

February 19, 2004



Financial Management

Defense Threat Reduction Agency
Relocation Costs
(D-2004-053)

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Acronyms

DTRA	Defense Threat Reduction Agency
DTSA	Defense Technology Security Administration
NCR	National Capital Region
OIG DoD	Office of the Inspector General of the Department of Defense
SCI	Sensitive Compartmented Information
SPAD	Space Policy and Acquisition Division
WHS	Washington Headquarters Services



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

February 19, 2004

MEMORANDUM FOR DIRECTOR, WASHINGTON HEADQUARTERS SERVICES
DIRECTOR, DEFENSE TECHNOLOGY SECURITY
ADMINISTRATION
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

SUBJECT: Report on Defense Threat Reduction Agency Relocation Costs
(Report No. D-2004-053)

We are providing this report for review and comment. We performed the audit in response to allegations of a potential Antideficiency Act violation when the Defense Threat Reduction Agency relocated its office from Arlington, Virginia to Alexandria, Virginia. We considered management comments on a draft of this report when preparing the final report.

DoD Directive 7650.3 requires that all issues be resolved promptly. Comments received from the Defense Threat Reduction Agency and Defense Technology Security Administration conformed to the requirements of DoD Directive 7650.3; therefore, no additional comments are required. Comments from the Director, Washington Headquarters Services were partially responsive. We request that the Director, Washington Headquarters Services provide additional comments on Recommendation A.1. by March 19, 2004.

We appreciate the courtesies extended to the staff. Questions should be directed to Mr. Henry F. Kleinknecht at (703) 604-9324 (DSN 664-9324) or Mr. Kent E. Shaw at (703) 604-9228 (DSN 664-9228). See Appendix F for the report distribution. The team members are listed inside the back cover.

By direction of the Deputy Inspector General for Auditing:

David K. Steensma

David K. Steensma
Director

Contract Management Directorate

Office of the Inspector General of the Department of Defense

Report No. D-2004-053

February 19, 2004

(Project No. D2002CG-0193)

Defense Threat Reduction Agency Relocation Costs

Executive Summary

Who Should Read This Report and Why? Civil service and uniformed officers involved with managing space should read this report because it addresses congressional restrictions on organizational relocation costs in the National Capital Region.

Background. On July 10, 2002, the Defense Hotline received three allegations forwarded by the General Accounting Office. The primary allegation was that the Defense Technology Security Administration, which was a component of the Defense Threat Reduction Agency, violated the Antideficiency Act by exceeding a congressionally mandated cap on moving expenses within the National Capital Region. The Washington Headquarters Service is responsible for office space management within the National Capital Region.

Allegations. The allegation states that the Defense Technology Security Administration exceeded the \$900,000 budgetary cap imposed by the National Defense Authorization Act* during its move in July 2001 from 400 Army Navy Drive, Arlington, Virginia, to 2850 Eisenhower Avenue, Alexandria, Virginia. By exceeding the cap, the Defense Technology Security Administration violated the Antideficiency Act (section 1341, title 31, United States Code). Another allegation was that the Defense Technology Security Administration obtained sensitive compartmented information clearances for personnel who did not need such access, resulting in excessive costs and a potential security risk. The final allegation was that furniture, partitions, classified safes, and file cabinets were thrown away, excessed, or abandoned to avoid moving costs and replaced by items from funds not affected by the cap and, therefore, circumvented the budgetary constraint that Congress imposed. Also, the new facilities were not structurally capable of supporting the weight of the safes.

Results. The Defense Threat Reduction Agency complied with the intent of the Congressional reporting requirement on moving costs but needed to improve administrative controls over the processing of requests for security clearances. Although the costs of the Defense Threat Reduction Agency move exceeded the \$500,000 cap as stated in the FY 2001 Defense Appropriation Act, we concluded that the Defense Threat Reduction Agency had sufficiently complied with the requirements for a waiver. Section 8021 of the FY 2001 Defense Appropriations Act permits the Secretary of Defense to waive the cap by certifying that the move was in the best interest of the Government and by providing notice about the move to Congress. Improvements were needed, however, in the way that Congress was notified of the waiver decision. See finding A for details of the results and recommendations.

* We did not find such a restriction in the Defense Authorization Act, but we did find a recurring \$500,000 cap in the Defense Appropriation Act. Our review focused on whether the Defense Threat Reduction Agency exceeded the Defense Appropriations Act cap.

The Defense Threat Reduction Agency had the appropriate justifications for providing sensitive compartmented information clearances for its personnel and was in compliance with DoD Manual 5105.21-M-1, "Sensitive Compartmented Information Administrative Security Manual," August 1998, but had not complied with Code of Federal Regulations, Title 5, Part 732, "National Security Positions," (2003) because the designated position sensitivity levels in the position descriptions did not always support the security clearance level given the employee. See finding B for details of the results and recommendations.

The Defense Threat Reduction Agency reduced the number of safes from 205 to 33. The reduction was, however, the result of "house-cleaning," in which it was determined that the safes were being used to store unclassified information, such as proprietary data, as well as unneeded duplicate copies of classified documents. See Appendix B for a discussion of the allegations and our conclusions.

Independent Review of one of the Allegations. In accordance with a longstanding requirement for additional space at 400 Army Navy Drive, the current tenant of the building, Office of the Inspector General of the Department of Defense, was given first offer for the vacant space. The Office of the Inspector General of the Department of Defense accepted the space "as is" and took possession of the furniture that the Defense Technology Security Administration left in the vacated space. Therefore, a knowledgeable third party could question the independence of the Office of the Inspector General of the Department of Defense auditors in addressing issues related to the furniture. For that reason, we requested that an independent third party review the part of the allegation that addresses the disposition of the furniture, partitions, file cabinets, and safes. On November 13, 2003, the independent third party advised us that they had concluded their review of our audit work pertaining to the furniture issue and agreed with our assessments and conclusions.

