

**THE DIRECTION AND VIABILITY OF
THE FEDERAL PROTECTIVE SERVICE**

FULL HEARING
OF THE
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS

FIRST SESSION

MAY 1, 2007

Serial No. 110-32

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpoaccess.gov/congress/index.html>

U.S. GOVERNMENT PRINTING OFFICE

48-907 PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON HOMELAND SECURITY

BENNIE G. THOMPSON, Mississippi, *Chairman*

LORETTA SANCHEZ, California,	PETER T. KING, New York
EDWARD J. MARKEY, Massachusetts	LAMAR SMITH, Texas
NORMAN D. DICKS, Washington	CHRISTOPHER SHAYS, Connecticut
JANE HARMAN, California	MARK E. SOUDER, Indiana
PETER A. DeFAZIO, Oregon	TOM DAVIS, Virginia
NITA M. LOWEY, New York	DANIEL E. LUNGREN, California
ELEANOR HOLMES NORTON, District of Columbia	MIKE ROGERS, Alabama
ZOE LOFGREN, California	BOBBY JINDAL, Louisiana
SHEILA JACKSON-LEE, Texas	DAVID G. REICHERT, Washington
DONNA M. CHRISTENSEN, U.S. Virgin Islands	MICHAEL T. McCAUL, Texas
BOB ETHERIDGE, North Carolina	CHARLES W. DENT, Pennsylvania
JAMES R. LANGEVIN, Rhode Island	GINNY BROWN-WAITE, Florida
HENRY CUELLAR, Texas	MARSHA BLACKBURN, Tennessee
CHRISTOPHER P. CARNEY, Pennsylvania	GUS M. BILIRAKIS, Florida
YVETTE D. CLARKE, New York	DAVID DAVIS, Tennessee
AL GREEN, Texas	
ED PERLMUTTER, Colorado	
VACANCY	

JESSICA HERRERA-FLANIGAN, *Staff Director & General Counsel*

ROSALINE COHEN, *Chief Counsel*

MICHAEL TWINCHEK, *Chief Clerk*

ROBERT O'CONNOR, *Minority Staff Director*

(II)

CONTENTS

	Page
STATEMENTS	
The Honorable Bennie G. Thompson, a Representative in Congress From the State of Mississippi, and Chairman, Committee on Homeland Security: Oral Statement	1
Prepared Statement	2
The Honorable Gus M. Bilirakis, a Representative in Congress From the State of Florida	3
The Honorable Christopher P. Carney, a Representative in Congress From the State of Pennsylvania	23
The Honorable Donna M. Christensen, a Representative in Congress From the U.S. Virgin Islands	25
The Honorable Yvette D. Clarke, a Representative in Congress From the State of New York	28
The Honorable Charlie Dent, a Representative in Congress From the State of Pennsylvania	38
The Honorable Al Green, a Representative in Congress From the State of Texas	29
The Honorable James R. Langevin, a Representative in Congress From the State of Rhode Island	33
The Honorable Sheila Jackson Lee, a Representative in Congress From the State of Texas: Oral Statement	35
Prepared Statement	36
The Honorable Daniel E. Lungren, a Representative in Congress From the State of California	24
The Honorable Eleanor Holmes Norton, Delegate in Congress From the District	18
The Honorable Ed Perlmutter, a Representative in Congress From the State of Colorado	32
The Honorable David G. Reichert, a Representative in Congress From the State of Washington	21
WITNESSES	
Mr. Joseph Ricci, Executive Director, National Association of Security Companies: Oral statement	59
Prepared Statement	61
Mr. Gary Schenkel, Director Federal Protective Service, U.S. Department of Homeland Security: Oral Statement	9
Oral Statement	11
The Honorable Hanes L. Taylor, Deputy Inspector General, Department of Homeland Security: Oral Statement	4
Prepared Statement	6

IV

	Page
Mr. David L. Wright, President, American Federation of Government Employees, Local 918, FPS Union:	
Oral Statement	40
Prepared Statement	41
Attachment 1: Briefing on the Federal Protective Service, <i>Transition to FY 08 Budget</i> , December 20, 2006	46
Attachment 2: Federal Protective Service, <i>Staff Allocation Model</i> , FPS National Staffing Model Team June 2005	49

THE DIRECTION AND VIABILITY OF THE FEDERAL PROTECTIVE SERVICE

Tuesday, May 1, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
WASHINGTON, DC.

The committee met, pursuant to call, at 10:06 a.m., in Room 2118, Rayburn House Office Building, Hon. Bennie Thompson [chairman of the committee] presiding.

Present: Representatives Thompson, Norton, Jackson Lee, Christensen, Langevin, Cuellar, Carney, Clarke, Green, Perlmutter, Lungren, Reichert, Dent, and Bilirakis.

Chairman THOMPSON. [Presiding.] The Committee on Homeland Security will come to order.

The committee is meeting today to receive testimony on "The Direction and Viability of the Federal Protective Service."

I yield myself as much time as I may consume for an opening statement.

We are here today to discuss the future direction of the Federal Protective Service, also known as FPS. FPS was established in 1971 as a uniformed protection force in the federal government. The FPS mission then and now is to secure government-owned buildings and protect the millions of people who work in or visit those buildings every day.

The importance of the FPS mission became clear long before 9/11. The 1995 terrorist attack on the Alfred P. Murrah building in Oklahoma City brought home the fact that federal buildings could be targets for terrorist attack.

So unlike many scenarios which could happen, we know that a terrorist attack on a federal building has happened. Knowing that such an attack has happened should cause us to increase our resolve to fortify our resources so that it will never happen again. Because the department is charged with keeping the federal sector secure from attack, FPS guards are often our first line of defense.

So we are here today to get some clarity concerning the department's vision for FPS's future. Currently, FPS has about 1,100 guards who are federal employees. An additional 15,000 private security guards protect the lion's share of federal buildings through contracts with FPS. The contracts for these private guards are the largest single item in the FPS budget, and every year the cost of hiring private guards grows.

In fiscal year 2006, FPS paid private guards \$487 million to protect federal buildings. In fiscal year 2007, FPS will pay \$577 million for private guards to protect federal buildings. So in 1 year

alone, the cost of private security guards has increased by \$90 million. This is a 20 percent growth rate. It is the duty of this committee to assure that this 20 percent growth in payments to these contractors represents money that is well spent, effectively administered, and properly overseen. The American taxpayer demands that of us.

But at this point, we cannot say that the department is effectively using this money. Both the department's inspector general and the GAO have found that FPS has been lax in its oversight of these security contracts. The IG found that FPS had paid \$121 million to contractors without requiring all of the necessary paperwork. I know that \$100 million may not seem like a lot to people around here, but in Mississippi that is real money.

Given this continuing need for security at federal buildings and the growth in security guard contracts, it would be logical to think that the department would increase FPS personnel, but this is not the department's plan. We have been told that the department actually plans on reducing and reassigning FPS guards. Instead of increasing FPS personnel, the department plans on increasing the number of private security contractors.

The department's plan needs strong contract oversight to succeed. Yet, the department's inspector general and the GAO have questioned the FPS's ability to adequately monitor and oversee both the billing and the performance of these private contractors. And while the use of private guards may not be a problem, we should remember that without adequate contracting oversight, we will remain unsure of the safety of our federal buildings and the security of the millions of people who visit them every day.

I look forward to the testimony of the witnesses.

PREPARED STATEMENT OF THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN,
COMMITTEE ON HOMELAND SECURITY

FPS was established in 1971 as a uniformed protection force in the federal government. The FPS mission—then and now—is to secure government owned buildings and protect the millions of people who work in or visit those buildings every day. The importance of the FPS mission became clear long before 9/11. The 1995 terrorist attack on the Alfred P. Murrah building in Oklahoma City brought home the fact that federal buildings could be targets for terrorist attack.

So unlike many scenarios which could happen, we know that a terrorist attack on a federal building has happened. Knowing that such an attack has happened should cause us to increase our resolve and fortify our resources so that it will never happen again. Because the Department is charged with keeping the federal sector secure from attack, FPS guards are often our first line of defense.

So we are here today to get some clarity concerning the Department's vision for FPS's future. Currently, FPS has about 1100 guards who are federal employees. An additional 15,000 private security guards protect the lion's share of federal buildings through contracts with FPS. The contracts for these private guards are the largest single item in the FPS budget. And every year the cost of hiring private security guards grows.

In Fiscal Year 2006, FPS paid private guards \$487 million to protect federal buildings. In Fiscal Year 2007, FPS will pay \$577 million for private guards to protect federal buildings. So in one year alone, the cost of private security guards has increased by \$90 million. This is a 20% growth rate. It is the duty of this committee to assure that this 20% growth in payments to these contractors represents money that is well spent, effectively administered and properly overseen. The American taxpayer demands that of us.

But at this point, we cannot say that the Department is effectively using this money.

Both the Department's Inspector General and the GAO have found that FPS has been lax in its oversight of these security contracts. The IG found that FPS had paid

\$121 million to contractors without requiring all of the necessary paperwork. I know that \$100 million may not seem like a lot around here, but in Mississippi that is real money.

Given this continuing need for security at federal buildings, and the growth in security guard contracts, it would be logical to think that the Department would increase FPS personnel. But that is not the Department's plan. We have been told that the Department actually plans on reducing and reassigning FPS guards. Instead of increasing FPS personnel, the Department plans on increasing the number of private security contractors.

The Department's plan needs strong contract oversight to succeed. Yet the Department's Inspector General and the GOA have questioned the FPS' ability to adequately monitor and oversee both the billing and performance of these private contractors. And while the use of private guards may not be a problem, we should remember that without adequate contracting oversight, we will remain unsure of the safety of our federal buildings and the security of the millions of people who visit them every day.

Mr. THOMPSON. I now yield 5 minutes to Mr. Bilirakis of Florida for an opening statement as ranking member.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it very much.

This hearing presents a good opportunity to discuss the changes being implemented by the Federal Protective Service. FPS has recently announced plans to refocus its mission, realign its workforce, and strengthen security standards. These efforts are intended to improve FPS's ability to deter, prevent and respond to threats and vulnerabilities at federal facilities nationwide.

I would like to thank our two panels of witnesses for being here today. I look forward to the testimony of Mr. Taylor and Mr. Schenkel, who will provide insight into the future of FPS and the benefit of taking a risk-based approach to secure federal property.

I also look forward to the testimony of our second panel, including Mr. Wright and Mr. Ricci. I would especially like to thank Mr. Ricci for being here on behalf of the National Association of Security Companies. It is important for members of the private security industry to be engaged in the debate over the protection of federal facilities.

This hearing presents a good opportunity for FPS to clarify its newly focused mission and to discuss the important roles of contract security. Contract guards work with federal, state and local law enforcement to provide security at GSA-owned and GSA-operated buildings, U.S. military bases, as well as nuclear power plants nationwide.

These guards are required to meet government-specified training and performance standards. Therefore, all 15,000 guards protecting GSA property under contract with FPS are required to meet FPS training and suitability requirements. These requirements include criminal background checks, firearm certification, 80 hours of basic training, and first-aid and CPR training. Contract guard compliance with FPS standards must be properly monitored by FPS to ensure the success of its mission. While it is important to note that DHS inherited many of FPS's budgetary and administrative issues, the department is responsible for addressing these shortfalls and ensuring that federal facilities receive proper protection.

According to ICE, a number of FPS activities will be consolidated or eliminated as FPS transitions to the fiscal year 2008 budget. Among these, FPS will have no federal oversight on-site presence in approximately 50 cities; no proactive surveillance patrol; and a

reduction in FPS federal officers in New York and Washington, D.C. While department officials report that FPS is not anticipating a budgetary shortfall and that these changes are only part of a realignment effort, several press reports indicate that a shortfall may range from \$40 million to \$80 million.

The department is responsible for addressing those shortfalls, if they exist, and ensuring that federal facilities receive proper protection. If FPS is committed to fulfilling this responsibility, and contract security companies are willing to meet training and performance standards set by FPS, I think we should expect FPS to successfully implement its performance goals and to realign using a risk-based approach to security planning.

I would like to thank our witnesses in advance for their testimony.

Thank you, Mr. Chairman. I yield back.

Chairman THOMPSON. Thank you very much.

Other members of the committee are reminded that, under the committee rules, opening statements may be submitted for the record.

I welcome the first panel of witnesses.

Our first witness, the Honorable James L. Taylor, is the deputy inspector general for the Department of Homeland Security. He previously served as a deputy chief financial officer and director for financial management at the Department of Commerce.

Our second witness, Gary Schenkel, was appointed director of the Federal Protective Service, one of the five divisions of the U.S. Immigration and Customs Enforcement, in March 2007. A retired Marine Corps lieutenant colonel, Schenkel has significant leadership experience in wide areas.

Without objection, the witnesses' full statements will be inserted in the record. I now ask each witness to summarize his statement for 5 minutes, beginning with Mr. Taylor.

STATEMENT OF HON. JAMES L. TAYLOR, DEPUTY INSPECTOR GENERAL, DEPARTMENT OF HOMELAND SECURITY

Mr. TAYLOR. Thank you, Mr. Chairman, and good morning. I appreciate the opportunity to appear before you and members of the committee to discuss DHS's IG's work related to the Federal Protective Service.

My testimony today will focus on the Federal Protective Service's oversight of its contract guard program and financial management issues as a basis for our comments on FPS's new strategy related to its mission and overall reduction of manpower.

As part of its overall strategy to ensure the physical safety of government employees and visitor, FPS largely uses contract guards to deter crime in and around federal buildings. FPS guards play a crucial and highly visible role in the FPS mission. They are deployed at roving as well as fixed posts where they often operate security screening devices such as magnetometers and X-ray machines. Contract guard services represent the single largest item in the FPS operating budget, estimated to be over \$575 million in fiscal year 2007.

As a result of the Oklahoma City bombing in 1995, the contract guard workforce has more than doubled and now numbers around

15,000 nationwide. FPS has become increasingly reliant on its contract guard force, having less than 1,000 uniformed FPS officers nationwide.

Previous GSA inspector general and GAO reports noted numerous deficiencies in contract guard qualifications and FPS oversight of guard contracts before FPS was relocated to DHS. Accordingly, in 2006, we initiated an audit of FPS's oversight of contract guard contracts in the national capital region. Our objectives were to determine whether effective controls were in place to ensure that qualified contract guards are deployed at federal buildings in the national capital region, and if FPS effectively monitors contractor performance and if guard company invoices were being paid timely, according to the Prompt Payment Act on a nationwide basis.

We concluded that FPS was not consistently deploying qualified and certified contract guards. Guards were on-post without current suitability determinations or with expired certifications. Thirty percent of the guards in our sample had at least one expired, but required, certification. For example, we identified guards with expired background investigations, medical certifications, and expired domestic violence certifications.

We identified guards that were on-post with expired suitability determinations, including in one instance a guard who was still on-post 7 months after having been found unsuitable due to a felony assault conviction. We found security guards who are not armed where they are supposed to be armed. Guards were armed at posts designed to be unarmed, and guards did not have top secret or secret security clearances at posts that required such clearances, and non-citizen guards who were not carrying the required work permit cards.

These deficiencies occurred because FPS personnel were not effectively monitoring the contract guard program. While the contractor has a primary responsibility for ensuring that all contract provisions are met, inadequate contractor oversight can result in the government paying for services it did not receive and placing FPS protective facilities, employees and visitors at risk.

We also found that FPS was not paying invoices for its contract guard services nationwide in a timely manner. Of the more than 25,000 invoices paid nationwide from October 1, 2004 to November 21, 2005, 88 percent were not paid within 30 days as required by the Prompt Payment Act. As a result, FPS paid more than \$1.2 million in interest penalties to these companies.

We found that a central cause for FPS's inability to pay private guards timely was FPS's transition from GSA to the ICE financial management system. An independent auditor contracted by ICE to perform an audit of DHS's financial statements confirmed that finding. They also concluded that the integration of FPS's accounting processes from GSA to ICE created numerous issues with the integrity of FPS's transaction data and represented a material weakness in ICE's internal controls. FPS budget and financial officials informed us that inadequate training prior to the transition and the difficulty in using the financial system also contributed to the invoice payment problems.

In our report issued last October, we made four recommendations to the regional director of the national capital region, and one

recommendation to the director of FPS to strengthen controls over its contract guard program. FPS operations are funded solely through security fees and reimbursements collected from federal agencies for FPS security services rendered. FPS charges individual agencies for security services based on the building's identified security level and building-specific security needs.

Funding issues have been a problem for FPS even prior to its transfer to the Department of Homeland Security. GAO reported this in 2004 when they said security fees collected in the past by GSA were not sufficient to cover the cost of FPS operations and that the deficits were covered by GSA using monies from its federal building fund.

Meeting the agency's workforce reduction targets in the plan identified by the department carries with it attendant risks. Without careful planning, proposed staffing and service reductions could lead to uneven effects across the nation, perhaps placing some facilities and its employees at risk. FPS could experience a significant loss of workforce skill and knowledge and skills and balances across its regional offices.

To address these challenges before they become problems, FPS needs to proactively develop appropriate strategies to ensure necessary staff levels and competencies are in place to carry out the agency's mission and effectively protect federal buildings, employees and visitors.

Continuous monitoring of attrition within FPS will allow the agency to more readily identify locations that require special attention to ensure that mission-related responsibilities are not negatively impacted.

Mr. Chairman, this concludes my prepared remarks. I would be happy to answer any questions you or the committee members may have.

[The statement of Mr. Taylor follows:]

PREPARED STATEMENT OF JIM TAYLOR

Introduction

Good morning, Mr. Chairman and Members of the Committee. I am Jim Taylor, Deputy Inspector General for the Department of Homeland Security (DHS). Thank you for the opportunity to discuss work the Department of Homeland Security Office of Inspector General (OIG) has completed related to the Federal Protective Service (FPS).

My testimony today will address our concerns about the Federal Protective Service's oversight of its contract guard program and financial management issues as a basis on our comments on FPS' new strategy related to its mission and overall reduction of manpower.

The Federal Protective Service

The Federal Protective Service, established in 1971 as the uniformed protection force of the General Services Administration (GSA) for government-occupied facilities, is responsible for policing, securing, and ensuring a safe environment in which federal agencies can conduct business by reducing threats posed against approximately 9,000 federal government facilities nationwide.

Under the Homeland Security Act of 2002, FPS was transferred to the Department of Homeland Security and retained its responsibilities for protecting the buildings, grounds, and property owned, occupied, or secured by the federal government under GSA's jurisdiction. In addition to GSA facilities, the Act also provides FPS with the authority to protect properties held by DHS components that were not under GSA jurisdiction. FPS was moved from GSA, Public Building Services, to DHS, effective March 1, 2003. Within DHS, FPS is part of the Immigration and Customs Enforcement (ICE) Directorate.

FPS Contract Guard Services Oversight

As part of its overall strategy to ensure the physical safety of government employees and visitors, FPS uses contract guards to deter the commission of crime in and around federal buildings. Guards are deployed at roving and fixed posts, where they often operate security-screening devices such as magnetometers and x-ray machines. FPS guards play a crucial and highly visible role in the FPS mission, often the first, and sometimes the only, contact visitors have with FPS at a facility.

Contract guard services represent the single largest item in the FPS operating budget, estimated to be \$577 million for fiscal year 2007. As a result of the Oklahoma City bombing in 1995, the contract guard workforce more than doubled and now numbers around 15,000. FPS has become increasingly reliant on its contract guard force, having less than 1,000 uniformed FPS officers nationwide.

Previous GSA Office of Inspector General and Government Accountability Office (GAO) reports noted numerous deficiencies with contract guard qualifications and FPS oversight of guard contracts. Accordingly, in the fall of 2005, the DHS OIG began an audit of FPS's oversight of contract guard contracts in its Region 11—the National Capital Region (NCR).¹ Our objectives were to determine whether (1) effective controls are in place to ensure qualified contract guards are deployed at federal buildings in Region 11; (2) FPS' Region 11 effectively monitors contractor performance and compliance with contract provisions; and (3) contract guard company invoices were paid timely according to the Prompt Payment Act nationwide.

We concluded that FPS' Region 11 was not consistently deploying qualified and certified contract guards. Contract guards were on post without current suitability determinations or with expired certifications. Thirty percent of the guards in our sample had at least one expired, but required, certification. For example, we identified guards with expired background investigations, medical certifications, and expired domestic violence certifications.

We identified guards that were on post with expired suitability determinations, including in one instance, where we identified a guard was still on post as of January 2006, although NCR adjudicated the guard unfavorable in May 2005 due to a felony assault conviction.

Also, security contractors were not performing their security services according to the terms and conditions of their contracts. For example, we found security guards who were not armed at armed posts as required; guards who were armed at posts designated to be unarmed; guards who did not have Top Security or Secret security clearances at posts that required higher level clearances; and non-citizen guards who were not carrying their required work permit cards.

These deficiencies occurred because FPS personnel were not effectively monitoring the contract guard program. While the contractor has the primary responsibility for ensuring that all contract provisions and requirements are met, FPS is required to actively monitor and verify contractor performance.

NCR's 12 Quality Assurance Specialists (QAS) are responsible for the day-to-day inspection and monitoring of the contractors' work. The role of the QAS is critical to monitoring contract guard performance, as they are the primary NCR personnel on-site who can verify compliance with contract provisions and requirements. NCR's eight Contract Section personnel are responsible for processing deductions to contractor invoices due to noncompliance issues uncovered by the QASs.

However, the QASs were not consistently submitting their inspection reports to the NCR Contract Section, and for those that were submitted, most were not submitted in a timely manner. In addition, Contract Specialists were not making deductions to contractor invoices when appropriate. Specifically, they did not process potential deductions from contractor invoices totaling almost \$1.3 million when guard companies failed to comply with contract requirements.

FPS explained that these lapses were due to understaffing. Inadequate contractor oversight can result in the government paying for services it did not receive, loss of monies resulting from contract deductions due to nonperformance, and placing FPS-protected facilities, employees, and facility visitors at risk.

Federal Protective Service Financial Management and Contractor Payments

The Federal Protective Service continues to face financial management challenges from its transition from the General Services Administration (GSA) to the Department and, specifically, to ICE. Our October 2006 audit of FPS contract guard service operations found that FPS was not paying invoices for its contract guard services nationwide in a timely manner, resulting in a violation of the Prompt Payment Act. Of the 25,557 invoices paid from October 1, 2004, to November 21, 2005, 88 percent

¹At the time of our audit, the NCR contract guard program consisted of 54 guard service contracts that provide approximately 5,700 guards to protect 125 facilities.

were not paid within 30 days as required by the Prompt Payment Act. As a result, FPS paid more than \$1.2 million in interest to guard companies that are contracted by FPS to protect federal buildings for late payments made during this time period. We found that a central cause for FPS' inability to pay private guard contractors timely was FPS' transition from the GSA Financial Management System to the ICE Federal Financial Management System (FFMS) on October 1, 2004, and occurred before the system was adapted to meet the unique financial and budgeting requirements associated with FPS' business processes.

