



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

Office of the
Inspector General

September 22, 2015

MEMORANDUM FOR BETH F. COBERT
Acting Director

FROM: PATRICK E. McFARLAND
Inspector General

A handwritten signature in black ink that reads "Patrick E. McFarland".

SUBJECT: Results of the OIG's Special Review of OPM's Quality Assessment of
USIS's Background Investigations (Report No. 4A-RS-00-15-014)

The Office of the Inspector General (OIG) recently conducted a special review of the U.S. Office of Personnel Management's (OPM) Quality Assessment over US Investigations Services' (USIS) Background Investigations. The purpose of our special review was to analyze the validity of OPM's Federal Investigative Services' (FIS) Quality Assessment methodology and to ensure its findings objectively represented the sampled USIS background investigations (also referred to as cases), as stated in OPM's memorandum for the record titled "Federal Investigative Services Case Review - Round Two Sample Results."

We issued our draft special review memorandum to Merton W. Miller, Associate Director, FIS, on June 2, 2015. FIS's July 1, 2015 comments on the draft special review were considered in preparing this final report and are included in Attachment 4. For specific details on the special review findings, please refer to the "Findings" section of the memorandum.

This memorandum has been issued by the OIG to OPM officials for resolution of the findings and recommendations contained herein. As part of this process, OPM may release the report to authorized representatives of the reviewed party. Further release outside of OPM requires the advance approval of the OIG. Under section 8M of the Inspector General Act, the OIG makes redacted versions of its final reports available to the public on its webpage.

To help ensure that the timeliness requirement for resolution is achieved, we ask that FIS coordinate with OPM's Internal Oversight and Compliance (IOC) office, to provide their initial response to the OIG within 60 days from the date of this memorandum.

IOC should be copied on all responses to this final memorandum on our Special Review. Subsequent resolution activity for all report findings should also be coordinated with IOC. FIS should provide periodic reports through IOC to the OIG, no less frequently than each March and September, detailing the status of corrective actions, including documentation to support this activity, until all findings have been resolved.

BACKGROUND:

The mission of OPM's FIS is to ensure the Federal Government has a suitable workforce that protects national security and is worthy of the public trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for a variety of adjudicative decisions, including but not limited to security clearance and suitability decisions as required by Executive Orders and other rules and regulations. Over 95 percent of the Government's background investigations are provided by OPM. Prior to October 1, 2014, OPM held both fieldwork and support services contracts with USIS to assist FIS with completing background investigations. However, on September 9, 2014, OPM informed USIS that it would not exercise options to extend the term of these contracts beyond September 30, 2014.

An investigation by the OIG determined that during the period March 2008 through September 2012, under the fieldwork contract, USIS failed to perform contractually required quality reviews of background investigations prior to submitting them to FIS (hereafter referred to as "dumped investigations").¹ The OIG, the House Committee on Oversight and Government Reform, and the Senate Committee on Homeland Security and Governmental Affairs expressed concern that the final closing review of a portion of these dumped investigations was performed by the same company, USIS, under its support services contract.²

OPM and the OIG agreed that FIS would proceed with a Quality Assessment of cases that were both (1) dumped by USIS under the fieldwork contract and (2) reviewed and closed by USIS under the support services contract. The OIG would then verify FIS's Quality Assessment. During late March and early April 2014, staff from FIS and the OIG met to discuss the methodology proposed by FIS for conducting their Quality Assessment and on April 7, 2014, the OIG communicated our general agreement (See Attachment 1) with FIS's proposed methodology and we requested that the methodology be documented in writing. Subsequently, on April 11, 2014, FIS provided the OIG with a written copy of its proposed methodology (See Attachment 2). FIS completed its Quality Assessment and provided the OIG with the summary of its results on September 22, 2014.

In order to evaluate the overall quality of the background investigations at the time FIS released them to customer agencies (i.e., after the closing review process was complete), FIS reviewed a representative sample of 1,100 out of 103,369 fieldwork intensive investigations that were allegedly dumped, and closed by USIS under the support services contract.

FIS's draft Quality Assessment results concluded that "It does not appear there was any effort on the part of USIS to intentionally close investigations and not refer those meeting criteria to the Federal staff. During the time frame of the alleged dumping, USIS continued to refer cases to Federal review in large numbers. The Quality Assessment revealed that most of the cases

¹ Fieldwork can be defined as background investigative coverage obtained primarily through human interactions and can include personal interviews, communications with record providers, and human searches of databases.

² The support services contractor was responsible for the review and closing of background investigations [REDACTED]

(90.7%) were closed in accordance with the contract and were found to be Complete or Justified (i.e., any missing coverage was properly annotated). A smaller subset (6.1%) was determined to be incomplete, but Acceptable for Adjudication in accordance with the March 10, 2010 Department of Defense (DoD) Memorandum entitled, 'Adjudicating Incomplete Personnel Security Investigations.' Only 3.2% were determined to be Missing Coverage or Issue Resolution and most of these errors appear to be the result of a lack of attention to detail."

OIG's SPECIAL REVIEW METHODOLOGY:

In order to determine the validity and objectivity of FIS's Quality Assessment, we assessed the statistical sampling methodology, as developed by OPM's Planning, Policy, and Analysis office for FIS. Then, we judgmentally selected a sample for our own testing purposes in order to assess the accuracy of FIS's categorization of cases sampled (i.e., data reliability).

FIS's sampling universe consisted of 103,369 fieldwork intensive background investigations that were allegedly dumped by USIS between March 2008 and September 2012, and also reviewed and closed by USIS under the support services contract. The universe was stratified based on the type of background investigation, the seriousness of issues identified during the background investigation (moderate or elevated), and the fiscal year (FY) in which the case was closed. Cases from FYs 2008 and 2009 were combined since those cases were considered of lower risk. Cases from FYs 2011 and 2012 were also grouped together because there were very few dumped background investigations in 2012.

The strata were proportionally sampled by FIS based on risk – FYs 2008 and 2009 cases and suitability cases were sampled at a lower rate because they were viewed to be potentially of less concern. Cases reviewed for Top Secret clearance eligibility, or involving elevated final case closing seriousness codes, were sampled at a higher rate. The statistical estimation of the sampling results was appropriately weighted based on the sampling rates amongst the various strata.

