

**DRIVING AWAY WITH TAXPAYER DOLLARS: DHS'S  
FAILURE TO EFFECTIVELY MANAGE THE FPS  
VEHICLE FLEET**

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**HEARING**

BEFORE THE

**SUBCOMMITTEE ON  
OVERSIGHT AND  
MANAGEMENT EFFICIENCY**

OF THE

**COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES**

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

DECEMBER 3, 2015

**Serial No. 114-46**

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PUBLISHING OFFICE

21-156 PDF

WASHINGTON : 2016

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# CONTENTS

	Page
STATEMENTS	
The Honorable Scott Perry, a Representative in Congress From the State of Pennsylvania, and Chairman, Subcommittee on Oversight and Management Efficiency:	
Oral Statement .....	1
Prepared Statement .....	3
The Honorable Bonnie Watson Coleman, a Representative in Congress From the State of New Jersey, and Ranking Member, Subcommittee on Oversight and Management Efficiency:	
Oral Statement .....	4
Prepared Statement .....	5
The Honorable Bennie G. Thompson, a Representative in Congress From the State of Mississippi, and Ranking Member, Committee on Homeland Security:	
Prepared Statement .....	6
WITNESSES	
Mr. John Roth, Inspector General, Office of Inspector General, U.S. Department of Homeland Security:	
Oral Statement .....	8
Prepared Statement .....	9
Mr. L. Eric Patterson, Director, Federal Protective Service, U.S. Department of Homeland Security:	
Oral Statement .....	18
Prepared Statement .....	19
Mr. Thomas Chaleki, Deputy Chief Readiness Support Officer, Management Directorate, U.S. Department of Homeland Security:	
Oral Statement .....	22
Prepared Statement .....	24
APPENDIX	
Questions From Ranking Member Bennie G. Thompson for John Roth .....	43
Questions From Chairman Scott Perry for L. Eric Patterson .....	46
Questions From Ranking Member Bennie G. Thompson for L. Eric Patterson .	48
Questions From Chairman Scott Perry for Thomas Chaleki .....	52
Questions From Ranking Member Bennie G. Thompson for Thomas Chaleki ...	56



## **DRIVING AWAY WITH TAXPAYER DOLLARS: DHS'S FAILURE TO EFFECTIVELY MANAGE THE FPS VEHICLE FLEET**

**Thursday, December 3, 2015**

U.S. HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON OVERSIGHT AND  
MANAGEMENT EFFICIENCY,  
COMMITTEE ON HOMELAND SECURITY,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 10:22 a.m., in Room 311, Cannon House Office Building, Hon. Scott Perry [Chairman of the subcommittee] presiding.

Present: Representatives Perry, Clawson, Loudermilk, Watson Coleman, and Torres.

Mr. PERRY. The Committee on Homeland Security's Subcommittee on Oversight and Management Efficiency will come to order. The purpose of this hearing is to examine mismanagement of the Federal Protective Service's vehicle fleet.

The Chair now recognizes himself for an opening statement. Before that, just on an administrative note, my counterpart, the Ranking Member, Ms. Watson Coleman, is on her way. We have been told that no one will object to the opening statement. So we are just going to proceed. If she does make it in time, she may make an opening statement. If she does not, we may adjourn at that point so that I can go vote. As soon as votes are complete, we will come back and re-adjourn the hearing and move forward from there. That is just to give you an idea. You can plan your bathroom breaks accordingly. All right.

The Federal Protective Service has a vitally important mission to protect Federal facilities, including Federal employees, contractors, and visitors at those facilities. FPS secures approximately 9,500 facilities Nation-wide. Watchdogs have released numerous reports in recent years criticizing how FPS has managed its contract guard program and conducted facility security assessments. In October, the inspector general released a scathing report titled "The FPS Vehicle Fleet is Not Managed Effectively." The report reads like a laundry list of poor—and this is my editorial—what seems to me gratuitous management decisions. According to the inspector general, the FPS wasted over \$2.5 million in fiscal year 2014 on its vehicle fleet due to numerous management failures. Specifically, FPS management did not justify the need for more vehicles than officers, use of larger sport utility vehicles, officers' authorization to

drive from home to work in the Washington, DC, area, and discretionary equipment added to vehicles.

FPS leased over 100 vehicles more than it had officers. That is after every single FPS officer was assigned a vehicle. I am sure sheriffs and chiefs of police back home in Pennsylvania would love to have such a budget and such latitude. I can tell you, as a service member—and, gentlemen, I will thank you in advance for your service—but as a service member who has served downrange and had to hoof it 8 miles from where I was sleeping to where I was operating because I didn't have a vehicle, we sure would have loved to have vehicles to complete our mission.

In addition, FPS chose to lease more expensive sport utility vehicles even though 2013 component guidance stated that a sedan was preferred. FPS could have saved over \$1 million had it used sedans as opposed to SUVs. FPS officials explained that the larger capacity was needed to store officer equipment. However, the IG found that most officers did not have a majority of the equipment stored in their vehicles. In fact, some of the equipment wasn't even issued.

Another management failure was the lack of justification in allowing officers in the National Capital Region, the NCR, to drive from home to work. Officers in the NCR drove more miles in their Government-issued SUVs commuting than actually performing their assigned duties and failed to accurately report whether their mileage was justified.

I find that quite telling, gentlemen.

The IG found that in certain instances, on-duty activities were reported as after-hours responses. The report also found that FPS overpaid an estimated \$35,000 in monthly charges—monthly—for equipment packages that added extras, such as bike racks and wireless security systems for the vehicles. The IG stated that FPS made ad hoc undocumented decisions regarding its vehicle fleet and was not in compliance with Federal and Departmental requirements. FPS failed to put rigorous controls in place to prevent waste. The limited safeguards that were in place were not followed. Officers did not appropriately document their mileage. Almost all of FPS' records did not match records in the General Services Administration's system.

In 25 cases in particular, FPS reported vehicles having negative mileage, which I would hope would get somebody's attention. You know, from my standpoint, at some point, I would like DHS and FPS to explain to the Members how a vehicle has negative miles on it. Director Patterson has signed a new policy to address some of the IG's findings and intends to put new systems in place to better oversee the use of FPS vehicles.

I will tell you, Director, in my opinion, in this one humble opinion, one individual's humble opinion, new policies aren't, you know, without changing some of the core standards and requirements here, is just not going to be good enough. But the American taxpayer deserves much better. Washington bureaucrats may wonder why this subcommittee is holding a hearing on an area that is such a small part of DHS's overall budget. The management failures and outright abuse outlined in the IG's report demonstrate a culture of waste by DHS regarding taxpayer—taxpayer, this is your neighbors'—taxpayer money. That is reprehensible. It is unacceptable.

Since the IG only reviewed 1 year of data, it is safe to say FPS wasted millions more in previous years. Listen, I don't use the term "wasted" lightly. I would rather say "spent." But, in my opinion, and based on this report, I can assume and I think America can assume it has been wasted, maybe even tens of millions, because we don't know how long, I don't know how long this has been going on like this. Putting a new policy in place does not cut it. DHS must hold employees that waste taxpayer dollars accountable. Every dollar wasted on mismanagement is one less that goes to actually protecting the public. The American people will not stand for such management malpractice.

The point is that we must hold ourselves as employees of the Federal Government, whether elected, whether appointed, whether hired, we must hold ourselves accountable and seek the best for the taxpayers that we are beholden to. We all must do that. Whether or not there is a directive to do it from up above, we must take it upon ourselves, the oath that we took when we signed up for this mission to do the best we can, regardless, regardless of what somebody above us is telling us. We know better. We must do better.

Every dollar wasted on mismanagement is one less that goes to actually protecting the public. I am just thinking about events in the last 24 hours. I know it didn't happen at a Federal facility. But God help us when one does and somebody comes to the committee and says, "Well, we need more money to protect these facilities and these people," we can look at ourselves—and, look, if I had a mirror in front of me, I am telling you I would be looking at myself too, but I know I am looking at you two gentlemen in particular. But this is part of that. That is what we are talking about when these things happen. So we need to make sure that our dollars are spent most wisely. The American people will not stand for such mismanagement practice.

[The statement of Mr. Perry follows:]

STATEMENT OF CHAIRMAN SCOTT PERRY

DECEMBER 3, 2015

The Federal Protective Service (FPS) has an important mission to protect Federal facilities including Federal employees, contractors, and visitors at those facilities. FPS secures approximately 9,500 facilities Nation-wide. Watchdogs have released numerous reports in recent years criticizing how FPS has managed its contract guard program and conducted facility security assessments. In October, the inspector general released a scathing report titled "The FPS Vehicle Fleet Is Not Managed Effectively." The report reads like a laundry list of poor management decisions.