Management Comments and Audit Response. Comments received from the Deputy Director, Defense Threat Reduction Agency; and the Deputy Under Secretary of Defense Technology Security Policy and Counterproliferation were responsive. Washington Headquarters Services agreed to provide detailed guidance on what should be considered when trying to determine if the moving cap will be exceeded but did not agree with asking congress whether the reporting requirements on moving costs needed revision. We believe the Department should initiate a dialogue with congress on the 13-year-old reporting requirement on moving costs. We request that Washington Headquarters Services reconsider its position and provide additional comments by March 19, 2004. The Deputy Under Secretary of Defense Technology Security Policy, responding on behalf of the Defense Technology Security Administration, agreed to improve controls over security clearances. The Deputy Director, Defense Threat Reduction Agency stated that the agency has strengthened its administration of the management of position sensitivity designations for its personnel and no longer processes requests for security clearances without an attached conforming Optional Form 8 and Position Description. See the Finding section of the report for a discussion of management comments and the Management Comments section for the full text of management comments.

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Background

On July 10, 2002, the Defense Hotline received three allegations that had been forwarded by the General Accounting Office. The primary allegation was that the Defense Technology Security Administration (DTSA), which at the time, was a component of the Defense Threat Reduction Agency (DTRA), violated the Antideficiency Act by exceeding a congressionally mandated cap on moving expenses within the National Capital Region (NCR).

Allegations. The allegations stated that DTSA exceeded the \$900,000 budgetary cap imposed by the National Defense Authorization Act* during its move from 400 Army Navy Drive in Arlington, Virginia, (Arlington) to 2850 Eisenhower Avenue in Alexandria, Virginia, (Alexandria). By exceeding the cap, DTRA violated the Antideficiency Act, section 1341, title 31, United States Code. The complainant also alleged that furniture, partitions, classified safes, and file cabinets were thrown away, excessed, or abandoned in order to avoid moving costs and with the intent of replacing those items from funds not affected by the cap, which circumvented the budgetary constraint imposed by Congress. The complainant also stated that the new facility was not structurally capable of supporting the weight of the safes and that DTSA obtained sensitive compartmented information (SCI) clearances for employees who did not need such access, which resulted in excessive costs and a potential security risk. (See Appendix B for a detailed discussion of the allegations and our conclusions.)

Defense Threat Reduction Agency. DTRA was established October 1, 1998, as a joint service defense agency tasked with safeguarding America and its allies from weapons of mass destruction by reducing the present threat and preparing for future threats. DTRA was created by merging elements of the Office of the Secretary of Defense, DTSA, the Defense Special Weapons Agency, and the On-Site Inspection Agency. DTRA reports to the Assistant to the Secretary of Defense (Nuclear and Chemical and Biological Defense Programs). DTRA has an authorized staff of 2,141 military and civilian personnel. The FY 2003 budget for DTRA was \$2.6 billion. When DTSA was merged into DTRA, the Directorate was named the Technology Security Directorate. Subsequently, on August 31, 2001, DTSA was re-established as a separate agency and reports to the Under Secretary of Defense for Policy.

Antideficiency Act. DoD Regulation 7000.14-R, "Financial Management Regulation," volume 14, "Administrative Control of Funds and Antideficiency Act Violations," August 1995, requires that DoD components establish and maintain effective controls over appropriations and other funds. DoD officials are precluded from creating or authorizing any obligation or making any expenditure beyond the amount permitted under statutory limitations that will either modify or restrict availability of funds. When a statutory restriction on the use of an appropriation or fund is exceeded, a potential exists for violation of section 1341(a)(1)(A), title 31, United States Code.

* We did not find such a restriction in the Defense Authorization Act, but we did find a recurring \$500,000 cap in the Defense Appropriations Act. Our review focused on whether the DTRA exceeded the Defense Appropriations cap.

Purpose of Move. As part of an effort to strengthen the DoD technology security and export control mission, the Deputy Secretary of Defense authorized a major increase in personnel resources for the Technology Security Directorate of DTRA. Prior to the increase in personnel, the Technology Security Directorate of DTRA was housed at two locations in Alexandria and Arlington, Virginia. The space in Arlington could not accommodate the additional personnel. DTRA determined that in order to accommodate the additional personnel, the entire directorate should be housed in one location. Therefore, DTRA decided to move the Technology Security Directorate to its Alexandria location. At the time of the move, DTRA had 146 personnel located at the Arlington site. The actual move began on July 9, 2001, and was completed on July 23, 2001.

Objectives

Our overall audit objective was to determine whether DTRA either exceeded or circumvented the congressionally mandated cap on relocation costs. See Appendix A for a discussion of the scope, methodology, and prior coverage related to the objectives.

A. Compliance with the Defense Appropriations Act

Clearer guidance from Washington Headquarters Services (WHS) is needed to ensure that DTRA and other DoD agencies comply with Defense Appropriations Act recurring restrictions on NCR moving costs. Since the early 1990s, Defense Appropriations Acts have contained funding restrictions on appropriated funds that can be spent by agencies on moves within the NCR. However, WHS has not defined what costs need to be included when determining whether the funding restrictions have been exceeded. As a result, there is the potential that determinations on whether the threshold has or will be exceeded will not be made on a uniform basis. Exceeding the threshold without the necessary waiver from the Secretary of Defense can result in a violation of the Antideficiency Act. Additionally, WHS needs to request that the House and Senate Appropriations Committees review these recurring provisions to determine if the restrictions are still needed and are set at the appropriate level. (See Appendix B for a discussion of the allegations and our conclusions.)

Restrictions on NCR Moving Costs

Since 1991, Congress has imposed the following restriction in each of the Defense Appropriations Acts:

No more than \$500,000 [threshold established at \$50,000 for FY 1991 through FY 1996] of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, that the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional Defense committees that such a relocation is required in the best interest of the Government.

To determine whether the threshold has or will be exceeded, Defense agencies need to develop an estimate of NCR moving costs and track moving expenditures to ensure that the restrictions have not been exceeded. The Secretary of Defense may waive the restriction if the Secretary determines that the move is in the best interest of the Government. Exceeding the threshold without the necessary waiver from the Secretary can result in a violation of the Antideficiency Act.