Based on our review of the statistical sampling methodology used for FIS's Quality Assessment, nothing came to our attention to indicate that it was not consistent with principles of statistical sampling. In addition, we sought the opinion of the U.S. Department of Veterans Affairs (VA) OIG's Office of Statistical Operations to further validate our sampling methodology. The VA OIG determined that the "sampling methodologies selected are appropriate to compute statistically valid estimates."

After reviewing FIS's statistical sampling methodology, we judgmentally selected a sample of 120 of the 1,100 cases reviewed by FIS during its Quality Assessment.³ We reviewed all available documentation relevant to these cases in order to determine whether we concurred with FIS's conclusions regarding the quality of each case in our sample.

³ For the 110 background investigations, we randomly selected 10 percent of cases from each strata field. We also judgmentally selected an additional 10 background investigations that were deemed *Incomplete, but Acceptable* by the Department of Defense's Memorandum and *Unacceptable* in FIS's Quality Assessment.

FINDINGS:

Based on our analysis of the background investigations we reviewed, we disagree with FIS's Quality Assessment results, as described in the below Findings.⁴

Improper use of Department of Defense (DoD) Memorandum

- FIS's Quality Assessment methodology included utilizing guidance contained in a DoD Memorandum, dated March 10, 2010, to categorize certain cases as Incomplete per FIS's quality standards, but still Acceptable for Adjudication. We raised no objection to this approach when FIS initially described the protocols for its Quality Assessment, as it provided a means of categorizing potential quality issues by severity. However, after analyzing the cases in our sample, we do not agree with how FIS applied the DoD Memorandum during its Quality Assessment. Specifically, the DoD Memorandum indicates that an explanation should be provided in the background investigation report when information is missing or incomplete. Our sample included 13 cases which FIS categorized as *Incomplete, but Acceptable for Adjudication* per the DoD Memorandum. We do not concur with FIS on any of these cases because no explanation or "Investigator's Note" was provided to explain the missing coverage. Therefore, we believe these cases should have been categorized as *Unacceptable*.
- We are also concerned that FIS used the DoD Memorandum as a blanket justification for the incomplete background investigations of other independent, non-DoD entities when it should have applied only to DoD background investigations.
- Finally, we observed that the DoD Memorandum was not an agreement between DoD and OPM, but rather direction from DoD to its components on whether and how to adjudicate background investigation reports that were Incomplete. We recognize that categorizing certain cases in FIS's Quality Assessment as *Incomplete, but Acceptable for Adjudication* has value for FIS when attempting to determine the severity of quality issues and whether corrective action is required. However, the fact remains that all of the background investigations so categorized failed to meet FIS's established quality standards, and the quality issues in these cases should have been identified and corrected during the original closing review process by FIS.

FIS's Response:

"Your memorandum indicated that you had no objection to the approach whereby FIS used the March 10, 2010 DoD Memorandum to categorize certain cases as *Incomplete but still Acceptable for Adjudication*. You also indicated that you do not agree with how FIS applied the 2010 DoD Memorandum during the Quality Assessment. It is difficult to understand why you found that we improperly used the DoD Memorandum, as the methodology for our

⁴ Refer to Attachment 3 for further details

Quality Assessment was developed in coordination with your office, OPM's Office of Planning and Policy Analysis (PPA) and the Chief of Staff at OPM. During the period February through April of 2014, there were several teleconferences and email exchanges among the four parties to discuss the methodology for selecting the sample population of investigations for review as well as the criteria for the analysis of these investigations. We sought transparency and collaboration prior to the FIS review and provided detailed documentation of our review process and methodology to the OIG. We also provided your office the 2010 DoD Memorandum and indicated how we used it to provide a defined three-tiered metric for assessing the degree to which information was missing from these investigations. As stated in your letter, this methodology was generally agreed upon by both parties at the time the FIS review commenced. As such, we proceeded with our review using this documented and agreed-upon methodology.

Subsequent to the completion of the FIS review, the OIG requested that FIS provide training for selected OIG personnel so that they could begin an independent evaluation of FIS's results. In March 2015, FIS personnel provided two days of high-level training for three OIG staff members on the investigative requirements for the case types in the selected sample. FIS also provided office space for three to four OIG staff members for the period of March 17, 2015 to April 8, 2015, while they conducted the special review of 120 investigations selected from the FIS sample of 1,100 investigations. During this time, the OIG and FIS staff enjoyed a collaborative working relationship and met several times each week to discuss specific case scenarios, as well as FIS investigative and operational policies. FIS personnel also explained to OIG staff the rationale for using the March 2010 DoD Memorandum to categorize the completeness of investigations within the sample.

Another of your concerns was that FIS used the DoD Memorandum as "blanket justification" for incomplete background investigations for non-DoD entities when it should not have been applied to these entities. We would like to reiterate that the DoD Memorandum was not used as a "blanket justification" for either DoD or non-DoD entities, but as stated above, the criteria in the memorandum was used as a standardized gradient measure of the information missing from all investigations, regardless of requesting agency. As previously noted by both OIG and FIS, this methodology was mutually agreed to at the onset of the sampling.

Your third point related to this finding is that the DoD Memorandum was not an agreement between DoD and OPM, but direction from DoD to its components on how and when to adjudicate incomplete investigations. We concur and recognize this fact. We agree that cases categorized as incomplete failed to meet OPM quality standards and as a result, our assessment included these cases in the approximate 10% of investigations that were not closed in accordance with the USIS support contract. However, it is important to note that while we do agree that the DoD Memorandum was a directive to its various components regarding adjudication of incomplete investigations, the memorandum is just that; guidance to the DoD components on how to adjudicate investigations that although technically incomplete, are sufficient enough to render determinations in accordance with established adjudicative guidelines."

OIG's Reply:

We acknowledge that we knew it was FIS's intent to use the March 10, 2010 DoD Memorandum during its Quality Assessment. However, that does not mean we were going to automatically agree with FIS's interpretation of how the DoD Memorandum was used in the Quality Assessment, without a complete understanding of its use. In addition, in the OIG's memorandum, dated April 7, 2014, we informed FIS that "Once the FIS review is complete, we intend to perform a subsequent independent evaluation of FIS's work, and therefore request that FIS maintain all relevant documentation and artifacts relevant to its review." Therefore, we are not persuaded by FIS's argument that prior discussions of FIS's proposed methodology negate our findings regarding how the DoD Memorandum was actually used. Once we fully evaluated FIS' Quality Assessment process, we determined that FIS's methodology regarding the use of the DoD Memorandum was not a proper application, because: (1) there were no investigator's notes for the background investigations as required; (2) it was not intended for non-DoD agencies; and, (3) while the DoD Memorandum does have value as a "standardized gradient measure of the information missing," the fact remains that the background investigations did not meet FIS's Quality Standards.