According to the inspector general, FPS wasted over \$2.5 million dollars in fiscal year 2014 on its vehicle fleet due to numerous management failures. Specifically, FPS management did not justify the need for more vehicles than officers; use of larger sport utility vehicles; officers' authorization to drive from home to work in the Washington, DC area; and discretionary equipment added to vehicles. FPS leased over 100 vehicles more than it had officers. And that's after every single FPS officer was assigned a vehicle. I'm sure sheriffs and chiefs of police back home in Pennsylvania would love to have such a budget.

In addition, FPS chose to lease more expensive sport utility vehicles even though 2013 component guidance stated that a sedan was preferred. FPS could have saved over \$1 million dollars had it used sedans as opposed to SUVs. FPS officials explained that the larger capacity was needed to store officer equipment. However, the IG found that most officers did not have a majority of the equipment stored in their vehicles. In fact, some of the equipment wasn't even issued.

Another management failure was the lack of justification in allowing officers in the National Capital Region (NCR) to drive from home to work. Officers in the NCR

drove more miles in their Government-issued SUVs commuting than actually performing their assigned duties and failed to accurately report whether their mileage was justified. The IG found that, in certain instances, on-duty activities were reported as after-hours responses. The report also found that FPS overpaid an estimated \$35,000 in monthly charges for equipment packages that added extras, such as bike racks and wireless security systems, for the vehicles.

The IG stated that FPS made “ad hoc, undocumented decisions” regarding its vehicle fleet and was “not in compliance with Federal and departmental requirements.” FPS failed to put rigorous controls in place to prevent waste and the limited safeguards that were in place were not followed. Officers did not appropriately document their mileage and almost all of FPS’s records did not match records in the General Services Administration’s (GSA) system. In 25 cases, FPS reported vehicles having negative mileage. I’d like DHS and FPS to explain to the Members how a vehicle has negative miles. Director Patterson has signed a new policy to address some of the IG’s findings and intends to put new systems in place to better oversee the use of FPS vehicles.

But the American taxpayer deserves much better. Washington bureaucrats may wonder why this subcommittee is holding a hearing on an area that is such a small part of DHS’s overall budget. The management failures outlined in the IG’s report demonstrate a culture of waste by DHS regarding taxpayer money. That is reprehensible and unacceptable. Since the IG only reviewed 1 year of data, it’s safe to say FPS wasted millions more in previous years; maybe even tens of millions. Putting a new policy in place doesn’t cut it. DHS must hold employees that waste taxpayer dollars accountable. Every dollar wasted on mismanagement is one less that goes to actually protecting the public. The American people will not stand for such management malpractice.

Mr. PERRY. Votes have been called on the House floor. So, without objection, the subcommittee stands in recess subject to the call of the Chair. We will reconvene following the vote series. Thank you, ladies and gentlemen.

[Recess.]

Mr. PERRY. The Chair now recognizes the Ranking Minority Member of the subcommittee, the gentlelady from New Jersey, Mrs. Watson Coleman, for her statement.

Mrs. WATSON COLEMAN. Thank you, Chairman Perry, for holding today’s hearing.

Thank you, Inspector General Roth, Director Patterson, and Mr. Chaleki, for your testimony today.

The Federal Protective Service, a subcomponent of the National Protection and Programs Directorate, provides integrated security and law enforcement services to more than 9,500 Federal facilities Nation-wide. FPS fulfils a critical mission, one rooted in protecting essential infrastructure, Federal buildings, and its occupants. While the presence of FPS is imperative to the protection of Federal facilities, it is equally important that FPS performs its everyday functions in an efficient manner with appropriate management oversight.

Currently, FPS manages a fleet of approximately 1,100 vehicles at a cost of \$10.7 million. These vehicles assist FPS Officers in their coverage of Federal facilities and allows them to store and carry their essential law enforcement equipment.

The Department of Homeland Security Office of the Inspector General recently investigated FPS’ management of its vehicle fleet and concluded that FPS is not managing its vehicle fleet effectively, specifically citing expensive equipment packages, the overuse of sport utility vehicles, and a lack of consistent Department oversight in fleet management. Even though FPS has more than 100 enforcement vehicles than full-time officers, FPS was unable to provide the inspector general with a justification for neither the

surplus nor its overall methodology in ordering vehicles for the fleet. In the D.C. region, 57 percent of the fleet vehicles' overall mileage that was given was considered home-to-work mileage, yet FPS could not provide sufficient justification to the inspector general for the approximately 1.2 million home-to-work miles driven in fiscal year 2014.

The inspector general further observed some FPS vehicles did not contain the necessary equipment to fulfil its daily mission, including gas masks, protective suits, and rioting gear. In response to this particular finding, FPS stated that oftentimes equipment is unavailable and it sometimes takes several months for an officer to be fully stocked. Even more troubling is the inspector general's conclusion that the Department of Homeland Security does not sufficiently oversee FPS fleet management to ensure FPS complies with all Federal and Department guidelines. Neither the Department's fleet manager nor NPPD consistently review FPS' use of the GSA vehicle allocation methodology, nor do they review the justification for having additional law enforcement administrative vehicles, retaining underutilized vehicles, and adding discretionary upgrades. This lack of management resulted in FPS' overpaying GSA for law enforcement equipment packages.

There is a critical linkage between the Department's operational effectiveness and critical National security missions, on the one hand, and the effective management of resources and requirements by DHS on the other. These findings demonstrate a culture—did demonstrate a culture of lack of management and disregard for resources that FPS grounded, in collection of fees from agencies occupying the Government's facilities. These lapses in oversight, accountability, and preparedness must be addressed and corrected.

I look forward to hearing from each of you—as to Mr. Roth, your findings; and to Mr. Patterson and Mr. Chaleki, those improvement mechanisms and systems and accountability measures that put—you have in place. Thank you.

Thank you, Mr. Chair. I yield back.

[The statement of Mrs. Watson Coleman follows:]

STATEMENT OF RANKING MEMBER BONNIE WATSON COLEMAN

DECEMBER 3, 2015

The Federal Protective Service, a subcomponent of the National Protection and Programs Directorate, provides integrated security and law enforcement services to more than 9,500 Federal facilities Nation-wide.

FPS fulfills a critical mission, one rooted in protecting essential infrastructure, Federal buildings, and its occupants.

While the presence of FPS is imperative to the protection of Federal facilities, it is equally important that FPS performs its everyday functions in an efficient manner, with appropriate management oversight.

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These vehicles assist FPS officers in their coverage of Federal facilities and allow them to store and carry their essential law enforcement equipment.

The Department of Homeland Security Office of the Inspector General recently investigated FPS' management of its vehicle fleet and concluded that FPS is not managing its vehicle fleet effectively, specifically citing expensive equipment packages, the overuse of sports utility vehicles, and a lack of consistent Department oversight and fleet management.

Even though FPS has 100 more law enforcement vehicles than full-time officers, FPS was unable to provide the inspector general with justifications for neither the surplus nor its overall methodology in ordering vehicles for the fleet.

In the DC region, 57 percent of the vehicle fleet's overall miles driven are considered "home-to-work" mileage, yet FPS could not provide sufficient justification to the inspector general for the proximately 1.2 million home-to-work miles driven in fiscal year 2014.

The inspector general further observed some FPS vehicles did not contain the necessary equipment to fulfill its daily mission, including gas masks, protective suits, and rioting gear.

In response to this particular finding, FPS stated that oftentimes, equipment is unavailable and it sometimes takes several months for an officer to be fully stocked with all necessary equipment.

Even more troubling is the inspector general's conclusion that the Department of Homeland Security does not sufficiently oversee FPS fleet management to ensure FPS complies with all Federal and Departmental guidelines.

Neither the Department's Fleet Manager nor NPPD consistently review FPS' use of the GSA Vehicle Allocation Methodology nor do they review its justifications for having additional law enforcement administrative vehicles, retaining under-utilized vehicles, and adding discretionary upgrades to the vehicles.

This lack of management resulted in FPS overpaying GSA for law enforcement equipment packages in error.

There is a critical linkage between the Department's operational effectiveness in critical National security missions on the one hand, and effective management of resources and requirements by DHS leader on the other.

These findings demonstrate a culture of lax management and disregard for resources at FPS, one grounded in the collection of fees from agencies occupying the Government facilities FPS protects.

These lapses in oversight, accountability, and preparedness must be addressed and corrected.

Director Patterson and Mr. Chaleki, I look forward to hearing from each of you today what the Department and FPS plans on doing to address the inspector general's findings, particularly as it relates to effective management of FPS resources.

Mr. PERRY. The Chair thanks the gentlewoman.

Other Members of the subcommittee are reminded that opening statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

DECEMBER 3, 2015

After the 1995 domestic terrorist attacks on the Alfred P. Murrah Building in Oklahoma City, Oklahoma, there was broad recognition that Federal buildings, which are symbols of our democracy, must be protected against terrorist attacks while remaining accessible to citizens. In recent years, the increasing number of terrorist plots against diverse U.S. Government facilities in Illinois, Washington State, and New York City, as well as attacks on Government buildings in other Western democracies, such as Canada and Norway, has brought into focus the need to strengthen U.S. Federal building security.