Table 1 shows that our estimated cost of the DTSA move, about \$2.9 million, did exceed the \$500,000 per fiscal year cap imposed by the Appropriations Act. All of the costs were incurred between September 11, 2000, and September 30, 2001, making DTSA subject to the restriction in the FY 2000 and FY 2001 Defense Appropriations Act. DTRA used funds from its appropriations to pay for the moving costs. DTRA did not fully agree with our costing methodology and stated that it believed the costs of its personnel should be excluded and that other costs

involving improvements to the new buildings should have been prorated based on the number of DTSA personnel moving into the new building compared with the total DTSA staff. WHS obtained legal advice from the Office of General Counsel and stated that it believed that only the cost to move the organization and the cost to prepare the space should be considered when determining whether the \$500,000 had been exceeded. That would exclude costs for the acquisition of “goods and services,” such as rent, and items that the tenant agency decided to replace or upgrade, such as furniture, computers, telephone instruments, and network equipment such as routers and servers. We asked WHS space management personnel to examine our cost estimate and determine which items should have been excluded when determining whether the cap had been exceeded based on its criteria. The WHS estimate is listed in Table 1. Because there is no conclusive guidance on what costs should be included when determining whether the thresholds have been exceeded, we could not determine which estimate was correct. However, although the WHS cost estimate of \$933,523 was much lower than ours, both estimates showed that moving costs exceeded the \$500,000 cap.

**Table 1. Estimated Cost of DTSA Move from
Arlington, Virginia, to Alexandria, Virginia**

<u>Description of Costs</u>	<u>Audit Estimate</u>	<u>WHS Estimate</u>
Tenant Space Modification:		
Design of new building	\$ 88,427	\$ 88,427
Construction	436,553	436,553
In-house labor	15,145	
Information Systems:		
Telephone service initiation	6,500	
Wiring for information systems	367,394	367,394
Fast track charge (surcharge to Department of Interior for contracting services)	11,801	
Fiber Optic cabling	25,949	25,949
Telephone infrastructure	83,649	
Computer consulting services	285,155	
In-house labor	63,425	
Furniture:		
Planning	23,279	
Purchase and installation	910,071	
In-house labor acquisition and installation	5,048	
Security System:		
Installation	100,000	
In-house labor for security	40,519	
Shipping:		
Computers, 33 safes and other items to new building in Alexandria	13,300	13,300
Boxes	1,900	1,900
Shipping 172 excessed safes to Defense Reutilization and Marketing Office, Richmond, Virginia	5,980	
In-house labor for shipping	10,421	
Staff Expenses:		
Cost for packing and unpacking office items	<u>359,932</u>	<u> </u>
Total	\$2,854,448	\$933,523

Table 2 shows the appropriations used for the cost of moving based upon our estimated cost.

Table 2. Appropriations Used for the DTRA Move from Arlington, Virginia, to Alexandria, Virginia

<u>Defense Agencies Appropriation</u>	<u>Amount</u>
FY 2000 Operation and Maintenance	\$ 37,319
FY 2001 Operation and Maintenance	2,411,985
FY 2001 Procurement	<u>405,144</u>
Total	\$2,854,448

Reporting Requirements

DoD Instruction 5305.5, "Space Management Procedures, National Capital Region," June 14, 1999, applies to all DoD Components in the NCR. Paragraph 5.2.1.2 of that instruction requires Defense agencies to submit a "\$500,000 Move Certification" to WHS as part of a request to relocate into or within the NCR. The "\$500,000 Move Certification" is intended to serve as a control to ensure that the Secretary of Defense waives the Appropriations Act restrictions, if warranted.

DoD Instruction 5305.5 does not clearly define what costs should be included when determining whether NCR moving costs will exceed the congressional cap. As discussed in Appendix B, differences in interpretation on what costs to include may result in significant differences in moving cost estimates. A legal advisor to the WHS told us that Congress has given no specific guidance on what cost items to consider when developing the cost estimates and has never made any inquiries on compliance with the fund restrictions.

WHS needs to ask Congress to review section 8020 of the FY 2004 Defense Appropriations Act to determine if there is still a valid requirement for tracking and justifying moving costs within the NCR and if the threshold is set at the appropriate level. If Congress determines that this is still a valid requirement, WHS needs to establish additional guidance on what cost elements should be included in determining whether the cap has been exceeded so that determinations are the result of a standard methodology.

Recommendations, Management Comments, and Audit Response

A. We recommend that the Director, Washington Headquarters Services:

1. Request that the House and Senate Appropriation Committees review section 8020 of the FY 2004 Defense Appropriation Act to determine whether the reporting requirement is still valid and the moving cost threshold is set at an appropriate level.

Management Comments. The Director, WHS did not concur and stated that it was the Department's position that current reporting requirements should be retained at this time.

Audit Response. The cap on moving expenses within the NCR has been a continuing provision of the Defense Appropriation Act since FY 1991, yet a legal representative from the Office of General Counsel told us that Congress has never made any inquiries pertaining to the provision. Even small moves can easily exceed the established threshold. The threshold as established creates a burden on the Department that Congress may determine is no longer required. We request that WHS reconsider its position on the recommendation and provide comments on the final report.

2. Revise DoD Instruction 5305.5, "Space Management Procedures, National Capital Region," June 14, 1999, to include detailed guidance on what should be considered when determining whether the cap in section 8020 of the FY 2004 Appropriation Act has been or will be exceeded, if the House and Senate Appropriation Committees determine that the reporting requirement of section 8020 of the FY 2004 Defense Appropriation Act is still a valid requirement.

Management Comments. The Director, WHS concurred and stated that DoD Instruction 5305.5 is currently under revision and will include explicit guidance on what costs must be included in calculating compliance with the cap. See the Management Comments section for full text of WHS comments.

B. Defense Threat Reduction Agency Security Clearance Procedures

DTRA did not evaluate position descriptions for its DTSA staff as required by title 5, Code of Federal Regulations, Section 732, “National Security Positions” (2003). As a result, the decision by DTRA to grant SCI clearances to its DTSA staff was not supported by the position description. Only five of the position descriptions for 45 employees who were granted SCI clearances from February 10, 2001, through July 31, 2002, indicated that a security clearance beyond the secret level was required. During August through September 2001, the DTRA security manager informed DTRA division chiefs that they needed to review the position descriptions under their control to ensure that the positions reflected the proper position sensitivity. However, no procedures have been implemented to correct the deficiency. (See Appendix B for a discussion of the allegations and our conclusions)

Position Sensitivity Requirements

Title 5, C.F.R. Section 732 (2003), requires the head of each agency to designate any positions within the agency that could bring about, by virtue of the nature of the position, a material adverse effect on national security of three sensitivity levels, Special-Sensitive, Critical-Sensitive, or Noncritical-Sensitive. The sensitivity levels are required to be identified on the Office of Personnel Management Form 8, “Position Description.”

