

The Library of Congress  
*Office of the Inspector General*

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**Office of Security and  
Emergency Preparedness**

*Survey of the Personnel Security  
Office's Policies and Procedures*

Audit Survey Report No. 2011-PA-102  
March 2011





UNITED STATES GOVERNMENT

LIBRARY OF CONGRESS

**Memorandum**

*Office of the Inspector General*

**TO:** James H. Billington  
Librarian of Congress

March 22, 2011

**FROM:** Karl W. Schornagel  
Inspector General

**SUBJECT:** *Survey of the Personnel Security Office's Policies and Procedures*  
Project No. 2011-PA-102

This transmits our final audit survey report on the Personnel Security Office's policies and procedures. The executive summary begins on page *i* and complete findings appear on pages 5 through 9.

Although no recommendations were made, we provided a draft of this report to the Office of Security and Emergency Preparedness for their review and comment. They responded to our report but provided no substantive comments. The full text of their response is included as an appendix to the report.

We commend the Personnel Security Officer's management of the personnel security and suitability programs and appreciate the cooperation and courtesies extended to our staff during this review by the Personnel Security Office.

cc: Chief of Staff  
Chief of Support Operations  
Director, Office of Security and Emergency Preparedness

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## ▶▶ EXECUTIVE SUMMARY

The Library of Congress' Personnel Security Office (PSO) is responsible for managing all aspects of the Library's personnel security and suitability programs, including the initiation of required background investigations of staff, contractors, and volunteers. We initiated an audit to evaluate various areas of the Library's personnel security and suitability programs. Specifically, we sought to determine whether (1) the PSO properly followed Library procedures in identifying positions that require access to classified information; (2) Library positions, with access to valuable Library collections, are assigned, at minimum, the *public trust* designation; (3) the PSO was satisfactorily managing investigative case files for Library personnel; and (4) the PSO provides appropriate protection for the personal information it collects and maintains.

Based on our audit survey,<sup>1</sup> we concluded that the PSO was satisfactorily managing the Library's personnel security and suitability program and that further review is unnecessary at this time. Summaries of the survey work that we performed are provided in the following paragraphs.

**The PSO Determines Security Clearance Eligibility According to Federal Requirements**—The PSO follows federal requirements when determining an employee's security clearance eligibility. As part of our survey, we reviewed the investigative files of 15 Library employees who held a security clearance to determine whether they satisfied the eligibility requirements for such a designation. Our review concluded that all 15 satisfied the eligibility requirements for a security clearance.

**The PSO is Revising Library Regulations to Address Designations of Staff Positions Providing Access to Valuable Collection Items**—Our testing confirmed a condition we identified through prior audit work.<sup>2</sup> Specifically, some

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<sup>1</sup> A survey is a process for quickly gathering information on the most significant and material audit areas for the purpose of identifying potential problems within the scope of the audit objectives. Preliminary survey results provide the necessary justification for making a decision as to whether a full audit is warranted.

<sup>2</sup> *Improvements Needed to Secure and Preserve Rare Library Collection Materials*, Report No. 2010-AT-102 (January 2011); *Top Treasures: Security and Preservation Controls are Adequate, But Some Improvements Should be Made*, Report No. 2008-

positions in the Library which have access to valuable collections are designated the lowest “nonsensitive” level. These nonsensitive level positions require less stringent background investigations than those designated as “public trust,” “sensitive,” or “national security.” Our prior reports recommended that individuals with access to valuable collection items be subject to more stringent background investigations to reduce the risk to the collections.

We found that the PSO is making satisfactory progress in addressing this risk. The PSO is currently (1) drafting a policy revision to clarify the Library’s definition of public trust positions, (2) planning necessary changes to ensure Library positions which have access to valuable collection items are assigned, at minimum, a public trust designation, and (3) planning to request the Office of Personnel Management (OPM) to reinvestigate the backgrounds of those employees which the PSO re-designates to ensure they are suitable for their positions.