Inaccurate Conclusions on Background Investigations

- We identified five background investigations in the sample that FIS deemed *Complete/Justified* where we did not reach the same conclusion. In our opinion, the five background investigations were *Unacceptable* and did not meet FIS's quality standards for background investigations, [REDACTED] due to missing law enforcement checks and employment records.⁵
- In addition, we concluded one background investigation in the sample met FIS's quality standards and should have been categorized as *Acceptable*; however, FIS concluded it was *Unacceptable*.

FIS's Response:

"Your review identified six background investigations where you did not agree with the conclusions made in our assessment. We agree that in these six cases our findings were inaccurate based on OPM's operational guidance. We agree with your assessment that the evaluation was complicated by the fact that, in four of the five cases identified with missing law coverage, the coverage was not missing in its entirety and was provided in part."

⁵ To clarify, law enforcement checks were not missing in their entirety; instead, in four out of the five cases, several law enforcement checks were required such as state, city, or military base, and only one of those required checks was missing. The one remaining case was missing an employment record.

Lack of Documentation

- In three sample cases we reviewed, FIS had identified issues in the previous background investigations and was unable to provide them for our review. [REDACTED]

[REDACTED] FIS's Quality Assessment deemed these cases as *Complete/Justified*. However, we believe that FIS cannot reach a conclusion on the quality of a dumped investigation without having all of the documentation that was available at the time the investigation was initially completed, especially when the prior background investigation contained derogatory information.

FIS's Response:

“You found that in three investigations there were prior files with issues that were not provided as part of your review and that FIS could not reach a conclusion on the quality of an investigation without the prior file for review. The FIS review relied on the issue code information available for each item in the Personnel Investigations Processing System (PIPS) for these prior investigations to reach reasonable conclusions. Using that data for these three particular investigations, there was no indication that prior issues persisted into the current investigation. In addition, all of the prior investigations were adjudicated favorably and the issues in the prior investigations were coded as non-actionable at the time the investigations were previously closed. As you noted in your findings, the purpose of reviewing prior files is to determine if issues present during a prior investigation could impact the current investigation. While in three documented cases FIS was unable to review the prior files in their entirety, FIS did meet the intent of the procedure and reviewed the prior investigation to determine if any issues that could impact the current investigation were present. Since, in each of the three cases, the prior investigations were each favorably adjudicated and found to contain no actionable issues, FIS did in fact review the prior files to establish no issues were present that would impact the current investigations. Therefore, we disagree with this finding.”

OIG's Reply:

We strongly believe it is imperative that FIS obtain the previous background investigation files of cases with issues in their entirety, rather than relying on the Personnel Investigations Processing System's issue codes and favorable agency adjudications. In our opinion, physically reviewing the previous background investigation is the only way to accurately determine if prior issues persist into the current background investigation. Furthermore, a previous favorable adjudication does not exempt FIS from following its own policies and procedures, [REDACTED]

In addition, we feel that apart from the OPM policy and procedures requirement, not reviewing prior background investigations in their entirety leaves OPM susceptible to missing key issues and identifying patterns of behavior that could potentially impact current background investigations. As a hypothetical example, if the subject of a background investigation was found to be a recovering alcoholic with no sign of alcohol abuse or treatment during the coverage period, the subject's background investigation may have been favorably adjudicated with few, if any, issue codes. That does not preclude the possibility of a later relapse, and if the prior background investigation file was not reviewed during the current investigation, the prior history may be overlooked.

CONCLUSION:

We disagree with FIS's Quality Assessment results because we identified 21 background investigations (18 percent of our sample of 120) that FIS deemed *Acceptable* but which we believe were not in compliance with FIS's background investigations quality standards. In addition, we identified one case that met FIS's quality standards, however, FIS concluded it was *Unacceptable*.

It is important to note that we did not attempt to assess the severity of the quality issues in those background investigations where our conclusions differed from FIS's because our intent was only to analyze the validity and objectivity of FIS's Quality Assessment, and not to make a new assessment. Additionally, we recognize that the adjudicating agencies that received these background investigations made individual assessments and final adjudications of these cases and could have returned the background investigations to OPM, if the adjudicators found the background investigations were of insufficient quality for adjudication. However, it remains FIS's responsibility to provide a complete background investigation to the customer agency.

Finally, we take issue with FIS's statement that "It does not appear there was any effort on the part of USIS to intentionally close investigations and not refer those meeting criteria to the federal staff." In our opinion, FIS's Quality Assessment was not designed in a manner that would allow such a conclusion to be drawn since there was no comparison between the background investigations that were dumped by USIS and those that were not.

RECOMMENDATION:

We recommend that FIS evaluate the 103,369 dumped background investigations, as follows:

- If or when the subjects of those background investigations are submitted for reinvestigation, FIS should determine if there was any missing coverage in the dumped investigations and, if so, FIS should schedule those missing items as part of the reinvestigation.
- For those subjects who have already been reinvestigated since the identification of USIS's alleged misconduct, FIS should determine if there was any missing coverage in the dumped investigations and, if so, schedule those missing items as soon as possible.

FIS's Response

“We do not agree with the draft recommendation to evaluate and potentially reopen 103,369 dumped background investigations as the scale of such a recommendation is not commensurate with the findings reflected in your draft memorandum. As previously stated, your review essentially identified only six background investigations where you did not reach the same conclusion as our review. The primary basis for your disagreement with our assessment is based on 13 investigations that we categorized as *Incomplete but Acceptable for Adjudication* that you concluded should have been rated as *Unacceptable*, although doing so would have been inconsistent with the mutually agreed-upon methodology for the assessment. In addition, none of the quality errors in any of the sampled investigations were significant enough for the adjudicating agencies to request that the investigations be reopened. The issue at hand is 13 investigations that are missing an Investigator Note to explain the absence of otherwise required coverage. All of these investigations at issue were adjudicated by the requesting agency without any requests for corrections or additional work by the requesting agency. An Investigator's Note does not provide any additional coverage, but serves to document and/or explain why otherwise required coverage is missing. Therefore, the substantive and adjudicative information within each of the 13 investigations would remain unchanged.