Unfortunately, the primary agency responsible for providing such security—the Federal Protective Service—has a range of long-standing administrative challenges that, to my mind, raise questions about its ability to provide adequate Federal building security. During my time on this committee, I have recognized the critical mission of the Federal Protective Service and have ensured that the committee has developed oversight and legislative mechanisms, such as the "Federal Protective Service Improvement and Accountability Act of 2015," which is also cosponsored by the Ranking Member of this subcommittee, to address the some of the challenges FPS faces.

At the center of today's hearing is another challenge at FPS—the management of the law enforcement agency's vehicle fleet. FPS currently has a fleet of 1,100 vehicles at a cost of \$10.7 million. These vehicles are provided to FPS to allow the officers and investigators to store and carry equipment and other necessary protective gear.

This October, the Department of Homeland Security Office of Inspector General found that FPS is not managing its vehicle fleet effectively. According to the IG, FPS has too many vehicles, they pay too much for the vehicles they lease, and FPS

officers within the National Capital Region use their vehicles to commute without proper justification. The IG concluded that DHS does not sufficiently oversee FPS fleet management to ensure FPS complies with all Federal and Departmental guidelines.

It is very disappointing to know that in certain instances, neither FPS nor DHS were keeping proper records of vehicle data such as mileage reports. Unfortunately, this is something we have heard one too many times from the Department. There is money being spent, resources being allocated, and needs purportedly being met, but little to no record-keeping being in place. Director Patterson and Mr. Chaleki, when there is no record of where funds are going, it increases the likelihood of questions of waste, fraud, and abuse.

While I understand that FPS and DHS have both concurred with the recommendations of the inspector general, I would like to hear more from both of you about how these recommendations are being implemented.

Furthermore, since October 2014, when terrorists attacked government sites in Canada, FPS has been operating at an enhanced level, at the direction of DHS Secretary Jeh Johnson. FPS also increased its operations to protect Federal buildings during the trial of the Boston Marathon Bomber and during the recent Papal visit to the United States.

I am also curious to know the impact of the increased tempo FPS's ability to address the fleet management issues raised in the inspector general's report. Each time FPS is directed to heighten security operations, new costs are incurred. FPS has no choice but to absorb those costs, often, I suspect, at the expense of addressing long-standing administrative challenges, including vehicle fleet management.

I look forward to hearing from the witnesses today on how FPS can move forward in this heightened threat environment and still address lapses in oversight and accountability.

Mr. PERRY. We are pleased to have a distinguished panel of witnesses before us today. The witnesses' entire written statements will appear in the record. The Chair will introduce all of the witnesses first and then recognize each of you for your testimony.

I just simply must note at this time—and, again, apologize for—I find it fascinating and somewhat ironic that we are here in a position of oversight to make sure that you maintain the standards, and we couldn't seem to maintain the standard of not wasting your time today. For that, and the rest of my colleagues, I do apologize.

With that, the Honorable John Roth assumed the post of inspector general for the Department of Homeland Security in March 2014. Previously, Mr. Roth served as the director of the Office of Criminal Investigations at the Food and Drug Administration and as an assistant U.S. attorney for the Eastern District of Michigan.

Welcome, Mr. Roth.

Mr. L. Eric Patterson was appointed the director of Federal Protective Service, a subcomponent of the National Protection and Programs Directorate at the Department of Homeland Security in September 2010. Mr. Patterson previously served as the deputy director of the Defense Counterintelligence and HUMINT, Human Intelligence, Center at the Defense Intelligence Agency. Mr. Patterson is a retired United States Air Force brigadier general with 30 years of service.

Sir, we acknowledge and thank you for your service.

Mr. Thomas Chaleki is the deputy chief readiness support officer at the Department of Homeland Security. His office is responsible for integrating mission support functions, such as logistics, real property, and transportation among other areas across DHS components. Prior to his current position, Mr. Chaleki oversaw the integration of mission support functions at the U.S. Coast Guard. He recently retired from the Air Force Reserve with the rank of colonel.

Sir, we also acknowledge and thank you for your service.  
Thank you for all being here today.  
The Chair recognizes Mr. Roth for his opening statement.

**STATEMENT OF JOHN ROTH, INSPECTOR GENERAL, OFFICE  
OF INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND  
SECURITY**

Mr. ROTH. Good morning, Chairman Perry, Ranking Member Watson Coleman, and other Members of the subcommittee. Thank you for inviting me here to today to discuss our work on FPS.

In February of this year, I testified before you and highlighted the significant challenges that the Department faces in attempting to exert some oversight over components within DHS. I stated that sometimes components simply disregard DHS policies, which hampers operations and leads to wasteful spending. I urged that DHS must strengthen its efforts to integrate management operations under a governing structure capable of effectively overseeing and managing programs that cross component lines. We have seen this in acquisition management, in radio interoperability, in DHS aircraft management, and in the DHS vehicle fleet.

Our most recent audit is a perfect example of the problem. We identified significant issues regarding the management of the FPS vehicle fleet. As a result, FPS missed cost savings of more than \$2.5 million out of a total expenditure of \$10.7 million. First, our audit found that FPS has more vehicles than justified. In fiscal year 2014, FPS had 100 more law enforcement vehicles than full-time law enforcement positions. This actually understates the issue because at the time, they had fewer officers employed than positions. The actual number of excess vehicles was about 260. FPS has not conducted an analysis to determine the number of spare vehicles it needs for the size of its fleet.

In addition, FPS leased 32 administrative vehicles for mission support functions but has not justified leasing these vehicles as the most cost-effective option. FPS has not justified leasing vehicles larger and more expensive than necessary to support its mission. Ninety-three percent of FPS' total fleet were SUVs. SUVs, according to our analysis, cost about 15 percent more than sedans and are more expensive to operate. Contrary to Department policy, FPS did not formally validate its need for larger vehicles to meet mission requirements.

Additionally, FPS officers appeared to use the vehicles to commute to and from work without justification. Nearly 57 percent of the fleet's overall miles that are driven are commuting miles. In the National Capital Region, most officers are not required to respond to after-hours incidents because this region employs rotational shifts that are on duty 24 hours a day. Additionally, we found that officers erroneously reported on-duty activities as after-hour responses. This provided an inaccurate picture of actual after-hour responses and resulted in FPS using inaccurate and unreliable data to support its home-to-work reauthorization requests.

Additionally, FPS did not accurately record the miles driven by their fleet. We compared FPS' internal records against those reported to the General Services Administration from which those vehicles were leased and found significant inaccuracies or incomplete

information pertaining to total miles driven and home-to-work mileage. In fact, of the 192 records, the sample that we collected, 189 of them had inaccurate or missing information, a 98 percent error rate. FPS has not properly justified the number, type, and use of its current fleet is necessary to carry out its mission and, therefore, is not in compliance with Federal law and Department requirements. We determined that 49 percent of FPS' leased vehicles showed fewer than 12,000 miles in fiscal year 2014, therefore, not meeting DHS' utilization policy. There is no documented justification for retaining them. Sadly, in June of this year, we notified FPS and the Department of a lack of justification for FPS' current vehicle fleet operation. Nevertheless, a little over a month after that notification, DHS proceeded with an order with GSA to replace about 16 percent of FPS' vehicles, the majority of which were SUVs.

We recognize that the Department has made significant improvements to fleet management and home-to-work transportation authorizations in particular. We commend the Department for taking these steps to address the need for rightsizing. But we believe additional actions may be necessary to improve its effectiveness. Without policies that afford fleet managers definitive and forceful authority, components will continue to operate as a business-as-usual mentality with no assurances that they are operating optimal fleets.

Mr. Chairman, this concludes my prepared statements. I welcome any questions you or the other Members of the committee may have.

[The prepared statement of Mr. Roth follows:]

PREPARED STATEMENT OF JOHN ROTH

DECEMBER 3, 2015

Good morning Chairman Perry, Ranking Member Watson Coleman, and other distinguished Members of the subcommittee.

Thank you for inviting me here today to discuss our work on the Federal Protective Service (FPS), a component of the National Protection and Programs Directorate (NPPD), and Department of Homeland Security (DHS) fleet management. Our most recent audit,<sup>1</sup> as well as two previous audits, identified challenges with fleet management that DHS must improve to ensure FPS—and all other DHS components—use motor vehicle fleet compositions that most effectively and efficiently meet mission requirements.

Our most recent audit identified the following issues:

- FPS has too many vehicles, based on their workforce;
- FPS pays too much for vehicles that they do have; and
- FPS officers in the National Capital Region used their vehicles to commute to and from home without proper justification.

As a result, FPS potentially missed cost savings of more than \$2.5 million out of a total expenditure of approximately \$10.7 million.

Although my testimony today will focus on our recent report on the FPS fleet, I will also discuss the Department's and NPPD's challenges in managing motor vehicle fleet operations.