The DHS, Office of the Under Secretary for Management, originally directed that the FPS transition from the GSA Financial Management System to the ICE FFMS be completed by October 1, 2003. Following the initial review of the unique financial management requirements needed to support the FPS offsetting collections program, the transition date was extended to October 1, 2004. FPS officials said that, despite attempts to explain FPS business processes and FFMS needs to the ICE OFM, problems with adapting the FFMS to FPS needs remained and suggested that the transition to the ICE system be postponed. However, DHS required FPS to transition to the system on October 1, 2004, despite concerns about the system's ability to meet FPS needs. ICE financial management staff had assured the staff of the Senate Appropriations Committee, in a briefing on February 17, 2005, that the FPS transition would be completed by March 31, 2005.

However, problems with contractor payments and the transition to FFMS continued. In a May 6, 2005, memorandum to the Assistant Secretary for ICE, the Director of FPS outlined what he considered systemic problems and issues with the FFMS and reported that problems with contractor payments had, in fact, worsened since the transition. An independent auditor contracted by us to perform an audit of DHS financial statements² also concluded that the integration of FPS' accounting processes from GSA to ICE created numerous issues with the integrity of FPS transaction data and represented a material weakness in ICE's internal controls.

FPS Budget and Finance officials in Region 3 and FPS Headquarters officials informed us that inadequate training prior to the transition and the difficulty in using the FFMS also contributed to the invoice payment problems. These officials indicated that the system is difficult to navigate and that errors are time-consuming to correct.

Follow-up on OIG report on improving FPS contract guard oversight

We issued "Federal Protective Service Needs to Improve its Oversight of its Contract Guard Program," OIG-07-05, on October 30, 2006. In this report, we made four recommendations to the Regional Director of the NCR (Region 11), and one recommendation to the Director of FPS to strengthen controls over its contract guard program.

Since our audit was issued in October 2006, we have updated FPS progress on implementing our recommendations to improve management of its contract guard program. We consider 2 of the 4 recommendations resolved and closed. The actions planned and taken by FPS to improve their contract monitoring efforts should ensure that contractors are deploying qualified and certified guards at federal facilities in the National Capital Region. However, we consider two recommendations still open and unresolved:

1. We recommended that the Regional Director of the National Capital Region review all inspection reports and proposed deductions for the period March 1, 2003 through the present and initiate collection actions on all contracts found to be deficient. In response to our inquiry as to the status of recommendation implementation, FPS stated that contract terms required deductions to be collected within 30 days after the month of performance making it contractually impossible to go back and collect contract deductions that should have been previously identified and taken. We asked FPS to provide us with the information from their guard contracts that specifically state that collections are limited to 30 days after the performance period.

2. We recommended that the Director of the Federal Protective Service work with the ICE Chief Financial Officer to implement corrective actions to adequately address internal control deficiencies and payment timeliness issues noted here and in our annual financial audit report issued in November 2005.

ICE and FPS were responsive to our recommendation and have taken steps to implement corrective actions to adequately address internal control deficiencies and payment timeliness issues. In response to our final audit report, FPS stated that in addition to the Tiger Team efforts referenced in the report, ICE had put into

²DHS' *Performance and Accountability Report for Fiscal year 2005*, November 15, 2005, Department of Homeland Security.

place a Financial Action Plan (FAP) to address findings from the 2004 and 2005 financial audits including those that relate to FPS issues. The Project Management Office has worked with various offices and stakeholders to develop the plan, and is overseeing the implementation of the FAP. The FAP includes a project to improve invoice processing.

However, we consider this recommendation open until implementation of the various steps outlined in the agency's response to our final report are complete.

FPS Budget Shortfall and Future Changes in Strategy

FPS operations are funded solely through security fees and reimbursements collected from federal agencies for FPS security services rendered. FPS charges individual agencies for security services based on the building's identified security level³ and building-specific security needs. Funding issues have been a problem for FPS even prior to its transfer to the Department of Homeland Security. GAO, in 2004, reported that the security fees collected in the past by GSA were not sufficient to cover the cost of FPS operations, and that the deficits were covered by GSA using monies from its federal building fund.

In response to the GAO report, FPS recently unveiled a new strategy and focus to provide security services and to reallocate its manpower. The agency will change its focus to setting security standards and ensuring compliance with those standards. FPS says it will target its efforts and resources according to a risk-based model, concentrating on federal facilities with security levels III and IV. Another aspect of its new strategy calls for a reducing manpower from about 1200 to 950 positions through out-placing to other ICE and DHS components through attrition. In response to the OIG report, FPS has already taken steps it believes have strengthened its monitoring and oversight of the contract guard program.

Meeting the agency's workforce reduction targets through out-placing and attrition carries with it attendant risks. Without careful planning of its workforce, proposed staffing and service reductions could lead to uneven effects across the nation, perhaps placing some facilities and its employees at risk. In some locations or offices within FPS, the agency's most knowledgeable employees may be the most likely to leave FPS and not be replaced. FPS could experience higher attrition in major urban centers as compared to regional and field locations. These factors may result in a significant loss in workforce skill and knowledge, skills imbalances, with some areas and locations hit harder than others.

To address these challenges before they become problems, FPS should be proactively engaging in workforce planning and implementing appropriate strategies to ensure necessary staff levels and competencies are in place to carry out the agency's mission and effectively protect federal facilities, employees and visitors. Continuous monitoring of attrition within FPS will allow the agency to more readily identify locations that will require special attention to ensure that mission-related responsibilities are not negatively impacted.

Mr. Chairman, this concludes my prepared remarks. I would be happy to answer any questions that you or the Committee Members may have.

Chairman THOMPSON. Thank you very much.
We will now hear from Mr. Schenkel.

STATEMENT OF GARY SCHENKEL, DIRECTOR, FEDERAL PROTECTIVE SERVICE

Mr. SCHENKEL. Chairman Thompson, distinguished members of the committee, as the director of the Federal Protective Service, I appreciate the opportunity to appear before you to discuss the long and proud history of FPS, the business improvements that have been made over the past 2 years, and my vision for where we are heading in the future.

As you may know, I began serving in my current position 1 month ago today. Prior to joining the FPS, I was the assistant fed-

³Buildings are categorized along five levels; Level V is the highest in terms of building security and Level I is the lowest. Levels are assigned primarily according to the number of tenants within a facility and also takes into consideration the square footage of office space, volume of public contact, and tenant agency mission functions. A facility's designated security level translates to minimum security standards that must be met. FPS conducts periodic risk assessments to validate a facility's security standards and countermeasures in place as well as to determine whether additional security enhancements are needed.

eral security director at Chicago Midway Airport, where I oversaw the strategic planning and business management of TSA operations and worked closely with both government and private sector partners to ensure the highest levels of security, without sacrificing efficiency and service.

Before joining the TSA, I served as the assistant deputy superintendent of the Chicago Police Department, where I served as the director of training and recruitment, and was responsible for employee relations and labor matters, including establishing a strong working relationship with the Chicago police union.

I was recruited for my position with the Chicago Police Department while serving in my 29th year as a U.S. Marine. While serving in the Marines, I attained my bachelor of fine arts degree, master's in public administration, and graduated from the Amphibious Warfare School and the Marine Corps Command and Staff College. These experiences prepared me to wide-ranging responsibilities over large geographic areas, exercising centralized control over dispersed decentralized operations.

I am confident that my leadership and security experience, as well as my background in organizational transformation, security planning for public facilities, logistical planning and business administration, will enable me to make a significant contribution to the success of FPS.

FPS is a critical part of ICE's overall mission through its protection of our federal facilities, the public that conducts business in those buildings, and the federal employees who work there. FPS uses a layered security approach that includes conducting security assessments, offering emergency planning services, and providing law enforcement services at more than 8,900 federal facilities nationwide.

FPS provides a wide range of activities performed by over 15,000 contract security guards and nearly 1,200 government personnel. Primarily composed to police officers, special agents, and inspectors, contract security guard employees of the private sector companies under contract with FPS perform six post access controls and screening functions. FPS officers perform patrol activities and respond to calls for service, while FPS special agents investigate crimes on federal property and perform intelligence and analysis functions.

FPS inspectors are uniformed law enforcement officers that possess full authority and training of the FPS police officer. However, inspectors are also duly trained as physical security experts and provide comprehensive security services, including building security assessments and implementing and testing security measures and monitoring and overseeing the contract guard force.

For fiscal year 2008, the president's budget supports 950 full time equivalent personnel that would be aligned with our national infrastructure protection plan priorities and risk-based methodology. The president's 2008 budget fully maintains existing levels of contract security guards. FPS will set security certifications for these contract guards and will increase its emphasis on ensuring compliance with the standards. Coupled with the contract guards are the FPS inspectors who will develop security policy, standards,

provide building assessments, and monitor agency compliance with security standards.

On the financial management front, FPS has struggled to cover all of its costs within its fee-based structure. In fiscal year 2006, \$29.4 million was reprogrammed to offset a projected existing FPS deficit. In fiscal year 2007, FPS is projected to be financially solvent due to the implementation of basic financial controls and a number of cost-cutting and cost-avoidance measures that began in 2006.

These cost containment efforts have enabled FPS to use funds for more critical operational needs. For example, in 2007 FPS conducted a law enforcement basic training class, along with a Physical Security Academy, PSA, class. We call for an additional two more classes in fiscal year 2007.

ICE has been engaged in a top-to-bottom review of FPS's operations to address critical issues, while continuing to provide the highest level of security protection and services to its clients. In addition, FPS must also play an additional role in the National Infrastructure Protection Plan as a sector-specific agency for government facilities.

The NIPP provides a comprehensive framework for the protection of government facilities, transportation facilities, key infrastructure assets, and other facilities from potential terrorist attacks, natural disasters, and other emergencies.

I welcome the opportunity to share this panel with Deputy Inspector General Taylor. FPS has received outstanding support and guidance from the Office of the Inspector General and is working diligently to ensure we address the findings made concerning our contract guard program.

We also have an important partnership with our contract security guards, and we welcome the input from such an esteemed organization like the National Association of Security Companies, NASCO, and look forward to a strong and long-lasting partnership.

I am also extremely pleased to be here with Inspector David Wright, union president, a gentleman that I have had the good fortune to meet with previously, and a true gentleman that I look forward to working with for the refinement of this process in the future.

The coming years will be filled with significant change for the FPS program and its dedicated workforce. It will take several years to accomplish our efforts. ICE and FPS now have the right plan to strengthen this vital capability.

Thank you again, Mr. Chairman, for holding this important oversight hearing. I would be pleased to answer any questions.

[The statement of Mr. Schenkel follows:]

PREPARED STATEMENT OF GARY W. SCHENKEL

INTRODUCTION

Chairman Thompson, Ranking Member King and distinguished Members of the Committee. Thank you for the opportunity to appear before you to share information about the Federal Protective Service (FPS), business improvements made over the last two years, and a vision on where we are going as a program in the future. Bottom line—since merging into U.S. Immigration and Customs Enforcement (ICE) after the creation of the Department of Homeland Security (DHS) in March 2003, FPS has been focused on strengthening its capability to execute its core mission. The goal was and still is to implement a more effective FPS, ensuring that our na-

tion's critical Federal facilities remain safe and secure. We now have a plan to succeed in this goal.

THE ICE MISSION

The ICE mission is to protect the American people by enforcing the law against terrorists and criminals who seek to cross our borders and threaten us here at home. The FPS program is a critical part of that mission through its protection of our Federal facilities, the public that conducts business in those buildings, and the Federal employees who work there. FPS uses a layered security approach that includes conducting security assessments, offering emergency planning services, and providing law enforcement services. These activities are performed at more than 8,900 Federal facilities nationwide.

FPS BACKGROUND

The FPS program delivers integrated law enforcement and security services to Federal agencies housed in General Services Administration (GSA) owned and leased facilities throughout the United States and its territories. FPS services cover a wide range of activities that have been performed by over 15,000 contract security guards and nearly 1,200 Government personnel, primarily composed of police officers, special agents, and inspectors. Contract security guards are employees of private sector companies, under contract with FPS, that perform fixed-post access control and screening functions. FPS police officers perform patrol activities and respond to calls for service, while FPS Special Agents investigate crimes on GSA controlled property and perform intelligence analysis functions. FPS inspectors are uniformed law enforcement officers that possess the full authority and training of FPS police officers; however, inspectors also are dually trained as physical security experts and provide comprehensive security services including building security assessments, implementing and testing security measures, and monitoring and overseeing the contract guard force.

On an annual basis, FPS conducts nearly 2,500 building security assessments and responds to approximately 1,500 demonstrations. In Fiscal Year (FY) 2006, FPS conducted more than 1,000 criminal investigations for crimes against government facilities and employees and arrested more than 4,000 criminals and fugitives for committing crimes on Federal property. Additionally, contract security guards seized more than 800,000 weapons and other prohibited items prior to their entry into Federal facilities. FPS provides services to nearly 1,500 facilities categorized as Security Level III or IV (highest risk facilities).

ACTIONS ALREADY TAKEN TO IMPROVE MANAGEMENT

Since FPS' creation in 1971, various studies and reports have been conducted concerning the program and its role in the protection of Federal employees, the buildings that house them, and the public that conducts business in these buildings. These studies were conducted throughout the history of the FPS while it was a component of GSA, and have continued since its transition to DHS. Many of these studies have highlighted serious management and operational challenges facing the program, including systematic funding issues.

I commend Assistant Secretary Myers for taking a strong, proactive role in getting to the root causes of the issues that have faced FPS over the last several years and for working diligently to fix them and enhance the program's effectiveness. In FY 2005, ICE established a Tiger Team to assist FPS in addressing its financial and acquisition management challenges and to recommend process improvements. This was the result of numerous DHS and Congressional inquiries related to late payments to FPS contract guard vendors. Although the Team focused on financial and acquisition management problems that had plagued FPS, it also identified other management and mission concerns for further evaluation. The work of the Tiger Team has resulted in significant progress being made in financial and acquisition management over the past year. These changes have improved financial and acquisition management by boosting compliance with the Prompt Payment as well as increasing training and resources to the contracting function.

Improving Acquisition Efficiency. As mentioned, we have made some initial strides on shoring up the acquisition functions. First, the acquisition functions have been consolidated under the ICE Head of Contracting Activity. Through consolidation, FPS has standardized processes and procedures, improved utilization of contracting staff, and achieved economies of scale. This directly responds to an audit published in October 2006, in which the DHS Inspector General cited the need to improve the oversight of the FPS contract guard program in the National Capital Region. While this continues to be an area of focused attention, I am pleased to report the following significant progress:

- Hired a Contract Guard Program Manager for the National Capital Region;

- Conducted a region-wide post audit;
- Developed and implemented Standard Operating Procedures for the guard program which outline the monitoring, tracking of contract deductions, and suitability processes;
- Increased the number of Contract Officers Technical Representatives (COTR);
- Provided enhanced training to all personnel involved in the inspections process; and as previously mentioned,
- Centralized guard acquisition functions under the auspices of the ICE Office of Acquisition Management.

For the long term, a study was recently completed to baseline the state of the acquisition function at FPS to develop a path forward for instituting improvements. The study identified several critical areas that require additional focus. These areas have been incorporated into our FPS vision moving forward.

Establishing Sound Financial Management. On the financial management front, FPS has struggled to cover all of its costs within its fee-based structure. In FY 2006, \$29.4 million was reprogrammed to offset a projected existing FPS deficit. In FY 2007, FPS is projected to be financially solvent due to the implementation of basic financial controls and a number of cost-cutting and cost avoidance measures that began in FY 2006. These included a streamlining of the Megacenter function to reduce unnecessary administrative support costs; reducing the FPS vehicle fleet where appropriate; restricting discretionary travel, overtime and training; restricting hiring and promotions to only the most critical; and deferring non-mandatory space moves, among others.

These cost containment efforts also have enabled FPS to use funds for some critical operational needs. For example, in FY 2007, FPS conducted a law enforcement basic training class, along with a Physical Security Academy (PSA) class. Plans call for two additional PSA classes for the remainder of FY 2007. Some key staffing needs are also being addressed due to careful financial management. Critical operations positions have been announced this year, providing for advancement opportunities in both the management and inspector ranks. Moreover, each FPS region has been given a defined budget providing for travel, training, overtime, as well as for critical equipment and supplies.

Clearly, implementation of acquisition and financial management business process improvements has put FPS on firmer ground. However, we also understand that addressing management-related concerns is the basis for ensuring the successful implementation of FPS' mission to protect Federal facilities. As such, Assistant Secretary Myers formed a second Tiger Team in May 2006 to review the FPS operations and structure overall. This team's goal was to define clearly the mission of the FPS; focus its resources toward that mission to ensure a stable working environment; and fully align FPS with ICE and DHS. The results of this second review were the foundation for the FPS Comprehensive Action Plan (Action Plan) that is now underway.

FPS COMPREHENSIVE ACTION PLAN

ICE has been engaged in a top-to-bottom review of FPS's operations to address critical issues, while continuing to provide the highest level of security and protection services to its clients. The move of FPS to DHS from GSA presented a unique opportunity for the FPS program to increase financial accountability and hone a clearly defined homeland security function. We must act now to revamp the program and improve its overall position within homeland security.

As mentioned previously, there is a well-documented case for this program. FPS must be refined to set the gold standard for facility risk assessments, identifying and investigating high risk incidents, and security interventions in Federal facilities across the country.

In addition, FPS must also play an active role in the National Infrastructure Protection Plan (NIPP), as the sector-specific agency for government facilities. The NIPP provides a comprehensive framework for the protection of government facilities, transportation facilities, key infrastructure assets and other facilities from potential terrorist attacks, natural disasters and other emergencies. FPS Inspectors possess expertise in the full complement of physical security and law enforcement capabilities. As a part of their basic training, inspectors successfully complete an intensive four-week Physical Security Academy, held at our state-of-the-art facility at the Federal Law Enforcement Training Center. Consistent with the NIPP, FPS is refocusing on its core physical security mission to include:

- Enforcing Interagency Security Committee (ISC) security standards;
- Conducting timely building security assessments;
- Maintaining and overseeing a strong contract guard program; and
- Testing and constantly re-evaluating security standards based on risk.

By leveraging the integration of FPS' security, response, and recovery capabilities within the NIPP framework, a layered approach to the security of Federal facilities will be achieved.

Together, the NIPP framework and results from the second ICE Tiger Team review provide the underpinnings for the FPS Action Plan. The key components of the Action Plan include:

- Restructuring and streamlining the program to enhance operational effectiveness;
- Developing and implementing a clear strategy related to the role of the FPS as the lead for government facilities within the NIPP;
- Leveraging resources in the areas of information collection and criminal investigation;
- Strengthening and standardizing the contract guard function; and
- Enhancing communication with FPS customers and providing clear expectations of services.

The coming years will be filled with significant change for the FPS program and its dedicated workforce. These changes will result in a more focused program that produces greater security at Federal facilities and for the people who work and visit these facilities. It will also result in better service for the FPS customers and a more productive partnership with the FPS program. Our commitment to the protection of Federal facilities will remain front and center during the refinement process. The mission must be focused and risk-based. This is a responsibility that we share with all client agencies. We must improve FPS' operational effectiveness and ensure that the primary mission is met and that the costs of that mission are fully recovered from our fee structure.

The Action Plan effort will result in a refined and refocused workforce composed primarily of inspectors that possess dual capabilities for providing law enforcement and physical security services that are geared toward high-risk threats and closely aligned with the NIPP. In addition, these resources will be realigned to high-risk locations. This effort will also complete the overhaul of contract management within FPS, which will result in improved contract compliance, contracting cost reductions for client agencies, and appropriate and strong contract management and will address the concerns raised by DHS Office of the Inspector General. A critical element in the Action Plan is a more active dialogue with FPS partners. The FPS program will create a partnership with GSA and customer agencies to delegate contract management and other authorities where it improves the security posture of the facility and will ensure compliance with FPS security standards.

FPS has established a program management office to track and monitor the Action Plan. The program management office will ensure Action Plan milestones are met and continue to refine FPS.

PERSONNEL AND RESOURCES

The President's FY 2008 Budget includes the resources to support a refined FPS program. Specifically, it includes an increase in the current basic security rate of \$0.39 to \$0.57 per square foot to recover the costs for providing basic security services. The Budget provides an additional \$97 million in estimated fees above the FY 2007 level, including \$37 million for increases in the demand for contract guard services and \$60 million associated with cost increases for current services. The Budget supports 950 full-time equivalent personnel that will be aligned with our NIPP priorities and a risk based methodology. The President's FY 2008 Budget fully maintains existing levels of contract guards. FPS must collect revenue for its services and define its services for its customers.

Currently, FPS employs about 1,200 people including inspectors, special agents, police officers, and support personnel. In addition, the FPS program manages approximately 15,000 contract security guards that serve as its front line in securing Federal facilities throughout the nation. FPS will set security certifications for these contract guards and will increase its emphasis on ensuring compliance with these standards. Coupled with these contract guards are the FPS inspectors who will develop security policy and standards; provide building assessments; and monitor agency compliance with security standards. These inspectors will also have law enforcement responsibilities. The first line of security at Federal facilities will not diminish. A realignment of its resources is necessary to improve the security posture of Federal facilities. Personnel adjustments will improve FPS mission execution, enhancing career opportunities for employees, and improving customer service. ICE is employing various strategies to align the workforce including Voluntary Early Retirement Authority. ICE and FPS will work towards providing its employees with voluntary opportunities to move into new positions and will provide other incentive programs including developmental opportunities. These developmental opportunities

will provide employees with the ability to train for new roles within FPS, ICE and DHS.

Assistant Secretary Myers and I are committed to involving the program's employees in the refinement process. This includes involving FPS employees in determining areas for improvement and providing regular communication to employees, as well as FPS customers. To date, over 700 employees have taken advantage of the opportunity to participate in various studies. We appreciate the input of our employees and will continue to keep them abreast of refinement efforts through periodic updates and newsletters.

There is no question that this will be a period of change for the FPS workforce. We realize that the employees are the greatest resource in this vital program. The Action Plan effort will result in a more stable work environment that is focused on its core mission. Employees will be provided growth opportunities through the inspector ranks. The current FPS workforce is deeply committed to the mission and we are confident that they will meet all challenges to create the premier physical security program in the Federal government.

CONCLUSION

Strengthening the FPS program as described in this testimony will result in a more effective security service program for our Federal workforce and the people who conduct business with the Federal government, in addition to addressing numerous intra-governmental studies and customer complaints. The men and women of the FPS are dedicated and believe in the core FPS mission, as does the DHS leadership team. We are aggressively moving forward to succeed in that mission.

It will take several years to accomplish our efforts. ICE and FPS now have the right plan to strengthen this vital capability.

Thank you again, Mr. Chairman and Ranking Member King, for holding this important oversight hearing. I would be pleased to answer any questions.

Chairman THOMPSON. Thank you very much.

I yield myself 5 minutes for the first set of questions.

Mr. Taylor, could you explain to the committee what improvements the OIG most recently called for in FPS and whether any of those improvements have been installed?