The re-evaluation of over 103,000 investigations because 13 investigations that we acknowledge contained quality errors, but in your view were not categorized properly, is not feasible. Evaluating these investigations to determine the potential for missing investigative coverage that is unlikely to change an adjudicative outcome would require an excessive number of resources that would be diverted from FIS's primary and critical function of providing background investigations in a timely manner to over 95% of the Federal Government.

An alternative recommendation arising from the FIS review and the OIG analysis of that review, and one that has already been implemented, would be that FIS implement a fully federalized investigative review process where all investigations receive a complete federal review before delivery to the customer agency. In addition, it should be noted that FIS did not renew the USIS fieldwork or USIS support contracts in September 2014.”

OIG's Reply:

We do not expect and did not recommend that FIS reopen 103,369 background investigations. We do recommend that FIS perform an evaluation in order to categorize and flag those dumped investigations due to the risk of quality errors. The recommended categorization will: 1) identify and address those which have already been reinvestigated, and 2) identify and flag those which have not been reinvestigated yet, so that they receive additional scrutiny when FIS next has occasion to open an investigation on that subject. This will allow FIS the opportunity to address any issues and to apply additional scrutiny to these background investigations that may not have had proper review. We want to ensure that FIS does its due diligence in ensuring individuals are suitable for the clearances for which they are sponsored.

Further, FIS's statement that “The issue at hand is 13 investigations..” disregards the fact that only a sample of cases was reviewed. These 13 cases represent more than 10 percent of the

sample reviewed, and while this error rate cannot be projected to the full population, it does provide an indication that a large number of cases may have contained “quality errors.”

In addition, we acknowledge FIS’s intent to implement a fully Federal review process; however, we do not feel a future implementation retroactively addresses potential discrepancies in those 103,369 background investigations. Therefore, we stand by our initial recommendation.

Please contact me, at (202) 606-1200, if you have any questions, or someone from your staff may wish to contact Michael R. Esser, Assistant Inspector General for Audits, at [REDACTED], or Michelle Schmitz, Assistant Inspector General for Investigations, at [REDACTED].

Attachments

cc: Chris Canning
Acting Chief of Staff

Mark W. Lambert
Associate Director, Merit System Accountability and Compliance

Janet L. Barnes
Director, Internal Oversight and Compliance



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

Office of the
Inspector General

April 7, 2014

MEMORANDUM FOR JEFFREY C. FLORA

Deputy Associate Director, Quality
Federal Investigative Services

FROM:

LEWIS F. PARKER, Jr. *LP*
Deputy Assistant Inspector General for Audits
Office of the Inspector General

KIMBERLY A. HOWELL *KHM*
Deputy Assistant Inspector General for Investigations
Office of the Inspector General

SUBJECT: Review of USIS Dumped Background Investigation Cases

The purpose of this memorandum is to communicate the Office of the Inspector General's (OIG) comments related to the Federal Investigative Service's (FIS) proposed review of background investigation cases performed by a contractor, United States Investigations Services (USIS), that were allegedly closed without an adequate quality review ("dumped" cases).

FIS intends to select a sample of dumped cases to be subject to an evaluation by FIS's Quality Assurance. While we generally agree with FIS's proposed methodology for this review, we have one recommendation related to this process. FIS planned to exclude cases from 2008 and 2009 from the sample population because individuals investigated in 2008 should have been subject to a re-investigation in 2013, and those from 2009 should be re-investigated in 2014. However, FIS is unable to determine which specific individuals have, in fact, been re-investigated, so we recommend that all cases from 2008 and 2009 be included in the sample universe.

We request that FIS formally document the details of its final sampling methodology and quality review process, and provide this information to the OIG in advance of starting its review. Once the FIS review is complete, we intend to perform a subsequent independent evaluation of FIS's work, and therefore request that FIS maintain all relevant documentation and artifacts relevant to its review.

Please note that the OIG's support of this current FIS quality review does not indicate that our office will not perform future audits, evaluations, or reviews of the USIS dumped cases or the FIS background investigation process as a whole.

Please contact us if you have any questions regarding this memo, or your staff may wish to contact [REDACTED], Special Agent in Charge on [REDACTED], or [REDACTED], Chief, Information Systems Audits Group, on [REDACTED].

Jeffrey C. Flora

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cc: Ann Marie Habershaw
Chief of Staff

Norbert E. Vint
Deputy Inspector General

Merton W. Miller
Associate Director
Federal Investigative Services

Michelle Schmitz
Assistant Inspector General for Investigations
Office of the Inspector General

Michael R. Esser
Assistant Inspector General for Audits
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██████████ ██████████
Special Agent in Charge
Office of the Inspector General

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Chief, Information Systems Audits Group
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Federal Investigative Services

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Manager, Survey Analysis
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Federal Investigative
Services

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

April 11, 2014

MEMORANDUM FOR

██████████ ██████████
Special Agent in Charge
Office of the Inspector General

FROM:

JEFFREY C. FLORA 
Deputy Associate Director, Quality
Federal Investigative Services

SUBJECT:

Proposed FIS Review

Per your request, the purpose of this memorandum is to formally document the details of the Federal Investigative Services' (FIS) proposed review of background investigations submitted by United States Investigations Services (USIS) that allegedly did not receive a contractually required quality review (hereafter referred to as "dumped" cases). The review will cover alleged dumped investigations closed by USIS contractor personnel during the period March 2008 to September 2012, and will be conducted at the FIS office in Ft. Meade, Maryland.

Objective

The objective of our review will be to evaluate the overall quality of a sample of dumped investigations from the population of upper level case types (i.e., all case types that include fieldwork except NACLC/ANACI) closed by USIS contractor personnel during the period March 2008 to September 2012. This review is focused on the investigations closed by USIS, as the Congressional Committee on Oversight and Government Reform is particularly concerned that these dumped investigations were being reviewed by the same company, USIS, which allegedly dumped them. Examining the contractor-closed investigations will allow us to direct the analysis toward any potential conflict of interest issues that may exist in these investigations. These objectives will be met by a review and analysis of a statistically valid sample selected from the upper level case type population of dumped investigations closed by USIS.

