Contributors to This Report Were:

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UNITED STATES POSTAL INSPECTION SERVICE

OFFICE OF CRIMINAL INVESTIGATIONS

March 31, 1999

Mr. Norman Hancock
Assistant Inspector General for Customer
Office of Inspector General

Subject: Receipt of Draft Management Advisory Report


Thank you for the opportunity to review your March 5, 1999, draft of the Management Advisory Report which summarizes your review of the USPS Personnel Security Program.

Your review disclosed that the Inspection Service currently does not have a system in place to ensure that sensitive clearances for non-Inspection Service personnel are updated at least every five years as required by the Administrative Support Manual (ASM). This is a deficiency that the Security Group was aware existed, and in November 1998 took steps to correct. Working in tandem with the Information Technology Division (ITD), a program is being written which will automatically generate a report for non-Inspection Service personnel whose security clearance updates are due within the next six-month timeframe. We have been advised that by April 1, 1999, ITD will be in the testing phase of this program and will remedy any problems that arise. Once any problems are corrected, we will be generating reports monthly and updating the security clearances in a timely fashion.

While this program provides an interim process for handling the non-Inspection Service updates, we believe the best long-term remedy is a revision to PS Form 50. The Form 50 appears to be the most logical place to maintain this type of information for routine retrieval.

This deficiency also highlights another concern the Security Group has, and is working to correct. At present, there is no system in place to identify those positions within the USPS that require a security clearance. The ASM provides general guidelines for making a determination of the clearance level required, but the specific positions are not delineated. The Security Group believes the PS Form 50, which is the responsibility of the Human Resources Department, needs to be modified to include a designation of specific positions requiring a security clearance, and the date of the last update. This process would ensure that when an individual's position changes, a clearance is completed before the individual assumes the new position.

If you have any questions or would to meet to discuss these issues, please contact Frank Marion, Inspector in Charge, Security Group, at (202) 268-2791.


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