Mr. TAYLOR. Yes, sir. Thank you. We had five recommendations for improving internal controls. The department concurred and has taken action on three of the five. Most of these had to do with doing follow-up on the requirements, making sure that the quality assurance specialists are looking in the system they use to maintain the requirements of the contract guards, and change their operating procedures.

The plans for meeting those requirements, the department is meeting or has told us they are going to meet. We have not followed up to make sure that has happened, but they do have the corrective action plans in place.

There were two areas where we do not have resolution. One was on the request or recommendation that the department go back and look at prior billings from the contract guard services. When you have the number of inadequacies in the contract guards that we discovered and that were in their own systems, there is a provision that allows FPS to go back and deduct payments. We recommend they go back and do that.

FPS has told us that because they only gave themselves in the contract 30 days to go back and make those deductions, that they are probably unable to go do that. So they did not concur with that recommendation. At the time that they were trying to identify these inadequacies in the contracts, we have to recall they also were not making their payments to the contracts in 88 percent of the cases. So they really didn't give themselves enough time to go back and adequately look at the contract vouchers to make sure the services were provided and the quality assurance specialists

weren't at the time following up enough to make sure they could make a case for making the deductions.

The second area was broader. It was that they needed to look at the voucher process and systems and improve their internal controls. We have not heard back from the department. I think they had a response due to us March 30, and I think they are still working on it. Those were the two areas where we don't concur.

Chairman THOMPSON. Now, are you saying it was due March 30?

Mr. TAYLOR. Yes, sir.

Chairman THOMPSON. Mr. Schenkel, can you respond to those two issues as to whether or not there is some plan to look back at prior billings, or if not, what are the future plans on looking back as the IG has indicated? And to some degree, whether or not there are enough internal controls that have been set up with the vouchering system going forward?

Mr. SCHENKEL. I think I can answer the first part first in a little bit greater detail. As you may know, we have transitioned from GSA into ICE and picked up on their financial acquisition management program. We have made some great strides. In fact, back in 2006, we have established the Debt Management Center where all invoices are consolidated, and invoices are sent to. So we have the ability to track them, and then they are reviewed before they are sent out.

We have made an agreement to go back to 2006 and review all of the invoices from the national capital region, which Mr. Taylor addressed here as part of the ones that have not been addressed. We are reviewing all of the fiscal year 2007 invoices. In addition to that, we are looking at the feasibility and cost feasibility, if you will, of going back prior to the 2006 timeframe.

We have a limited staff. I am a bit concerned about how much we would recoup from these invoices that may not have been prepared properly, or we may have been overcharged for. I am not sure that it would be a benefit to the Federal Protective Service or the federal government at this point. I think that it bears review and we will do that.

In regards to the oversight of the individual contracts and the contracting within the national capital region, we have assigned additional personnel to accumulate and review the contracts the invoices, and a second person who will take those and then do a second review before they are passed forward for payment.

Chairman THOMPSON. Thank you.

So is it your expectation now that the 88 percent ratio of being late with payments will be reduced?

Mr. SCHENKEL. I can say safely that since fiscal year 2007 began, we are at 99.7 percent completion in payment for all of our invoices.

Chairman THOMPSON. Can you, just for the members of the committees' information, did you identify why those invoices had such a delinquent status in the department to start with? Why was FPS late on paying invoices?

Mr. SCHENKEL. We did not have sufficient staff in place for the review and passing them through the appropriate channels. I think with the establishment of the Debt Management Center up in Bur-

lington, Vermont, where all of the invoices now go for review, I think we have accomplished a great deal in that area.

Chairman THOMPSON. So is it your testimony that we are doing 99.7 percent?

Mr. SCHENKEL. We are doing 99.7 percent in fiscal year 2007.

Chairman THOMPSON. That is good. That is excellent.

Are you aware of that, Mr. Taylor?

Mr. TAYLOR. No, sir.

Chairman THOMPSON. We might have to ask you to look at that. That is an excellent record.

Mr. TAYLOR. It is.

Chairman THOMPSON. You are to be congratulated if it can be documented.

I now yield to Mr. Bilirakis for 5 minutes.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

Mr. Schenkel, like many on this committee, I am very concerned that some contractors in the D.C. region were not performing their security services according to the terms of their contracts, such as having appropriate security clearances for their posts. Who is responsible for monitoring this?

Mr. SCHENKEL. The contracting officer, the technical rep that had to be assigned to that specific contract. That is one of the areas that we are moving to improve in by going to an all inspector-based force to provide them contracting agency technical rep training as well, so they can ensure compliance with the contract and appropriate performance of the contract.

Mr. BILIRAKIS. Thank you. Now that FPS will be realigning its workforce based on risk, can you ensure that there will be sufficient security at all federal buildings throughout the country?

Mr. SCHENKEL. Based on risk, yes, I can. I think that is why we made the determination that it is necessary to go to the inspector-based force. I think that at a point, because all of our law enforcement capabilities are also entwined with our inspectors, that a distraction could possibly be created by federal police officers responding and patrolling, as opposed to paying attention to the specific building security assessments in a timely manner and providing that oversight, and placing those appropriate countermeasures, again based on risk.

Risk continuously changes. It is not a static. It is something that has to be reviewed on a regular basis. I think that is the justification why we would be able to enhance the security at federal facilities, as opposed to detract from it.

Mr. BILIRAKIS. Okay. Can you assure this committee that while reducing the number of FPS employees, safety and security of federal property, as well as personnel and visitors, will not be compromised?

Mr. SCHENKEL. Again, I would return back to my comments regarding the inspector-based force. We have 50,000 contract guards that are certainly our most visible security countermeasure. By appropriately assessing and staying abreast of the threats that surround federal buildings, both from criminal elements and terrorist elements, that we are in fact enhancing the security of the buildings. Plus, our relationships are strengthening with local law enforcement for initial response. I think that the safety and security

of our federal employees and those that do business in our federal buildings are being enhanced.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I yield back.

Chairman THOMPSON. Thank you very much.

Mr. Schenkel, can you explain to the committee the role between the inspectors, as I understand it, and just the security personnel?

Mr. SCHENKEL. Security personnel being the contract security guard, sir?

Chairman THOMPSON. That is correct.

Mr. SCHENKEL. Yes. The contract security guards are a countermeasure. They provide access control, fixed position monitoring, and in some cases some patrol functions. They are in place based on the expertise that is displayed by a Federal Protective Service inspector. The Federal Protective Service inspector, as we move to the all inspector-based force, will also have additional contracting technical representation training to ensure that their performance is up to standard and maintains the standard that meets or exceeds the federal standards that we have established.

Chairman THOMPSON. So are those individuals in a supervisory capacity of the contract screeners? Do they work the same post as the screeners? What is the relationship?

Mr. SCHENKEL. The relationship primarily is with the contract guard company. The contract guard company is held responsible for the performance of their contract guards. The Federal Protective Service inspectors, and in my view, every one of us that belongs to the Federal Protective Service, is an extra set of eyes to ensure compliance with the contract. If there is a lack of performance or a denigration of performance on behalf of a contracted security guard, we go to that contractor and take corrective action.

Chairman THOMPSON. So all your inspectors have received this training and everything necessary for that to take place?

Mr. SCHENKEL. Not all of them yet. That is part of the transition plan or the refinement plan for the Federal Protective Service.

Chairman THOMPSON. Please provide us with the written transition plan for the department that includes timetables.

Mr. SCHENKEL. Yes, sir.

Chairman THOMPSON. I now recognize the gentlelady from the Virgin Islands, Ms. Donna Christensen.

I am sorry, Ms. Norton from the District of Columbia.

Ms. NORTON. Thank you, sir. I do believe I was here first.

Mr. Taylor, given the contracting issues that you report, do you believe that FPS would be better able and more efficiently to perform its duties if it were independent within the Department of Homeland Security, rather than a part of ICE? What does being in ICE give it?

Mr. TAYLOR. We haven't addressed that.

Ms. NORTON. What is it doing there? What does it have in common? Why does that help FPS?

Mr. TAYLOR. Sure. I am not all that familiar with the legislative history of how FPS became part of DHS other than that—

Ms. NORTON. I am asking you another question, sir.

Mr. TAYLOR. Okay. I am sorry. I am having trouble hearing you. I am sorry.

Ms. NORTON. I am sorry. I am asking you about FPS now as a part of ICE, as opposed to FPS being independent within the Department of Homeland Security. What benefit is it to 2 million federal employees to millions more who go to Social Security and visit our buildings for other services, millions who come as visitors? What benefit is it to have the agency absorbed not only within the Department of Homeland Security, but within ICE, particularly considering the problems of efficiency you have found?

Mr. TAYLOR. Sure. I think that initially no matter where FPS would have been located within DHS, the problems would have been similar, for two reasons, one of which is specific to FPS and the problems that they had in terms of getting adequate funding and having adequate funding, even when they were at GSA and coming over to DHS.

Secondly, as our other audits in the financial statement area have indicated, there weren't a whole lot of places in DHS they could have gone where they would not have had similar financial management issues, because DHS's financial management systems have not been able to get—

Ms. NORTON. My question is about making it independent within DHS. I am saying, what value is it? We see a bureaucracy on top of a bureaucracy. There are lots and lots of complaints about DHS and bureaucracy. But when you have a bureaucracy within a bureaucracy, I am trying to find out what is the value?

Mr. TAYLOR. I think from our perspective, if you created FPS as a separate entity within DHS, which I guess that is the core of your question—should it be independent within DHS.

Ms. NORTON. That is what it was at GSA.

Mr. TAYLOR. Right. If it is independent within DHS, you would have to recreate all the infrastructure that they have at ICE.

Ms. NORTON. Why? That is what DHS is there for.

Mr. TAYLOR. Yes, ma'am.

Ms. NORTON. DHS, that is supposed to be the overhead and the infrastructure. Is this the ICE infrastructure we are dealing with, who then reports to the DHS infrastructure?

Mr. TAYLOR. By "infrastructure," ma'am, I am talking about the financial systems, the procurement support systems. DHS corporate doesn't support an entity the size of FPS directly, and so they would have to create that kind of entity in order to support them, if they were independent within DHS. As an initial reaction to the question, the benefit is that they don't have to recreate all that.

Ms. NORTON. The FPS is the federal police force for every federal agency, for every federal entity. Mr. Schenkel, have you ever led a line police force? Do you have any police training yourself of any kind?

Mr. SCHENKEL. Yes, ma'am. I was the only civilian, if you will, that led sworn police officers in the Chicago Police Department.

Ms. NORTON. Yes, I have your resume here, and you boast of that. I am asking you another question. The question is, you are now essentially the police chief for the federal police force. That position has always been held by somebody with line law enforcement experience, not only management experience. I am asking you, have you any law enforcement experience other than the manage-

ment experience you had in Chicago and in the federal government?

Mr. SCHENKEL. I am not a sworn officer, ma'am, if that is what you are asking.

Ms. NORTON. I am concerned about the reduction in sworn officers. Let me read to you what the difference is between the inspectors and the sworn officers. Officers, in homeland security terms, peace officers have as their mission, and by "peace officer," that is somebody who carries a gun, who has training the same place as the Capitol Police train.

Mr. Chairman, we sure bulked up here, a 50 percent increase in the Capitol Police Force. We see a huge decrease in the police force who guards our constituents in federal buildings, not to mention 2 million federal workers. The mission was to interrogate suspects who display violence and irrational temperaments, seek out and question witnesses and suspects, to preserve the peace, prevent crimes, arrest offenders, provide crime prevention guidance, and police assistance during emergency situations.

Now, let's look at the new mission for the FPS that the FPS relies on for inspectors, who I understand are also peace officers. Are they all peace officers?

Mr. SCHENKEL. All of our inspectors, ma'am? Yes, ma'am, they are sworn officers.

Ms. NORTON. All right. Here is what these peace officers now have among their duties: presents employee awareness programs; conducts crime prevention studies; conducts physical security surveys; and coordinates minor repairs of electronic security systems.

I have to ask you, Mr. Schenkel, what then is to be done about—and here I am again quoting the mission of the FPS officer—investigating criminal incidents, disseminating terrorism-related intelligence, and conducting joint terrorism task operations.

Who will perform these functions if the FPS officer is either being converted into some kind of an inspector and the rest is falling to security guards, most of whom are not even peace officers, as I understand it. Who is to perform these core terrorism and crime prevention functions with the rapid, rapid decrease in the number of peace officers, people who carry guns, people who are the same kind of police officers that guard and guarantee the safety of members of Congress? Who is to do this job?

Mr. SCHENKEL. I am glad you asked that question, ma'am, because I think that gives us an opportunity to really explain the full function of the Federal Protective Service. It is not just police officers and it is not just inspectors. It is a system of systems, if you will, to include membership on joint terrorism task forces around the country that pass intelligence information, terrorism-related information, to our regional intelligence agents, that also pass that then on to our regional directors.

The system then has a policy or a performance measure that then disseminates that kind of information out to the appropriate sources to include our contract security guards when necessary in appropriate functions. So it is not just the function of the federal police officer to respond to an incident. It is an overall system.

Ms. NORTON. I just read what the function was, sir. I am trying to find out who is going to do the core terrorism and patrol func-

tions, for example. There is a huge reduction in peace officers. And yet you have MOUs with local law enforcement—or so it is claimed; we have not been able to get any of them—that says that they will agree to do this police function. How can that happen if it is security guards who have replaced the peace officers?

Mr. SCHENKEL. Because that is exactly the way the system functions, ma'am. We have 15,000 extra sets of eyes and ears out there in addition to our sworn officers, who are officers and inspectors, and our memberships on the joint terrorism task forces, and our relationships with local law enforcement, who are always the primary—

Ms. NORTON. Mr. Chairman, I appreciate this time. I just want to indicate that the point of the question was that an MOU with the Dallas police force is that you will do what we are not doing, and the Dallas police force expects you to have a peace officer who can in fact make the arrest, and that will not be the case if the contract guards, or in many cases, no guards at all because of the huge reductions at FPS.

I thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

For the record, does that security guard have arrest power?

Mr. SCHENKEL. No, he does not have arrest power, other than citizen's arrest power.

Chairman THOMPSON. So they don't have—

Mr. SCHENKEL. No, they are not sworn officers, sir.

Chairman THOMPSON. So those 15,000 people you reference that act as eyes and ears really can only just see the situation and report it to somebody else.

Mr. SCHENKEL. And they have limited response capability based on their positions.

Ms. NORTON. Call 9-1-1, in other words.

Chairman THOMPSON. Thank you.

I now yield 5 minutes to the gentleman from Washington, Mr. Reichert.

Mr. REICHERT. Thank you, Mr. Chairman.

I will just start out with, I was a sworn police officer for 33 years; rose from the ranks just up until 2 years ago; a patrol car detective; SWAT commander; precinct commander; and a sheriff for the last 8 years of my career in Seattle.

I do understand the importance of a layered approach to law enforcement. We had community service officers. We had screeners. We had private security. We had retired deputies who had limited arrest powers within certain buildings within the county. And then we had our deputies and investigators who made up the rest of the 1,200 employees with the sheriff's office in King County.

But I want to make sure that we are headed down the right path for the right reasons this morning. So I understand the concept, but is it really the driver behind the decision to cut 250 commissioned people to provide better service? Or is really a financial decision that we are making here? I do understand there are some financial issues that you are dealing with.

Do the security guards get paid less than the commissioned and inspectors?

Mr. SCHENKEL. Yes, they do. Contract security guards get paid less.

Mr. REICHERT. What are the savings that you would estimate that you might make in making that change from 250 commissioned to the security guards?

Mr. SCHENKEL. Sir, in all due respect, they are not truly related in their relationship as to their performance or their functions. The Federal Protective Service, the police officers, the inspectors, provide the oversight and in some cases the response, where the security guards provide the perimeter security, the limited control of access, et cetera.

Mr. REICHERT. I do understand that. We have the same arrangement with the Seattle Police Department and the King County Courthouse, where we have a contingent of men and women who work within the courthouse who do have arrest powers on a limited basis only within that building, and then call on the Seattle Police Department for backup. But there is a savings that you will realize if you cut 250 commissioned FPS versus hiring.

Are you going to hire an additional number of security guards?

Mr. SCHENKEL. There is no anticipated plan to hire additional security guards. The focus will be to effectively employ and train the remaining members of the Federal Protective Service.

Mr. REICHERT. So the 250 that would lose their jobs will be retrained?

Mr. SCHENKEL. First of all, no one is going to lose their job. Everyone has an opportunity, or will be given opportunities for a variety of methods to transition out of the Federal Protective Service—combinations of early retirements, separation incentives. But most importantly, there will other opportunities, primarily within ICE, that they will qualify for.

Mr. REICHERT. So is it a matter of then managing the 15,000 security personnel that you already have in a more efficient way to cover the loss of 250 bodies that were doing some job prior to this cut?

Mr. SCHENKEL. Yes, sir. The most effective use of our Federal Protective Service can be in the effective management and emplacement of control measures.

Mr. REICHERT. What is the command and control set up? Who do they report to? What is the command structure for the security guards? Who is responsible for managing the security guards? Do they have a chain of command that they follow?

Mr. SCHENKEL. We have a contract program manager in every one of our regions. In addition, the regional director and his staff, which is then broken down into districts and areas, they provide the oversight as well.

Mr. REICHERT. These are not security company employees. These are federal government?

Mr. SCHENKEL. No, these are Federal Protective Service.

Mr. REICHERT. Were they commissioned people?

Mr. SCHENKEL. I am sorry?

Mr. REICHERT. Were they commissioned people, or are they commissioned people?

Mr. SCHENKEL. Yes, they are sworn officers. Yes.

Mr. REICHERT. Mr. Chairman, I have no further questions at this time. I yield.

Chairman THOMPSON. Thank you very much.

We now yield to the gentleman from Pennsylvania, Mr. Carney, for 5 minutes.

Mr. CARNEY. Thank you, Mr. Chairman.

I am very happy we are holding this hearing today. I think it is very important to get eyes on what is going on with FPS.

Mr. Taylor, this first question is for you. In his statement, Mr. Schenkel noted that the core mission of FPS is of course to do the assessments on federal installations across the country, but we are cutting the time we do those from 4 years to 6 years. Is that correct?

Mr. SCHENKEL. There is a proposal we are looking at. Right now, our level three, level four buildings get an assessment every 2 years. Our level one and two buildings get an assessment every 4 years, again, based on risk and other determining factors that coincide with some other DHS programs. We may extend that. We may contract that. It is still to be determined.

Mr. CARNEY. Okay. When do you anticipate you are going to have that plan in place?

Mr. SCHENKEL. The plan right now is to maintain the level threes and fours at every 2 years, and the ones and twos every 4 years.

Mr. CARNEY. Oh, it is?

Mr. SCHENKEL. Yes.

Mr. CARNEY. Okay. Very good.

I have a little bit of background in counterterrorism, too, and I am watching how quickly enemies evolve and how quickly they learn our vulnerabilities. I think it would be an egregious oversight to extend the amount of time we do these reviews. I think we need to do those as diligently and as often as is practical, not extend them to 6 years certainly.

I had a couple of questions also for Mr. Schenkel, even though you answered Mr. Taylor's questions. We are losing at the street level a number of officers, but we are plussing up deputy positions. Is there a way to justify that?

Mr. SCHENKEL. I am sorry. I don't understand. Are you speaking of the inspector positions?

Mr. CARNEY. The deputy director positions in DHS. Is that correct? At the FPS level? We are losing street-level FPS officers, correct?

Mr. SCHENKEL. That is correct.

Mr. CARNEY. Okay. We are plussing-up or adding deputy directors?

Mr. SCHENKEL. No, we are not adding deputy directors. What we are doing is filling vacancies and posting them as internal announcements with the intention of filling most, if not all, of the open positions with people from internal to the FPS.

Mr. CARNEY. Okay. No further questions at this time.

Chairman THOMPSON. Thank you.

We now yield 5 minutes to the gentleman from California, Mr. Lungren.

Mr. LUNGREN. Thank you very much, Mr. Chairman, and thank you for this hearing.

Colonel Schenkel, your experience in the Marine Corps, I would take it, has given you a background in looking at risk and assessing risk and attempting to come up with comprehensive plans to deal with the particular threat.

Following up on Mr. Reichert's questions, can you tell us that this plan that has been laid out and is going forward is based on a more efficient array of your personnel and assets to protect the mission you have, which is to protect the federal buildings? Or is it an effort to try and do a job with restrained resources? Those are two different things, or they could be the same thing, but I would really like to get a sense of where you are going on this.

Mr. SCHENKEL. We are looking at the more effective use of the personnel that we have available. Our determination on the numbers was done over a series of months, but one of the most recent was done in a regional directors conference in approximately the February timeframe. What we did since that time is then validate that process and distribution of our assets and resources, that being the effective use of the inspector force.

Mr. LUNGREN. Let me ask a very simple question. If I am an employee at a federal building in San Francisco, and I go to work there every day. What difference do I see when this plan is in effect versus what it used to be, number one?

And number two, if I see something that concerns me about someone who might be a danger to me, my fellow employees or the building, to whom do I report that? And is it any different now under this plan than it was before?

Mr. SCHENKEL. It will be completely transparent.

Mr. LUNGREN. So what do I do? Who do I say, "I saw a suspicious package out there." Do I tell the security guard? Is there someone else I should tell? And has the response changed?

Mr. SCHENKEL. No, the response has not changed. In all but the exclusive jurisdictional facilities that FPS has sole jurisdiction for, the primary response is and always has been call 9-1-1. You can also, if you do see something and you do not feel the exigent circumstance, you can always contact the contract security guard or one of the Federal Protective Service employees in the area, who will then have to call in appropriate authorities on top of that to investigate, depending on the circumstances.

Mr. LUNGREN. What percentage of your contract security guards carry weapons?

Mr. SCHENKEL. I am not 100 percent sure. I would have to get back to you on that, sir.

Mr. LUNGREN. Is it more or less than 50 percent?

Mr. SCHENKEL. Much more than 50 percent. I would say the preponderance of them carry weapons.

Mr. LUNGREN. And they have only citizen arrest powers. Correct?

Mr. SCHENKEL. They also have the right to protect themselves and to protect the lives of others with those weapons, if that is what you are asking, sir.

Mr. LUNGREN. Let me ask you this. In June of 2006, a visitor to the DHS headquarters here in D.C. used a fake matricula consular card as identification and was allowed to use the building. Accord-

ing to the article that I read, this card was not a very good fake ID. It listed Tijuana, British Columbia as the date of birth, and the address as 123 Fraud Boulevard. I know that is one incident, a kind of obvious kind of thing.

What do you do in response to a breach of security like that? How well trained are the security guards to be able to identify something as fake? And in that particular instance, can you tell me what happened to the guard or guards involved that allowed this person entry into that building?

Mr. SCHENKEL. In regards to that particular incident, the matricula consular card is not an authorized, or is no longer an authorized form of identification. Since that time, we have also instituted and enforced that only government picture IDs, government-issued ID—that could be local, state or federal government identification card—is the only means of appropriate identification that are authorized.