Security records show that 56 of the DTSA staff were granted SCI clearances from February 10, 2001, through July 31, 2002. We examined position descriptions for 45 of the 56 staff-members; 11 of the position descriptions were unavailable because of employee departures or other reasons. Of the 45 position descriptions examined, 5 were correctly prepared (4 military personnel and 1 civilian employee). Seven of the 45 position descriptions had the correct position sensitivity designations for an SCI clearance but the position description did not indicate that an SCI clearance was required. The remaining 33 positions had erroneous position sensitivity designations.

Although the DTRA security officer and his staff requested that DTRA management determine the sensitivity for each position back in 2001, no procedures have been implemented to correct the deficiency. On August 31, 2001, the Deputy Secretary of Defense reestablished DTSA as a separate agency from DTRA. Accordingly, DTSA needs to take the appropriate corrective action rather than the DTRA. DTSA needs to review the position sensitivity level designated on Office of Personnel Management Form 8 and ensure that the position levels are appropriate and in accordance with 5 C.F.R. Section 732 (2003). Additionally, DTSA needs to ensure that position sensitivity levels support the level of security clearance provided to DTSA staff.

Recommendations and Management Comments

B. We recommend that the Director, Defense Technology Security Administration:

1. Update position sensitivity levels for its personnel as required by Title 5, Code of Federal Regulations, Section 732, “National Security Position” (2003), to ensure that position sensitivity levels are appropriate.

2. Verify that the position sensitivity levels designated on Office of Personnel Management Form 8 for each staff member supports the level of security clearance granted.

Management Comments. The Deputy Under Secretary of Defense Technology Security Policy and Counterproliferation, responding on behalf of the DTSA, stated that she concurred with both recommendations. DTSA will revise its position descriptions to properly reflect security clearance requirements and justifications. Corrective action is expected to be completed within six months or less. See the Management Comments section for the full text of the DTSA comments.

Appendix A. Scope and Methodology

We researched applicable laws to congressional caps on moving expenses in both Authorization Acts and Appropriation Acts for FY 1999 through FY 2001 that were applicable to the DTRA. We interviewed the complainant, the DTRA Inspector General, the DTRA facilities manager, and DTRA security personnel. We also interviewed staff at the Office of the Under Secretary of Defense (Administration and Management), Defense Hotline, General Accounting Office Hotline, WHS space administration personnel responsible for oversight of the move, legal advisors to WHS, and the administrative staff of the Director of Administration and Management. We interviewed an agent with the Deputy Inspector General for Investigations of the Department of Defense who had completed a related review. We validated DTRA prepared cost estimates of the move. We inspected the new facility and validated inventories of safe containers. We consulted with legal counsel on whether a potential violation of the Antideficiency Act had occurred.

In accordance with a longstanding requirement for additional space at 400 Army Navy Drive, the current tenant of the building, OIG DoD, was given first offer for the vacant space. The OIG DoD accepted the space “as is” and took possession of the furniture that DTSA left in the vacated space. Therefore, a knowledgeable third party could question the independence of the OIG DoD auditors in addressing issues related to the furniture. For that reason, we requested that an independent third party review the part of the allegation that addresses DTSA disposition of the furniture, partitions, file cabinets, and safes. On November 13, 2003, the independent third party advised us that they had concluded their review of our audit work pertaining to the furniture issue and agreed with the assessments and the conclusions that we had reached.

We performed this audit from July 2002 through August 2003 in accordance with generally accepted government auditing standards. We did not review the management control program.

Use of Computer-Processed Data. We did not use computer-processed data to perform this audit.

General Accounting Office High-Risk Area. The General Accounting Office has identified several high-risk areas in DoD. This report provides coverage of the DoD Financial Management high-risk area.

Prior Coverage

On July 15, 2001, the Inspector General, DTRA received an allegation on improper disposal of classified information by DTRA personnel. That complaint was referred to the DoD Deputy Inspector General for Investigations for review. The evidence revealed that the disposed documents were duplicates of documents retained by DTSA and other items no longer needed in carrying out the DTSA mission. The DoD Deputy Inspector General for Investigations did not substantiate the allegation. There were no audits or evaluations relating to this subject during the last 5 years.

Appendix B. Summary of Allegations and Audit Results

A summary of the allegations and our audit results are discussed below.

Allegation 1. DTRA exceeded or circumvented a \$900,000 cap on relocation costs contained in the FY 2001 Defense Authorization Act, and by doing so, violated the Antideficiency Act¹.

Audit Results. The allegation was partially substantiated. However, the adverse effects were not material. Although the cost of the DTRA move did exceed the \$500,000 congressional cap on relocation costs, the congressional Defense committees were notified that the relocation was in the best interest of the Government by both the Director of DTRA and the Under Secretary of Defense (Acquisition, Technology, and Logistics), who responded on behalf of the Secretary of Defense.

Statutory Restriction. Section 8022 of the Defense Appropriations Act for FY 2000 and section 8021 for FY 2001 contains the following provision:

No more than \$500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional Defense committees that such a relocation is required in the best interest of the Government.

The complainant was unable to provide any citation in the Defense Authorization Act that restricted moving expenses for DTSA and stated that he may have mistakenly cited the Authorization Act when he meant the Appropriations Act. Therefore, we based our determination on the guidance in the Defense Appropriations Act.

Notification to the Congress. Physical consolidation of the locations making up DTRA was proposed as an objective in DoD Reform Initiative Directive No. 35, "Location of the Defense Threat Reduction Agency Headquarters and Support Offices," May 5, 1998. In the initiative, the Deputy Secretary of Defense concluded that, "Physical consolidation of the affected organizations and programs at one location will provide for greater focus and clearer identity for this important new Agency." On January 7, 2000, the Secretary of Defense advised the appropriate Defense committees and subcommittees of the Senate and the House that he wanted to physically

¹ We did not find a restriction in the Defense Authorization Act, but we did find a \$500,000 cap in the Defense Appropriations Act. Our review focused on whether the DTRA exceeded the Defense Appropriations Act cap.

consolidate portions of DTRA² and certified that the action was in the best interest of the Government (Appendix C). The Secretary's letter and report was in response to the Conference Report Accompanying House Report 3616, "Strom Thurmond National Defense Authorization Act for Fiscal Year 1999," H.R. Rep. No. 105-736, page 627, which requires that a report regarding the relocation of the agency be submitted. The Secretary advised the committees that DTRA was, at that time, split among five primary locations in the NCR and provided a plan to consolidate some of those offices to the headquarters complex at Fort Belvoir, Virginia, for security reasons. The plan states that the move would not include the Technology Security Directorate of DTRA, which was then located in Arlington and Alexandria.

