

January 9, 2007

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Stephen D. Dingbaum **/RA/**
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
INTEGRATED PERSONNEL SECURITY SYSTEM
(OIG-06-A-06)

REFERENCE: DIRECTOR, OFFICE OF ADMINISTRATION,
MEMORANDUM DATED SEPTEMBER 15, 2006

Attached is the Office of the Inspector General (OIG) analysis and status of recommendations as discussed in the agency's response dated September 15, 2006. Based on this response, recommendations 8, 12, and 16 are now closed. Recommendations 2, 3, 4, 5, 6, 7, 9, 10, 13, 14, 15, and 17 remain in resolved status. Recommendations 1 and 11 were closed previously. Please provide an updated status of the resolved recommendation by February 26, 2007.

If you have questions or concerns, please call me at 415-5915.

Attachment: As stated

cc: M. Johnson, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

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Status of Recommendations

Recommendation 2: Correct the reinvestigations notification report so that all overdue cases are identified and submitted for reinvestigation.

Response Dated

September 15, 2006:

The Office of Administration (ADM) modified the stored procedure on December 29, 2005, to update the notifications web page within the Integrated Personnel Security System (IPSS) to retrieve required reinvestigations for all clearances and access authorizations so that overdue cases are identified and submitted for reinvestigation. Quality control procedures are in place (see the response to Recommendation 8) to verify data accuracy and access authorization reinvestigation notification report performance.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. The agency's response to this recommendation references its response to recommendation 8, which notes that the problem with the notifications page has not been resolved. Recommendation 2 will be closed once OIG has received confirmation that the notifications page is producing accurate notifications.

Status:

Resolved.

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Status of Recommendations

Recommendation 3: Develop and implement a consolidated data entry guide for IPSS users and update it every 6 months or as needed.

Response Dated
September 15, 2006

ADM has contracted with Lockheed Martin Information Technology (LMIT) to complete the IPSS modifications, and is holding weekly status meetings to manage this task. LMIT is currently on track to complete the modifications to IPSS by December 29, 2006. Once the modifications are complete, the data entry guide will be modified. ADM is currently on schedule to update and implement the revised IPSS users' guide with the latest procedures by March 30, 2007. ADM will update this users guide every six months or within three months after significant system modifications are completed.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. Recommendation 3 will be closed once OIG has received copies of the updated users' guide and office procedures detailing the plan for periodic updates to the guidance.

Status:

Resolved.

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Status of Recommendations

Recommendation 4: Review and correct the most recent reinvestigation dates within IPSS.

Response Dated

September 15, 2006:

This effort was approximately 10-percent complete as of the end of August 2006. ADM has obtained additional contractor support for this task and is currently on schedule to complete this task by March 30, 2007.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. Recommendation 4 will be closed once OIG has received evidence that the reinvestigation dates have been corrected.

Status:

Resolved.

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Status of Recommendations

Recommendation 5: Change IPSS to eliminate the requirement to duplicate clearance data within the system.

Response Dated

September 15, 2006:

ADM has contracted with LMIT to complete the IPSS modifications, and is holding weekly status meetings to manage this task. LMIT is currently on track to complete the modifications to IPSS to resolve this recommendation by December 29, 2006.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. Recommendation 5 will be closed once OIG has received evidence that the requirement has been eliminated.

Status:

Resolved.

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Status of Recommendations

Recommendation 6: Eliminate data that was purposely duplicated as a workaround in IPSS records for individuals with a clearance.

Response Dated

September 15, 2006:

The presence of this duplicate data in IPSS is not detrimental to its functionality. Once the effort identified in our response to Recommendation 5 above is completed, ADM will write a script to remove the duplicate data. This action is currently on schedule to be completed by December 12, 2007.

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. Recommendation 6 will be closed once OIG has received evidence that the duplicated data has been eliminated.

Status:

Resolved.

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Status of Recommendations

Recommendation 7: Perform a top-to-bottom cleanup effort of every active file; support this effort with clear written guidance as to what data goes in what field.