Within the Department, the DHS fleet manager is responsible for the primary, Department-level fleet management activities. However, the DHS fleet manager has provided insufficient oversight to ensure compliance with Federal and Departmental

<sup>1</sup>*The FPS Vehicle Fleet Is Not Managed Effectively*, OIG-16-02, October 2015.

requirements for Home-to-Work vehicle use<sup>2</sup> and annual Vehicle Allocation Methodology (VAM) reporting. Agencies use VAM to determine the correct allocation of vehicles for its staff, reduce fuel, and determine excess. This is partly because the DHS fleet manager does not have enforcement authority to influence component vehicle purchases. Since components receive funding for vehicle fleets in their individual operational budgets, they make independent decisions about the amount and type of vehicles needed to support their missions.

#### FPS HAD MORE VEHICLES THAN OFFICERS

We reported that FPS had more vehicles than justified. In fiscal year 2014, FPS had 101 more law enforcement vehicles than full-time equivalent law enforcement positions. In addition to providing each law enforcement officer with a vehicle, FPS also provides spare vehicles to each region in the event that a vehicle is in need of repair or requires maintenance. FPS had not conducted an analysis to determine the number of spare vehicles needed for the size of its fleet.

In addition, FPS did not have adequate justification for its administrative vehicles. FPS leased 32 administrative vehicles for mission support functions. The *DHS Motor Vehicle Fleet Program Manual* requires fleet managers to conduct an analysis of the feasibility and economy of using public transportation, taxicabs, car rental, dispatch or shared vehicle usage, or privately-owned vehicles in lieu of acquiring additional vehicles. However, we determined that FPS had not performed an analysis to ensure that leasing these administrative vehicles was the most cost-effective option. If FPS reduced its fleet by these spare law enforcement and administrative vehicles, it could potentially save more than \$1 million annually.

#### FPS DID NOT JUSTIFY THE USE OF LARGER VEHICLES

FPS has not justified leasing vehicles larger than necessary to support its mission. In fiscal year 2014, the standard law enforcement vehicle FPS issued was an SUV. FPS' fleet consists of 1,059 SUVs—93 percent of its total fleet. The NPPD Fleet Manual states that the class III midsize sedan is the preferred vehicle type, but allows exceptions when necessary to meet mission requirements. Although the Department allows exceptions, FPS did not formally validate its need for the larger vehicles to meet mission requirements.

FPS management explained the decision to lease a larger vehicle was based on the assumption that SUVs provided a capability to store and carry the required law enforcement equipment such as a rifle, riot gear, and biochemical protective suit. However, we tested the storage capacity of a sedan and determined that it could also store the standard issued law enforcement equipment. Figure 1 shows the midsize sedan and SUV equipment capacity.

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<sup>2</sup>Home-to-Work transportation is the use of Government passenger carriers (such as motor vehicles) to transport employees between their homes and places of work; it is a tool to meet mission requirements and enhance responsiveness to emergency situations.

**Figure 1. Law Enforcement Equipment in a Midsize Sedan and SUV**



Source: DHS OIG.

Additionally, we noted that FPS officers did not always store the equipment in their vehicles. Our test of 46 judgmentally-selected vehicles during normal duty hours found that most FPS officers did not have the majority of the equipment in their vehicles. If FPS had replaced all of its law enforcement SUVs with sedans, it could have potentially saved more than \$1.1 million in fiscal year 2014.

#### FPS DID NOT JUSTIFY ADDING DISCRETIONARY EQUIPMENT TO VEHICLES

DHS policy requires fleet managers to consider the need, cost, and potential benefits for all non-standard equipment added to the vehicles such as lights, sirens, and prisoner cages. However, FPS added discretionary items such as a bike rack hitch, rechargeable flashlight, and premium wireless security system without documenting how the additional items would enhance FPS' ability to meet its mission requirements. Depending upon the discretionary equipment package selected, vehicle costs increased by anywhere from \$12,000 to \$20,000.

#### FPS DID NOT JUSTIFY THE NATIONAL CAPITAL REGION HOME-TO-WORK TRANSPORTATION

FPS cannot justify 1.2 million Home-to-Work miles self-reported by 142 officers in fiscal year 2014 as essential for carrying out its mission. Nearly 57 percent of the fleet's overall miles driven are Home-to-Work and costs the National Capital Region on average about \$300,000 per year. U.S. Code<sup>3</sup> grants each Federal agency head the authority to determine which job positions are eligible to use Home-to-Work transportation. The statute provides the DHS Secretary with the ability to authorize Home-to-Work for employees engaged in:

- fieldwork;
- intelligence, counterintelligence, protective services, and criminal law enforcement duties;
- an emergency;
- compelling operational consideration; and
- clear and present danger.

However, most officers in the region are not required to respond to after-hours incidents because this region employs rotational shifts for on-duty officers 24 hours a day. Additionally, we found that officers erroneously reported on-duty activities as after-hours responses. This provided an inaccurate picture of actual after-hours'

<sup>3</sup>Title 31 U.S.C. § 1344.

responses and resulted in FPS using unreliable data to support its Home-to-Work reauthorization request.

#### FPS DID NOT ENSURE VEHICLE DATA WAS COMPLETE AND ACCURATE

FPS inputs monthly mileage into the GSA Mileage Express Drive-thru system to track and manage its fleet operations and monitor fleet costs, mileage, and fuel use. Additionally, FPS developed Vehicle Operations Reports (VOR) to capture monthly vehicle mileage, including Home-to-Work. FPS uses the VOR information together with the GSA Fleet Drive-thru system information to oversee its fleet program. However, based on our analysis of 192 VORs and corresponding GSA's Fleet Drive-thru Express system data, we identified significant instances of inaccurate or incomplete information pertaining to total miles driven and Home-to-Work mileage.

#### FPS MAY BE RETAINING NONESSENTIAL VEHICLES

FPS has not implemented a tool to properly justify that the number, type, and use of its current fleet is necessary to carry out its mission. GSA created the VAM to assist agencies in determining the right number and type of vehicles and eliminating unnecessary or nonessential vehicles. However, FPS did not complete its part of NPPD's overall VAM and therefore is not in compliance with Federal and Departmental requirements. We determined that 49 percent of FPS' leased vehicles showed fewer than 12,000 miles in fiscal year 2014, therefore not meeting DHS' utilization policy.

According to DHS policy, if utilization guidelines are not met but users still request vehicles, a vehicle justification process should be in place and enforced as part of the component's VAM. However, we noted that FPS made undocumented, ad hoc fleet management decisions to determine vehicle needs. At the time of our audit, NPPD had not formally conducted a retention justification for under-utilized FPS vehicles.

On June 9, 2015, we notified FPS, NPPD, and the Department of the lack of justification for FPS' current vehicle fleet composition. Nevertheless, on July 29, 2015, DHS proceeded with an order with GSA to replace approximately 16% of FPS vehicles—the majority of which are SUVs.

In fact, our concerns about the lack of justification were justified. In an effort to comply with Federal requirements regarding identifying underutilized vehicles, DHS and NPPD administered a Utilization Retention Analysis Methodology in August 2015. The analysis identified that 19% of FPS vehicles are underutilized. Unfortunately, this information was not available in time to reinforce the OIG's concerns that renewing the lease for SUVs may not have been necessary.

#### FPS DID NOT HAVE STANDARD OPERATING PROCEDURES FOR FLEET MANAGEMENT

FPS did not develop standard operating procedures requiring fleet managers to document and justify fleet management decisions. The *NPPD Motor Vehicle Fleet Program Manual* allows subcomponents such as FPS to establish additional requirements and internal controls specific to the agency. At the time of our review, FPS provided the OIG with a draft fleet management policy; however, it was not finalized and did not address the issues identified in our report. The FPS draft policy did not specify the standard vehicle type for law enforcement officers and did not include requirements for fleet managers to verify the accuracy of cost and vehicle usage data.

#### DEPARTMENTAL ACTION

In recent years, we have made numerous recommendations for the Department to improve data reliability and strengthen oversight for fleet management. Specifically, we recommended the Under Secretary for Management, DHS:

- implement a centralized system of record for fleet data;
- develop policies to collect reliable data;
- revise its Home-to-Work guidance; and
- improve authority over component fleet managers' efforts to acquire vehicles, right-size<sup>4</sup> their fleets, and eliminate underused vehicles.

In our latest report we again identified that the Department and NPPD fleet managers did not exercise proper oversight and authority over FPS fleet decisions. Without proper collaboration and oversight, the DHS Fleet Manager cannot manage the DHS fleet effectively, determine whether vehicles are needed and justified, and

<sup>4</sup>Right-sizing refers to the agency's efforts to maintaining the smallest, most efficient fleet to accomplish an agency's mission.

ensure that components remove underused vehicles from their fleets—and thereby operate the most cost-efficient fleet.