On May 24, 2000, the Director, DTRA advised the same Defense committees and subcommittees (Appendix D) that because the Deputy Secretary of Defense had authorized a major increase in personnel for the Technology Security Directorate, and because the Deputy Secretary of Defense had previously expressed the desire that the entire directorate be housed in one location, DTRA decided to move all elements of the Technology Security Directorate to Alexandria. On June 15, 2001, the Under Secretary of Defense (Acquisition, Technology, and Logistics), responding on behalf of the Secretary of Defense to the House Government Reform Committee (Appendix E), affirmed that the DTSA move was in the best interest of the Government.

Conclusions on Violation of the Antideficiency Act. We concluded that the Secretary of Defense or the Director, Acquisition and Management³, not the Director, DTRA should have provided notification to the congressional Defense committees on the DTSA move. Additionally, the letter should have referenced section 8022 of the Appropriations Act and the DoD decision to waive the relocation cap. However, the May 2000 letters from the Director, DTRA informed the Defense committees that DTRA intended to move DTSA to Alexandria so that all of the DTSA components would be at a single location in order would accommodate the authorized increase in staff. The June 15, 2001, letter from the Under Secretary of Defense (Acquisition, Technology, and Logistics) to the House Government Reform Committee (Appendix E) confirms the Secretary of Defense's knowledge of the move and concluded that the DTSA move would "enable it to meet a critical national security mission in the most effective manner."

Controls over Reporting National Capital Region Moves to Congress. We attempted to determine why a formal notice on the DTSA move to Alexandria had not been given to Congress, as had been done for the first part of the DTRA move. The Space Policy and Acquisition Division (SPAD), Real Estate and

² On January 7, 2000, the Secretary of Defense advised the following committees of his determination that the first part of the DTRA move was in the best interests of the Government: Senate Committee on Armed Services; Senate Subcommittee on Defense, Committee on Appropriations; Senate Subcommittee on Military Construction, Committee on Appropriations; House Subcommittee on Defense, Committee on Appropriations; House Subcommittee on Military Construction, Committee on Appropriations; and the House Committee on Armed Services.

³ On April 17, 2000, the Secretary of Defense delegated the authority and assigned the responsibility of relocations into the NCR under Section 8022 to the Director of Administration and Management.

Facilities Directorate, WHS, is responsible for the oversight and management of administrative space occupied by DoD agencies and military departments in the NCR. DoD Instruction 5305.5, "Space Management Procedures, National Capital Region," June 14, 1999, applies to all DoD Components in the NCR. Paragraph 5.2.1.2 of that instruction requires that Defense agencies submit a "\$500,000 Move Certification" to WHS as part of a request to relocate into or within the NCR. The "\$500,000 Move Certification" is intended to serve as a control that will ensure that the Secretary of Defense waives the Appropriations Act restrictions, if warranted. DTRA had not prepared the move certification as required, but SPAD had prepared an estimate that the DTSA move would cost about \$2.1 million. The in-house estimate should have triggered a WHS request for a waiver to the Secretary or his designee, but we were unable to find such a waiver request. We spoke with the SPAD project manager responsible for coordinating the DTSA move. He has retired from the Government and was unable to recall why he had not prepared a request for a waiver. SPAD managers were also unable to explain why the waiver request had not been prepared.

Monitoring of National Capital Region Moving Costs. We met with the Chief, NCR Projects Branch, SPAD, who told us that since the DTSA move, his office has adopted new procedures to ensure that NCR moves costing more than \$500,000 would be readily detected and reported. The Deputy Director of SPAD told us that SPAD has begun reeducating the staff on moving and construction costs and emphasized that when the costs begin to approach the \$500,000 threshold, the staff is to immediately notify clients of the requirement for a waiver from the Secretary of Defense. In a November 17, 2002, memorandum "Land Acquisition and Leasing of Office Space in the United States," the Secretary of Defense emphasized the need for Defense Components to provide the proper notice and required approval of NCR relocations expected to cost more than \$500,000.

Additionally, effective immediately, no proposals for relocating into or within the Washington, DC, area that exceed \$500,000 in relocation costs may be made public, in the manner discussed above, without approval by me or the Deputy Secretary. Requests for approval of such relocations shall be submitted to the Director, Washington Headquarters Services (WHS), who shall submit such requests for my approval, through USD (AT&L) [Under Secretary of Defense (Acquisition, Technology, and Logistics)]. All previously approved or announced relocations that have not occurred as of the date of this memorandum may not proceed until approved by me or the Deputy Secretary after review by the USD (AT&L).

Legislative History. An attorney in the Office of General Counsel, which serves as legal advisor to WHS on NCR moves, told us that the requirement for capping NCR moving costs was originally added to the Appropriation Act during the early 1990s. At that time, the cap for NCR moves was set at \$50,000. The restriction was made a recurring provision in subsequent Appropriation Acts, and the cap was increased to \$500,000 in FY 1997. The attorney told us that Congress has never provided guidance on what costs to include when determining whether the cap was exceeded and has never made any inquiries on NCR moving costs within the Department.

Allegation 2. DTRA obtained more Sensitive Compartmented Information (SCI) level clearances for its command personnel than what was needed, resulting in excessive costs and a potential security risk.

Audit Results. The allegation was partially substantiated. However, the adverse effects were not material. The appropriate review process was not followed when DTRA determined that it needed SCI clearances for the DTSA staff. The DTRA granted 56 DTSA personnel (52 civilian and 4 military) SCI clearances from February 10, 2001, through July 31, 2002. We examined position descriptions for 45 of the 56 staff-members; 11 of the position descriptions were unavailable because of employee departures or other reasons. Of the 45 position descriptions examined, only 5 were correctly prepared (4 military personnel and 1 civilian employee). Title 5, C.F.R. Section 732.201 (2003), requires that agencies designate position sensitivity for each of its position descriptions. The designated position sensitivity is then used for determining the appropriate security clearance for personnel in those positions. Although DTRA obtained more SCI level clearances within DTSA than were annotated in positions descriptions, it did not result in potential security risks. During August through September 2001, the DTRA personnel security specialist informed DTRA division chiefs that they needed to review the position descriptions under their control to ensure that the positions reflected the proper position sensitivity. However, we found no evidence that the position sensitivities for the DTSA staff had been re-evaluated.