**The PSO Complies with OPM Minimum Investigation Requirements**—Library regulations require the PSO to conduct no less than the minimum investigation requirements prescribed by OPM. We tested the PSO’s compliance with those requirements and concluded that the PSO was satisfactorily complying with the minimum investigation requirements as prescribed

**The PSO has Adequate Controls to Safeguard Personal Information**—The PSO relies heavily on personal information provided by individuals to assess their suitability for Library employment. We reviewed key controls the PSO had in place to properly protect the personal information it collects and maintains. Based on our review of key physical safeguards and personnel procedures that the PSO has in place, we concluded that the office provides adequate protection for the personal information it collects and maintains.

Management responded to our report but provided no substantive comments.

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PA-103 (January 2009); *Rare Book and Special Collections’ Internal Control Requires Improvements to Reduce the Risk of Internal Losses*, Report No. 2008-PA-101 (March 2009).

## ▶▶ BACKGROUND

The Personnel Security Office (PSO) of the Library's Office of Security and Emergency Preparedness (OSEP) is responsible for managing all aspects of the Library's personnel security and suitability programs. This includes, but is not limited to:

- initiating and adjudicating results of background investigations of applicants and employees to determine employment suitability and/or eligibility to access classified national security information, and
- maintaining the reinvestigations program.

Through its program activities, the PSO strives to ensure that Library staff can be trusted with access to classified information and valuable collection materials. It also endeavors to prevent the employment of unsuitable applicants.

Although the Library is not subject to most Executive Orders or sections of the Code of Federal Regulations governing personnel security, it has elected to adopt those policies. Therefore, the Library's personnel security program is patterned after the executive branch framework. The PSO utilizes the Office of Personnel Management (OPM) Federal Investigative Services (FIS) division to conduct background investigations.

### *Background Investigations*

Library policy requires all new employees to be investigated to verify the accuracy of data on their application including education, previous employment, and other background information.<sup>3</sup> The investigation includes a determination of the applicant's reliability, trustworthiness, character and conduct, and loyalty to the United States. The scope of information needed for an investigation depends on the

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<sup>3</sup> LCR 2024-3, Section 7.A. exempts from prescribed investigation requirements appointments that are intermittent, seasonal, per diem, or temporary, not to exceed an aggregate of 180 days in either a single continuous appointment or series of appointments, and those for aliens employed by the Library outside the United States.

investigation's purpose—suitability for employment, or more significantly, eligibility for access to classified information.

*Position Sensitivity Designation*

The sensitivity levels of positions in the Library are designated in accordance with OPM guidelines in order to enhance consistency and ensure appropriate suitability and security determinations. In coordination with service and support units, the PSO designates position sensitivity levels. A position's sensitivity level is based on its potential to compromise national security and to adversely affect the efficiency or integrity of the Library. Positions not requiring access to classified information are designated as high, moderate, or low depending on the risk to the public trust. National security positions are designated as "special-sensitive," "critical-sensitive," or "non-critical sensitive," depending on the security clearance requirements. These positions are subject to reinvestigation at prescribed intervals to determine if continued employment in a sensitive position is in the best interest of national security.

## ►► OBJECTIVES, SCOPE, AND METHODOLOGY

We initiated this audit to evaluate various areas of the Library's personnel security program. Specifically, we sought to determine whether (1) Library procedures had been properly followed in identifying positions that require access to classified information; (2) Library positions, which provide access to valuable collection items, are assigned, at minimum, the public trust designation; (3) PSO was properly managing investigative case files for Library personnel; and (4) PSO provides appropriate protection for the personal information it collects and maintains.

We reviewed the laws and regulations applicable to the management of the personnel security program. Additionally, we held interviews and discussions with PSO officials and staff to gain an understanding of the policies and procedures they used in managing the program.

We reviewed a sample of 15 investigative files of individuals with clearances to determine whether they satisfied the eligibility requirements for a security clearance. For our analysis, we reviewed the criteria for conducting and documenting investigations outlined by OPM.<sup>4</sup> We also reviewed a sample of 54 investigative files to determine whether the minimum investigative requirements had been completed. In addition, we reviewed the sensitivity levels of 20 Library positions with access to valuable collection items to determine if those individuals were designated at a minimum as public trust positions. Lastly, we assessed whether there were adequate controls over personal information collected and maintained by the PSO.

The details of our testing are discussed in further detail in the following section, *Results of Audit Survey*. All testing was based on judgmental sampling and therefore, we do not project the sample results to the general populations involved. However, we relied on our test results as part of our analysis in developing conclusions about the PSO's operations.