We recognize that the Department has made significant improvements to fleet management and Home-to-Work transportation authorizations in particular. The Office of the Chief Readiness Support Officer (CRSO) issued interim guidance that provides clear definitions and guidelines for when Home-to-Work is authorized. In addition, the guidance increases oversight by requiring the Department to periodically review all existing, component-approved Home-to-Work transportation authorizations. CRSO also established, beginning in the first quarter of fiscal year 2015, a quarterly Home-to-Work transportation reporting process. The office collects data from the components and uploads it into the new Consolidated Asset Portfolio Sustainability Information System (CAPSIS). CAPSIS is a business intelligence tool used to aggregate asset management data for analysis and reporting.

DHS and its components should continue to work together to ensure compliance with all Federal and Department requirements for managing fleets and Home-to-Work transportation. The Department's fleet manager, although not responsible for the day-to-day management of individual vehicle fleet programs, currently serves as the last level of review of fleet management decisions. According to the draft, updated *DHS Motor Vehicle Fleet Program Manual*, all vehicle acquisitions and lease agreements will be reviewed by CRSO.

#### CONCLUSION

The Department and NPPD fleet managers' challenges—including limited management and oversight, inaccurate data for decision making, and insufficient authority—have hindered their ability to right-size fleets as required. We reported that FPS does not have adequate fleet management policies and procedures, documented justifications for fleet size and composition, effective monitoring of \$10.6 million in lease agreements to avoid overpayments, and accurate fleet data for decision making. As a result, FPS cannot ensure it is operating the most cost-efficient fleet and potentially missed opportunities to save more than \$2.5 million in fiscal year 2014. While we commend the Department for taking steps to address the need for right-sizing, we believe additional actions may be necessary to improve its effectiveness.

Our recent review of FPS is merely one more example of the consequences that limited Departmental oversight and authority can have on a component's ability to manage its own vehicle fleet operation effectively. Without policies that afford fleet managers with definitive, enforceable authority, components will continue to operate with a "business as usual" mentality with no assurance that they are operating optimal fleets.

Mr. Chairman, this concludes my prepared statement. I welcome any questions you or other Members of the subcommittee may have.

#### APPENDIX A.—RECENT OIG REPORTS ON DHS FLEET MANAGEMENT

- DHS Home-to-Work Transportation*, OIG-14-21, December 2013.
- DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations*, OIG-14-126, August 2014.
- The FPS Vehicle Fleet Is Not Managed Effectively*, OIG-16-02, October 2015.

APPENDIX B.—STATUS OF RECOMMENDATIONS FOR OIG REPORTS ON DHS FLEET MANAGEMENT AS OF NOVEMBER 18, 2015

Report No.	Report Title	Date Issued	Recommendation	Current Status	Mgmt. Response
OIG 14-21 .....	<i>DHS Home-to-Work Transportation.</i>	12/20/13	We recommend that the Under Secretary for Management strengthen the <i>DHS Manual 112-05-001 Home-to-Work Transportation</i> with clear definitions and guidelines for eligibility to participate and establishing guidance for periodic reauthorization of all approved Home-to-Work authorizations.	Closed .....	Agreed.
OIG 14-21 .....	<i>DHS Home-to-Work Transportation.</i>	12/20/13	We recommend that the Under Secretary for Management implement policies to ensure components collect reliable information necessary to track, monitor, analyze, and report on Home-to-Work transportation use and costs.	Closed .....	Agreed.
OIG 14-21 .....	<i>DHS Home-to-Work Transportation.</i>	12/20/13	We recommend that the Under Secretary for Management enforce the <i>DHS Manual 112-05-001 Home-to-Work Transportation</i> annual reporting requirement.	Closed .....	Agreed.
OIG 14-21 .....	<i>DHS Home-to-Work Transportation.</i>	12/20/13	We recommend that the Under Secretary for Management perform a thorough assessment of the Home-to-Work transportation program annually to validate the accuracy and completeness of the information reported, component monitoring efforts, compliance with DHS guidance, and Home-to-Work transportation participant eligibility.	Closed .....	Agreed.

OIG 14-21 .....	<i>DHS Home-to-Work Transportation.</i>	12/20/13	We recommend that the Under Secretary for Management implement a centralized, Department-wide, Home-to-Work data system, accessible by headquarters and component personnel, to collect, track, and monitor Home-to-Work transportation-related information, such as authorizations, costs, vehicle use, and number of users.	Open .....	Agreed.
OIG-14-126 ...	<i>DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations.</i>	8/21/14	We recommend that the Under Secretary for Management ensure that the DHS Fleet Manager has adequate oversight and the necessary enforcement authority over component fleet managers' efforts to acquire vehicles, right-size their fleets, and eliminate underused vehicles. We estimate that, in fiscal year 2012, underused vehicles cost CBP, ICE, and NPPD between \$35.3 million and \$48.6 million, which are funds that could be put to better use in future fiscal years.	Open .....	Agreed.
OIG-14-126 ...	<i>DHS Does Not Adequately Manage or Have Enforcement Authority Over Its Components' Vehicle Fleet Operations.</i>	8/21/14	We recommend that the Under Secretary for Management implement a single, centralized system of record for the Department's motor vehicle fleet to improve visibility, identify data gaps and inconsistencies, and facilitate collection of vehicle inventory, cost, and usage data.	Open .....	Agreed.

APPENDIX B.—STATUS OF RECOMMENDATIONS FOR OIG REPORTS ON DHS FLEET MANAGEMENT AS OF NOVEMBER 18, 2015—  
Continued

Report No.	Report Title	Date Issued	Recommendation	Current Status	Mgmt. Response
OIG-16-02 .....	<i>The FPS Vehicle Fleet Is Not Managed Effectively.</i>	10/21/15	We recommend that the Under Secretary for Management require NPPD Fleet Manager to review and revise NPPD's Fleet Manual and ensure it outlines specific procedures for: (1) FPS to monitor and document fleet acquisition and leasing decisions and regularly report fleet expenditures to NPPD; and (2) NPPD's process for verifying the completeness and accuracy of motor vehicle records.	Open .....	Agreed.
OIG-16-02 .....	<i>The FPS Vehicle Fleet Is Not Managed Effectively.</i>	10/21/15	We recommend that the Under Secretary for Management require DHS Office of the Chief Readiness Support Officer (CRSO) to develop and administer a standardized Vehicle Allocation Methodology for all components annually, as required by Federal laws, regulations, and Executive Orders, including FMR B-30, <i>Vehicle Allocation Methodology for Agency Fleets</i> . As part of this recommendation, component results should be reviewed and approved by CRSO to ensure DHS maintains an optimal fleet.	Open .....	Agreed.

OIG-16-02 .....	<i>The FPS Vehicle Fleet Is Not Managed Effectively.</i>	10/21/15	We recommend that the Under Secretary for Management, in coordination with the DHS Office of the Chief Readiness Support Officer (CRSO), provide additional oversight and review component vehicle acquisitions, to identify future potential savings of about \$2,519,077, that include:	Open .....	Agreed.
			<ul style="list-style-type: none"> <li>- all lease submissions</li> <li>- mission need and justifications for vehicle types</li> <li>- Home-to-Work use of vehicles</li> <li>- CRSO approval authority prior to final submissions</li> </ul>		
OIG-16-02 .....	<i>The FPS Vehicle Fleet Is Not Managed Effectively.</i>	10/21/15	We recommend that the Under Secretary for Management ensures FPS formally documents and validates fleet management decisions regarding their planned fiscal year 2016 lease agreement.	Open .....	Agreed.
OIG-16-02 .....	<i>The FPS Vehicle Fleet Is Not Managed Effectively.</i>	10/21/15	We recommend that the Under Secretary for Management requires FPS to review GSA lease agreements for all vehicles replaced from fiscal year 2012 to present and determine whether FPS overpaid \$35,031 for law enforcement upgrades, and as appropriate, request GSA refund overpayments for all law enforcement upgrades.	Open .....	Agreed.

Mr. PERRY. The Chair thanks Mr. Roth.  
The Chair now recognizes Mr. Patterson for your statement.

**STATEMENT OF L. ERIC PATTERSON, DIRECTOR, FEDERAL  
PROTECTIVE SERVICE, U.S. DEPARTMENT OF HOMELAND  
SECURITY**

Mr. PATTERSON. Good morning.

Thank you, Chairman Perry and Ranking Member Watson Coleman and distinguished Members of the committee. My name is Eric Patterson. I am the director of the Federal Protective Service. I am honored to testify today regarding the management and operations of the FPS vehicle fleet. FPS is charged with protecting and delivering integrated law enforcement and security services to more than 9,500 Federal facilities Nation-wide and safeguarding more than 1.4 million daily occupants and visitors. As the committee is undoubtedly aware, 2015 has been a very operationally active year for our organization, necessitating heavy use of our fleet. On October 28, 2014, in response to continued calls for attacks on the homeland, military, and law enforcement personnel and other Government officials from ISIS and other terrorist organizations, Secretary Johnson initiated Operation Blue Surge, directing the Federal Protective Service to enhance its presence and security at Federal facilities Nation-wide. FPS has sustained and enhanced operational tempo ever since. Additionally, FPS responded to other sensitive events and incidents throughout the year, including civil unrest in Ferguson, Missouri, and Baltimore, Maryland, and the trial of the Boston Marathon bomber, shootings at military recruiting stations in Chattanooga, Tennessee, and the active-shooter incidents in Suitland, Maryland, and Lower Manhattan where two FPS contract protective security officers lost their lives in the line of duty.