Access to Sensitive Compartmented Information. SCI is classified information concerning or derived from intelligence sources, methods, or analytical processes that requires special handling within formal access control systems that the Director, Central Intelligence establishes. The disclosure of such information has the potential for inestimable damage to the national security. Access to SCI is to be based on the “need-to-know” principle and in accordance with the Director of Central Intelligence Directive 6/4, “Personnel Security Standards and Procedures Governing Eligibility for Access to Sensitive Compartmented Information (SCI),” updated May 3, 2002. The directive establishes the personnel security standards for investigation and evaluation for access to SCI. The justification for an upgrade or clearance will specifically identify the type of SCI data required, why the job cannot be performed without SCI, and how the information will be used, which are signed by the division chief and the Security Directorate.

Title 5, C.F.R. Section 732 (2003), requires the head of each agency to designate any positions within the agency that could bring about, by virtue of the nature of the position, a material adverse effect on national security of three sensitivity levels, Special-Sensitive, Critical-Sensitive, or Noncritical-Sensitive. The sensitivity levels are required to be identified on the Office of Personnel Management Form 8, “Position Description.”

Procedures for Granting Sensitive Compartmented Information Clearances. The DTRA security officer told us that DTRA followed the guidance in DoD Manual 5105.21-M-1 “Sensitive Compartmented Information Administrative Security Manual,” August 1998, which requires written justification in the request for access that identifies the type of SCI data required, why the job cannot be performed without SCI, and how the individual will use the

information. DTRA required that its personnel use an internal form, DTRA Form 10, "DTRA Security Clearance Form," December 2001, to request the SCI clearance. The request must be signed by the director or division chief who is at least a General Schedule-15 level employee. In our opinion, DTRA Form 10 appeared to satisfy the requirements of DoD 5105.21-M-1. DTRA told us that any increase in the number of SCI clearances were mission related and was not related to the move. We found either a completed DTRA Form 10 or a DD Form 1879, "Request for Personnel Security Investigation," for each of the 56 personnel who had been granted SCI clearances, but the position sensitivity levels for each of the position descriptions we reviewed did not indicate that an SCI clearance was required for the position.

Costs for Sensitive Compartmented Information Clearances. To obtain an SCI clearance, an appropriate background check must be performed with positive results. The requesting agency pays for the cost of the background check. After the background check is complete, the application is submitted directly to the Defense Intelligence Agency for adjudication. The cost of the background investigation is directly related to the type of investigation required and the urgency in obtaining it. The requesting agency is not charged for the cost of adjudication. Further, personnel who have obtained a Top Secret clearance and who have a current background investigation (within the last 5 years) are forwarded directly to the Defense Intelligence Agency for adjudication.

Using an Office of Personnel Management price list for background investigations, we estimate that DTRA spent about \$110,000 to obtain SCI clearances for the DTSA staff. We identified the type of investigation performed for each of the 56 personnel and multiplied the number of investigations by the current price for the specified urgency. Our estimate may be slightly higher than DTRA actually paid because some of the investigations were performed prior to January 1, 2002, the effective date of the price list we used. The estimated cost of \$110,000 does not include the costs that the Defense Intelligence Agency incurred for the adjudication process; those costs are not billed to the requesting agency.

Allegation 3. DTRA improperly disposed of or abandoned security containers (safes), furniture partitions, and file cabinets during relocation, to circumvent the budget restriction on moving costs and because the new facility could not support the weight of the safes.

Audit Results. The allegation was unsubstantiated. When DTSA moved its office space from Arlington to Alexandria, it moved 33 safes and safe contents, office equipment such as computers and fax machines, and pre-packed employee boxes. Although some furniture also moved to Alexandria, most of the furniture in the Arlington office was modular furniture that would have required disassembly before the move and reassembly at its destination. DTRA left the modular furniture in the office spaces in Arlington, which was used by the new tenants, the OIG DoD. DTRA sent 172 safes, determined to be excess, to the Defense Reutilization and Marketing Office in Richmond, Virginia, for disposition.

Independent Review of Furniture Allegations. After DTSA moved from its location in Arlington, components of the OIG DoD moved into the

vacated space. Therefore, a knowledgeable third party could question the independence of the OIG DoD auditors to address issues related to the furniture. For that reason, we requested that an independent third party review the part of the allegation that addresses DTSA disposition of the furniture, partitions, file cabinets, and safes.

Inventory Reduction of Safes. DTSA reduced the number of safes it had before the move (205) to 33 safes. The DTRA facility manager told us that the decision to reduce the number of safes was based on a business decision unrelated to the cost of the move or to the weight of the safes. The security officer told us that he was told that the existing safes were used for storing unclassified documents, mostly proprietary information, and unneeded duplicate copies of classified documents. As a result of a “house-cleaning,” DTSA determined that the number of safes could be reduced and still accommodate the DTSA security requirements. Additionally, the security officer told us that some of the older safes were models with mechanical combination locks that were no longer authorized for use by the General Services Administration. DoD Regulation 5200.1-R, “Information Security Program,” January 1997, requires that safes use combination locks that meet Federal Specification FF-L-2740. Each replacement lock was expected to cost from \$717 to \$982 installed, depending on the lock model selected. Although DoD has not established a firm deadline for all locks to be replaced, agencies are required to replace any defective lock or lock that has to be drilled with a lock that meets the Federal specifications. The security officer stated that the lock requirement and memo were used for discarding the older safes with non-complying locks. The security officer was unable to provide how many of the excessed safes had the mechanical combination locks.

Ability of New Facility to Support Weight of Safes. According to DTRA shipping documents, each empty safe weighed about 600 pounds. WHS estimated that a full safe weighed about 850 pounds. WHS told us that the new building had suspended floors that did not have the load bearing capability that a building supported by beams would have. The DTRA facilities manager told us that the new building would have supported the weight of all of the previously owned safes, but weight would have been a factor when determining where to locate the safes. As a result, the facilities manager could not guarantee that the safes would be located where they were needed.