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<sup>4</sup> OPM issuances are detailed procedures for determining investigative requirements for all positions based on risk and sensitivity.

We conducted our fieldwork from October through December 2010 in accordance with generally accepted government auditing standards and LCR 211-6, *Functions, Authority, and Responsibility of the Inspector General*. Government auditing standards require that we plan and perform audit work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions, based on our objectives.

## ▶▶ RESULTS OF AUDIT SURVEY

We found that the PSO is satisfactorily managing the Library's personnel security program. Therefore, we concluded that further review of that program is unnecessary at this time. Summaries of the survey work that we performed are provided in the following sections.

### I. Position Sensitivity Designation

#### *a. PSO Determines Security Clearance Eligibility According to Federal Requirements*

The Library's policies and procedures regarding security clearances are based on Executive Order 12968, *Access to Classified Information*.<sup>5</sup> The Library policy states that the positions requiring access to classified national security information shall be designated as either special-sensitive, critical-sensitive, or noncritical-sensitive, depending on the degree of potentially adverse effect an unsuitable employee could have on national security. The heads of the Library's service and support units communicate to the PSO which positions require access to classified information and the required levels of clearance. As the cost of investigations increases proportionately with the position's sensitivity level, clearance requests are kept at the minimum level necessary for the service or support unit to perform its mission, and must be based on a demonstrated, foreseeable need for access.<sup>6</sup>

The Library's Personnel Security Officer has the authority to make the final determination regarding eligibility for Secret and Top Secret security clearances in cases involving no potentially disqualifying issues. However, in cases involving potentially disqualifying issues, the Personnel Security Officer makes a recommendation regarding the individual's security clearance eligibility to the Director of OSEP, who then makes the final determination. As of November 16, 2010, 256 Library employees and one Library contractor had security clearances issued by the PSO.

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<sup>5</sup> Executive Order 12968, *Access to Classified Information*, establishes personnel security investigative standards and adjudicative guidelines for determining whether service members, federal workers, industry personnel, and others are eligible to receive a security clearance.

<sup>6</sup> LCR 2024-6, *Security Clearance Eligibility Requirements and Procedures*.

As part of our survey, we reviewed the investigative files of 15 Library employees with security clearances. Our objective was to determine whether documentation submitted to the PSO by the service and support units adequately justified the positions as ones allowing employees access to classified information. We concluded that the clearance levels were adequately justified in our test cases.

Our sample's size and selection criteria, including position title and corresponding service unit division, were based on our judgment. Although we believe the results of our test fairly represent Library positions which allow employees access to classified information, they cannot be projected to the total number of those positions.

*b. The PSO is Revising Library Regulations  
to Address Designations of Positions  
Having Access to Valuable Collections*

In prior audits,<sup>7</sup> we recommended that the designations of some Library job positions should, at minimum, be raised to the public trust level because work activities of those positions involve access to valuable collection items. Doing so would ensure that appropriately extensive background investigations are performed on employees thereby reducing the risk for theft, abuse, and destruction of valuable items.

For this survey, we randomly selected a sample of 20 Library positions with access to valuable Library collections. We then reviewed the positions' documentation to determine if they were designated as, at minimum, public trust positions. We found that 11 of the 20 positions were designated as nonsensitive. Consequently, the background investigations for the 11 Library employees were not as extensive as they would have been if their positions were designated at the public trust level.

We discussed the results of our review with the Personnel Security Officer who informed us that the PSO was in the process of revising the definition of public trust positions in LCR 2024-2 to state "positions involving regular access to, or responsibility for safeguarding or controlling collections

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<sup>7</sup> See Footnote 2.

material of significant historical, cultural, or monetary value that warrants a public trust position.”

The Personnel Security Officer also informed us that when the definition of public trust positions is revised in LCR 2024-2, the PSO would:

- make changes needed to ensure Library positions, which provide access to valuable collection items, are assigned, at minimum, the public trust designation, and
- request that OPM reinvestigate backgrounds of employees whose positions the PSO re-designates to ensure the employees’ suitability for their positions.

Based on this information, we concluded that the PSO was making satisfactory progress in addressing the risk we previously identified to the Library’s valuable collection items and that further review of this issue is unnecessary at this time.