Sampling Methodology

The sampling methodology for this review was provided by the Policy Planning and Analysis (PPA) staff and is included as an attachment.

Quality Review Process

The selected sample of investigations will be reviewed by investigation case analysts at the Ft. Meade FIS office. The analysts will review each investigation closed by the USIS contractors from the Closing Authorization and Support Team (CAST) to determine if the investigations were closed in accordance with policies and procedures in effect at the time the cases were closed.

To conduct this review, the analysts will use criteria reflected in the following documentation:

- [REDACTED]
- Annex A to Director of Central Intelligence Directive 6/4 - *Investigative Standards for Background Investigations for Access to Classified Information*
- DoD Memorandum, "Adjudicating Incomplete Personnel Security Investigations," dated March 10, 2010
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

The analysts will be reviewing the investigations to determine:

1. If CAST performed the closing action in accordance with the criteria provided in the applicable operational instructions.
2. If the overall quality of the cases that did not receive the contractually required review by the field contractor was acceptable.
 - These cases will be evaluated for quality using a three-tiered strategy. Cases will be evaluated and placed in one of three categories based on an assessment of each investigation:
 1. Complete or Justified:
 - Complete – Those investigations in which all required leads/investigative elements are obtained in full. There are no gaps in scope (the timeframe requiring coverage of leads) and any issues present are sufficiently resolved. Since all investigative elements are completed in full, no leads or elements contain an explanation for lacking coverage.
 - Justified – Those investigations in which there are gaps in, or missing required investigative elements. The gaps or missing elements are either: Impossible to obtain (i.e., the leads does not exist and no amount of additional effort would result in obtaining the lead), or reasonably exhaustive efforts were made to fill the gap or obtain the coverage, but the efforts were unsuccessful. The gaps in coverage or missing elements are accompanied by a sufficient explanation which details the efforts made to obtain the element and why those efforts were unsuccessful. Any issues present are sufficiently resolved to the extent possible.

2. Investigations with incomplete or missing information, but may be adjudicated per established DoD guidance (Reference: DoD Memorandum "Adjudicating Incomplete Personnel Security Investigations, dated March 10, 2010);
3. Coverage is missing without explanation or issues are not sufficiently resolved (excluding the exceptions noted in 2. above) These investigations will be evaluated against clearance databases to determine if clearances have been granted erroneously or if additional work was performed by the adjudicator.

Please contact me at [REDACTED] or [REDACTED] at [REDACTED] if you have any questions regarding this memorandum.

Attachment:

FIS Investigation Audit Sampling Methodology

**cc: Ann Marie Habershaw
Chief Of Staff**

**Norbert E. Vint
Deputy Inspector General**

**Merton W. Miller
Associate Director
Federal Investigative Services**

**Michelle Schmitz
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**Michael R. Esser
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**Kimberly A. Howell
Deputy Assistant Inspector General for Investigations
Office of the Inspector General**

**Lewis F. Parker, Jr.
Deputy Assistant Inspector for Audits
Office of the Inspector General**

[REDACTED]
**Chief, Information Systems Audit Group
Office of the Inspector General**

FIS Investigation Audit Sampling Methodology

Survey Analysis
Planning and Policy Analysis
April 10, 2014

Background

The purpose of this document is to detail the methodology behind selecting a sample of background investigations that were allegedly “dumped” by a sub-contractor between March 2008 and September 2012. The first portion of the document describes the methods used to draw a stratified, random sample of 1,096 NACL and ANACI investigations for re-review. The second portion of the document describes the *proposed* methods to select stratified, random sample of 1,100 investigations from a complementary population of investigations (i.e., those not classified as a NACL or ANACI).

Sampling Methods

Round 1: NACL and ANACI Investigations

FIS provided the Survey Analysis (SA) group of Planning and Policy Analysis a cleaned *sample frame*, or comprehensive list of the 77,333 investigations eligible to be audited. The file contained a unique investigation identifier, an indication as to whether it was a NACL or ANACI investigation, and a closing date of the investigation. SA imported the raw data into the statistical software package SAS® and grouped the investigations into mutually exclusive and exhaustive set of grouping, or *strata*. Table 1a shows the original set of population counts broken out by investigation type and calendar year, and Table 1b shows how these were collapsed to form six strata. Table 1b also includes the stratum sample sizes. Specifically, within each stratum, an independent sample was selected using the SURVEYSELECT procedure in SAS, which has a built-in randomized algorithm SA has utilized for a variety of sampling efforts, such as the Federal Employee Viewpoint Survey (FEVS).

Some of the benefits of stratified random sampling design are as follows:

- Enables more control over the types of cases sampled.
- Increased precision for the overall estimated proportion (i.e., a narrower confidence interval).
- There is no need to sample from each stratum at a uniform rate. If there are investigations of particular analytic interest or of heightened concern that can be pre-identified on the sample frame, they can be oversampled relative to other investigations.

The sample allocation shown in Table 1b was developed after deliberating with subject matter experts in FIS. The more recently completed investigations were sampled at a higher rate relative to those completed earlier. And there were so few cases from 2012 that it was considered most appropriate to census those cases.

The key statistic to be estimated from the sample is the percentage (synonymously, a proportion or rate) of investigations that had the potential for an improper e-adjudication. The difficulty associated with designing a sample that targets specific precision levels (e.g., a maximum margin of error) for this kind of statistic is that the precision is a function of the estimated percentage itself, a byproduct of which is not known for sure until the sample has been drawn and the data collected. Nonetheless, after working through some “what-if” scenarios and consulting reports from comparable audits conducted by GAO, the level of precision to be achieved from the design summarized by Table 1b appeared more than sufficient.