Decision to Reduce the Number of Safes. Because the Secretary of Defense had effectively waived the budget restriction on relocation and moving costs and because paragraph C6.7.1.1 of DoD Regulation 5200.1-R encourages retention of classified documents only when required for effective and efficient operation of the organization or when required by law, we do not believe that DTRA management acted improperly in its decision to reduce its safe inventories.

Appendix C. Secretary of Defense Memorandum*



THE SECRETARY OF DEFENSE
WASHINGTON, DC 20301

JAN 7 2000

Honorable John Warner
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Defense Threat Reduction Agency (DTRA) is currently split among five primary locations in the National Capital Region: Dulles Airport; 400 Army Navy Drive; the Pentagon; Telegraph Road; and the Alexandria Technical Facility. Because of our concerns about security for this exceptionally critical work force, the Department plans to move the DTRA headquarters and several other elements to the Headquarters Complex (HQC) on Fort Belvoir. This plan would substantially increase force protection for this portion of the DTRA work force. It will also require *relocation* of the Defense Contract Management Command (DCMC), which is now located in the HQC. Until the Department obtains the necessary authority to permanently accommodate these entities on Fort Belvoir, we will house a portion of DTRA and DCMC in a combination of existing HQC space, temporary structures, and perhaps leased space in the Fort Belvoir area.

The enclosed report responds to the request made *in the* Conference Report accompanying the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (House Report 105-736) to submit a report regarding the relocation of the agency.

In addition, we have reviewed this action in light of Section 8022 of the Department of Defense Appropriation Act, 2000, Public Law 106-79, and certify that the action described in this letter is required in the best interest of the Government.

Sincerely,

Enclosure

cc:
Honorable Carl Levin
Ranking Democrat



U00045 /00

* Similar letters were sent to other Defense Committees and Subcommittees in both the Senate and House of Representatives.

Appendix D. Director, Defense Threat Reduction Agency Memorandum*



Defense Threat Reduction Agency
45045 Aviation Drive
Dulles, VA 20166-7517

MAY 24 2000

Honorable Carl Levin
Ranking Democrat
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Senator Levin:

On December 3, 1999, the former Deputy Secretary Hamre stated that the Defense Threat Reduction Agency's (DTRA) Technology Security Directorate would remain at its present locations at Army-Navy Drive in Arlington, VA, and the Alexandria Technical Center (ATC).

As you know, strengthening DoD's technology security and export control mission has been identified as a major priority by the Secretary of Defense and the Congress. Consistent with these desires, the Deputy Secretary authorized a major increase in personnel resources for the Technology Security Directorate of the Defense Threat Reduction Agency. In order to strengthen DoD's technology security mission and accommodate these additional personnel resources, the entire directorate should be housed in one location.

The available space at the Army-Navy Drive location cannot accommodate the additional personnel (an almost one-fourth increase in total personnel assigned to this Directorate). The improvements in DoD's export control processes and the technology security mission cannot be effectively performed unless all elements of the Technology Security Directorate are collocated as soon as possible.

The near-term options are limited. Obtaining leased space in proximity to the existing Army-Navy Drive location would be extremely expensive and would not be timely. The practical, near-term solution is to collocate all elements of the Technology Security Directorate with its Space Launch Monitoring Division at the Alexandria Technical Center (ATC) on Eisenhower Avenue in Alexandria. This location is only six miles farther from the Pentagon, federal agencies (e.g., Commerce and State), and industry partners that the Technology Security Directorate must interact with as part of its mission. The ATC is close to the Eisenhower Metro Station, which is within walking distance and will also be serviced by a shuttle bus. While it is recognized that some employees may experience slightly longer commutes, any increase will be minimal and will not present an undue hardship in our view. For many other employees, their commuting times may be slightly improved.

The ATC option is the only timely solution that meets the desire of DoD and the Congress to strengthen DoD's technology security mission by consolidating the

* Similar letters were sent to other Defense Committees and Subcommittees in both the Senate and House of Representatives.

Technology Security Directorate in one location. For this reason, DTRA is planning to implement this consolidation in December 2000.

I would be pleased to meet with you or your staff to provide additional details on this plan. I look forward to working with you on ways to strengthen the DoD technology security mission and to make the Technology Security Directorate as effective as possible.

Sincerely,



Jay Davis
Director

Appendix E. Under Secretary of Defense Memorandum



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

2001 JUN 19 AM 9:30

OFFICE OF THE
SECRETARY OF DEFENSE

15 JUN 2001

The Honorable Dan Burton
Chairman, Committee on Government Reform
House of Representatives
Washington, DC 20515-6143

Dear Mr. Chairman:

Thank you for your recent letter to the Secretary of Defense expressing your concerns regarding the Defense Technology Security Administration (DTSA). As Secretary Rumsfeld indicated in his June 1, 2001 letter, we have reviewed the issues you raised regarding the relocation of the organization to Alexandria and the positioning of the organization within the Department.

We strongly support your view that the mission of DTSA, which is now the Technology Security Directorate of the Defense Threat Reduction Agency, is vital to safeguarding technologies essential to national security. On the issue of where the organization would be best positioned organizationally, we have opened a dialog among senior Department officials on that issue, however, until we can incorporate the views of the Department's new policy team, which is not yet fully on board, we will not be in a position to bring these discussions to resolution. We will report back to you on this matter as soon as we are able.

In regard to the relocation of the organization to the Alexandria Technical Center, this move is essential to ensure the effectiveness of the Technology Security Directorate. The Directorate currently operates out of two locations, one at 400 Army-Navy Drive where the License, Technology, Policy, and Program Management divisions are located, and one at the Alexandria Technology Center where the Space Launch division is located. We have reviewed this arrangement with Mr. David Tarbell, who leads the Directorate and also serves as the Deputy Under Secretary of Defense for Technology Security Policy. The functions of the Directorate are complex and highly integrated among the divisions. Mr. Tarbell strongly believes that consolidating his organization will improve the organization's effectiveness, enable personnel to share information efficiently, and facilitate the management and responsiveness of the organization. I fully support his assessment.