## **II. The PSO Complies with OPM Minimum Investigation Requirements**

LCR 2024-3, *Investigative Requirements and Case Processing*, requires that the PSO conduct no less than the minimum investigation prescribed by OPM. The scope and timing of the investigation are determined by the nature of the duties involved or by the position sensitivity designation.

As part of our survey, we performed a test involving investigative files of 54 people hired during a randomly-determined sample period. Through this test, we sought to determine whether the investigative files contained documentation that investigative requirements had been met. Our review found that all 54 investigative files contained the required documentation. Therefore, we concluded that the PSO was satisfactorily meeting its responsibilities. Details on the test that we performed, including the results we obtained, are provided in the following paragraphs.

We based our test on all persons (54) hired to work for the Library during the sample period, October 1 through December 21, 2009. We judgmentally selected the length and

timeframe of that period. Although we believe the results of our test fairly represent PSO's management performance, they cannot be projected to all personnel appointments for whom the office is responsible.

Our sample included 14 employees that were exempt from prescribed investigative requirements because the employees were working under temporary appointments. The remaining 40 individuals included 23 employees in nonsensitive positions and 17 employees in positions designated public trust or higher. Our review of the case files for those employees revealed:

- Thirty-two files which included required documentation (15 for nonsensitive position employees and 17 for employees in positions designated public trust or higher);
- five files for nonsensitive position employees which were awaiting required investigative reports from OPM;
- one file for a nonsensitive position employee which included Central Verification System (CVS)<sup>8</sup> evidence showing that an investigation exceeding the position's requirements was performed and appropriately adjudicated;
- one file for a nonsensitive position employee which included CVS evidence showing that a National Agency Check and Inquires (NACI)<sup>9</sup> was performed and appropriately adjudicated; and
- one file for a nonsensitive position employee who separated from the Library before the NACI was completed.

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<sup>8</sup> The Central Verification System is a sub-system of OPM's Personnel Investigations Processing System (PIPS). It provides information on the status and the level of security clearance granted for federal employees and contractors. The system stores information on current, active, expired, revoked, and cancelled clearances granted by the agency clearance-granting authority, and provides information about investigations.

<sup>9</sup> National Agency Check and Inquires is the investigation for federal appointees to nonsensitive positions.

### **III. The PSO has Adequate Controls to Safeguard Personal Information**

The PSO relies heavily on personal information that individuals provide to assess their suitability for Library employment. Such information can be extensive and, in addition to personally identifiable information (PII), it may include information on family members and close contacts.

As part of our survey, we reviewed key physical safeguards and personnel procedures that the PSO has in place to ensure that the personal information it collects and maintains is adequately protected. Regarding physical safeguards, the PSO maintains personnel security files and any investigation reports containing PII in security containers which meet Federal standards for storing classified information. Moreover, office staff use paper shredders, which meet national security specifications to destroy PII documents that the PSO no longer needs. Regarding personnel procedures, the PSO staff occupy national security positions. Accordingly, their backgrounds are subject to extensive initial investigations and periodic re-investigations to ensure that they are suitable for their positions.

Based on our review, we concluded that the PSO has adequate controls in place to ensure that the personal information it collects and maintains is adequately protected. Therefore, we concluded that further review of this issue is unnecessary at this time.

#### **Major Contributors to This Report:**

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## ▶▶ APPENDIX: MANAGEMENT RESPONSE

UNITED STATES GOVERNMENT  
**MEMORANDUM****LIBRARY OF CONGRESS**  
*Office of Security and Emergency Preparedness*

TO: Karl W. Schornagel  
Inspector General  
March 15, 2011

FROM: Kenneth E. Lopez *K. E. Lopez*  
Director, Office of Security and Emergency Preparedness

SUBJECT: *Survey of the Personnel Security Office's Policies and Procedures*  
Project No. 2011-PA-102

Thank you for the opportunity to comment on the results of your survey of the Personnel Security Office. It is gratifying to learn that you have concluded that the program is being managed satisfactorily, and that further review is unnecessary at this time.

Please convey our appreciation to the audit team for their work.

cc: Lucy D. Suddreth  
Chief, Support Operations

James M. Duda  
Deputy Chief, Support Operations

Cynthia A. Wilkins  
Personnel Security Officer