Response Dated

September 15, 2006:

The fields being verified, and updated as necessary, are those required to conduct day-to-day personnel security activities (i.e., social security number, full name, date of birth, city of birth, state of birth, country of birth, clearance access or status, clearance type, and last investigation date). As stated above in the status for Recommendation 4, this effort was approximately 10-percent complete as of the end of August 2006. ADM has obtained additional contractor support for this task and is currently on schedule to complete this task by March 30, 2007. The data input guide for this effort was provided to you by my memorandum dated March 31, 2006.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. Recommendation 7 will be closed once OIG has received evidence that top-to-bottom review has been performed.

Status:

Resolved.

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Status of Recommendations

Recommendation 8: Develop and implement an overall quality control approach to ensure continued data accuracy.

Response Dated

September 15, 2006:

ADM has developed and implemented an overall quality control approach to ensure continued data accuracy. This procedure includes verifying performance of the reinvestigations report discussed above in Recommendation 2. The quarterly quality control check, which was completed on August 31, 2006, reviewed 68 case files against IPSS. No errors were found in the reviewed records related to reinvestigation dates, social security numbers, names, or clearance type. Errors identified in fields such as employment start date, access grant date, or investigation received date were corrected. The quality control check also revealed that 27 out of 61 periodic reinvestigations due during the third quarter of FY 2006 did not show up on the IPSS notifications page. Of these 27, 24 were for Nuclear Fuel Services. ADM initiated an investigation to determine why the reinvestigations did not show up on the notification's page. This investigation will be completed by September 29, 2006 (ADM believes all 27 issues may have a common root cause). By October 31, 2006, ADM will determine the appropriate course of action to prevent recurrence.

OIG Analysis:

OIG reviewed the Security Branch Procedure titled, "Quality Control Process for IPSS," and determined it describes an effective and routine approach to ensure accuracy of IPSS data. This guidance, in combination with the type of analysis described above, indicates a workable approach to improve IPSS data accuracy. This recommendation is therefore closed.

Status:

Closed.

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Status of Recommendations

Recommendation 9: Fix the planned controls to prevent incorrect badge issuance and incorrect clearance assignment.

Response Dated

September 15, 2006:

ADM has contracted with LMIT to complete the IPSS modifications, and is holding weekly status meetings to manage this task. LMIT is currently on track to complete the modifications to IPSS to resolve this recommendation by December 29, 2006.

OIG Analysis:

The proposed corrective actions address the intent of OIG's recommendation. Recommendation 9 will be closed once OIG has received evidence that controls have been implemented to prevent incorrect badge issuance and incorrect clearance assignment.

Status:

Resolved.

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Status of Recommendations

Recommendation 10: Add date logic controls to ensure that OPM investigation dates follow in logical chronological order.

Response Dated
September 15, 2006: ADM has contracted with LMIT to complete the IPSS modifications, and is holding weekly status meetings to manage this task. LMIT is currently on track to complete the modifications to IPSS to resolve this recommendation by December 29, 2006.

OIG Analysis: The proposed corrective actions address the intent of OIG's recommendation. Recommendation 10 will be closed once OIG has received evidence that date logic controls have been implemented within IPSS.

Status: Resolved.

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Status of Recommendations

Recommendation 12: Review role assignments annually and make appropriate adjustments.

Response Dated
September 15, 2006: On December 29, 2005, ADM reviewed role assignments and made appropriate adjustments. ADM has written a procedure to review role assignments annually.

OIG Analysis: OIG reviewed the Security Branch procedure to review role assignments annually and determined that it meets the intent of the recommendation. This recommendation is therefore closed.

Status: Closed.

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Status of Recommendations

Recommendation 13: Add audit trail capabilities to IPSS.

Response Dated
September 15, 2006: ADM has contracted with LMIT to complete the IPSS modifications, and is holding weekly status meetings to manage this task. LMIT is currently on track to complete the modifications to IPSS to resolve this recommendation by December 29, 2006.

OIG Analysis: The corrective action plan addresses the intent of OIG's recommendation. Recommendation 13 will be closed once OIG has received evidence that audit trails have been added to IPSS.