In regard to the individual contract security guard who allowed that in, I do not know, but I can get the answer for you.

Mr. LUNGREN. Wouldn't it be good to make sure that when lapses like that occur, that at least someone is held responsible—someone or some few are held responsible?

Mr. SCHENKEL. Absolutely, sir.

Mr. LUNGREN. So you will get back to us on what happened in response to that?

Mr. SCHENKEL. Yes, sir.

Mr. LUNGREN. Thank you very much, colonel. I appreciate it.

Chairman THOMPSON. Thank you very much.

In addition to that information, can you identify the company that that particular security guard worked for and whether or not the department took any disbarment or any actions against them for that breach?

Mr. SCHENKEL. Yes, sir.

Chairman THOMPSON. Thank you.

I now recognize the gentlelady from the Virgin Islands, Ms. Christensen, for 5 minutes.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

If this question has been asked, I would apologize. But I note that the risk assessments which are done now at 4 years would be moving to be done every 6 years. Mr. Schenkel, could you explain that?

And Mr. Taylor, could you comment on that as well? The security risk assessments which are now being performed every 4 years at some federal buildings, why are they now going to be done every 6 years?

Mr. SCHENKEL. Ma'am, they are not going to be. That was a proposal that was put on the table based on risk, and we are going to maintain the assessment at the 2-year intervals for the level three and four buildings, and the 4-year level for the level one and two buildings.

Chairman THOMPSON. Gentlelady, Mr. Carney asked part of that question earlier.

Mrs. CHRISTENSEN. Okay, thank you.

I think you have answered this one about the staffing. Although you are reducing the staff, it is commensurate with the risk assess-

ments that are being done? The staffing levels, even though they are being reduced, are appropriate to the risk assessments?

Mr. SCHENKEL. Yes, ma'am, because the inspector force are the people who perform the security assessments at the buildings. The federal police officer is not authorized to do that because he or she is not trained. An inspector is a federal police officer with the additional training of a public security assessment specialist.

Mrs. CHRISTENSEN. Are you reducing contract and staff, or just staff, just the permanent staff?

Mr. SCHENKEL. The contract guard people will remain fairly stable at roughly 15,000.

Mrs. CHRISTENSEN. The department is not moving permanent staff out to put them on contract, are they?

Mr. SCHENKEL. No, ma'am.

Mrs. CHRISTENSEN. Because that has been a practice in the past.

Mr. SCHENKEL. Not in the Federal Protective Service case at this point, ma'am.

Mrs. CHRISTENSEN. The question was being asked about the limitations of the guards, because you talked about officers. What was the term you used?

Mr. SCHENKEL. The inspectors.

Mrs. CHRISTENSEN. The inspectors.

Mr. SCHENKEL. Yes, ma'am.

Mrs. CHRISTENSEN. Your contract people would not be qualified as inspectors, would they?

Mr. SCHENKEL. No, ma'am. They are the officers that you see in uniform that provide access control very similar to the way that this building is protected.

Mrs. CHRISTENSEN. And yet with the reduction in the staff and the contract guards not being law enforcement officers, you still are meeting the requirements, you are saying?

Mr. SCHENKEL. Yes, ma'am.

Mrs. CHRISTENSEN. Are you reducing your staff because of funding, or because of the assessment?

Mr. SCHENKEL. We determined that the direction of the Federal Protective Service had to be inspector-based. Based on the numbers of buildings and the requirements for the assessments, we determined the appropriate number.

Mrs. CHRISTENSEN. I don't know if Mr. Taylor has any responses to any of my questions. They were directed to Mr. Schenkel, but if you had a comment, I would take it.

Mr. TAYLOR. I can offer one comment, ma'am. I think the critical issue that you are getting at it what is the critical mass for FPS to perform its core function. To be honest, we haven't seen any more detail in the IG's office than what has been offered in testimony and what is in the 2008 budget presentation.

So we don't know any more of the details. But in looking at this, our concerns would be what is FPS's assessment of its core mission, and what is the critical mass to achieve the core mission, which is what I think these questions are getting at.

Mrs. CHRISTENSEN. Exactly.

Mr. TAYLOR. And so what is their assessment of what it would take, and how are they going to meet that. That is the kind of thing we would be looking for when we see the detailed plan.

Mrs. CHRISTENSEN. Mr. Chairman, I don't have any further questions at this time.

Chairman THOMPSON. Thank you very much.

One of the questions, Mr. Taylor, I think you could help this committee with is part of your review found people with expired certifications. You found guards who at the time of the review were not on. You found guards with clearance lacking. Let me get another point. You found some people with non-citizenship papers.

Mr. TAYLOR. We found individuals who were non-citizens who didn't have their work permit cards with them.

Chairman THOMPSON. Guarding federal buildings?

Mr. TAYLOR. Yes, sir.

Chairman THOMPSON. Mr. Schenkel, can you assure us that those items that Mr. Taylor's review found, that if he went back with a subsequent review, that all of that has been cleared up?

Mr. SCHENKEL. I would be cautious to say "all," but I will say the greater portion of it.

Chairman THOMPSON. Mr. Taylor, can you say, was the fault the contracting officer? Or was it the so-called "inspector" not checking on the contract? If we are moving to this security force and we are elevating inspectors, I am trying to see how somebody would find out whether or not these items your investigators identified could be picked up and at what point.

Mr. TAYLOR. Sure. When we looked at the national capital area, for example, where you have over 5,000 contract guards, you had 12 quality assurance specialists that FPS has, who are supposed to do the reviews and make sure, and do the site visits, in addition to the contracting officers. You also have a system called CERTS where they maintain all the requirements of the contract guards are supposed to meet. All we did was go into CERTS and pull out expired certifications and just verify whether or not the guards were actually on duty, and in 30 percent of the cases, they were.

Chairman THOMPSON. So it was a fairly simple review process?

Mr. TAYLOR. Yes, sir. Just doing that visual verification and then to ask things like we knew certain individuals weren't U.S. citizens, but we asked for their work permit cards and inspected them. We knew at certain facilities you needed a top secret or secret clearance. Did they have them? Were they properly adjudicated? And to make sure that all their certifications were in place. We could go through their systems, sample it, pull it out, and then went to verify the results.

Chairman THOMPSON. I think, Mr. Schenkel, you can see a little concern on our part. If the department is going in the private contracting direction, whether or not there is ample oversight for that to occur, or do we need to put the brakes on it and say, "Look, we are doing something that causes us more concern."

I am concerned that those people don't have a rest hour. I will be honest with you. When I see the other mistakes occurring, I am even more concerned that you have people who are non-citizens, without work permits. You have people in sensitive areas without the proper clearances. You have people who should be armed who are not armed.

Obviously, all this could be readily picked up by just going to the file. I understand the layered approach, but if in fact all the lay-

ered approaches didn't pick this up, then we don't have much of a system. That is a concern.

I now yield to the gentlelady from New York, who would be impacted by this process, to Ms. Clarke, for 5 minutes.

Ms. CLARKE. Thank you very much, Mr. Chairman.

You know, this is a very interesting hearing. As we are all the way to the first line of defense for over 8,000 buildings throughout our nation, the Federal Protective Service plays a very important role in the Department of Homeland Security's mission of keeping Americans safe. Although small in size, with approximately 1,000 employees, evidence of hard work done by FPS can be seen anytime someone walks into any federal building administered either by GSA or DHS, or so we thought.

At the same time, FPS appears to have many of the same problems that plague the entire department. Its contracting situation, in my estimation, is really a huge mess. Its leadership looks to be without direction. Employee morale is low. And the entire agency appears to be in limbo, currently stuck within ICE, unable to find a home in which it more naturally fits.

I simply cannot understand how at a time when the U.S. is spending more than ever on security, we can afford to reduce the workforce that oversees the protection of our nation's buildings.

Director Schenkkel, can you tell us, of the over 300 employees you have proposed removing from FPS, how many work in New York City?

Mr. SCHENKEL. If you can give me 1/2 second, I can tell you: 101, in the region. I would have to break that out and find exactly how many were in New York City.

Ms. CLARKE. Okay. I would be really interested in that, simply because based on what you have said today, that there is an evolution of the mission of the FPS. It seems to shift a lot of the responsibility into integration of contractors and local law enforcement, which has historically for the city of New York been a huge burden.

I wanted to find out from you, and sort of following the line of the gentlewoman from the District of Columbia, Ms. Holmes Norton. Can you tell us what type of incident command structure has been put in place to avoid jurisdictional conflict?

Mr. SCHENKEL. Particularly in New York City?

Ms. CLARKE. That would be great, but I am sure it is applicable wherever we go where you are shifting the burden to the local jurisdictions and integrating contractors.

Mr. SCHENKEL. Yes, ma'am. That is kind of a broad question.

Ms. CLARKE. Yes, but it is a very simple question because when an incident occurs, we want to know who is responsible for arrest. We want to know who is responsible for containing any problems that may occur, and that they have the skills and ability to do so, and that the financial burden of doing so does not fall upon municipalities.

So I want to get a sense of what our role in the context of what you have created actually is. That calls for an incident command structure. Do you have one?

Mr. SCHENKEL. Yes, ma'am, we do. I am a little confused as to whether we are talking about a major incident or an individual act of aggression, say, like violence in a workplace or something.

Ms. CLARKE. Whichever scenario you see fit.

Mr. SCHENKEL. Our contract security guards do have authority to respond to a workplace incident, shall we say. Let's just start a scenario here.

Ms. CLARKE. Your contractor or—

Mr. SCHENKEL. The contract security guard and the FPS police officer have the authority to respond. The FPS police officer or inspector would have the authority to make the arrest. The contract security guard, if you will, does have the authority to contain the situation, to include restraining any individual.

Ms. CLARKE. And how do they go about this restraint?

Mr. SCHENKEL. Through their training, ma'am.

Ms. CLARKE. Through their training?

Mr. SCHENKEL. Yes, ma'am.

Ms. CLARKE. It just seems to me that, and I am a New Yorker, so someone who is unlicensed to effect an arrest is not a peace officer, and would not go very far with your average upstart in containing a situation. Who do they report to when it goes beyond their specific protocols as a security agency?

Mr. SCHENKEL. There would be a simultaneous call, not only for the immediate action of a contract security guard that may be on-site, but there would be a simultaneous call to either local law enforcement or a federal police officer, whichever one was in the closest proximity based on the priority of the crime.

Ms. CLARKE. In closing, Mr. Chairman, I would like to get a little bit more detail on response. It can be a local event. It can be a terrorist event. What is the specific incident command structure that is put in place? Particularly, why don't we use New York City as an model.

Mr. SCHENKEL. Okay.

Ms. CLARKE. Thank you.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you.

One of the things we will look at is whether or not we are pushing more on states and locals to secure federal properties. I came out of local government, and if what I am hearing is more of a burden on local law enforcement to do what we are not doing by contracting with these local security agencies, I will be concerned to look at that likewise.

We will now recognize the gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman, and thank you, Mr. Ranking Member, for hosing these hearings. We greatly appreciate it.

Mr. Schenkel, let me move as expeditiously as possible. Currently, you are paying 39 cents per square foot for the fees-for-services. Is this correct?

Mr. SCHENKEL. Basic security fee is 39 cents. Yes, sir.

Mr. GREEN. Would you explain what that means, please, the 39 cents-a-foot?

Mr. SCHENKEL. Every square foot of GSA property or leased property under GSA, the tenant is assessed a 39 cent-a-square-foot fee.

Mr. GREEN. You are requesting that this fee increase to 57 cents a foot. Is this correct?

Mr. SCHENKEL. That is correct, sir.

Mr. GREEN. If you receive this increase, will you have to reassign any employees?

Mr. SCHENKEL. We will have to reassign employees based on skills sets and geographic distribution. Yes, sir.

Mr. GREEN. And if you do not receive the increase, what will be the circumstance?

Mr. SCHENKEL. We will have to determine other ways to accomplish that same distribution.

Mr. GREEN. We live in a world, Mr. Schenkel, where it is not enough for things to be right, they just also look right. While what is occurring may be right, my suspicion is that it doesn't look right to a good number of persons in the public. It seems to some, I suspect, that we are privatizing the FPS; that we are outsourcing responsibilities, duties and functions that should be maintained by a licensed peace officer.

This causes a great degree of consternation. It puts you in a tough position because you are right now speaking for the executive branch of the government. You literally are the president's voice at this hearing. So in understanding that you are speaking for the President of the United States—and I know you don't like to necessarily do this, but you are his voice here today—are you saying to the American public that there is no shortfall in your department?

Mr. SCHENKEL. No shortfall in regards to—

Mr. GREEN. To your budget needs.

Mr. SCHENKEL. We will remain solvent in 2007. We anticipate being solvent for 2008.

Mr. GREEN. Are you saying that you do not need additional FPS officers?

Mr. SCHENKEL. We have determined that we can accomplish our projected mission of securing federal facilities and leased facilities with the 950 number that we explained.

Mr. GREEN. So your answer is, you do not need additional FPS officers to meet your mission requirements?

Mr. SCHENKEL. At this point, we have the 950 to effect—

Mr. GREEN. Mr. Schenkel, let me suggest this, and I am not trying to play "gotcha," but sometimes when people finish, I don't know whether they have said yes or no. So I am going to insist on a yes or no answer.

Are you indicating to the American public as a representative of the executive branch, understanding that we live in a world where there are some great concerns that are going to have to be addressed, are you saying that you have enough officers to do your job?

Mr. SCHENKEL. In support of the President's budget, I can support the mission of the Federal Protective Service.

Mr. GREEN. We don't want you to support the budget. We want you to protect people. Now, to protect the American people, who are

frequenting the facilities where our forces are deployed, do you have enough FPS officers to do your job?

Mr. SCHENKEL. Yes.

Mr. GREEN. The FPS officers can arrest people, the licensed officers, can arrest people based on probable cause. They can do so without a warrant. The typical citizen to perfect an arrest has to see the offense occur in his or her presence. Do you agree?

Mr. SCHENKEL. In most cases, yes, sir.

Mr. GREEN. Yes, sir. That is the way it is in most states in the United States.

Are you saying that you, sir, are satisfied that the contract officers are in a position such that they can protect the American people in these various facilities without the assistance of an FPS officer on-site?

Mr. SCHENKEL. They can deter and they can prevent, but they will require a sworn officer, whether it be Federal Protective Service or local law enforcement.

Mr. GREEN. But you do agree that at every station, you do not necessarily have an FPS officer. Correct?

Mr. SCHENKEL. That is correct, sir.

Mr. GREEN. Are you saying that at the stations where you do not have an FPS officer, you, speaking as a representative of the executive branch, are satisfied that the contract officers will satisfy the needs of protecting the persons who are entering and exiting the facilities?

Mr. SCHENKEL. I will say they will prevent and deter and be an effective means of preventing and in some cases responding to immediate situations. It will still require the services of a sworn law enforcement officer?

Mr. GREEN. Then the question becomes—and this will be my last question, Mr. Chairman, thank you for the time—then are you not comfortable? Let me rephrase it. Wouldn't you think, then, that you need an FPS officer on-site to perfect the necessary security needs, since they can only have limited authority when it comes to detention of persons?

Mr. SCHENKEL. No, I do not believe we need a licensed or sworn law enforcement at every single facility.

Mr. GREEN. All right.

Thank you, Mr. Chairman. I yield back.

Chairman THOMPSON. Mr. Schenkel, I will allow you to think about that answer that you just gave, because I think there are some real concerns that some of us would have that we would not have sworn law enforcement officers at our facilities. These are different times. Some of us are real concerned that outsourcing security to people who don't have arrest power is not in our best interest. And so we are looking at this issue very seriously. The public will demand no less than the absolute best.

I think what I have heard so far is that sworn law enforcement people with full arrest power provide the best security, not contract security without arrest power. I think the general public in most instances cannot tell the difference when they go in a building. It is just at hearings like what we have here today that highlight the issue. I think we have to be very, very cautious on that.

I now yield 5 minutes to the gentleman from Colorado, Mr. Perlmutter.

Mr. PERLMUTTER. Thanks, Mr. Chair.

Mr. Schenkel, I am going to ask you just a couple of parochial questions first. I represent suburbs of Denver, Colorado. There is a mega-center for FPS employees and contractors at the Federal Center in Lakewood, Colorado. What, if you know, are the intentions of the your department for that mega-center?

Mr. SCHENKEL. There will be no changes there because that is an exclusive jurisdictional site.

Mr. PERLMUTTER. That is good news. I am not going to yield back yet, though, Mr. Chairman, even though he has answered my parochial question. My next question, though, really does come back to some of the comments you made in your prepared text. I missed your opening statement, and I apologize.

There is within your paper a statement, establishing sound financial management. And you said, to establish it these include a streamlining of the mega-center function to reduce unnecessary administrative support costs. What do you mean by that?

Mr. SCHENKEL. At one point, we had contractors supporting the transcription or transcribing oral testimony, as opposed to officers filling out their own reports. We thought that was an unnecessary requirement. We expect an officer to be able to write his or her own report in the proper format and language.

Mr. PERLMUTTER. And this question applied to both of you, Mr. Taylor and Mr. Schenkel. We talk about an unnecessary administrative support cost, but as I understand it, one of the problems that has occurred, and the reason that come under ICE, is that you needed additional administrative support types of departments or assistance or something. What is it that you lost when you went from GSA and now you are under ICE, that doesn't allow the FPS to really manage its own affairs?

I will start with Mr. Taylor. Does my question make sense?

Mr. TAYLOR. Yes. There were issues even at GSA. There were a number of reports by the GSA inspector general, and GAO released, that indicated some problems with overseeing contract guards. So it is not a new issue. In addition, what GAO found was that GSA was subsidizing the FPS. When FPS transitioned to DHS, that subsidy was not included in the transition. What GSA literally was doing was taking money from the federal building funds and using it to support the rent and the costs for the headquarters staff for FPS. That was not included in the base rate at the time.

So when those funds were transferred to DHS, the cost of actually running the headquarters function for FPS, the rent and everything, all the administrative costs, did not come. And so DHS started behind the eight-ball when they brought FPS over. In addition, when they came over, FPS was converted to ICE's financial system, and it did so in a way that they were overwhelmed. They had 25,000 vouchers they had to pay for contract guard services, and they weren't used to anywhere near that kind of volume in their systems. And so their procedures and their systems were just overwhelmed and they got behind, and that is why 88 percent were paid after more than 30 days late.

Mr. PERLMUTTER. Do you have anything to add to that?

Mr. SCHENKEL. I am sorry, sir?

Mr. PERLMUTTER. Do you have anything to add to what he just said?

Mr. SCHENKEL. Only basically to echo what he said. When we came under ICE, there is no lie. We had some very difficult transition problems, especially in support functions and acquisitions. But since we have come under ICE after struggling for several years, I think we have them under control and we are well on our way to being much more effective.

Mr. PERLMUTTER. Does the 39 cents to 57 cents a square foot cover that lost support cost or the subsidy that the GSA was giving to the FPS? Is that what that is intended to do?

Mr. SCHENKEL. That is partial, yes, sir.

Mr. PERLMUTTER. I can't remember the number. It was like \$97 million or \$100 million. Is that what that rent increase or that fee increase amounts to? What is your shortfall?

Mr. SCHENKEL. We don't have a shortfall this year, sir.

Mr. PERLMUTTER. Okay, so I am going to go back to Mr. Green's questions. If you don't go to 57 cents, what do you have to do? I see words like "realignment" and "leverage" and "refocus." I am a bankruptcy lawyer. That is what I did for a long time. Those are words that you see in bankruptcy plans. I don't want to see that in the FPS. Okay? Those are great words, meaning you are laying off; you are reassigning; you are sending to different departments who may have a bigger budget.

If you don't go from 39 cents to 57 cents, what are you going to do?

Mr. SCHENKEL. We are going to have a struggle, sir.

Mr. PERLMUTTER. No further questions. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from Rhode Island, Mr. Langevin, for 5 minutes.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Gentlemen, I want to thank you for being here.

I want to echo the concerns of the chairman with respect to this issue of contracting and not having a sworn law enforcement officer on-site. I would have been more comforted if you told me that you would have a sworn law enforcement officer on-site overseeing the contract employees that you have on-site, but I am not comfortable at all with the level of contracting out of the FPS services that you have testified to today. I just want to be on record as saying that, and echo the concerns that the chairman has raised.

I had the opportunity to go to the Federal Protection Service's headquarters in Boston during the Democratic National Convention. I have to say I was very impressed. They did an outstanding job in terms of what I saw with my own eyes, and their capabilities to protect and to be involved in security operations.

Let me just say, and I apologize if I will ask questions that have already been raised. I apologize for coming in late, but the Federal Protective Service particularly has historically played a broad role in terms of securing our nation's federal buildings, yet recently

their funding I believe has been neglected, which could ultimately hinder the core mission of FPS.

I am particularly concerned that the administration's fiscal year 2008 budget lacks critical funding at this key agency. In fact, if left unchanged, FPS would need to cut nearly 300 FPS agents, including 259 police officers, 31 K-9 inspectors, and 42 special agents.

Mr. Schenkel, you have already testified, and I believe I am correct in understanding that you said that these cuts were not based solely on budgetary constraints, but were based on risk. Am I correct in understanding that?

Mr. SCHENKEL. That is correct.

Mr. LANGEVIN. Will these positions be cut from federal buildings with lower risk, such as level one facilities? Or buildings with higher risks, such as level four facilities?

Mr. SCHENKEL. Sir, to clarify some of the things that you mentioned, a uniformed federal police officer inspector is one and the same. An inspector is a federal police officer. He or she is uniformed and is on-site. We have some ideas on some strategies to perhaps place them in most level four and level three buildings. The frequency and attention paid to the level three and level four buildings in conjunction with some of the other DHS initiatives is where we are going to focus our efforts.

The effort is to use what available forces we have in the most effective manner. That is the effort of what we are trying to accomplish here. That individual does provide oversight to the contract security guards on-site.

Mr. LANGEVIN. On-site?

Mr. SCHENKEL. Yes.

Mr. LANGEVIN. Thank you.

So are you through with your answer with respect to where the positions would be cut from level one or level four facilities?

Mr. SCHENKEL. I am sorry, sir. I couldn't hear you.

Mr. LANGEVIN. I said, the cuts, are you finished with your answer with respect to these positions that would be cut from federal buildings with lower risks? Or would they be done at level four facilities?

Mr. SCHENKEL. Our intention and my plan of action, if you will, is that there will be such a frequency at the level three and level four buildings that our inspectors will be the visible presence that your building security committees will have face-to-face contact with, if not on a daily basis, certainly on a very frequent basis. In the level one and level two facilities, let's say it is a warehouse in a rural area, the frequency will be less, but there will still be attention paid to all facilities.

Mr. LANGEVIN. Thank you.

Mr. Taylor, let me turn to you. I am extremely dismayed by what has been happening with respect to FPS. Mr. Taylor, you stated that from October 1, 2004 to November 21, 2005, FPS paid only 12 percent of their invoices on time. In your testimony, you also stated that FPS has paid over \$1.2 million in interest to privately owned companies contracted by FPS due to these late payments.