Attachment 1

Table 1a: Population Counts of NACLC and ANACI Investigations

Type: NACLC		
Year	Count	Population Percent
2008	21,124	27.3%
2009	20,641	26.7%
2010	12,849	16.6%
2011	12,124	15.7%
2012	278	0.4%
Subtotal	67,016	86.7%

Type: ANACI		
Year	Count	Population Percent
2008	2,995	3.9%
2009	3,064	4.0%
2010	2,412	3.1%
2011	1,828	2.4%
2012	18	0.0%
Subtotal	10,317	13.3%

Total	77,333	
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Table 1b: Stratum Counts and Sample Sizes of NACLC and ANACI Investigations

Type: NACLC			
Year	Population Percent	Sample	Sample Rate
2008-2009	41,765	300	0.7%
2010-2011	24,973	300	1.2%
2012	278	278	100.0%
Subtotal	67,016	878	1.3%

Type: ANACI			
Year	Population Percent	Sample	Sample Rate
2008-2009	6,059	100	1.7%
2010-2011	4,240	100	2.4%
2012	18	18	100.0%
Subtotal	10,317	218	2.1%

Total	77,333	1,096	1.4%
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Attachment1

Although stratification can achieve efficiencies, it complicates the estimation process. Specifically, to account for the disproportionate sample rates, stratum-specific weights must be assigned and utilized during any kind of full-sample analysis. For example, after re-reviewing the 1,096 investigations that were drawn as part of Round 1 of the audit, it was determined that 6 were improperly flagged for potential e-adjudication. The estimated error rate is not simply $6/1,096 = 0.5474\%$, but a weighted average that compensates for the disparate representation of strata in the sample. The estimated error rate accounting for the sample design was somewhat higher, 0.8630%.

Round 2: Non-NACLC and Non-ANACI Investigation Types

In this section we outline our proposed methods for sampling the complementary investigation types, those not classified as either a NACLC or an ANACI. As in Round 1, FIS has provided SA a cleaned sample frame containing a unique investigation identifier and the following variables that are candidates for the stratification scheme: (1) investigation close date; (2) investigation type; and (3) seriousness code. Because there were numerous investigation types and case seriousness codes, many of which were similar in nature, SA consulted with subject matter experts in FIS to dichotomize them as follows:

Investigation Type:

1. *Top Secret*. These consist of the following case types:

- SSBI PR
- Phased PR
- SSBI
- SDI 13-36
- SGI 37-60
- SGI 0-36

2. *Suitability*. These consist of the following case types:

- PRI
- PRI R
- MBI
- LBI
- LDI 13-36
- BI
- BDI 13-36
- PTSBI
- BGI 0-36
- RSI

Seriousness Code:

1. *Moderate*. These consist of the following codes:

- A = There are potentially actionable issues which, standing alone, would not be considered disqualifying under security/suitability considerations.
- B= There are potentially actionable issues which, standing alone, would probably not be disqualifying under security/suitability considerations.
- G = There are no issues
- R = There are no actionable issues

Attachment 1

2. *Elevated*. These consist of the following codes:

- E = There are other matters, such as qualifications, medical issues, or inconclusive results, that may affect your determination.
- W = (This code is no longer used) - This investigation developed issues which, depending on the mission of your organization and/or the duties of the position, you may wish to consider when making the suitability/security determination in this case.

The population counts and proposed sample design for these strata are summarized in Tables 2a and 2b, respectively. The overall sample size proposed (1,100) is very similar to that from Round 1 (1,096). Also similarly to Round 1, we propose grouping investigations by close date, but with a somewhat different collapsing routine. Aside from the fiscal year delineation as opposed to calendar year, we propose grouping the very small number of investigations from 2012 with those from 2011, as well as those from 2008 with those from 2009. This is because the investigations conducted in 2008 are scheduled for re-investigation in 2013, and those conducted in 2009 are scheduled for a re-investigation in 2014, both of which will involve a Federal review. Because these are potentially of less concern, they will be sampled at a lower rate than the more recently completed investigations. The design also places a greater emphasis on top secret investigation types and those with elevated seriousness codes.

Table 2a: Population Counts of Non-NACLC and Non-ANACI Investigations

Year: 2008

Type	Seriousness	Count	Population Percent
Suitability	Moderate	2,278	2.2%
Suitability	Elevated	3,869	3.7%
Top Secret	Moderate	9,009	8.7%
Top Secret	Elevated	13,911	13.5%
Subtotal		29,067	28.1%

Year: 2009

Type	Seriousness	Count	Population Percent
Suitability	Moderate	2,520	2.4%
Suitability	Elevated	5,474	5.3%
Top Secret	Moderate	9,067	8.8%
Top Secret	Elevated	21,827	21.1%
Subtotal		38,888	37.6%

Attachment1

Year: 2010

Type	Seriousness	Count	Population Percent
Suitability	Moderate	3,126	3.0%
Suitability	Elevated	4,924	4.8%
Top Secret	Moderate	4,624	4.5%
Top Secret	Elevated	14,106	13.6%
Subtotal		26,780	25.9%

Year: 2011

Type	Seriousness	Count	Population Percent
Suitability	Moderate	234	0.2%
Suitability	Elevated	77	0.1%
Top Secret	Moderate	4,949	4.8%
Top Secret	Elevated	3,250	3.1%
Subtotal		8,510	8.2%

Year: 2012

Type	Seriousness	Count	Population Percent
Suitability	Moderate	0	0.0%
Suitability	Elevated	0	0.0%
Top Secret	Moderate	70	0.1%
Top Secret	Elevated	54	0.1%
Subtotal		124	0.1%
Total		103,369	

Table 2b: Stratum Counts and Sample Sizes of Non-NACLC and Non-ANACI Investigations

Year: 2008-2009

Type	Seriousness	Count	Population Percent	Sample	Sample Rate
Suitability	Moderate	4,798	4.6%	50	1.0%
Suitability	Elevated	9,343	9.0%	50	0.5%
Top Secret	Moderate	18,076	17.5%	100	0.6%
Top Secret	Elevated	35,738	34.6%	250	0.7%
Subtotal		67,955	65.7%	450	0.7%

Attachment1

Year: 2010

Type	Seriousness	Count	Population Percent	Sample	Sample Rate
Suitability	Moderate	3,126	3.0%	50	1.6%
Suitability	Elevated	4,924	4.8%	50	1.0%
Top Secret	Moderate	4,624	4.5%	75	1.6%
Top Secret	Elevated	14,106	13.6%	225	1.6%
Subtotal		26,780	25.9%	400	1.5%

Year: 2011-2012

Type	Seriousness	Count	Population Percent	Sample	Sample Rate
Suitability	Moderate/Elevated	311	0.3%	50	16.1%
Top Secret	Moderate	5,019	4.9%	100	2.0%
Top Secret	Elevated	3,304	3.2%	100	3.0%
Subtotal		8,634	8.4%	250	2.9%
Total		103,369		1,100	1.1%