The Federal Protective Service appreciates the recent work of the Department of Homeland Security Office of the Inspector General in conducting a review of the administration of the FPS vehicle fleet and for recommending additional steps we take to manage our fleet more effectively. While at the conclusion of the review, the IG did not issue any recommendations to FPS directly or direct FPS to make changes to the total number of or vehicle types in its inventory, the report did conclude that FPS could and should improve its vehicle fleet management program. Specifically, the report recommended that DHS and NPPD work with FPS to review an existing vehicle lease agreement with GSA, formally document and validate fleet management decisions regarding an upcoming lease agreement, and ensure compliance with Federal laws, regulations, and asset management best practices. We take the recommendations of this report very seriously and are working with DHS and NPPD fleet managers to help develop policies to control associated fleet costs while meeting our law enforcement mission requirements. In fact, new procedural updates have already been developed to address the recommendations identified in the recent OIG report and will help to ensure robust oversight of the Department's vehicle fleet going forward.

Specifically in response to the IG's recommendation, FPS implemented a comprehensive fleet management directive on August 27,

2015. The directive provides for an effective and efficient fleet management program and establishes standard methodology for fleet acquisition, leasing, and management oversight. Additionally, FPS has finalized a methodology for spare vehicle management to better document and validate that the number and type of spare vehicles on hand at any given time are appropriate given mission needs. FPS will continue to work with NPPD to develop and implement a formal process to document and validate fleet management decisions to ensure alignment with NPPD and DHS values.

The Department is also modernizing its vehicle allocation methodology, which will help to validate the efficient use of vehicles Department-wide in order to better meet the essential mission of protecting and securing our homeland in an ever-evolving and complex threat environment. Further, the Department is revising its motor vehicle fleet management instruction in order to enhance Department-level oversight of its motor vehicle program, for example, by requiring mandatory reviews of all motor vehicle acquisitions.

Finally, in order to resolve the IG's concerns regarding potential overpayments, FPS and GSA are working together to ensure a common understanding of leasing arrangements and billing processes so that future decisions provide the best value to the American people. I am confident that our collective efforts will result in improved documentation, decision making, and management oversight of the FPS vehicle fleet. In closing, I would like to acknowledge and thank the distinguished Members of this committee for the opportunity to testify today. The Federal Protective Service remains committed to utilizing sound management practices in support of its mission to provide safety, security, and a sense of well-being to the thousands of visitors and Federal employees who work and conduct business in our facilities every day.

I would be pleased to answer any questions you may have. Thank you.

[The prepared statement of Mr. Patterson follows:]

PREPARED STATEMENT OF L. ERIC PATTERSON

DECEMBER 3, 2015

Thank you Chairman Perry, Ranking Member Watson Coleman, and the distinguished Members of the committee. I am honored to testify today regarding the management and operations of the Federal Protective Service (FPS) vehicle fleet.

MISSION

FPS is charged with protecting and delivering integrated law enforcement and security services to more than 9,500 Federal facilities Nation-wide and safeguarding their more than 1.4 million daily occupants and visitors.

FPS AUTHORITIES

In performing this mission, FPS relies on the law enforcement and security authorities found in Title 40 United States Code §1315, agreements with State and local law enforcement agencies for purposes of protecting Federal property, Federal regulations pertinent to conduct on Federal property, and our responsibility as the recognized "first responder" for all crimes and suspicious activity occurring on GSA owned or leased property.

FPS LAW ENFORCEMENT PERSONNEL

FPS directly employs more than 1,000 officers, inspectors, and special agents who are trained physical security experts and sworn Federal law enforcement officers. FPS law enforcement personnel perform a variety of critical functions, including

conducting comprehensive security assessments to identify vulnerabilities at facilities, developing and implementing protective countermeasures, providing uniformed police response and investigative follow-up to crimes and threats, and other law enforcement activities in support of our protection mission.

#### FPS VEHICLE FLEET OPERATIONS

One of the most important tools our law enforcement officers have in performing their duties is their law enforcement vehicle. In fact, in 2015, FPS law enforcement officers drove over 9.5 million miles to respond to over 80,000 incidents and events and provide protective services to our tenant agencies. It should also be noted that FPS K-9 teams are routinely requested to assist State, local, and other jurisdictions with sweeps for suspicious packages and potential explosive devices.

FPS mission requirements, as well as our unwavering commitment to officer safety, drive decisions regarding the number, type, assignment location, and up-fitting of the vehicles in our fleet.

We are tasked with protecting Federal facilities in all 50 States and U.S. Territories, including Alaska, Hawaii, Puerto Rico, the U.S. Virgin Islands, Guam, Saipan, and American Samoa. Accordingly, FPS must operate in environments ranging from the rural Mountain West, where an officer might be required to travel alone for hours in exigent weather and road conditions, to urban Philadelphia, where our officers regularly utilize their vehicles to help redirect the flow of traffic around active crime scenes or high-profile National Special Security Events (NSSEs), such as the recent Papal visit.

In order for FPS to meet its mission requirements for the security of 9,500 geographically-dispersed Federal facilities, FPS assigns 1 vehicle to each of its approximately 1,000 law enforcement officers to facilitate timely and effective response to incidents or other emergency situations, such as NSSEs and crimes at Federal facilities. Each vehicle is appropriately equipped to assure officer and public safety, and the capability to transport mission critical gear, including a gun vault, rifles and other firearms, a first aid kit, and a biochemical protective suit, for use in diverse and exigent circumstances.

Additionally, because FPS law enforcement responds to emergencies at all hours, and given that areas of responsibility are geographically vast and duty stations of record are not necessarily centrally located, the Secretary has also authorized home-to-work transportation authority for FPS law enforcement officers. This authority helps ensure that FPS law enforcement personnel are ready and properly equipped to respond to emergency incidents during off-duty hours.

Finally, the number of spare vehicles is based on a variety of factors, including on-boarding of new law enforcement officers, geography, the need for special purpose vehicles such as K-9 units, scheduled maintenance, unscheduled maintenance and repairs, and unscheduled replacements.

For example, 4 FPS law enforcement officers secure 50 Federal facilities in the State of Hawaii. However, given challenges related to vehicle maintenance, repair, and replacement on the Hawaiian islands, FPS has assigned 5 vehicles to the State. As is the case with all law enforcement agencies with first responder responsibilities, in the event that a law enforcement vehicle breaks down and cannot be quickly placed back into service, a spare vehicle is required to assure mission readiness.

#### FPS OPERATIONS

As the committee is undoubtedly aware, 2015 has been a very operationally active year for our organization, necessitating heavy use of our fleet.

On October 28, 2014, in response to continued calls for attacks on the homeland, military, and law enforcement personnel, and other Government officials by ISIS and other terrorist organizations, Secretary Johnson initiated Operation Blue Surge, directing the Federal Protective Service to enhance its presence and security at Federal facilities Nation-wide. FPS has sustained an enhanced operational tempo since.

Additionally, FPS responded to other sensitive events and incidents throughout the year, including the civil unrest in Ferguson, MO and Baltimore, MD, the trial of "Boston Marathon Bomber" Dzhokhar Tsarnaev, shootings at military recruiting stations in Chattanooga, TN, and the active-shooter incidents in Suitland, MD and lower Manhattan, where two FPS contract Protective Security Officers lost their lives in the line of duty.

#### FPS VEHICLE FLEET MANAGEMENT

Today, the FPS fleet consists of 1,180 vehicles, including 981 law enforcement sport utility vehicles (SUVs), 82 specialized K-9 vehicles, 56 law enforcement sedans, and 29 administrative vehicles. Ninety-seven percent of vehicles in the FPS

fleet are leased through an agreement with the General Services Administration (GSA). Prior to leasing, all FPS fleet requirements must be validated by DHS and the National Protection and Programs Directorate and the make and model selected annually from the law enforcement vehicles available in the GSA Federal Supply Schedule.

FPS pays GSA an average monthly base rate for vehicles, and the overall monthly cost per vehicles is determined by the base rate, the monthly mileage charge, and costs associated with law enforcement equipment up-fit.

The FPS Administrative Services Division is responsible for ensuring that FPS is equipped with the number and type of vehicles necessary to meet the requirements of the FPS mission. Additionally, this team ensures that the FPS fleet is managed in accordance with the *FPS Fleet Management Directive*, the *NPPD Motor Vehicle Fleet Program Manual*, the *DHS Motor Vehicle Fleet Program Manual*, and sound law enforcement operations and asset management principles.