My question is, how much would you say FPS still owes in delinquent payments right now? And do you believe that FPS has improved at all with respect to paying their invoices on time? And fi-

nally, lastly, in your opinion—and I think you may have already addressed this again, but I want to ask it again for my understanding—can FPS be solvent by fiscal year 2008, as Mr. Schenkel has claimed in his testimony?

Mr. TAYLOR. First, sir, the first part of your question, the issues that were in our report that was issued last October. The FPS did provide corrective action plans for the majority of the findings and recommendations. I think Mr. Schenkel mentioned earlier that down from a low of 12 percent that we reported, that he is over 99 percent payments on time currently. I can't verify that for you, but that is what Mr. Schenkel is saying is going on.

So we were satisfied with the corrective action plan. We thought it met our recommendations, so we think they were doing better, and we keep hearing reports from them that they are, and we will be looking at it. So I think from that standpoint, things have gotten better.

Overall, can they do it by 2008? Can they make all the corrective actions by 2008? We still have a couple of open items with FPS in terms of internal controls over their processes, and in terms of going back and looking at some of the older vouchers, which are not really relevant to 2008.

So I think not only can they, but I think they have to, because they are going to be reducing the size of the force that is going to be there to oversee these contractors. So in order for the plan that FPS is putting forward to be successful, I think it is absolutely critical that they have the procedures and the mechanisms in place to oversee these contractors.

We already have 15,000 contract guards and we have a fixed number of people to oversee those contracts. As the number of people that are involved in the core functions of FPS are reduced, I think it is even more incumbent on FPS to make sure they have trained, qualified people overseeing the contractors. So I think it is absolutely necessary.

Mr. LANGEVIN. Thank you. I will just finish up by saying that I am a supporter of FPS and appreciate the work they do in protecting our federal facilities. I want to make sure that they have the resources they need to do their job.

I hope that with respect to the kind of cuts we are talking about that we are not being penny wise and pound foolish. I will pledge my support to working with the chairman to continue to follow this issue to make sure that FPS is properly staffed and supported.

With that, thank you, Mr. Chairman. I yield back.

Chairman THOMPSON. Thank you very much.

We now yield 5 minutes to the gentlelady from Houston, Texas, Ms. Jackson Lee.

Ms. JACKSON LEE. Mr. Chairman, thank you so very much.

I know that my colleagues have asked many potent and instructive questions. Let me thank the witnesses for their testimony. I was attending a funeral this morning, and I thank you, Mr. Chairman, for your indulgence.

I really have one focus, and I will ask one question and submit others to the record in writing. But I know that there is, one, a theme that has been used by the Federal Protective Service, "realignment." And might I join my colleague, Congressman Langevin,

in saying that you have my enthusiastic support for the Federal Protective Service because not only do I go in and out of federal buildings, but my office in Houston is in one of the federal buildings.

I have watched contractor after contractor be changed over for the security that is being provided. I have also seen full-time employees of the Federal Protective Service doing an enormous job. I have seen you move people around. You get to know one person for a building or region, and then all of a sudden, the person has disappeared, transferred somewhere or cut.

So my concern is whether or not we are in fact meeting the test of security of these buildings and our hard-working federal employees, and hard-working American citizens who come and go inside our federal buildings. I am aware that the committee had asked you not to reduce its staff—I am sure someone has asked this?until after the GAO study.

What I want to hear from you, Mr. Taylor, are we secure with this rotating contractors so-called “realignment,” when really it is cutting jobs? Can we feel that we have really done—you know, what was the story after 9/11—did we do all that we could do, beside the question of good intelligence? Are we doing all we can do, with the fractures that are in the system right now, to secure our buildings and the people who go in and out?

PREPARED STATEMENT THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Thank you, Mr. Chairman, for convening this hearing on the effects of reported budget and staff cuts on security and agency integrity. I would also like to thank the Ranking Member, Mr. King, and to welcome our four distinguished witnesses: the Honorable James L. Taylor, Deputy Inspector General, from the Department of Homeland Security; Mr. Gary Schenkel, Director of the Federal Protective Service, from the Department of Homeland Security; Mr. David L. Wright, President, American Federation of Government Employees Local 918, FPS Union; and Mr. Joseph Ricci, Executive Director of the National Association of Security Companies. I look forward to hearing your insights on this important issue.

Since its establishment in 1971, the Federal Protective Service, or FPS, has fulfilled a crucial role as the uniformed protection force for government occupied facilities. In 2002, the Homeland Security Act moved FPS to the Department of Homeland Security, where it was placed in the Immigration and Customs Enforcement Directorate.

FPS relies largely on contract guards; these services represent the single largest item in its operating budget. Despite the sizeable amounts of funds involved (an estimated \$487 million in FY2006), FPS does not consistently deploy qualified and certified contract guards. The FPS has established a pattern of failing to pay contract guard service invoices promptly, and has accrued \$1.2 million in interest on late payments.

In order to avoid paying these penalties, the Immigration and Customs Enforcement Directorate instituted a process of default payments. Using this system, from October 1, 2004 to November 21, 2005, FPS paid \$121 million in contractor invoices without necessary supporting documentation. This was done against the negative recommendation of the FPS Director of Financial Management, and it is not currently clear whether these payments have been fully reconciled. It is apparent, however, that serious financial mismanagement took place, and that it has cost the Department financially.

In addition to the problems surrounding the use of contract guards, external observers have noted an expected budget shortfall of \$80 million this year, despite FPS denials. This shortfall has been attributed to an inadequate transition to the management system used by the Immigration and Customs Enforcement Directorate, as well as the refusal of the Department of Homeland Security to absorb FPS support costs.

Despite denials of a budget shortfall, internal FPS documents indicate plans to address funding deficiencies by cutting over 300 jobs. These eliminated positions would include 259 police officers, 31 K-9 inspectors, and 42 special agents, as well as 43 support positions, including financial, human resources, and logistics officers. The Directorate has so far refused to call this what it is: a rash of job cuts, instead using the euphemism of "re-alignment." And although it has said that those removed from these 300 jobs will not lose employment, it has yet to indicate how and where they will be re-employed. Questions about the method of job transition and the availability of training for new positions remain unanswered. The Department has admitted, however, to plans to cut the total FPS workforce from 1180 to 950.

With the reduction of the FPS police force, Department officials have indicated that private contractors will play an increasing role in the vital task of securing federal facilities. This is cause for significant concern, as FPS has already been criticized for problems with contract monitoring. According to the Office of the Inspector General, FPS "does not have the systems to track inspection reports and contract deduction status." The case of former FPS Inspector Michael Czecholinski, who pled guilty in January 2007 to accepting bribes from those he was responsible for evaluating, raises further questions about the oversight of this program.

It is clear that there are serious problems within the system we are entrusting to safeguard our nation's government facilities. I look forward to the testimony and insight offered by our witnesses, and I hope that we can engage in an informative debate with regards to the future direction of this important program.

Thank you, Mr. Chairman, and I yield back the balance of my time.

Mr. TAYLOR. Yes, ma'am. What we found in our review, and we focused mainly on the national capital region, but there have been other studies that looked across the board at FPS, was that at the time that we did the review, there were a lot of oversight problems, and there were issues with the internal controls and with the oversight and with maintaining proper management of the contractor activities.

So that would be an extreme weakness, when you find 30 percent of the contract guards that we sampled on duty who didn't meet the basic qualifications and the basic requirements that are stated in the contract. That is a problem.

Going forward, I cannot tell you if having more contract guards is necessarily a bad thing or a good thing. I go back to the chair's opening remarks. But what I can tell you is that if those issues are not corrected, if you can't manage the guard force properly and you can't make sure that they are qualified, and you can't stay on top of the contracting function, then it does become even more problematic.

Ms. JACKSON LEE. Mr. Schenkel, I do want to make note of the fact that those that I have seen in Houston, in the Mickey Leland Building, are hard-working, but you raised some valuable points. Are we safe, Mr. Schenkel? You are the director of the Federal Protective Service. We have the in-and-outs, the transfers, the contracts. What is going on?

Mr. SCHENKEL. I think one of the things that we have to keep in mind as well is that, either whether it be criminal or terrorist, one of their methods of operation is looking for consistencies or constant inconsistencies in any security program; changing of the guard force positions and postures, et cetera. That is part of the security posture that enhances security. It doesn't detract from security.

If that is part of what you are asking, then I think?

Ms. JACKSON LEE. No, I am not. What I am saying is that you have a fluid and floating management structure. Managers don't stay in place. They don't have enough time to train. Your con-

tracting situation is erratic. So I am asking you, with this kind of confusion, do you feel that you can get your hands around securing federal buildings and the people of the United States?

Mr. SCHENKEL. That is why we are making the effort towards refining the efforts of the Federal Protective Service. We came over without a lot of experience in mission support. We had extremely difficult challenges in acquisition and contracting and management of those contracts over the past few years under ICE, and then partnering with ICE and sharing some of their assets and support.

We have been able to focus more on our mission, and quite frankly we need to focus even more on our mission. That is why we want to direct ourselves toward that inspector-based force so we can concentrate on the security mission and not be detracted by support functions that we did not have a handle on, but at this point, I think we are making great strides in getting a handle on those. I think our very recent record, and I certainly won't brag on our past record, but in our very recent record I think we are showing vast improvements in those areas.

Ms. JACKSON LEE. Mr. Chairman, let me thank you very much.

Let me thank both of the witnesses. I think that we need to be hand-in-glove with this agency and the Department of Homeland Security going forward. I have a sense of unreadiness and uncomfortableness, not because they are not hard-working persons, but I think Mr. Schenkel has made it clear that getting a hold of the mission, working under the context of homeland security.

I think you have done the right thing with this hearing and I hope that we can go forward with giving some assistance and oversight. I thank the distinguished gentleman, and I yield back.

Chairman THOMPSON. Thank you very much.

We now yield 5 minutes to the gentleman from Pennsylvania, Mr. Dent.

Mr. DENT. Thank you, Chairman Thompson. Good morning.

Mr. Schenkel, what is involved in a security assessment at a federal facility? From your testimony, I see that there are 8,900 federal facilities, but that you only do an average of about 2,500 security assessments per year. So each facility gets an assessment about every 3 1/2 years or thereabouts. Is this enough to ensure that the security standards are being met? What are the types of monitoring or checks that are done?

Mr. SCHENKEL. I am sorry. I didn't hear the last part of your question, sir.

Mr. DENT. What are the types of monitoring or checks that you are doing? I went through the whole litany here. So basically, if you could just start off with what is involved in the security assessment of a federal facility?

Mr. SCHENKEL. The building itself is assessed for its location, the surrounding area, the priority of the operation that it contains. For instance, a warehouse would obviously take a far different security posture than a federal office building. All of the surrounding area, the potential threats, the history—everything is taken into consideration when a building is assessed.

Mr. DENT. Also, according to your testimony, last year there were more than 4,000 individuals arrested for committing crimes on fed-

eral property. What are the most common crimes that are committed and who makes those arrests?

Mr. SCHENKEL. Most of the arrests previously have been bench warrant arrests. Individuals have been discovered that already had a warrant out on them, and primarily local law enforcement who shares jurisdiction at most of our facilities made the arrests.

Mr. DENT. Does local law enforcement, do they always respond? Or for what crimes will local law enforcement respond and not others?

Mr. SCHENKEL. They will respond to any crime, based on the priority. The constituents in the buildings, the leased facilities, which three-quarters of ours are, three-quarters of the GSA facilities are leased facilities in the public arena, if you will. Local law enforcement has shared primary jurisdiction.

Mr. DENT. Thank you. Do security measures differ between federal facilities when the threat level increases?

Mr. SCHENKEL. The security posture changes. Depending on available intelligence and information, whether or not the facility actually reconfigures, in other words, do we add additional security measures like additional metal detectors, things like that, is dependent on the situation.

Mr. DENT. Thank you.

I have no further questions. I yield back.

Ms. NORTON. [Presiding.] Thank you.

Chairman Thompson is absent for a moment and has asked me to sit in the chair. I just have one more question before we call the witnesses up.

You testified, Mr. Taylor, that part of the issue with funding once the transition was made to DHS is that essentially in order to fund the FPS, GSA had to rely not only on the per-square-foot measurement, but had to reach into the building fund, which of course is a revolving fund necessary simply to rehabilitate and to build additional buildings, in order simply to keep FPS whole.

Now, I understand that overhead, the costs paid to DHS to administer FPS, is twice what it was at the GSA. Should that not be enough to make up for whatever are the issues that are requiring this terrific downsizing and use of security guards?

Mr. TAYLOR. We haven't done any work, ma'am, so I really can't specifically answer what they are getting for their dollar now versus what GSA gave them. I know that when they came over, the shortfall was about \$47 million, I believe, and that was what initiated a lot of the initial funding concerns with FPS and created some of the problems and required the reprogramming that occurred in 2006.

Ms. NORTON. So this is not only an efficiency. The downsizing, the shifts that are made are not only a matter of efficiency and doing the job better, but it is a question of trying to make up for lost funds or funds that are not there. Isn't that so?

Mr. TAYLOR. Those funds had to come from somewhere, ma'am.

Ms. NORTON. And they have not come in the DHS budget.

Mr. TAYLOR. No, ma'am.

Ms. NORTON. Thank you very much. I appreciate these two witnesses for testifying.

I would like to call the next two witnesses: David Wright, president of the American Federation of Government Employees, Local 918; and Mr. Joseph Ricci, the National Association of Security Companies.

Mr. Wright started his career in St. Louis and served as a patrolman, and currently serves as president of this local, and executive vice president of ICE Council 118.

The second witness, Mr. Ricci, is responsible for operational aspects of the National Association of Security Companies. This is the advocacy organization for contract security services.

I am pleased to welcome you both here and to hear your testimony at this time. Without objection, your full statements will be entered into the record, and we ask that you testify for approximately 5 minutes.

STATEMENT OF DAVID L. WRIGHT, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, LOCAL 918, FPS UNION

Mr. WRIGHT. Okay. Thank you, Madam Chair, members of the committee.

On behalf of the Federal Protective Service police officers, inspectors, special agents and support personnel, I am David Wright, president of Local 918 of the National Federal Protective Services Union. I am also a veteran FPS police officer and inspector of 21 years.

FPS is responsible for policing and ensuring the safe environment for federal agencies to serve the public and protect 1.1 million dedicated civil servants at over 8,800 total properties in over 2,100 American communities. Madam Chair, I am testifying before you shortly after the twelfth anniversary of the destruction of the Alfred P. Murrah Federal Building in Oklahoma City, defending the concept that federal police officers on proactive patrol are the most viable frontline protection against terrorism and crime in our federal facilities.

The 2008 budget proposal increases the risk of criminal and terrorist attack on federal employees, facilities and members of the public by reducing FPS to less field personnel than at the time of the Oklahoma City bombing.

Other federal agencies provide protection for some government facilities, notably the Capitol Police that have over 1,500 officers to protect congressional facilities in the Washington, D.C. area. The Secret Service Uniformed Division has more than 1,300 officers to protect the White House complex and selected facilities. The Veterans Administration has over 2,400 officers to protect 154 medical centers nationwide. All these agencies use extensive proactive patrol and 24-hour service as integral parts of their effective strategy to detect and deter terrorist and criminal activity.

The administration proposal claims to be proactive by increasing the necessary performance monitoring of the 15,000 contract security guards that FPS uses to help secure facilities. The proposal also begins to allocate resources for security standards compliance monitoring, which should have started in 1995, not 2008. This is their so-called "proactive" approach.

Citing agency documents which have since been denied as to their relativity to the agency, the impacts of the reduction of FPS to 900 FTE were recently described by the chairman of the House Transportation and Infrastructure Committee as including no proactive patrol to detect and deter attack planning, suspicious or criminal activity; no response to calls for police service at federal facilities or to investigate crimes where FPS will no longer have a presence; and no FPS presence in approximately 50 current cities.

Participation in the FBI Joint Terrorism Task Force is reduced to 12 special agents from 24. Special agents available to investigate serious crime are reduced to 14 from 58. There is no night or weekend FPS police response or service anywhere. The largest reductions are in New York City and Washington, D.C. are due to proactive activity elimination.

This proposed 950-employee model is driven by deficits, not a risk analysis by law enforcement or security professionals. A proper workload allocation study completed in 2006 by a team of FPS professionals considered threats and varying security requirements of all facilities, ultimately determining that a substantially higher requirement was necessary to protect our federal facilities.

ICE is moving aggressively to implement its plan, despite this committee's amendment to the DHS authorization bill that would effectively put a halt to these downsizing efforts. A previous GAO audit found that when FPS was under GSA, the operating costs above the fees collected was approximately \$139 million per year. None of this funding transferred to DHS and that problem has never been remedied.

Over the past 3 years, the actual amount spent and service provided to secure federal workers and facilities has declined. Risks to employees and visitors increase each day as more of our FPS law enforcement officers leave what they see is a sinking ship. Congress needs to intervene and stop this effort.

In our view, the only interim way to accomplish this is to ask the Appropriations Committee for approximately \$38 million in additional funding for fiscal year 2008. It is our understanding that the House Appropriations markup is this coming Thursday. We are seeking this committee's support in this matter as an interim step until we fix the underlying problems of FPS that I have outlined in my written testimony.

I am looking forward to clarifying some of the issues that were spoken to in previous testimony, specifically why we are not in a deficit at this point and the difference between police officers, inspectors and contract security guards.

Thank you.

[The statement of Mr. Wright follows:]

PREPARED STATEMENT OF DAVID L. WRIGHT

First I would like to thank you for the opportunity to be present in my capacity as President of AFGE Local 918, the National Federal Protective Service Union. I am the delegated representative of approximately 1000 FPS employees to include federal law enforcement officers and support staff.

FPS is responsible for policing, securing and ensuring a safe environment for Federal Agencies to serve the public and protect 1.1 million dedicated civil servants at over 8800 total properties in 2100 American communities. These buildings often house sensitive, high-level government offices and federal court buildings, numerous

Agency Headquarters such as FBI, EPA and USDA and public access facilities such as Social Security and Immigration offices.

Mr. Chairman, one of the stated matters of this Committee's interest was a reference to bribery—or at least one instance of alleged bribery—at the Federal Protective Service.

One allegation of bribery, public corruption or compromise of public office is ten too many. The Florida case specifically cited by this Committee casts aspersions on a person, a work unit, a region and an entire organization. I represent the workers of that organization and I would like to state—on their behalf—that the men and women of the Federal Protective Service are amongst the most conscientious, honest and capable civil servants in this government. I wish to offer some brief insight into the Florida case that does not come through—in any way—in the media coverage or the Justice Department's press release concerning the matter.

The facts—as reported in those media releases—tend to conflict with, or do not completely embrace, our understanding of the actual events of the case. More importantly, the portrayal of the subject Inspector is a disproportionately dark characterization of an officer that we know to be a noble man who made a serious ethical mistake in judgment that was completely out of his historically demonstrated character. We cannot color his act as anything less than wrongful, but we can proclaim it as a serious, yet isolated, conduct anomaly within an otherwise honorable and dedicated career. We cannot go into any details to evidence our position, as the man's criminal sentencing lies yet ahead.

My AFGE Council FPS associate has just spoken with this employee. And while that former employee cannot speak to you or his FPS peers or to the American taxpayer, he wanted you all to know how deeply sorrowful he is for letting us all—and himself—down. He wanted to express his sorrow and regret for making such a mistake. He prays that those who know him will spread the word that he is not the evil, greedy villain described in the written accounts. He asks for forgiveness and begs to be remembered not solely by this one series of errant actions, but—in balance—also by the sum of his career contributions and service to the public good and safety. We are all entitled to one mistake. And for his he has already paid a disproportionately high price.

If this Committee knows nothing more about this man than a press release and a private civil service newsletter article, then, in all respect, you do not know this man. And while one apple can figuratively taint an entire barrel, this incident—in reality—actually portrays a single apple bruised by its mortal frailties, not one that is decayed beyond redemption.

The Committee chose to include bribery at FPS as one of its agenda items. I can say that in my 21 years of service here, that I have not seen, nor am I aware of, any instances or practices of bribery. While your concern over this subject is noted and appreciated, from the perspective of the union, historical incidence of bribery at FPS is virtually non-existent.

To move on to the situation that I was called here today for—Mr. Chairman, I am testifying before you shortly after the 12th anniversary of the destruction of the Alfred P. Murrah Federal Building in Oklahoma City. I find it disturbing that I am forced to defend the concept that Federal Police Officers on patrol and Special Agents gathering intelligence are the most viable frontline protection for Federal facilities in these days of international terrorism.

After the 1995 terrorist bombing, GSA and Congress determined that FPS required 1480 field personnel, an increase from approximately 970 at the time of the attack. This year, DHS reduced FPS to below 1200 then proposed 950 for 2008. The 2008 budget proposal increases the risk of criminal and terrorist attack on Federal employees, facilities and members of the public by reducing FPS to less field personnel than at the time of the Oklahoma City Bombing.

I know that I need not remind anyone in this room, nor should I have to remind officials at the Department of Homeland Security that the three most infamous terrorist attacks on U.S. soil in our history occurred either at federal buildings or in buildings which housed federal agencies: the Alfred P. Murrah Federal Building in Oklahoma City on April 19, 1995 and the World Trade Center on February 26, 1993 and again on September 11, 2001. Perhaps it is because of my long service as an FPS Officer, but it is extremely difficult for me to imagine a more likely symbolic/strategic target for terrorists than a building housing U.S. government operations and officials.

I've been an employee of FPS since July 1986. From the moment I entered service, I noticed the somewhat dysfunctional nature of this Agency. I promoted from Police Officer to Corporal and eventually to Sergeant in Management ranks in 1993. In 1994, FPS employees were preparing for a dismantlement of the Agency and were given several employee "options"—even as we were providing round the clock protec-

tion at the federal trials of the 1993 WTC bombing. On April 19, 1995, while on normal proactive patrol in Kansas City, Missouri, I heard the news that shocked the nation. A terrorist bombing in the heartland destroyed the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma—killing 168 federal employees, visitors and children. At that point in time, Kansas City had approximately 20 full time FPS police officers. Reports surfaced that Tim McVeigh and Terry Nichols had been in Kansas City and perhaps “casing” our Federal facilities. There was one Federal Protective Service armed physical security specialist stationed in Oklahoma City.

That day convinced me that changes were needed in the way that the Federal Protective Service operated. Immediately, the Federal Protective Service was “off the chopping block” due to Congressional intervention. The June 1995 Department of Justice Vulnerability Assessment of Federal Facilities was published and the incentive—illuminated by Congressional oversight—was high to ensure measures were being taken to protect the federal infrastructure, the employees who worked there and the public that visited.