We have worked within the Department and with GSA for more than a year to find a location that would enable us to accommodate the growth in the Technology



Security Directorate in response to the assignment of new responsibilities and our increased emphasis on improving our license review process. Forty-three people were added to the Directorate when Congress mandated improvements in information and technical security when launching US communications satellites on foreign boosters. These personnel comprise the Space Launch Division that is currently located at the Alexandria Technical Center. Additionally, 35 engineering and license review positions were added to improve the license review process, the Directorate's core function. To date, 23 of these positions have been filled, but other new personnel cannot be housed in available office space at the Army-Navy Drive location.

Locating these new personnel at another facility would further fragment the license review process and would reduce the effectiveness of the Directorate. Therefore, when moves involving other organizations made space available at the Alexandria Technical Center, it was agreed that this was the best site to achieve the consolidation of the Technology Security Directorate. The facility is located a bit further from the Pentagon than the facility on Army-Navy Drive, but it is still very convenient to the Pentagon. The new location is close to where Telegraph Road intersects the Beltway South of the Pentagon. Also, the new facility is a short walk to the Eisenhower Ave Metro Station, five stops from the Pentagon.

This move is taking place to consolidate and physically locate the Technology Security Directorate to enable it to meet a critical national security mission in the most effective manner. We will report back to you on our discussions of the best organizational positioning of these important functions.

I hope this information is helpful. A similar letter has been sent to Congressman Weldon, Congressman Rohrabacher and the Ranking Member, Congressman Henry Waxman.

Sincerely,



E. C. Aldridge, Jr.

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Technology, and Logistics
Assistant to the Secretary of Defense (Nuclear, Chemical, and Defense Programs)
Under Secretary of Defense (Comptroller)/Chief Financial Officer
Under Secretary of Defense for Policy
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Director, Washington Headquarters Service

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Naval Inspector General
Auditor General, Naval Audit Service
Superintendent, Naval Postgraduate School

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Unified Command

Inspector General, U.S. Joint Forces Command

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Intelligence Agency
Director, Defense Contract Management Agency
Director, Defense Logistic Agency
Director, National Security Agency
Director, Defense Systems Management College
Director, Defense Technology Security Administration
Director, Defense Threat Reduction Agency
Inspector General, Defense Threat Reduction Agency

Non-Defense Federal Organization

Comptroller General, General Accounting Office
Director, Office of Management and Budget

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Reform
House Subcommittee on Government Efficiency, Financial Management, Committee on Government Reform
House Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform
House Subcommittee on Technology, Information Policy, Intergovernmental Relations, and the Census, Committee on Government Reform

Washington Headquarters Services Comments



DEPARTMENT OF DEFENSE
WASHINGTON HEADQUARTERS SERVICES
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155



JAN 26 2004

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE
ATTN: PROGRAM DIRECTOR, CONTRACT MANAGEMENT
DIRECTORATE

SUBJECT: Report on Defense Threat Reduction Agency Relocation Costs
(Project No. D2002CG-0193)

As requested, we have reviewed the subject draft report dated December 22, 2003. Our comments regarding the recommendations pertaining to Washington Headquarters Services are as follows:

Recommendation A. 1. That the Director, Washington Headquarters Services "request that the House and Senate Appropriation Committees review Section 8020 of the FY2004 Defense Appropriation Act to determine whether the reporting requirement is still valid and the moving cost threshold is set at an appropriate level."

Washington Headquarters Services position: Non-Concur. It is the Department's position that the current reporting requirement should be retained at this time.

Recommendation A. 2. That the Director, Washington Headquarters Services "revise DoD Instruction 5305.5 "Space Management Procedures, National Capital Region," June 14, 1999, to include detailed guidance on what should be considered when determining whether the cap in section 8020 of the Appropriation Act has been or will be exceeded, if the House and Senate Appropriation Committees determines that the reporting requirement of section 8020 of the FY2004 Defense Appropriation Act is still a valid requirement."

Washington Headquarters Services position: Concur. DoD Instruction 5305.5 is currently under revision and will include explicit guidance on what costs must be included in calculating compliance with this cap."

Questions regarding this matter should be directed to Ms. Kay Charles, (703) 697-5077, and e-mail kcharles@ref.whs.mil.


Raymond F. DuBois
Director

1/26/04



Defense Threat Reduction Agency Comments



Defense Threat Reduction Agency
8725 John J. Kingman Road MSC 6201
Ft Belvoir, VA 22060-6201

JAN 28 2004

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF
DEFENSE

SUBJECT: Defense Threat Reduction Agency Comments on Proposed Audit
Report on the DTRA Relocation Costs (Project No. D2002CG-0193)

Thank you for the opportunity to review and comment on the draft subject report. Your recommendations were directed at the Washington Headquarters Services (WHS) and the Defense Technology Security Administration (DTSA). We defer to these organizations regarding these recommendations. The Defense Threat Reduction Agency (DTRA) has no comments on the content of the report.

While the issue of managing position sensitivity decisions was directed at DTSA, DTRA has also strengthened its administration of this process. The DTRA Request for Security Clearance/Access Verification Form, which is required for clearance nomination, upgrade, or downgrade actions of position sensitivity levels, is no longer processed without an attached conforming Optional Form 8 and Position Description.

Contact Mr. John Eddy, DTRA/BDJ, at (703) 767-5734 or via email at john.eddy@dtra.mil if you have further questions.

for 
TRUDY H. CLARK
Maj Gen, USAF
Deputy Director

Defense Technology Security Administration Comments



POLICY

OFFICE OF THE UNDER SECRETARY OF DEFENSE
2000 DEFENSE PENTAGON
WASHINGTON, DC 20301-2000

JAN 12 2004

MEMORANDUM FOR THE DEPUTY INSPECTOR GENERAL, DEPARTMENT OF
DEFENSE

SUBJECT: Comments on Discussion Draft Project No. D2002CG-0193, "Allegations
Concerning Agency Relocation Costs"

We have read subject discussion draft and been briefed by your team. We concur
with the recommendations and will take corrective action as appropriate concerning
proper clearance documentation.

Should you require further information, please contact my POC, Charles B.
Shotwell, at 703-695-6386.

Lisa Bronson
Deputy Under Secretary of Defense
Technology Security Policy and
Counterproliferation

*Please note
that all DTSA
Office directors were
present at the
briefing by the
IG staff.*



Team Members

The Contract Management Directorate, Office of the Deputy Inspector General for Auditing of the Department of Defense prepared this report. Personnel of the Office of the Inspector General of the Department of Defense who contributed to the report are listed below.

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