#### DHS OIG FINDINGS

The Federal Protective Service appreciates the recent work of the Department of Homeland Security Office of the Inspector General in conducting a review of the administration of the FPS vehicle fleet and for recommending additional steps we can take to manage our fleet more effectively.

While at the conclusion of the review, the IG did not issue any recommendations to FPS directly or direct FPS to make changes to the total number or type of vehicles in its inventory, the report did conclude that FPS could, and should, improve its vehicle fleet management program.

Specifically, the report recommended that DHS and NPPD work with FPS to review an existing vehicle lease agreement with GSA, formally document and validate fleet management decisions regarding an upcoming lease agreement, and ensure compliance with Federal laws, regulations, and Executive Orders related to Federal asset management and asset management best practices.

We take the recommendations seriously and are working with the DHS and NPPD fleet managers to help develop policies to control associated fleet costs while meeting mission requirements.

#### ADDRESSING OIG FINDINGS

New procedural updates have already been developed to address the recommendations identified in the recent OIG report and will help to ensure the robust oversight of Department's vehicle fleet going forward.

In response to the IG's recommendations, FPS implemented a comprehensive fleet management directive on August 27, 2015. This directive provides for an effective and efficient fleet management program and has established standard methodology for fleet acquisition, leasing, and management oversight.

In response to the IG's recommendation to eliminate SUVs in favor of a sedan-based fleet, FPS conducted a cost analysis of the two options. Because sedan up-fit costs are amortized over a 36-month lease and an SUV up-fit is amortized over a 60-month lease, the analysis showed a sedan would cost more than an SUV.

Additionally, FPS has finalized a methodology for spare vehicle management to better document and validate that the number and type of spare vehicles on hand at any given time are appropriate given mission needs. FPS will continue to work with NPPD to develop and implement a formal process to document and validate fleet management decisions to ensure alignment with NPPD and DHS guidance. FPS is working to incorporate capability requirements documentation for all vehicle fleet assets by the end of this calendar year.

The Department is also modernizing its *Vehicle Allocation Methodology* which will help validate efficient use of vehicles Department-wide in order to better meet the essential mission of protecting and securing our homeland in an ever-evolving and complex threat environment. The DHS chief readiness support officer expects to implement the results of this cooperative endeavor by early fiscal year 2017. In the interim, FPS will utilize recently-developed NPPD use and retention methodology, which was approved on October 31, 2015, to review and validate vehicle replacement acquisition orders.

Further, the Department is revising its *Motor Vehicle Fleet Management Instruction* in order to enhance Department-level oversight of its motor vehicle program—for example, by requiring mandatory reviews of all motor vehicle acquisitions. The Department expects to issue interim guidance regarding these changes this calendar year.

Finally, in order to substantiate the IG's concerns regarding potential overpayments, FPS conducted a thorough review of our lease agreements with GSA dating

back to 2007. FPS and GSA are working together to ensure a common understanding of leasing arrangements and billing processes so that future decisions provide the best value to the American people.

I am confident our collective efforts will result in improved documentation, decision making, and management oversight, and we anticipate submitting 4 of the 5 recommendations to the IG for closure within the next 3 to 4 weeks.

COMMITMENT TO SECURING FEDERAL FACILITIES

In closing, I would like to acknowledge and thank the distinguished Members of this committee for the opportunity to testify today. The Federal Protective Service remains committed to utilizing sound management practices in support of its mission to provide safety, security, and a sense of well-being to the thousands of visitors and Federal employees who work and conduct business in our facilities every day.

I would be pleased to answer any questions you may have

Mr. PERRY. Thank you, Mr. Patterson.

The Chair now recognizes Mr. Chaleki for his opening statement.

**STATEMENT OF THOMAS CHALEKI, DEPUTY CHIEF READINESS SUPPORT OFFICER, MANAGEMENT DIRECTORATE, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. CHALEKI. Good morning, Chairman Perry, Ranking Member Watson Coleman, and Members of the committee. Thank you for the opportunity to appear before you today.

I am Tom Chaleki. I have been the deputy chief readiness support officer for almost 4 years. Our office is responsible for policy and oversight of all DHS real property, mission support operations within the National Capital Region, environment and sustainability, personal property, and mobile assets, to include aviation and marine assets and the motor vehicle fleet. I assumed control of the vehicle program almost a year ago when we established the Office of Assets and Logistics.

I take a Department-wide view of mission support and oversight of the DHS vehicle fleet. For a law enforcement agency like DHS, properly maintained and equipped vehicles provided in sufficient numbers are the tools of the trade. DHS has the second-largest Cabinet-level fleet, with over 56,000 vehicles at its peak in 2011. Only the Department of Defense fleet is larger. From its peak, the fleet has been steadily reduced every year to where it is today at 52,000. This 8 percent reduction is largely attributed to the development and implementation of a Department-wide vehicle allocation methodology, or VAM, in 2012. This helped establish a vehicle fleet baseline and started us on the process of rightsizing the fleet.

Upon assuming overall responsibility of the fleet program, it was clear to me we needed to strengthen our policies and improve oversight of the DHS fleet program. To accomplish this, we first needed a clear picture of how many and what types of vehicle we have, how they were being used, and how they support the DHS mission. This required us to focus on three things: First, timely, reliable, transparent data; second, strengthened policy guidance; and, finally, clear business processes for the roles, responsibilities, and authorities of each level of the Department are understood.

Regarding improved data collection, our office has implemented a single, centralized system of record for the Department's vehicle fleet to our Consolidated Asset Portfolio and Sustainment Information System, or CAPSIS. This system, which is essentially a data

warehouse, consolidates information directly from existing component information systems and provides the fleet management team with important information, such as vehicle inventory, cost, and utilization. Each component is required to submit updated information monthly.

The Chief Readiness Support Office is responsible for developing and distributing fleet policy to the components, who have the delegated authority to administer their motor vehicle fleet programs subject to the direction, oversight, and policies issued by the Department. To clarify and strengthen the DHS fleet manager's authority and ability to ensure compliance with Departmental guidance, we substantially revised both the DHS Fleet Instruction Manual and the Home-to-Work Instruction Manual. Improvements include more frequent and more accurate data collection; review and approval by our office of all vehicle leases and purchases; and stronger justifications for home-to-work authorizations. These revised instructions form the foundation to improve and clarify the roles, responsibilities, and authorities throughout the vehicle program. In addition, we will carry out a new Vehicle Allocation Methodology in 2017 which, when coupled with our improved data collection, will allow us to further right-size the DHS fleet and better control costs. We have also collected a year of quarterly home-to-work data which enables the Department to better implement, monitor, and improve the fair and efficient use of home-to-work transportation throughout the enterprise.

As we go forward with oversight for the DHS vehicle fleet, there are two challenges to consider. First, each component has a unique mission and, therefore, employs and operates their respective fleets differently. A Border Patrol Agent monitoring the Southwest Border uses his or her vehicle very differently than an ICE agent performing an undercover operation or an FPS agent responding to an incident at a Federal facility. I am charged with the responsible oversight of the DHS vehicle fleet at an enterprise level but must always be cognizant of the mission needs at the component and unit level.

Second, we cannot allow ourselves to focus exclusively on fleet reductions as an end in themselves. Our attention has to be on right-sizing the fleet; that is, providing the minimum number and appropriate type of vehicles needed to perform the mission. This relies on first understanding and then meeting component mission requirements.

With those challenges in mind, we continue to look forward and improve the management of the DHS vehicle fleet in a number of ways. For example, I see tremendous opportunity in our vehicle telematics initiative on the Southwest Border where, beginning this year, we will start automatically receiving timely, accurate vehicle diagnostic information, fuel consumption data, and utilization on over 17,000 vehicles. This information will be sent every time one of our vehicles fuels at one of our 68 upgraded fueling stations on the Southwest Border. While it is clear we still have work to do, by working together and identifying and collaborating on best practices, I am confident we are headed in the right direction. Thank you for the opportunity to testify today. I look forward to answering your questions.

[The prepared statement of Mr. Chaleki follows:]

PREPARED STATEMENT OF THOMAS CHALEKI

DECEMBER 3, 2015

Thank you Chairman Perry, Ranking Member Watson Coleman, and Members of the committee for the opportunity to provide an update on the Department of Homeland Security's (DHS) motor vehicle fleet program and the progress we've made towards improving the management and oversight of this important program.

I have been the deputy chief readiness support officer for almost 4 years and assumed control of the vehicle program almost a year ago when we established the Office of Assets and Logistics. Prior to my time at DHS headquarters, I served in various mission support roles with the Coast Guard Headquarters, and recently-retired as a civil engineer in the U.S. Air Force Reserve. Today, I will discuss the Department's efforts to improve the management of our motor vehicle fleet, and provide an overview of the DHS motor vehicle inventory and initiatives to right-size the fleet. I will also address the progress to date in improving our management and oversight of the motor vehicle program and show how we are responding to the DHS Inspector General's findings and recommendations from three separate reports related to the DHS vehicle fleet. DHS concurred with each of the recommendations in these reports and is actively working towards their resolution.