OIG QUALITY ASSESSMENT RESULTS					
OIG COUNT	CASE NUMBER	CASE NAME	FIS' QUALITY ASSESSMENT RESULTS	OIG ASSESSMENT RESULTS	OIG COMMENTS
1	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
2	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
3	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
4	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	<ul style="list-style-type: none"> The employment record for the [REDACTED] was not obtained. In addition, FIS' was unable to provide the previous background investigation for our review. This case should be marked as "unacceptable" in FIS' quality assessment results.
5	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
6	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	FIS' was unable to provide the previous background investigation for our review. We are unable to make a conclusion without the previous background investigation. This case should be marked as "unacceptable" in FIS' quality assessment results.
7	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	The law check for [REDACTED] Superior Court was not scheduled to obtain coverage. This case should be marked as "unacceptable" in FIS' quality assessment results.
8	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	FIS' was unable to provide the previous background investigation for our review. We are unable to make a conclusion without the previous background investigation.
9	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	The law check for [REDACTED] military base was not scheduled to obtain coverage. This case should be marked as "unacceptable" in FIS' quality assessment results.
10	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	The law check for [REDACTED] Texas military base was not scheduled to obtain coverage. This case should be marked as "unacceptable" in FIS' quality assessment results.
11	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
12	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
13	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	FIS' was unable to provide the previous background investigation for our review. We are unable to make a conclusion without the previous background investigation. This case should be marked as "unacceptable" in FIS' quality assessment results.
14	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.

15	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
16	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
17	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
18	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
19	[REDACTED]	[REDACTED]	Unacceptable	Acceptable	We determined the case meets FIS' quality standards, therefore, the case should be marked as "Acceptable" in FIS' quality assessment results.
20	[REDACTED]	[REDACTED]	Complete/Justified	Unacceptable	The law check was scheduled for [REDACTED] and the case was closed with the law check pending. Therefore, we cannot determine if the law check was favorable or had issues. This case should be marked as "unacceptable" in FIS' quality assessment results.
21	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.
22	[REDACTED]	[REDACTED]	Incomplete but Acceptable	Unacceptable	The DoD memo was not used properly. This case should be marked as "unacceptable" in FIS' quality assessment results.



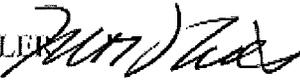
UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Federal Investigative
Services

July 1, 2015

MEMORANDUM FOR MICHELLE SCHMITZ
Assistant Inspector General for Investigations

MICHAEL R. ESSER
Assistant Inspector General for Audits

FROM: MERTON W. MILLER 
Associate Director
Federal Investigative Services

SUBJECT: OPM Response to the OIG's Special Review of OPM's Quality
Assessment of USIS's Background Investigations
(Report No. 4A-RS-00-15-014)

Thank you for giving the Federal Investigative Services (FIS) the opportunity to comment on the Office of Personnel Management's (OPM) Office of the Inspector General (OIG) draft memorandum of findings from the special review of OPM's Quality Assessment of US Investigations Service (USIS) background investigations. We are committed to continuing to work with you in our efforts to improve the quality of FIS background investigations.

OIG Finding #1*Improper Use of Department of Defense (DoD) Memorandum*

Your memorandum indicated that you had no objection to the approach whereby FIS used the March 10, 2010 DoD Memorandum to categorize certain cases as Incomplete but still Acceptable for Adjudication. You also indicated that you do not agree with how FIS applied the 2010 DoD Memorandum during the Quality Assessment. It is difficult to understand why you found that we improperly used the DoD Memorandum, as the methodology for our Quality Assessment was developed in coordination with your office, OPM's Office of Planning and Policy Analysis (PPA) and the Chief of Staff at OPM. During the period February through April of 2014, there were several teleconferences and email exchanges among the four parties to discuss the methodology for selecting the sample population of investigations for review as well as the criteria for the analysis of these investigations.¹ We sought transparency and collaboration prior to the FIS review and provided detailed documentation of our review process and methodology to the OIG. We also provided your office the 2010 DoD Memorandum and indicated how we used it to provide a defined three-tiered metric for assessing the degree to which information was missing from these investigations. As stated in your letter, this

¹ Attachment 1 documents the coordination efforts that occurred prior to FIS's Quality Assessment.

methodology was generally agreed upon by both parties at the time the FIS review commenced. As such, we proceeded with our review using this documented and agreed-upon methodology.

Subsequent to the completion of the FIS review, the OIG requested that FIS provide training for selected OIG personnel so that they could begin an independent evaluation of FIS's results. In March 2015, FIS personnel provided two days of high-level training for three OIG staff members on the investigative requirements for the case types in the selected sample. FIS also provided office space for three to four OIG staff members for the period March 17, 2015 to April 8, 2015, while they conducted the special review of 120 investigations selected from the FIS sample of 1,100 investigations. During this time, the OIG and FIS staff enjoyed a collaborative working relationship and met several times each week to discuss specific case scenarios, as well as FIS investigative and operational policies. FIS personnel also explained to OIG staff the rationale for using the March 2010 DoD Memorandum to categorize the completeness of investigations within the sample.

Another of your concerns was that FIS used the DoD Memorandum as "blanket justification" for incomplete background investigations for non-DoD entities when it should not have been applied to these entities. We would like to reiterate that the DoD Memorandum was not used as a "blanket justification" for either DoD or non-DoD entities, but as stated above, the criteria in the memorandum was used as a standardized gradient measure of the information missing from all investigations, regardless of requesting agency. As previously noted by both OIG and FIS, this methodology was mutually agreed to at the onset of the sampling.

Your third point related to this finding is that the DoD Memorandum was not an agreement between DoD and OPM, but direction from DoD to its components on how and when to adjudicate incomplete investigations. We concur and recognize this fact. We agree that cases categorized as incomplete failed to meet OPM quality standards and as a result, our assessment included these cases in the approximate 10% of investigations that were not closed in accordance with the USIS support contract. However, it is important to note that while we do agree that the DoD Memorandum was a directive to its various components regarding adjudication of incomplete investigations, the memorandum is just that; guidance to the DoD components on how to adjudicate investigations that although technically incomplete, are sufficient enough to render determinations in accordance with established adjudicative guidelines.