Crucial hiring ensued in 1996 and 1997 bringing the numbers of Police Officers to Agency mandated 730 with a focus on hiring experienced police officers. The intent was to get away from the “security guard” image. Suffice to say that the 1000 police officers mandated by Congress by Public Law 100-440 was ignored. Through the late 90’s, FPS provided law enforcement and security functions at the trials of the Oklahoma City bombers and continued at ongoing terrorist trials in New York City. Nevertheless the FPS image could never overcome the years of damage caused by neglect of our force.

Then came the horrible attacks on 9/11. Members of New York FPS participated in the immediate emergency response to the attack. Their dedication to duty and country resulted in several FPS officers being injured to include one officer that spent months in rehabilitation before being able to come back to the job. On September 21, 2001, FPS Inspector Ron Sheffield was murdered at the McNamara Federal Building in Detroit, Michigan during a response to a deranged individual—as a direct result of the heightened security alert in the days after 9/11.

Under the leadership of FPS Commissioner Wendell Shingler, members of FPS were proud as we moved over to the newly formed Department of Homeland Security in March 2003, although we were confused by our merger into ICE, along with certain elements of U.S. Customs Service and U.S. Immigration and Naturalization Service. Even with the neglect and animosity from DHS/ICE, the ensuing years showed that FPS was a viable force—with commended participation in numerous incidents of national significance—before “incidents of national significance” became a phrase in the National Incident Command System. Tactics, training and equipment were upgraded to the level necessary for response to a terrorist threat at any of the 8800 federal facilities in our jurisdiction. 100 Hazardous Materials Technicians were trained. 60 K9 Explosive Detections teams were trained and formed. Emergency Response Teams were formed around the nation. 16 Emergency Medical Technicians were trained and equipped. FPS participated in events ranging from protection of federal facilities during the Elian Gonzales incident, the 2002 Salt Lake City Winter Olympics to the 2000 and 2004 political conventions, Savannah G8 Summit, World Bank and Seattle World Trade Organization meetings and Presidential Inaugurations.

In August 2005, FPS elements—to include 200 law enforcement officers and associated equipment were pre-positioned and subsequently moved into the Gulf Coast in the immediate aftermath of Hurricane Katrina. FPS Officers were commissioned as Louisiana State Patrol and provided police services to the stricken New Orleans community alongside New Orleans Police Department which had few operating emergency vehicles. FPS was at the Superdome. FPS was at the Convention Center. FPS assisted in the inspection and securing of numerous chemical plants in Southern Louisiana. FPS participated in the rescues. FPS was on the teams that were recovering bodies and controlling traffic in the immediate aftermath until more federal help arrived. FPS was thanked publicly by DHS Commissioner Michael Chertoff. Ironically, FPS has been challenged by ICE as to its authority to respond to such incidents and we have once again floundered. Lost in the huge bureaucracy, our numbers have shrunk from the approximate 1530 employees on board as of 3/1/03—when we entered into DHS/ICE—to 1172 today.

Despite the obvious need to both invest in and re-build this critical homeland security agency, DHS and specifically, ICE are proposing to completely eliminate most direct law enforcement services by FPS. Agency officials and documentation has confirmed to us that the proposed cuts in personnel and service are due to be completed by June 30, 2007. 249 Federal Law Enforcement positions directly responsible for law enforcement patrol and response to federal properties are to be cut. 18 Police Officer positions would remain across the nation in 18 major metropolitan areas. 42

FPS Special Agent positions responsible for prosecution of Federal crimes, intelligence gathering and dissemination will be eliminated.

The Administration's budget submission offers this description of its plan for FPS: "In 2008 the Federal Protective Service will set security standards and enforce the compliance of those standards to protect federal facilities".

But those few words in the budget submission belie a proposal that is both dangerous and foolhardy in the post 9/11 world in which we live. To quote directly from a portion of a PowerPoint presentation (Attachment 1, three pages) prepared by U.S. ICE for FPS Regional Directors, dated December 20, 2006 and titled: Briefing on the Federal Protective Service, Transition to fiscal year '08 budget, on a page titled "Risk Assumed by [FPS] Transformation"; where the agency describes the impact of the FPS proposal:

1. No proactive patrol to deter attack planning; and detect/deter suspicious and criminal activity.
2. No response to calls for police service to protect Federal employees and visitors or
3. investigate crimes at Federal facilities in areas where FPS will no longer have a presence;
4. No FPS presence in approximately 50 current cities;
5. Participation in the FBI Joint Terrorism Task Forces reduced to 12 Special Agents from 24;
6. Special Agents available to investigate serious crime reduced to 14 from 58;
7. No night or weekend police response or service anywhere
8. Largest reductions in N.Y. and Washington D.C. due to proactive activity elimination;?

And the list goes on. The Administration proposal claims to be proactive by increasing the necessary performance monitoring of the 15,000 contract security guards FPS uses to help secure facilities. The proposal also begins to allocate resources for security standards compliance monitoring, which should have started in 1995 not 2008. This is their so-called a proactive approach.

The agency has since issued statements to employees and the Media denying the relevance of the above cited document, describing a rosy plan of reorganization or "right-sizing" which leaves out the above particular highlights. Nonetheless, these are the facts as detailed by the agency itself and they are shocking. The proposed 950 employee FPS is driven by money—not a risk analysis by law enforcement or security professionals.

A proper workload allocation study was completed in 2006 by a team of FPS professionals with over 225 collective years of security and law enforcement experience and in depth knowledge of effective risk mitigation strategies. The study considered threats, varying security requirements of facilities based on their security level and location—ultimately determining that a substantially higher requirement was necessary to protect our federal facilities (Attachment 2, 33 pages).

On April 25, 2007, I received email documentation of a meeting in FPS Region 3 Philadelphia, between bargaining unit employees and Agency management personnel reveals that the plan is moving forward. This despite the recent GAO Audit requests by the House and Senate, numerous Congressional Inquiries and this Committee's 3/26/07 Amendment to the DHS Authorization Bill—that would require DHS to await GAO findings before downsizing.

The Federal Protective Service is being starved of resources by DHS/ICE. The Administration has said more times than I can count, that we are doing all we can to protect the nation against terrorists and terrorism. I doubt anyone could honestly call this FPS plan "doing all we can". In fact, it is an abrogation of a critical responsibility to protect this nation.

Interestingly, Mr. Chertoff has been silent on the subject of this proposed reorganization of FPS that will result in the elimination of 249 police officer positions nationwide in addition to the approximate 350 positions that have already been lost. In effect this latest reorganization attempt will be the virtual dismantlement of FPS as a viable Federal response force. The proposed reduction to 950—announced to the employees on 2/5/07 is a re-hash of old plans that have never fully panned out over the years since 1986. The plan is still deemed as "pre-decisional" by the Agency in an effort to avoid discussions with the Union.

Mr. Chairman, given the fact that ICE is moving aggressively to implement its ill-considered plan and FPS is losing experienced law enforcement officers on an almost daily basis, Congress needs to intervene and stop this effort, certainly until the GAO report on the agency is completed. In our view, the only way to accomplish this is to ask the Appropriations Committees to initiate a reprogramming request to DHS. We are only talking about money sufficient to take FPS through the end of the year, but enough to stop the attrition. Reprogramming of funds for fiscal year

1907 to return to the 1250 FTE level (which seems to be the consensus to stabilize): 80 Police Officers at \$121,000 per year prorated at 6 months = \$4,840,000.

We would also like to recommend changes for fiscal year 08. The recommendations were developed from Agency proposed cuts and a “stabilization” effort at 1250 FTE: 259 Police Officers at \$121,000 per year = \$31,339,000; and 42 Special Agents at \$150,000 per year = \$6,300,000.

A potential funding source for each of the above recommendations would be the “shared services fee” that ICE currently charges FPS approximately \$52,000,000 per year—about \$48,500 per employee at this point. These shared services include GSA rent and IT charges of approximately \$24,000,000 that cannot be avoided.

However, the remainder of \$28,000,000 is a “tax” imposed by ICE on FPS for funding of unfair and ineffective Human Capital operations—to include Employee and Labor Relations and Office of Professional Responsibility. These offices are directly responsible for the fact that DHS ranks last in employee morale.

I also urge the Committee to take steps to fix the three immediate core problems of the Federal Protective Service that have resulted in this fiscal and organizational mess:

(a.) The method by which we are funded—the current “fee for service”, “accounts receivable” funding mechanism and security charges through GSA rent is an inefficient holdover from our days within GSA. Our recommendation would be implementation of direct appropriations or at least a funding mechanism whereby “security charges” from federal agency “customers” is budgeted and collected by Office of Management and Budget. Dissemination of funds would be “transparent” to the “customer” Agencies.

(b.) Our placement within Immigration and Customs Enforcement. The placement of FPS within ICE was a huge mistake from the inception. A small Agency like FPS had no chance with the immediate turf battles that developed between Immigration and Customs personnel. Our recommendation would be our inception as a “stand-alone” federal Agency within DHS.

(c.) Ensure that GAO conducts an extensive review of the absolutely burgeoning costs of security guard contracts around the nation. Implementation of Federal Civil Service GS-085 security guards at Security Level 3 and 4 facilities would provide several benefits: security guards with federal authority to intervene. At present, authority of contract security guards is dependent on local and State laws and the contract. Contracts can also be written that limit authority of their employees to physically detain suspects.

Equally important would be two more proposals that would ensure the long term viability of FPS as the premier law enforcement/security Agency responsible for Federal properties:

(a.) Removal of the power of the Department to “delegate” to “customer” Agencies the authority to “opt out” of payment for law enforcement and security services provided by FPS—as is currently being pursued by the Administrative Office of the Courts and U. S. Marshals Service. As this scenario plays out, decreases in funding result in fewer police officers and FPS is systematically stripped of its ability to respond effectively and efficiently to its “customers”—resulting in more delegations. Federal Agencies are not receiving services that they are paying .37 per square foot for A proposed increase to .59 per square foot is pending—and service is being decreased as we speak.

(b.) Codification of the Interagency Security Committee Standards that is used by FPS to “recommend” physical security countermeasures. At present, FPS can only make “recommendations” which have no binding authority on Federal Agencies to implement security countermeasures.

I assure you that when these problems are fixed, FPS can institute true reform, and become the Agency within Department of Homeland Security absolutely responsible for protection of Federal facilities.

Mr. Chairman, members of this Committee, I urge you to reject the ill-conceived initiative of downsizing—proposed by the Department because of financial mismanagement and a faulty funding mechanism that the Department has consistently failed to remedy. Before we decide to eliminate this core FPS responsibility, let us pause and take a close look at whether this is the direction we really want to go. Do we really want to reduce this agency to an essentially regulatory body with no real law enforcement responsibilities? Do we really want to rely on a few hundred inspectors to oversee and insure compliance with security guidelines for a vast work force of 15,000 private security guards?

Any support that you, Mr. Chairman, and this Committee can provide would be greatly appreciated—not just by the law enforcement officers of FPS but by the thousands of federal employees, the visitors and the millions of Americans worried about where the next terrorist attack might take place. Thank you for your time.

Attachment 1:**Briefing on the Federal Protective Service****Transition to FY 08 Budget****Prepared for FPS Regional Directors**

December 20, 2006

**U.S. Immigration
and Customs
Enforcement****Vision for FPS****Vision for FPS in FY 2008**

- FPS will execute the DHS mission to protect the buildings, grounds and property of the Federal Government as required by 40 USC 1315.
- As the sector-specific agency for the Government Facilities Sector in the National Infrastructure Protection Plan (NIPP) establish and set standards for the sector. Plan to monitor compliance.
- Focus only on GSA Facilities to the extent of available security fees paid by tenant agencies.
- Operate with the FY08 resources programmed in the President's budget.
- Use planning guidance with a risk-based model to leverage and target limited resources.
- The service delivery platform will generally be the inspector position, which provides the full range of services.
- Reimbursable services (e.g., support to FEMA ins responding to natural disasters) will be maintained on set work authorizations or agreements.

FY 08 FPS Activities**FPS' Projected Lines of Business and Activities****Basic Security (standard fee from all tenant agencies)**

- Respond to reports of crime and calls for service to protect Federal employees, visitors and facilities in metropolitan clusters with high risk facilities and concentrations of Federal employees.
- Monitor alarms, receive calls for emergency service and reports of suspicious activity, and dispatch appropriate response.
- Investigate crime to determine security vulnerabilities and identify suspects.
- Scheduled and pre-construction/pre-lease assessment of threats/risk to facilities and identification of countermeasures to reduce risk.
- Implementation planning for specific countermeasures to reduce risk.
- Validate risks, verify compliance and risk reduction measure (e.g. guard posts) effectiveness.
- Assist facilities and agencies with BSC, OEP, COOP, other emergency plans and security training.

Building Security (reimbursable services charged to agencies)

- Procure, administer and monitor security guard services.
- Procure, and maintain security systems (e.g. CCTV, Access Control, X-Ray etc.)
- Coordinate/Monitor procurement and installation of permanent countermeasures with GSA. (e.g. barriers, window protection: etc.)

Specialized services and support to other agencies (mixed reimbursable/standard fee)

- Determine suitability of contractors working in Federal owned and leased space
- Law enforcement, investigations and security guard services to agencies such as FEMA on a short-term basis (using reimbursable overtime to continue basic services with all incremental costs charged to assisted agency)

Organizational Structure: Staffing

Structure/Staffing

- FPS will use 11 customer aligned regions (Same boundaries as FEMA, SSA, EPA, VA, GSA etc). Approximately 85 field locations. Approximately 50 field locations consolidated.
- It will have 950 authorized positions—249 Net from current strength.
- **Management and Support (Highlights)**
 - Acquisition (contracting) remains consolidated in CCG+33
 - GFS SSA and ISA+10
 - Regional Guard Program Mgt (Will have 26)
- National HG & Region Management —30
- Area Commander (Will have 69)
- Financial, HR, Logistic Support —43
- **Field Operations (Highlights)**
 - Special Agent—42
 - K9 Inspector—31 (Will have 433)
 - Polic Officer—259 (Will have 18 for proactive patrol)

See also, PowerPoint Presentation below:

Briefing on the Federal Protective Service

~~Transition to FY 08 Budget~~

Prepared for FPS Regional Directors

December 20, 2006



U.S. Immigration
and Customs
Enforcement

Vision for FPS

~~Vision for FPS in FY 2008~~

- FPS will execute the DHS mission to protect the buildings, grounds and property of the Federal Government as required by 40 USC 1315.
- As the sector-specific agency for the Government Facilities Sector in the National Infrastructure Protection Plan (NIPP) establish and set standards for the sector. Plan to monitor compliance.
- Focus only on GSA Facilities to the extent of available security fees paid by tenant agencies.
- Operate within the FY08 resources programmed in the President's budget.
- Use planning guidance with a risk-based model to leverage and target limited resources.
- The service delivery platform will generally be the inspector position, which provides the full range of services.
- Reimbursable services (e.g., support to FEMA in responding to natural disasters) will be maintained on set work authorizations or agreements.

FY 08 FPS Activities

FPS- Projected Lines of Business and Activities

Basic Security (standard fee from all tenant agencies)

- Respond to reports of crime and calls for service to protect Federal employees, visitors and facilities in metropolitan clusters with high risk facilities and concentrations of Federal employees.
- Monitor alarms, receive calls for emergency service and reports of suspicious activity, and dispatch appropriate response.
- Investigate crime to determine security vulnerabilities and identify suspects.
- Scheduled and pre-construction/ pre-lease assessment of threats/ risk to facilities and identification of countermeasures to reduce risk.
- Implementation planning for specific countermeasures to reduce risk.
- Validate risks, verify compliance and risk reduction measure (e.g. guard posts) effectiveness.
- Assist facilities and agencies with BSC, OEP, COOP, other emergency plans and security training.

Building Security (reimbursable services charged to agencies)

- Procure, administer and monitor security guard services.
- Procure and maintain security systems (e.g. CCTV, Access Control, X-Ray etc.)
- Coordinate/ monitor procurement and installation of permanent countermeasures with GSA (e.g. barriers, window protection etc.)

Specialized services and support to other agencies (mixed reimbursable/ standard fee)

- Determine suitability of contractors working in Federal owned and leased space
- Law enforcement, investigations and security guard services to agencies such as FEMA on a short-term basis (using reimbursable overtime to continue basic services with all incremental costs charged to assisted agency)

Organizational Structure : Staffing

Structure/Staffing

- FPS will use 11 customer aligned regions (Same boundaries as FEMA, SSA, EPA, VA, GSA etc) and approximately 85 field locations. Approximately 50 field locations consolidated.
- It will have 950 authorized positions -249 Net from current strength.
- **Management and Support (Highlights)**
 - Acquisition (contracting) remains consolidated in CCG +33
 - GFS SSA and ISC +10
 - Regional Guard Program Mgt (Will have 26)
 - National HQ & Region Management -30
 - Area Commander (Will have 69)
 - Financial, HR, Logistic Support -43
- **Field Operations (Highlights)**
 - Special Agent -42
 - K9 Inspector -31 (Will have 29)
 - Inspector +98 (Will have 433)
 - Police Officer -259 (Will have 18 for proactive patrol)



U.S. Immigration
and Customs
Enforcement

7

Attachment 2:

Federal Protective Service

Staff
Allocation Model**Homeland Security****FPS National Staffing Model Team Jun 2001¹**

Purpose

- Inform FPS Director of Staffing study methodology, results and recommendations.
- Obtain Director's approval of recommended staffing for uniformed personnel and supervisors.
- Determine next steps/future efforts for Workload Allocation Team

Homeland Security**FPS National Staffing Model Team Jun 2001²**

Staffing Study Team

- Formed to determine staffing required to accomplish the FPS Mission at the regional level.
- Representatives from each region.
- Two working meetings and numerous conference calls.
- Primary focus on FPO and Inspector workload.
- Workload determined based on what should be done.
- Determined annual time officer are available.
- Developed recommended supervisory ratios.
- Recommends a significant increase in personnel.

Homeland Security**FPS National Staffing Model Team Jun 2001³**

Assumptions

- Protection of facilities requires a proactive model that emphasized patrols and risk reduction.
- General threat situation does not change.
- A prudent level of risk must be assumed.
- Mission remains GSA Facilities only.
- Facility security levels are a good measure of general risk and amount of time required.
- Where a facility is located affects the amount of effort required—remote facilities require less effort than those in metropolitan areas.
- The average workload for a task at a particular security level is the same in all regions.

Homeland Security**FPS National Staffing Model Team Jun 2001⁴**

Risk Accepted

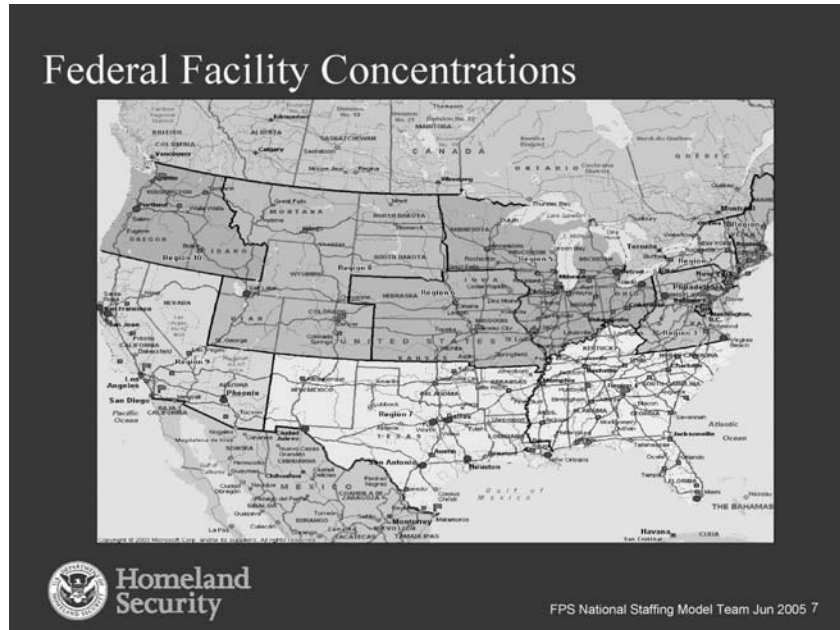
- Time is allocated proportionally by security level—a Level 1 receives 9% of the time of a Level 4.
- 68% of facilities and 47% of employees are outside areas recommended for 24-hour patrol.
- 40% of facilities and 27% of employees are outside areas recommended for weekday facility patrols.
- Changes to threats and required countermeasures are only assessed every two years for Level 4, every three years for Level 3 and every four years for Level 1 & 2.

Homeland SecurityFPS National Staffing Model Team Jun 2001 ⁵**Major Work Categories**

- Calls, reports and arrests.
- Patrol and proactive activities
 - 24-hour and weekday patrols in selected metropolitan areas.
 - Community police patrols of all facilities.
 - Selective enforcement.
 - Liaison with other law enforcement agencies.
 - Guard post checks.
 - Travel to distant facilities.
- Facility surveys, BSC, OEP and tenant training;
- Specialized activities including WMD and K9.
- Travel between local facilities, follow up, maintenance, admin, etc.
- Workload is expressed in average hours for a report type, facility security level, or other function.

Homeland SecurityFPS National Staffing Model Team Jun 2001 ⁶

Slide #7 follows:



Federal Facilities (Continued)

- 8,923 total GSA facilities.
 - 6 Level 5.
 - 839 level 4.
 - 712 level 3.
 - 4,679 level 2.
 - 2,56 level 1.
 - 64 level 0 (Unoccupied, delegated).
 - 60 level unknown.

Homeland Security

FPS National Staffing Model Team Jun 2001⁸

Call and Report Time

- Each case type (incident code) was assigned a time value to provide an average that included response, initial investigation, backup officers and report writing.
- Calls for service that do not result in a case were counted as a half hour each.
- Each report with an arrest equates to approximately 3.25 additional hours as a measure of complexity and for court time.
- 167 total FPO and Inspectors for this activity.

Homeland SecurityFPS National Staffing Model Team Jun 2001 ⁹**Patrol and Proactive Activities**

- 24-hour and weekday Patrols in Designated Metropolitan Areas.
- Community Police Patrols.
- Law Enforcement Liaison
- Guard Post Checks
- Travel to cities over 60 miles from a servicing FPS Office.
- 934 total FPO and Inspectors for these activities.

Homeland SecurityFPS National Staffing Model Team Jun 2001 ¹⁰**24-hour Patrols of Designated MSA**

- 24-hour, 7-day patrols in MSA with 60 + Facilities & 6K Population.
- Staffing based on hours covered for 3d shift and weekends.
- Seven personnel per MSA with three Areas counted for NCR.
- 23 MSA proposed.
- Includes Atlanta, Boston, Baltimore, Chicago, Dallas, Denver, Detroit, Houston, Kansas City, Los Angeles, Miami, New York, Philadelphia, Phoenix, Portland Or., Salt Lake City, San Diego, San Francisco, St. Louis, Seattle and Washington DC. Hartford and Ft. Collins added based on region specific requests.
- 175 total Police Officers for this activity.