Status: Resolved.

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Status of Recommendations

Recommendation 14: Review audit trail reports monthly to ensure appropriate use of IPSS.

Response Dated
September 15, 2006: After the audit trail capability described in Recommendation 13 is activated, ADM will begin reviewing audit trail reports on a monthly basis to ensure appropriate use of IPSS. ADM is currently on schedule to add this requirement to office procedures (i.e., the revised IPSS users' guide) by March 30, 2007.

OIG Analysis: The corrective action plan addresses the intent of OIG's recommendation. Recommendation 14 will be closed once OIG has received evidence that review of audit trail reports has been implemented and added to office procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 15: Require future IPSS users to sign an integrity statement before being granted access to the system. Also require existing users to sign an integrity statement.

Response Dated
September 15, 2006: ADM has obtained signed integrity statements for all existing users. All new users sign the integrity statement before they are granted access to IPSS. Copies of signed integrity statements are enclosed for new users. The requirement for all new users to sign an integrity statement is currently on schedule to be added to office procedures (i.e., the revised IPSS users' guide) by March 30, 2007.

OIG Analysis: OIG reviewed the signed integrity statements for existing and new users and determined they meet the intent of this recommendation. Recommendation 15 will be closed once OIG has received evidence that the requirement for all new users will sign this integrity statement has been added to office procedures.

Status: Resolved.

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Status of Recommendations

Recommendation 16: Develop a records disposition schedule for IPSS and incorporate it into DFS procedures and the IPSS users manual.

Response Dated
September 15, 2006:

In response to National Archives and Records Administration (NARA) Bulletin 2006-02, "NARA Guidance for Implementing Section 207(e) of the E-Government Act of 2002," dated December 15, 2005, the Office of Information Services (OIS) has initiated a project to assess the need for records disposition schedules for almost 500 agency electronic information systems. The project, "Assess NRC Electronic Information Systems for Records Disposition," is currently underway. As part of this initiative, OIS contractor staff will be reviewing all agency electronic systems and developing appropriate schedules to apply to them. This will include development of generic schedules that will apply to similar systems, schedules that will allow the use of previously approved paper-based schedules to replace electronic systems, and in some instances, schedules specific to individual systems. At this point, OIS is unable to determine which category the IPSS system will fall under. Therefore, it is not possible for OIS to establish an exact time frame for development of a schedule that will apply to IPSS. However, OIS is required to have all NRC systems scheduled by October 1, 2009, in order to comply with the NARA requirements. Therefore, the completion date for the action to close this recommendation is being revised to October 1, 2009. The records disposition schedule will be incorporated into DFS office procedures (i.e., the IPSS users' manual) by January 15, 2010.

As stated in my memorandum to you dated February 15, 2006, IPSS replaced the Central Personnel Clearance Index (CPCI). Therefore, ADM is applying the pertinent records disposition schedule requirements for CPCI contained in NUREG-0910 to IPSS until the OIS project is completed.

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OIG Analysis: Given the agency's overarching project for updating agency records disposition schedules, the lengthy time frame proposed to incorporate a final records disposition plan into an IPSS users manual, and the fact that the agency is already following the schedule established for the IPSS predecessor system, this recommendation is now closed.

Status: Closed.

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Status of Recommendations

Recommendation 17: Conduct a cost-benefit analysis to determine whether the agency should continue to develop IPSS versus replacing the system. As part of the cost-benefit analysis consider current Federal personnel security requirements.

Response Dated
September 15, 2006: ADM originally planned to conduct a cost-benefit analysis by June 20, 2007, to determine whether the agency should continue to develop IPSS versus replacing the system. However, ADM is reevaluating the strategy to modify or replace IPSS as the agency plan to implement HSPD-12 is developed. It is anticipated that a cost-benefit analysis to modify IPSS, or a business case for replacing IPSS, will be developed by June 20, 2007 as part of the HSPD-12 implementation plan.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. Recommendation 17 will be closed once OIG has received evidence that a cost-benefit analysis has been performed.

Status: Resolved.