OIG Finding #2

Inaccurate Conclusions on Background Investigations

Your review identified six background investigations where you did not agree with the conclusions made in our assessment. We agree that in these six cases our findings were inaccurate based on OPM's operational guidance. We agree with your assessment that the evaluation was complicated by the fact that, in four of the five cases identified with missing law coverage, the coverage was not missing in its entirety and was provided in part.

OIG Finding #3

Lack of Documentation

You found that in three investigations there were prior files with issues that were not provided as part of your review and that FIS could not reach a conclusion on the quality of an investigation without the prior file for review. The FIS review relied on the issue code information available for each item in the Personnel Investigations Processing System (PIPS) for these prior investigations to reach reasonable conclusions. Using that data for these three particular investigations, there was no indication that prior issues persisted into the current investigation. In addition, all of the prior investigations were adjudicated favorably and the issues in the prior investigations were coded as non-actionable at the time the investigations were previously closed. As you noted in your findings, the purpose of reviewing prior files is to determine if issues present during a prior investigation could impact the current investigation. While in three documented cases FIS was unable to review the prior files in their entirety, FIS did meet the intent of the procedure and reviewed the prior investigation to determine if any issues that could impact the current investigation were present. Since, in each of the three cases, the prior investigations were each favorably adjudicated and found to contain no actionable issues, FIS did in fact review the prior files to establish no issues were present that would impact the current investigations. Therefore, we disagree with this finding.

OIG Conclusion

We do not agree with the draft recommendation to evaluate and potentially reopen 103,369 dumped background investigations as the scale of such a recommendation is not commensurate with the findings reflected in your draft memorandum. As previously stated, your review essentially identified only six background investigations where you did not reach the same conclusion as our review. The primary basis for your disagreement with our assessment is based on 13 investigations that we categorized as Incomplete but Acceptable for Adjudication that you concluded should have been rated as Unacceptable, although doing so would have been inconsistent with the mutually agreed-upon methodology for the assessment. In addition, none of the quality errors in any of the sampled investigations were significant enough for the adjudicating agencies to request that the investigations be reopened. The issue at hand is 13 investigations that are missing an Investigator Note to explain the absence of otherwise required coverage. All of these investigations at issue were adjudicated by the requesting agency without any requests for corrections or additional work by the requesting agency. An Investigator's Note does not provide any additional coverage, but serves to document and/or explain why otherwise required coverage is missing. Therefore, the substantive and adjudicative information within each of the 13 investigations would remain unchanged.

The re-evaluation of over 103,000 investigations because 13 investigations that we acknowledge contained quality errors, but in your view were not categorized properly, is not feasible. Evaluating these investigations to determine the potential for missing investigative coverage that is unlikely to change an adjudicative outcome would require an excessive number of resources that would be diverted from FIS's primary and critical function of providing background investigations in a timely manner to over 95% of the Federal Government.

An alternative recommendation arising from the FIS review and the OIG analysis of that review, and one that has already been implemented, would be that FIS implement a fully federalized investigative review process where all investigations receive a complete federal review before delivery to the customer agency. In addition, it should be noted that FIS did not renew the USIS fieldwork or USIS support contracts in September 2014.

Again, thank you for the opportunity to comment on the draft memorandum. If you have any questions or want to discuss further, please feel free to contact Jeff Flora at [REDACTED].

Attachment I

Documented Joint Efforts between FIS, OIG, PPA and OPM Chief of Staff Prior to FIS Quality Assessment

February 6, 2014 – Conference call was held to discuss the process for selecting the population of USIS “dumped” investigations closed by the support contractor for review. Participants included OPM’s Chief of Staff, personnel from OPM’s Office of Planning and Policy Analysis (PPA) and FIS personnel.

February 18, 2014 – Conference call between FIS and PPA personnel to determine the way forward on selecting a representative sample size for population of cases for this review.

March 10, 2014 – FIS sent an email to PPA and attached spreadsheets containing all of the BI-type investigations dumped by USIS and closed by CAST during the period March 2008 to September 2012 for the purposes of obtaining a statistically valid sample selection.

March 27, 2014 – FIS, PPA and OIG personnel participated in a teleconference to discuss the sampling methodology for this review of cases as well as the criteria for the analysis of the cases.

March 31, 2014 – OIG sent an email to OPM-FIS with a list of questions generated as the result of the March 27th teleconference. Most of the questions were related to the sampling methodology, but the email also requested the March 2010 DoD Memorandum regarding adjudicating incomplete investigations.

April 3, 2014 – FIS, in coordination with the OPM Chief of Staff, provided an email response to the OIG’s questions, and included a copy of the March 2010 DoD Memorandum regarding adjudicating incomplete investigations as well as a document outlining FIS’s quality processes.

April 7, 2014 – OIG provided a memorandum to FIS with comments relating to the OPM-FIS review of the USIS dumped cases. The memorandum indicated the following: “While we generally agree with FIS’s proposed methodology for this review, we have one recommendation related to this process. FIS planned to exclude cases from 2008-2009 from the sample population because individuals investigated in 2008 should have been subject to a re-investigation in 2013, and those from 2009 should be re-investigated in 2014. However, FIS is unable to determine which specific individuals have, in fact, been re-investigated, so we recommend that all cases from 2008 and 2009 be included in the sample universe.” FIS concurred with this recommendation and included cases from the 2008-2009 timeframe per the OIG’s request.

April 10, 2014 – FIS provided a memorandum to the OIG that formally documented the details of the FIS review of the USIS dumped background investigations. The documentation included the sampling methodology, the quality review process and the three-tiered strategy used to evaluate the sampled investigations.

April 11, 2014 – OIG sent an email to FIS regarding the memorandum requesting more specific information regarding the factors that went into the sample-size selection to include confidence level, margin of error, precision, etc.

April 21, 2014 – FIS sent an email to OIG containing information provided by PPA that addressed OIG's questions presented in their April 11th email.

April 23, 2014 – OIG sent an email to FIS indicating: "Thanks for providing this information. Based on this response and the previous documentation that you provided, we are comfortable with your plan for conducting this review. Please let me know if you have any questions. At some point in the near future we would like to meet with you for a status update. Thanks."

April 25, 2014 – FIS personnel commenced the review of the 1,100 investigations jointly selected for the Quality Assessment.