Homeland SecurityFPS National Staffing Model Team Jun 2001 ¹¹**Weekday Patrols in Designated MSA.**

- Time to patrol facilities in MSA with 20 or more total facilities with at least 3 Level 3 & 4.
- Patrols primarily to check exterior areas and entrances.
- Average time based on Level 1 & 2 patrolled once a day; Level 3 patrolled three times a day; Level 4 patrolled four times a day.
- All 24-hour, 7-day MSA included.
- An additional 60 MSA recommended. Examples include Providence, RI; Newark, NJ; Richmond, VA; Orlando, FL; Minneapolis, MN; Omaha, NE; Oklahoma City, OK; and Anchorage, AK.
- 349 total FPO and Inspectors for this activity.

Homeland SecurityFPS National Staffing Model Team Jun 2001 ¹²

Other Proactive Activities

- Community police patrols
 - proactive patrols of all facilities; Frequency based on security level.
 - Meet tenants, check for suspicious activity and crime conducive conditions.
 - Times based on average—actual time will vary.
 - 311 total FPO and Inspectors for this activity.
- Investigated selective enforcement
 - Time to conduct emphasis patrols and surveillance at facilities with frequent incidents.
 - Used to develop leads on reported crimes and identify criminal or suspicious activity.
 - For facilities selected by commanders on an irregular basis.
 - 78 total FPO and Inspectors for this activity.

Homeland Security

FPS National Staffing Model Team Jun 2001 ¹³**Other Patrol Activities**

- Time for travel to facilities located more than 60 miles from servicing FPS office.
 - Time allocated based on community police patrol frequency of highest security level in the city.
 - 12 times a year for level 1 & 2 and 52 times for level 3 & 4.
 - ?? estimated total FPO and Inspectors for this activity.
- Guard Post Checks.
 - Time to check guard posts is allocated 30 minutes per guard post each week.
 - 161 total FPO and Inspectors for this activity.
- Law Enforcement Liaison.
 - Meet with local, state and other federal law enforcement.
 - Six hours a year for each city with additional nine hours if the city has a level 4 facility.
 - 18 total FPO and Inspectors for for this activity.

Homeland Security

FPS National Staffing Model Team Jun 2001 ¹⁴**Facility Surveys, Building Security Committee and Tenant Training**

- Vulnerability and security assessments are conducted based on the security level of a facility. Level 1 and 2 facilities every 4 years; Level 3 every 3 years; Level 4 every 2 years.
- Pre-lease and requested resurveys each year average 75% of total buildings over 5 years.
- BSC Meetings, including presentation of survey.
- OEP Assistance, Practice and Tenant Emergency Data Update
- Tenant Training.
- 490 Inspectors for these activities.

Homeland Security

FPS National Staffing Model Team Jun 2001 ¹⁵

- **Specialized Activities**
- K9 screening, training and care time
- WMD reaction training time
 - One measure for those training and responding with a local team
 - One for those training only.
- NCR Tunnel, SRT and Honor Guard.
- NCR Mobile X-Ray truck.
- NCR full time WMD team.

Homeland Security
FPS National Staffing Model Team Jun 2001 ¹⁶

Supervision

- The national performance review during Clinton administration proposed employee to supervisor ratio of 1: 15. Reason was current business practice calls for high ratios.
- Ray Kelly NYPD commissioner stated, “the problem is federal law enforcement is NOT a business enterprise... They are armed and have authority to conduct personal searches, make arrests and use deadly force. That kind of authority demands tight spans of control, close supervision, a rigorous chain of command and oversight”.
- FEMA-guideline for the Incident Command System, a foundation of how we respond to an incident calls for a ratio of 1:5.
- LAPD uses 1:7 or less.

Homeland Security
FPS National Staffing Model Team Jun 2001 ¹⁷

Supervisor Allocation

- One district director for each 3 commands—8 commands equals 3 districts dependent on size and complexity.
- Commander supervises 3 to 7 sergeant, FPO, Inspector or PSS.
- One Lead Inspector per shift for command of 8 to 15.
- One supervisor and one lead for each night and weekend shift.
- Additional supervisors depend on complexity of command mission and size.
- Supervisor should supervise all FPO and Inspectors on shift—no split by series.

Homeland Security
FPS National Staffing Model Team Jun 2001 ¹⁸

Average annual hours allocated base on facility security level

Security Level	All Facilities	Additional to selected facilities with weekday patrol	Total with weekday patrol.
Level 1	30.25	21.58	51.83
Level 2	58.5	21.58	80.08
Level 3	160	130.6	290.6
Level 4	337	260	597

Includes community police patrols, selective enforcement, scheduled surveys, BSC, tenant training and OEP.

Does not include call and report time, LE Liaison, guard checks, travel, pre-lease surveys.

Homeland Security

FPS National Staffing Model Team Jun 2001 ¹⁹

Recommended Uniformed Personnel by Region (excluding supervisors)

Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
82	103	160	236	179	97
Region 7	Region 8	Region 9	Region 10	NCR	National Total
205	125	230	113	287	1,817

Current National Total of FPO, Lead PO, FTO, PSS and Inspector is 730.

Homeland Security

FPS National Staffing Model Team Jun 2001 ²⁰

Proposed supervision

- District Director ?
- Area Commander ?
- Lead Inspector ?
- Captain and Lieutenant ?
- Sergeant 50?? (based on 24-hour/ weekend only)

Homeland Security

FPS National Staffing Model Team Jun 2001 ²¹

Support and TMB Workload

- Draft model from NCR for Mission Support Branches
 - Team has established draft standards.
 - Require additional data collection and validation.
- Region 7 has collected data on TMD
 - Major issue is SA workload to establish when additional agents are needed.
 - Guard program and intelligence workload are closer to completion.
- Additional work to do in these areas.
 - Many allocations are based on number of uniformed personnel.
 - Some based on number of commands etc.

Homeland Security**FPS National Staffing Model Team Jun 2001** ²²**Other Issues**

- Issues with times standardization of which events are reported under a particular event code, time captured in WEBRMS for reports and Megacenter tracking of calls.
 - No FPS standard policy defining event codes and listing which should be primary event.
 - No FPS standard policy on tracking of time for reports.

Homeland Security**FPS National Staffing Model Team Jun 2001** ²³**Backup and Deleted Slides**

Homeland Security**FPS National Staffing Model Team Jun 2001** ²⁴

Time Available to Accomplish the Mission

Available time Computation	Days	Hours
Total Annual Time	260	2080
Non Patrol Time		
Leave	19.5	156
Sick and Limited Duty	7	56
Holiday	10	80
Training	17	136
Detail	6	48
Physical fitness Time	26	208
Available time	174.5	1396

Homeland Security

FPS National Staffing Model Team Jun 2001 ²⁵**The Threat**

- Threats include international terrorism, such as al-Qa'ida,
- Domestic terrorism.
- Organized criminal groups.
- General criminal activity in and around facilities.
- Civil Disturbance.
- Natural Disasters.

Homeland Security

FPS National Staffing Model Team Jun 2001 ²⁶**Time Allocation for Travel between Facilities, Maintenance, Follow-up and shift Briefings**

Activity	Hours.
Shift Briefing 20 minutes a day.	86.
Vehicle and equipment maintenance 1 hour a week.	52.
Follow-up, confer w/supv., respond to email, time card, etc. 2.25 hours a week.	117.
Travel between facilities 4.5 hours a week.	234.
Total Hours	489.

Homeland Security

FPS National Staffing Model Team Jun 2001 ²⁷

Risk

- “He who defends everything defend nothing.” *Frederick The Great.*
- Risk expressed as a function of availability and frequency of tasks.
- Risk Levels are minimal, low, moderate, high and severe.
- Risk Elements:
 - Availability to respond to calls for service.
 - Frequency of facility patrols.
 - Frequency of facility surveys and what changes trigger an out of cycle survey.
 - Time allocated for BSC support, OEP development & practice and Tenant Training.
 - Frequency of guard post checks.
- Frequency of K9 or x-ray screening of vehicles entering or adjacent to facilities.

Homeland Security

FPS National Staffing Model Team Jun 2001 ²⁸**Recommended Risk Level and Characteristics****Moderate Risk**

- Personnel available for response in designated areas and MSA?
- 24-hour, 7-day patrols in MSA with 60 Facilities and 6k population. Weekday patrols in selected MSA with at least 20 facilities. Community Police Patrols and investigative selective enforcement for all facilities based on security level.
- Survey based on security level every two to four years; pre-lease or initial survey prior to occupancy and on major changes.
- Assist BSC with countermeasures and attend meetings. OEP development and practice with updates of emergency data. Awareness training one to four hours annually per facility based on Level.
- Check guard posts daily in designated MSA, others as needed.
- K9 and/or x-ray screening of delivery vehicles and vehicles parked near selected facilities on a random basis.

Homeland Security

FPS National Staffing Model Team Jun 2001 ²⁹**Other Risk Level Characteristics**

- Minimal Risk
 - Personnel available to respond to all calls nationwide.
 - 24-hour patrols in areas with over ten facilities, weekly patrols of all facilities.
 - Survey every facility annually; re-survey on any build-out or change in tenant agency.
 - K9 and/ or x-ray screening of all delivery vehicles and vehicles parked close to level 3 & 4 facilities.
- Low Risk
 - Personnel available to respond in all areas with ten or more facilities.
 - 24-hour patrols in selected MSA with at least 20 facilities, weekly patrols of all facilities.
 - Survey Level 3 & 4 facilities annually; others bi-annually; re-survey on major change and any change in tenant agencies.
 - Check guard posts daily in MSA, weekly for all posts.
 - K9 and/ or x-ray screening of all delivery vehicles and daily screening of vehicles parked close to all Level 4 facilities.

Homeland Security

FPS National Staffing Model Team Jun 2001 ³⁰

Other Risk Characteristics (Continued)

- High risk
 - Personnel available for response in major MSA.
 - 24-hour patrols in MSA with 80 Facilities and 10k population. Weekday patrols of facilities in selected MSA with at least 60 facilities.
 - Survey based on security Level every three to six years; pre-lease survey for level 3 & 4 only.
 - Attend BSC meetings. OEP development assistance with annual updates of emergency data. Check guard posts weekly in designated MSA, others annually.
 - K9 available for response in 24-hour, 7-day MSA.
- **Severe Risk**
 - Personnel available for response in selected areas only.
 - 24-hour patrols in MSA with at least 80 Facilities and 10k population served. Patrols of Level 3 & 4 weekly, Level 1 & 2 semi-annually.
 - Survey LV 3 & 4 every 4 years, others at pre-lease or occupancy only.
 - Attend BSC meetings. OEP development assistance during survey only.
 - check guard posts monthly in 24-hor MSA, others annually.
 - K9 available for response in 24-hour, 7-day MSA only.

Homeland Security

FPS National Staffing Model Team Jun 2001 ³¹**Background**

- Previous FPS workload studies included Booz-allen in 1995 and PERF in 1999.
 - Booz-Allen assumed reduced Law Enforcement tasks with primary response outside 22 cities by local PD. Patrols of only largest buildings in 22 core and satellite cities
 - Both studies understate leave, sick and training. Neither account for physical fitness or time deployed on details.
 - Neither provided for dedicated field supervision.
 - Booz-Allen recommended 948 for uniformed operations and protection activities. PERF recommended 1,197.
 - In the 10 years since the Booz-Allen study and 6 years since the PERF there have been significant changes in the threat posed to Federal Facilities.

Homeland Security

FPS National Staffing Model Team Jun 2001 ³²**Special Agent**

- One per JTTF city.
- One general agent per district.
- Additional general agents based on investigative workload.
- JTTF agent in city without general agent should be available for up to 25% of their time to assist with general cases.

Homeland Security

FPS National Staffing Model Team Jun 2001 ³³

Ms. NORTON. Thank you very much.
Let's go to Mr. Ricci.

**STATEMENT OF JOSEPH RICCI, EXECUTIVE DIRECTOR,
NATIONAL ASSOCIATION OF SECURITY COMPANIES**

Mr. RICCI. Congresswoman Norton and members of the committee, thank you for your invitation to appear before the com-

mittee to offer views regarding the direction and viability of the Federal Protective Service.

My name is Joseph Ricci. I am executive director of the National Association of Security Companies, the nation's only organization dedicated to representing private contract security companies. NASCO member companies employ nearly 450,000 trained security guards serving throughout the government and commercial sectors.

NASCO is committed to initiating and supporting efforts at the federal, state and local levels to raise standards for the licensing of private contract security firms and the registration, screening and training of security guards. Nearly 2 million people serve as private security guards domestically, protecting federal facilities, critical infrastructure, businesses and public areas, supporting federal, state and local law enforcement.

Private security guards are often the first responder on the scene of any security or terrorism-related threat and private security protects up to 85 percent of the nation's critical infrastructure. Protecting people and property from accidents and crime, controlling the access, observing and reporting are the principal role of security guards. Private security companies and their guards support and complement law enforcement and other first responders. They do not replace these considerably better trained counterparts.

There are thousands of examples of law enforcement and contract security working together to solve crimes, improve security measures, and make our country safer and more secure. Contract security is primarily regulated at the state level. Currently, 40 states license or regulate private security companies and security guards. Regulation at the state level varies greatly, and there is a trend for increased regulation led by the states of New York, California, Florida and Virginia.

NASCO is constantly active at the state level, working to increase screening and training standards. During the past few months, NASCO has committed significant resources to introducing legislation to license and regulate security in the states of Mississippi, Alabama and Colorado—three states that do not currently have any private security licensing, screening or training requirements.

In 2004, with strong NASCO support, Congress passed the Private Security Officer Employment Authorization Act, which provided employers nationwide with the authority to obtain federal criminal checks on their private security guards through their states.

Tens of thousands of contract security guards are currently protecting government facilities around the world and the training qualification standards for contract security guards are subject to regulations of the state where the facility is located, but more so by the regulations and requirements of the federal agency for which they are contracting.

One large federal customer for contract security is the Department of Defense. DOD recently submitted a report to Congress on contractor performance of security guard functions, citing a performance survey done comparing contract security guards and military personnel serving: "The report confirmed the ability of the contract guard force to meet specified function requirements and the

individual performance evaluation demonstrated comparable abilities among the two sampling groups, thus indicating the contract security guard performed at the same levels as military counterparts.”

Currently, there are 15,000 contract security guards working at facilities under the jurisdiction of the Federal Protective Service. Training standards for the contract security guards fulfilling FPS contracts are set by TSA, FPS and the contracting agency or department, and are significantly higher than any state requirements. The FPS requires that all security guards complete 80 hours of pre-assignment training on functions such as access control, traffic control, security and fire systems, reporting and response, as well as 8 hours-plus of on-site manual in-service training.

All contract security guards must pass an extensive background check and a written exam prior to employment. Each officer's required qualifications, certifications, and other requirements are tracked in the FPS contract employment requirement tracking system, or CERTS, and by the contracting firm itself.

Although problems have recently been identified with contractor compliance, we believe that through cooperative efforts and the increased focus of FPS on inspections, these issues can be quickly resolved. Earlier this year, NASCO created an FPS Working Group in which NASCO member companies and FPS officials are working together to increase the effectiveness of oversight, management, and operational capacity of FPS. Contract security companies and their guards are working at government facilities.

Private security plays a majority role in America in the protection of property, people and assets. In the private and public sector, private security guards are relied upon as the first line of defense against illegal, criminal and terrorist activity. NASCO is committed to increasing the quality of the selection, training and standards for private security guards.

We will continue to work at the local, state and federal levels, and we welcome the opportunity to work with Congress on these issues related to the oversight and regulation of private security and specifically, contract security.

Thank you.

[The statement of Mr. Ricci follows:]

PREPARED STATEMENT OF JOSEPH RICCI

Chairman Thompson and Ranking Member King, and members of the Committee, thank you for the invitation to appear before the Committee to offer views regarding “The Direction and Viability of the Federal Protective Service.” My name is Joseph Ricci, and I am the Executive Director of the National Association of Security Companies (NASCO).

NASCO is the nation's only organization dedicated to representing private contract security companies, and NASCO member companies employ nearly 450,000 trained security guards serving throughout the government and commercial sector. Our members include:

- Allied Barton Security Services
- American Security Programs
- Andrews International
- Guardsmark
- Industrial Security Services
- International RAM Associates
- Levy Security

- SecTek Inc.
- SecurAmerica
- Securitas Security Services USA
- Security Forces
- Special Response Corporation
- The Wackenhut Corporation
- US Security Associates
- WSA Corporation

NASCO is committed to initiating and supporting efforts at the federal, state and local levels to raise standards for the licensing of private contract security firms and the registration, screening and training of security guards. Currently NASCO is working in several states on legislation to increase standards for security guard licensing, including Mississippi, Alabama and Colorado, states that currently do not regulate private security. NASCO and its members also worked closely with Congress and the Justice Department on the passage and rulemaking for the "Private Security Officers Employment Authorization Act of 2004" (PSOEAA) that granted employers of private security guards a means to request federal criminal record checks for security guards in every state.

In addition to serving as Executive Director of NASCO, I serve on the ASIS International Private Security Services Council which provides input for the ASIS Private Security Officer Selection and Training Guideline. Developed and continually reviewed by security industry leaders, this Guideline sets forth minimum criteria that regulating bodies and companies can use for the selection and training of private security guards.

The Role of Private Security

Nearly 2 million people are employed in private security domestically compared to less than 700,000 law enforcement personnel. Private security guards are guarding federal facilities, critical infrastructure, businesses and public areas, working with the armed forces in Iraq and at DoD installations, supporting the operations of the Customs and Border Patrol, and providing screening at airports for TSA. Private security guards are often the "first" responder on the scene of any security or terrorism related incident, and private security protects 85% of nation's critical infrastructure. Nearly 75 percent of private security guards work for contract security companies, with the balance serving as proprietary or in-house security. The vast majority of contract security firms employ many former law enforcement personnel in senior management.

Contract security guards are trained to support law enforcement and not replace law enforcement officers that received considerable more training throughout their careers. Contract security guards have more limited authorities than police and other law officers. Specific powers vary by jurisdiction, but they generally correspond to the police authorities of private citizens. Security guards may have other authorities or may face further limitations to their police power according to state licensing or other regulation, where it exists.¹

Protecting people and property from accidents and crime, controlling access, observing and reporting are the principal role of security guards. They may enforce laws on their employer's grounds, conduct incident interviews, prepare incident reports, and provide legal testimony. They may be armed, as required by specific duty assignments, consistent with state and federal laws governing private ownership and use of firearms.

Private security companies and their guards are working to support and complement law enforcement and other first-responders. There are thousands of examples of law enforcement and contract security working together to solve crimes and improve security measures making our country safer and more secure. NASCO strongly believes contract security performance improves through partnering with it clients to develop and access the best solutions and capabilities.

The Regulation of Private Security

Contract security is primarily regulated at the state level. Currently 40 states license and regulate private security companies and security guards. Regulation at the state level varies greatly in regards to screening and training. For training, requirements range from a minimum of 4 hours or less of pre-assignment and no in-service training, to 40 plus hours of training combining pre-assignment, onsite and in-service. Background screening requirements range from local criminal checks to national checks. There are greater requirements for armed as opposed to unarmed guards, and they too vary according to the state.

¹ CRS Report For Congress, "Guarding America: Security Guards and U.S. Critical Infrastructure Protection" November 12, 2004, RL3260

There is a trend for increased regulation at the state levels, with leading states such as New York and California recently raising training standards and hours and including proprietary or in-house security guards into registration regulations. Training standards have also recently been increased in New Jersey, and there is pending legislation in the District of Columbia.

NASCO is constantly active at the state level, working to increase screening and training standards, or simply trying to start the process of licensing and registering security guards. Just during the past few months, NASCO has committed significant resources to introducing legislation to license and regulate security in Mississippi, Alabama and Colorado, three states that currently do not have any licensing, screening or training requirements.

NASCO has also supported raising security officer standards at the federal level. In the early 1990's, NASCO pushed for passage of the "Private Security Officer Quality Assurance Act" which sought to create minimum state standards for licensing, training and permit access to federal criminal records for background checks. In 2004, with strong NASCO support, Congress passed the Private Security Officer Employment Authorization Act (PSOEAA) which provided employers nationwide the authority to obtain federal criminal background checks on their private security officers by going through the states.

Contract Security and the Federal Government

Tens of thousands of contract security guards are currently protecting government facilities around the world. The training and qualification standards for contract security guards are subject to regulations of the state where the facility is located, but more so, by the regulations and requirements of the federal agency with which they are contracting. Contract security guards are qualified and able to perform the security functions required of them by federal agencies such as the Federal Protective Services.

One large federal customer for contract security is the Department of Defense. In 2003, due to increases in security requirements after 9/11 and the number of active duty and reserve personnel being sent overseas, it was necessary that contract security guards fulfill security roles previously performed by military employees. Congress passed legislation temporarily lifting a restriction against the use of contract security guards at U.S. military, and now there are 130 DoD installations using contract security guards.

Pursuant to the 2007 National Defense Authorization Act, DoD submitted a report to Congress on "Contractor Performance of Security Guard Functions."² The Report covered the subject of the performance and cited a performance survey done comparing contract security guards and military personnel serving as security guards during a three-phase operational evaluation (OPEVAL) at two Navy installations in December 2004. The Report stated that;

"Combined, the three phases of the OPEVAL confirmed the ability of the contract guard force to meet specified AT/FP function requirements at both the tactical employment and installations operational levels. The individual performance evaluation demonstrated comparable abilities among the two sampling groups, thus indicating that contract security guards perform AT/FP functions as well as military counterparts (87.3% successful performance of required tasks for contract guards as compared to 87.4% for military personnel)"

The DoD Report also noted that contract guards continue to develop and foster good working relationships with the military law enforcement elements on the installations where they are working, and it concluded; **"(t)he authority for the use of contracted security guards at military installations gives DoD a viable and effective way to meet and adjust the requirements of increased security guard functions."**

Contract Security and FPS

Currently there are 15,000 contract security guards working at facilities under the jurisdiction of Federal Protective Service (FPS). Training standards for contract security guards fulfilling FPS contracts are set by GSA and FPS, and are higher than any state requirements. The FPS requires that all security guards complete 80 hours of pre-assignment training on access and traffic control, security and fire systems, reports and response, as well as 8 plus hours of onsite and annual in-service training. All contract security guards must pass an extensive background check and pass an exam prior to employment and additional background checks every two

²Department of Defense, Report to Congress on "Contractor Performance of Security Guard Function", January 2007.

years, as well as complete annual refresher training, CPR and domestic violence certification, annual weapons re-qualification, medical and first-aid certification.

Performance and other standards for contract security guards (CSG) are outlined in the Physical Security Handbook 440-2-H Chapter 9 including jurisdiction, determining need, cost, training, duties and compliance. Standards and compliance are the responsibility of the Contracting Officer Representative (COR), usually a FPS official with physical security expertise who determine the needs of the facility and executes the contract.

Each officer's required qualifications, certifications and other requirements are tracked through the FPS Contract Guard Employment requirements Tracking System (CERTS) and by the contracting firm.

Although problems have recently been identified with contractor compliance, we believe that through cooperative efforts and the increased focus of FPS on inspections, these issues can be quickly resolved. NASCO supports the steps that ICE has proposed to improve the monitoring of the FPS contract guard program by increasing the number of employees trained to oversee the program, provide them with better training, and use tracking mechanisms to ensure quality assurance.³

NASCO is also working closely with FPS to re-examine the role, responsibility and tasks of contract security personnel to validate that contract requirements and training are validated against actual daily responsibilities and activities and that the training best supports these roles.

Earlier this year, NASCO created a FPS Working Group in which NASCO member companies and FPS officials can work together to increase the effectiveness of the oversight, management and operational capability of FPS and the contract security companies and their guards working at FPS facilities. The FPS Working Group is currently in the process of conducting a task analysis that will include the insight and expertise of senior security management, supervisors, users and the security guards themselves to determine the amount of time and criticality of tasks to best validate training.

As with any service industry, especially in a market-driven economy, problems surface and NASCO is committed to work with FPS to solve these problems.

Conclusion

Private security plays the majority role in America in the protection of property, people and assets. In the private and public sector, private security guards are relied upon as the first line of defense against illegal, criminal and terrorist activity, and NASCO is committed to increasing the quality of the selection, training, and standards for private security guards.

We will continue to work at the local, state and federal level, and we welcome the opportunity to work with Congress on issues related to the oversight and regulation of private security and specifically contract security.

Ms. NORTON. Thank you, Mr. Ricci.

As you both could tell from the questions to the panel, on both sides there is a concern that the core peace officer function of the FPS be maintained, which is to say that there be officers who have the same ability to do policing and terrorism work as officers in our cities and certainly in Congress and in the federal sector.

I certainly understand that there is a role for security officers. The concern is with the elimination of officers in very large numbers and with the inspector role, which appears to be a largely management role, a paperwork role, a role that has little to do with patrolling.

Some of these officers, Mr. Wright, the inspectors, as I understand it, would normally be peace officers. Is that your understanding?

Mr. WRIGHT. Correct. FPS inspectors are full-time law enforcements. However, our position descriptions and our roles within the agency are largely administrative. A lot of time spent preparing re-

³September 13, 2006 Memorandum from Julie Meyers, ICE Asst. Sec, to Richard Skinner, DHS IG, on the OIG Draft Report "Federal Protective Service Needs to More Effectively Oversee its Contract Guard Program." August, 2006.

ports, preparing security assessments, oversights of contract security guards and contracts. That allows very little time for patrol.

Ms. NORTON. The patrolling function is one that would be of great concern to us. When we say "federal facilities," that hides a bunch of things. We are talking about every kind of federal office, from members' offices, to offices where huge numbers of people, some of them very troubled and very disappointed with the federal government coming in related to the huge number of services. Some of them could be veterans. Some of them could be Social Security. Many of them would be disabled people.

Do these inspectors continue to patrol in the federal facilities where they are assigned? Or are they assigned to federal facilities?

Mr. WRIGHT. Inspectors are assigned to federal facilities. In most regions, we serve in more of an administrative tasking.

Ms. NORTON. Don't they have to travel to inspect? They can't keep inspecting their own building over and over. Don't they have to inspect other facilities as well?

Mr. WRIGHT. Correct. I can draw my experiences as an inspector in Kansas City. I was specifically responsible for 20 properties. Overall, I am responsible for every property in the region VI.

Ms. NORTON. Does that take up virtually all your time? Or do you spend any time patrolling and doing the core peace officer function?

Mr. WRIGHT. My experience is that inspectors spend very little time on proactive patrol and surveillance of federal facilities.

Ms. NORTON. So these peace officers in essence will be paid as peace officers, will be carrying guns, but for the most part will not be doing the peace officer function. Is that your testimony?

Mr. WRIGHT. We will do very little proactive patrol and we will be available for emergency response.

Ms. NORTON. Well, of course you won't be present, apparently, in 50 cities. I don't expect that that will be the District of Columbia, although the reductions in peace officers are likely to occur throughout the country. But we understand there will be at least 50 cities where there will be no peace officers. Do you have any idea of which cities these will be?

Mr. WRIGHT. No, I do not. The agency has insisted that this plan is pre-decisional. Hence they have no requirement to advise myself or my fellow officers of the plan.

Ms. NORTON. You recognize that they say they have an MOU with various jurisdictions, sometimes they have said as many as 30 or 31. They have not released those to either other committees which have jurisdiction over the Federal Protective Service, and I am on both of these committees. As I understand it, these cities have been told that "we will help you and you can help us."

We do not know that they have been told that some of these places will have no peace officers whatsoever and that there will be nobody on the weekends. Do you believe that it would be prudent to have an MOU with a local police force where the only presence would be security guards and not people who are empowered to arrest?

Mr. WRIGHT. Typically, an MOU would imply reciprocity. The local police department would support the Federal Protective Serv-

ice and the federal government in times of need, and that the federal government would reciprocate.

Ms. NORTON. So they always have peace officers. The local jurisdiction always has peace officers. So you are saying if they have an MOU, there ought to be a peace officer or somebody with the power to arrest always in order to reciprocate in the MOU terms.

Mr. WRIGHT. Correct.

Ms. NORTON. Mr. Ricci, some security guards carry guns and some do not. Is that correct?

Mr. RICCI. Yes, ma'am.

Ms. NORTON. What is the difference in the training of those who carry guns and those who not? And in the assignment of those who carry guns and those who not? And can the ones who carry guns make arrests?

Mr. RICCI. I think can say a little bit of what Director Schenkel mentioned. The majority of the security guards that are employed by FPS are permitted to carry arms. The permission for arms and whether the guards are armed or unarmed is determined by the FPS assessment when they do their risk assessment and create the post orders, if you will, or the project orders.

So the determination is done by FPS. The training is significantly higher if they are armed. They do have to recertify their weapons every year. They do have to go through an additional training for use of force. So there is additional training that is applied for anybody with weapons. I do not believe that they have arrest powers.

Ms. NORTON. So they are armed for what purpose?

Mr. RICCI. To defend themselves and to defend the property. They have the authority to defend themselves, the people in the building, and the property itself.

Ms. NORTON. Of course, if an arrest is to be made while they are holding a gun on somebody, they have to make sure someone calls 9-1-1, so that somebody who can arrest the person does come. Is that the case?

Mr. RICCI. They currently can detain. The officers are—

Ms. NORTON. I could detain is somehow I could get somebody—

Mr. RICCI. But they are trained to detain, ma'am. Currently, the procedures and policies that we see that are in place now are not really changing. The process right now is to make two notifications, which are to both the FPS and to the mega-center. Therefore, we get response. There are 8,800 buildings. There are only 1,200 FPS workers. So they are obviously not in each building. So the current response is to rely on local law enforcement.

Ms. NORTON. I want to move on to the next member. I just want to say we are dealing with terrorism, in times of increased crime, and we see the reduction in the number of officers and the increase in people who can detain. Let's see if some of the thugs out here, knowing that you could only detain, and some of the terrorists are satisfied with that kind of oversight of federal facilities.

Mr. Reichert?

Mr. REICHERT. Thank you, Madam Chair.

Mr. Ricci, do you have law enforcement experience?

Mr. RICCI. I do not, sir.

Mr. REICHERT. What is your background?

Mr. RICCI. My background is I worked in the contract security industry for about the last 6 or 7 years, and also in association management.

Mr. REICHERT. Okay, thank you.

I first want to take a moment, Madam Chair, to thank the director for his service to our country as a Marine. And also, Mr. Wright, thank you so much for your service to our country as a 21-year FPS officer.

I take it you two guys have known each other for a while?

Mr. RICCI. No, sir.

Mr. WRIGHT. No. We just met this morning.

Mr. REICHERT. Did you just meet?

Mr. RICCI. Absolutely.

Mr. REICHERT. That is not good.

[Laughter.]

As you probably heard in my opening comments, in my first round of questioning, I was a cop for 33 years so I get the working with the security people. Sometimes late at night, in my patrol car back in the early 1970s, the security person was my backup. There is a great friendship and a great partnership between the two of you in your professions. I know you are aware of that.

But there are some issues that you have to deal with. One of the things that really bothers me is this 30 percent of the security guards didn't meet the requirements. What happened there? Why was that?

Mr. RICCI. I think when we were talking about the 30 percent. They didn't necessarily meet the requirements because they weren't carrying the specific cards or some of the registrations were out of sync. We admit that that is a problem and we want to work with FPS and we are trying to work with FPS to make sure the search program is kept up to date; that the contracting companies are in compliance and working to make sure that they are maintaining higher standards of recordkeeping. It is a process we are working on together in partnership on it.

Mr. REICHERT. As far as the management, we touched on this in the first panel, the management of the security guards. Maybe Mr. Wright you could comment on that. Is that left up to the FPS officers?

Mr. WRIGHT. Correct. Every FPS officer, police officers, and inspectors are responsible for oversight of the contract security guards. My comment would be this study was done in NCR, and we have lost considerable numbers of police officers and inspectors from NCR, while the duties have piled up on inspectors, administrative-type duties have piled up on inspectors.

We have to provide oversight. The problem is that the manpower is not there.

Mr. REICHERT. What is the rank structure within FPS?

Mr. WRIGHT. There are actually two different chains of command. You have a regional director, deputy regional director, district director, and area commander. That is where the chain of command splits. On one side, you have inspectors and on the other side of the chain of command you have sergeants, corporals and police officers.

As I say, all law enforcement officers within FPS are responsible for oversight of contract security officers.

Mr. REICHERT. Okay. So on both sides, sergeants, corporals, and then the inspectors on the other side, have some oversight.

Mr. WRIGHT. Correct.

Mr. REICHERT. The inspectors, are they the ones that do the follow-up work on crime? Who are your investigators?

Mr. WRIGHT. The special agents. The response to a particular crime could be either the police officers or the inspectors. At that point, we would accomplish a preliminary report, accomplish as much of a preliminary investigation as we had time for and could on-scene, and then it gets turned over to a special agent.

Mr. REICHERT. Now, I used the figure of 250. Is it 300 people that may be eliminated, 300 positions? But they will find jobs somewhere else.

Mr. WRIGHT. Right. The plans that I have seen call for the elimination of 259 police officers. These are individuals that spend their full time patrolling and responding to incidents and crimes.

Mr. REICHERT. Mr. Wright and Mr. Ricci, were you a part of the discussion with your higher command structure in coming up with the recommendation?

Mr. WRIGHT. Absolutely not. The union was not invited to participate in any aspect.

Mr. REICHERT. Mr. Ricci, were you part of the discussion?

Mr. RICCI. No, sir.

Mr. REICHERT. How did you become aware of the fact that they were looking at cutting 300 positions or so?

Mr. WRIGHT. I knew by media articles in the summer of 2006 that there were definitely deficit problems. At that point, I didn't concern myself with it because we have always pulled through at some point or other. In November of 2006, the first warning sign was shown when they cut police officers' and inspectors' retention pay. That showed us that this deficit was serious. That was at the end of November.

On about January 5, I was advised that the retention and pay indeed had been cut, and that further plans to reduce the agency were ensuing. On or about February 5, I was advised that the agency was going down to 950 employees. At all times, I was told that this move was due to deficit, although the FPS management did put a picture on it as the evolution of FPS.

Mr. REICHERT. Madam Chair, I recognize that my time is beginning to expire here. If I could just follow up with two real quick questions?

Ms. NORTON. The chair would be more than happy, but staff informs me we have to get out of the room at 12:30 and we have three more members. I am sorry.

Mr. Carney?

Mr. CARNEY. Thank you, Madam Chairman.

Mr. Wright, do you have any idea how many FPS officers might decide to leave for private contractors if their jobs are cut and what impact that might have?

Mr. WRIGHT. With the announcement of the cut in retention pay on November 30, we were at 1,220 officers. Over the years since our inception into DHS in March 2003, we had attrited from about

1,550 down to 1,220 on the day the retention pay was announced as going away. Today, as I understand it, we are down to about 1,170. I have had two good friends in the last 1 1/2 weeks leave FPS service, experienced officers. I have another good friend out in San Diego that is leaving on May 13.

It is absolutely affecting morale. It is taking attention away from the job, the issue at hand. I have officers out there who have given their careers to FPS. They have dedicated their time, their loyalty, and they are being let down. And now they have to worry about their careers and their livelihoods.

Mr. CARNEY. This next question is actually for both of you. What do we know about the certification maintenance of contract officers in particular? Those who hold clearances, for example, are their backgrounds done? Is it an SSBI? What is the background there? Are there periodic reviews, up to date? That kind of thing. Those are very important issues.

Mr. WRIGHT. I can speak for region VI. I think one of our problems is in each region, we used to have one or two individuals dedicated to maintenance of these files and clearances of security officers. Those positions have been eliminated and sent into a central unit. For example, my guy in Kansas City who handled the process from bringing them onto the contract, ensuring everything was done—my guy in Kansas City is no longer there. It is all handled somewhere at a central unit.

This goes back to the inspector duties. FPS police officers can be out there every day and handle a lot of this material, but the inspectors are being overtasked with administrative duties. It is just almost weekly we get another assignment. That is a problem. That is how we fall away. Region VI is very good at maintaining these contract security guard files, but it is very labor-intensive.

Mr. CARNEY. Mr. Ricci, do you care to comment?

Mr. RICCI. To confirm what Mr. Wright said, the compliance issues for certification and backgrounds and the other requirements are kept dually. They are kept in the CERTS system, but they are also maintained by the contract security company. So there is a dual administrative function there. We have to report that information to the FPS and it gets into the CERTS system. So there is a process that is there.

There have been times in the past where there have been delays in getting background checks, which I think are required every 2 years for security officers. There have been a variety of delays across the board in the whole government community. So some of those delays have an impact on the ability to man positions which we feel are critical.

Mr. CARNEY. Who pays for the background investigations?

Mr. RICCI. The background investigations are a part of the contract.

Mr. CARNEY. Okay. Understood.

Thank you. No further questions.

Ms. NORTON. Ms. Clarke?

Ms. CLARKE. Thank you very much, Madam Chair.

Mr. Wright, you and your fellow FPS officers work alongside private contractors on a daily basis. How do you feel about the role they have been given within the agency? And in your experience,

do you feel they are as reliable as FPS officers and well enough trained to protect federal buildings in the current climate?

Mr. WRIGHT. None of this is to the denigration of any of my security officers that I work with or did work with every day. In level three and level four buildings, the higher-level security buildings, I believe that these should be government officers. That way, we can maintain the certification. Well, it won't even be a certification. They will essentially be government security guards.

It is a mixed bag. In Kansas City, we are somewhat fortunate to have a good contract, a good solid contract. However, there are holes and individuals do get hired by these companies that really don't belong. They don't have a work ethic. They are not vested in the government. This is just another job, just another post.

On the other hand, we have a lot of former military police officers, retired types, that come out and they are a bunch of good guys, good backup. The problem is the authority. I think one thing that has been neglected here today is the authority of security officers is granted by each municipality. Whereas Kansas City has pretty much a hands-off approach. Individuals commissioned by Kansas City as a private security guard, basically they will not put hands on anyone entering any facility. Whereas I am sure it is different in other municipalities.

Ms. CLARKE. Let me just follow up. From just my observations here, what has been described has been sort of an imposed policy for deficit reduction.

Mr. Wright, was there any consultation with you or your fellow officers, given the struggle that FPS has right now about what some of the best practices could be for reorganizing the agency, given its fiscal constraints?

You talked about how you became aware of how the organization was going to be reorganized. Did anyone consult with you or your membership?

Mr. WRIGHT. Not at all. I lay this directly at the feet of Immigration, Customs and Enforcement. I have served under directors in FPS. Once we got to know each other, fairly forthcoming. I thought we could deal together. Immigration and Customs and Enforcement, they are tough group to work for. FPS is the little brother. As Mr. Jackson stated in his testimony on April 18, FPS needs a big brother.

Well, we needed a big brother. We need a Wally Cleaver, and we got Eddie Haskell. There is no respect for the union, no respect for the employees.

Ms. CLARKE. I heard in Director Schenkel's testimony that DHS plans to reduce the FPS personnel by about 300 nationwide and about 101 in the New York region alone. That really concerns me. What impact is this likely to have on the remaining FPS personnel in doing their jobs?

Mr. WRIGHT. In clarifying the reductions, we have inspectors, police officers, special agents. Police officers are slated for the largest reductions. There will be 18 police officers left in this nation. You have I believe 20 or 25 police officers in New York City alone, so basically you are going to go down to one and leave it up to inspectors who have all the administrative taskings to respond and patrol, which that is being eliminated also.

What was the second part of your question?

Ms. CLARKE. I wanted to get a sense of what is likely to be the impact on the remaining personnel in doing their jobs?

Mr. WRIGHT. The impact on the remaining personnel is FPS inspectors, who are already overtasked, are going to be further overtasked. We anticipate the last I knew adding about 150 inspectors, but the 400 or so inspectors we have on board now average between 20 and 60 buildings apiece.

Ms. NORTON. Thank you very much, Mr. Wright. We have to go to Mr. Green now.

Mr. GREEN. Thank you, Madam Chair.

And thank you, witnesses, for your testimony today.

Mr. Wright, on page four of your testimony, the third paragraph down, the very last sentence, you make a very strong statement that is almost an indictment. I shall read it, and I would like to talk to you for just a moment about it: "The proposed 950 employee FPS is driven by money"—I assume you are talking about the proposal to have 950 employees—"not risk analysis by law enforcement or security professionals."

So the proposal to have 950 versus another number, in your opinion, is driven by money. Is that correct?

Mr. WRIGHT. Correct.

Mr. GREEN. Without additional comment just yet, let me ask you this. How do you know that it is not driven by risk analysis?

Mr. WRIGHT. In the days that the agency came to be somewhat forthcoming, I was told that it was budget. I asked for any plans, anything that could show me where did this 950 come from, and that has never been provided.

Mr. GREEN. Mr. Ricci, are you aware of any risk analysis that has been performed?

Mr. RICCI. I know that the FPS consistently does risk analysis on the properties themselves in determining the guard levels and the contracts and the post orders for the given building.

Mr. GREEN. We are talking about now a risk analysis to ascertain the appropriate number of peace officers versus contract employees?

Mr. RICCI. Not that I am aware of.

Mr. GREEN. My assumption is that you would not cross the street before looking both ways. That is a risk assessment. Would you agree that if we are going to downsize and outsource and to a certain extent privatize, that there should be some sort of risk analysis by a professional entity capable, competent and qualified, of giving an appropriate summary as to what the risks are?

Mr. RICCI. I certainly think that there ought to be professionals consulted in regards to the operational impact of any kind of reduction in force or change in the oversight and compliance issues, and it ought to be something that is done across the board involving both industry and government.

Mr. GREEN. Would you agree that if we have not had an appropriate risk analysis, that someone is assuming a large amount of risk, because if you don't understand the risk, you are assuming the risk. So someone is assuming an inordinate amount of risk if we haven't had such an analysis. Would you agree?

Mr. RICCI. It all depends on what we are talking about in terms of risk. I know Mr. Wright has a comment here, but I think what we are talking about is a change in the force of compliance—

Mr. GREEN. I understand, but if something occurs—God forbid that it would—but if something occurs and we have not properly assessed the risk, and we have inappropriate personnel at a given station where this incident occurs, someone has assumed the risk.

Mr. WRIGHT. Someone has assumed a major liability. I will say that the one FPS workload allocation study that has been conducted by FPS personnel, personnel that are experienced in law enforcement and security workload allocation, resulted in a number of employees considerably higher, almost three-times higher than the 950. I have provided that workload allocation model for the record on disc, and I have an extra disc here.

Mr. GREEN. Has it been placed in the record, sir?

Mr. WRIGHT. Yes, sir.

Mr. GREEN. Okay. Again, you agree, sir, that the risk is something that we ought not assume without a proper analysis. I assume you both agree.

Mr. WRIGHT. Right.

Mr. RICCI. Yes, sir.

Mr. GREEN. If it has not been done, would you agree that it might be appropriate for additional action from without the agency to intercede in some way, such that the risk can be properly ascertained? Would you want to see the American people unprotected? I think not.

I yield back the balance of my time. Thank you, Madam Chair.

Ms. NORTON. I thank you very much, Mr. Green.

As I close this hearing, I just want to note that Mr. Ricci in his testimony I think honestly concedes that there is work to be done with respect to contracting. I know the testimony that we have heard from Mr. Wright concerning the inspectors and what looks like cutting the number of peace officers virtually in half.

I do note that Mr. Ricci indicates that this can be done, these contracting problems can be done—and I am looking at his testimony—with increased focus of monitoring the FPS contract guard program, by increasing the number of employees trained to oversee the program, more effective oversight management and operational capability of FPS.

The fact is that for the contracting duties for whatever new or improved FPS we have, we are piling it on the people who are already there and coming in diminishing numbers.

Mr. WRIGHT. Correct. And that leaves no one for proactive patrol and response to calls for service.

Ms. NORTON. I am telling you this committee, Homeland Security Committee, cannot possibly take the position that there should be less protection of millions of Americans who come into federal facilities than in the White House and in this facility where we are now. And it looks like there is a huge amount of difference.

If something happens in one of those facilities, I would not like to be the one who said, well, we did all we can, when it is perfectly clear that post-Oklahoma bombing, post-9/11, we are cutting in half the number of police officers in federal buildings who can make arrests.

Just one more question. You heard me ask the two witnesses before you whether or not some of the problems would be eliminated, particularly contracting problems, the problems that seem to have gone to the heading of efficiency and bureaucracy, if FPS was a stand-alone agency. Now, you recommend that.

The answer to me made some sense, and that is, there has to be somebody to do the overhead because they don't have an infrastructure in DHS to handle one agency. GSA did it because GSA was an agency. If in fact you were to stand alone, who would handle the necessary administrative support?

Mr. WRIGHT. ICE currently outsources all of our shared administrative tasks to, well, labor relations is Laguna Niguel. CIS provides that service. USDA prints our paychecks in New Orleans. There are plenty of agencies out there that can take on these tasks.

Ms. NORTON. Well, they have given it to ICE, so they will say somebody had to do it, and so ICE is doing it. We need to discuss this, because this is a problem that really caused this committee to have this hearing—these contracting problems and the outsourcing of contracting officers, which is more outsourcing, more problems of that kind. If there is to be another iteration of this, then we need to discuss it. Yes, they outsource this, that and the other, but somebody in ICE has to be responsible for it, and therefore you have to have a proxy somehow for what the GSA did for the FPS.

Mr. GREEN. Madam Chair, would you yield for one moment please?

Ms. NORTON. I cannot yield because I only took the liberty of the chair, since I was told I better get out of here by 12:30. So I am going to close the hearing and ask that if members have other questions, that they ask them directly, so that I will not, in the name of the chairman, be accused of keeping the next hearing from getting in here, since it is not our hearing room.

Thank you very much for coming to this hearing. It is very important testimony.

[Whereupon, at 12:30 p.m., the committee was adjourned.]