DHS was established as a cabinet-level agency over 13 years ago and motor vehicles are an important tool in supporting the Department's missions. Whether it's a Border Patrol agent protecting the Southwest Border, an ICE agent conducting an investigation or an FPS agent responding to an incident at a Federal facility, they each rely on a properly-equipped motor vehicle to successfully carry out their responsibilities. In 2005, DHS components were operating approximately 38,000 motor vehicles. As the DHS mission and related responsibilities expanded, the motor vehicle fleet also experienced significant growth of over 45 percent, peaking at just over 56,000 motor vehicles in 2011.

The chief readiness support officer is delegated the authority to oversee and manage the DHS motor vehicle program. In 2012, GSA issued guidance requiring Federal agencies to develop and implement a Vehicle Allocation Methodology (VAM). The VAM is a tool used to help agencies determine their optimal fleet size. The Office of the Chief Readiness Support Officer (OCRSO) successfully completed its first VAM in 2012 which allowed the Department to establish an overall vehicle fleet baseline. The Department then started the process of right-sizing the motor vehicle fleet either through the elimination of unnecessary vehicles or ensuring that new vehicle acquisitions were of the proper type for the required mission.

The DHS motor vehicle fleet is the second-largest civilian motor vehicle fleet in the Federal Government but has been reduced nearly 8 percent since the fleet inventory numbers peaked in 2011. The current DHS fleet consists of Government-owned and leased vehicles. Of the Department's vehicles, 84 percent are Government-owned and 16 percent are leased. In addition to decreasing the number of motor vehicles by 8 percent, DHS has increased the percentage of alternative fueled vehicles from 25 percent in 2010 to 39 percent in 2014.

DHS has a decentralized approach to fleet management. OCRSO develops and distributes fleet policy through the "DHS Motor Vehicle Fleet Program Manual" to components, who all have delegated authority to administer their motor vehicle fleet programs subject to the direction, oversight, and policies issued by the Department. OCRSO issued motor vehicle program policy to components in 2011. To further clarify and improve the DHS fleet manager's authority and ability to ensure compliance with Departmental guidance, as well as meet a recommendation of the inspector general, OCRSO recently rewrote both the *DHS Fleet Instruction* and the *Home-to-Work Instruction*. These instructions are currently in the Department's review and clearance process. These revised documents help strengthen the Department's oversight responsibilities and increase components' requirements to collaborate and gain Departmental approval for all vehicle acquisitions. Additionally, the draft instructions include requirements that will ensure compliance with the latest Executive Orders, the most recent being Executive Order 13693, "Planning for Federal Sustainability in the Next Decade," issued in March 2015.

Since 2012, OCRSO has developed and fielded a Department-wide fleet management data system to ensure visibility of each components motor vehicle data. This data system consolidates component motor vehicle inventory, cost, and usage data into a single database which is then incorporated into the Consolidated Asset Portfolio and Sustainment Information System (CAPSIS). Each component provides monthly data updates. The availability of this data provides the DHS fleet manage-

ment team greater visibility into each component's fleet and makes right-sizing more transparent. Further, the system also facilitates collection of vehicle inventory, cost, and usage data.

This fiscal year the Department plans to implement policy that requires mandatory OCRSO review of all component motor vehicle acquisitions prior to order submission. Currently, OCRSO does review and approve all component GSA lease submissions but does not have visibility of component direct vehicle purchases. Additionally, beginning in fiscal year 2017 OCRSO will develop and administer a standardized Vehicle Allocation Methodology (VAM) for all components annually.

Home-to-Work transportation is a flexible and powerful tool for meeting mission requirements and enhancing the overall responsiveness to emergency situations and is an area where the Department has acted on the inspector general's recommendations—for example, in fiscal year 2015 OCRSO conducted a review of all component home-to-work authorizations resulting in Secretary approval, CRSO established a system that now collects quarterly component home-to-work data and the *Home-to-Work Manual* was revised and strengthened. 31 U.S.C. § 1344 allows Government passenger carrier usage for transportation between residence and place of employment for senior officials such as the President, Vice President, the Commandant of the Coast Guard, and other officials designated by the President, which includes the Secretary of Homeland Security. The statute also allows the heads of certain agencies listed in 5 U.S.C. 5312, which includes the Secretary of Homeland Security, to authorize Home-to-Work transportation for a principal deputy. Home-to-Work transportation may also be authorized by the Secretary when transportation between the residence of an employee and various locations is essential for the safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties, and when it is required for the performance of field work and which will substantially increase the efficiency and economy of the Government, or when there exists a clear and present danger, an emergency, or a compelling operational consideration.

The under secretary for management directed all components to conduct a thorough review of their home-to-work programs from a risk-based methodology standpoint and following that analysis, submit a request for Secretarial approval of their home-to-work requirements. Each component submission was then subsequently reviewed by the DHS home-to-work program manager, OCRSO and management senior staff, and the Office of the General Counsel. The result is that each home-to-work authorization was justified and approved for only 1 year instead of the normal 2 years to allow the Department to analyze a full year of vehicle data.

In addition to this enterprise-wide review and analysis of the Department's use of home-to-work, OCRSO developed and fielded a centralized home-to-work database that is now used to collect component home-to-work data, which is submitted to OCRSO on a quarterly basis. This requirement was implemented on October 1, 2014.

After thorough analysis of each component's home-to-work submission and analysis of 1 year's worth of quarterly home-to-work data provided by each component, the Department now has, for the first time, specific knowledge of home-to-work use within DHS. This data enables DHS to better implement, monitor, and improve the fair and efficient use of home-to-work throughout the enterprise. For example, of our approximate 220,000 employees, a total of 17,118 individuals at DHS are authorized to use home-to-work transportation. Component data indicates that on average, only 88 percent of these authorized individuals are regularly utilizing home-to-work transportation, indicating that components are evaluating usage to ensure that home-to-work transportation is utilized when it is essential to our mission.

Having recently visited the Brownfield Border Station on the Southwest Border, our stations in the Northwest Region, and component operations in the Boston area, I've learned that components execute a diverse set of missions in an all threats-all hazards environment. There isn't a single standard motor vehicle solution that fits every component in every region. DHS will continue to be strategic about reductions in the fleet size to ensure that we are not hampering our ability to operate, but preserving safe and efficient use of these vehicles in order to complete our mission. Our data is, and will continue to be, a critical element for fleet decisions.

As a result, the Department's motor vehicle fleet size has steadily decreased each year since its peak in 2011, and the Department will continue to improve how components procure the right vehicle for the right job based on mission requirements. Finally, the revised instructions for both motor vehicles and home-to-work transportation provide the framework for better oversight and compliance. While there is still work to do, DHS has made significant progress in improving its vehicle fleet management, and remains committed to sustaining this momentum.

Thank you for the opportunity and privilege to appear before you.

Mr. PERRY. The Chair thanks you, Mr. Chaleki.

The Chair now recognizes himself for 5 minutes of questioning for maybe as much time as I may consume. Our subcommittee staff analyzed data on DHS's vehicle fleet by component and found that FPS had far, far more vehicles to officers than other components as well as more vehicles to officers with authorization to commute from home to work in fiscal year 2014. In particular, we found that FPS provided more than twice, more than twice, as many vehicles per officer than the Border Patrol, who is charged with securing over 6,000 miles of border. Even more telling is the number of vehicles for every officer provided with home-to-work privileges, where FPS provided 1½ vehicles per officer or 3 vehicles for every 2 officers with home-to-work privileges compared with Border Patrol's 12 vehicles for every officer; 12 for every officer compared to 1½ to every officer.

Mr. Patterson, quite honestly, I understand that maybe this is how it was when you showed up and you are working your way through it. But I find it hard to believe that you can justify having twice as many vehicles for every officer than U.S. Border Patrol, that has a ratio of 12 vehicles for every officer with home-to-work privileges. How does FPS' mission literally require more vehicles than Border Patrol's mission?

Mr. PATTERSON. Yes, sir. First of all, I have about 1,000 law enforcement officers, a little over 1,000 law enforcement offices in all 50 States as well as U.S. territories. The total landscape of Federal facilities that we have to protect is vast. I have some of my officers who have to transit places like the Midwest that take 3 to 6 hours one way to go conduct business at the facilities that they are responsible for. According to the IG, we are about 2 vehicles, well, 100 vehicles over the—excess vehicles, as has been stated. That is about 2 vehicles per State, 2 excess vehicles per State, given the vast mission that my folks have in serving those 9,000 facilities. We travel; we do a lot of traveling between facilities, trying to get the work done of ensuring the oversight of our protective security officers in those facilities, conducting training, active-shooter training in those facilities, doing physical security assessments in those facilities. So our folks are on the road a lot getting that work done.

So vehicles break down. We must have vehicles as a back-up if, in fact, these particular vehicles break down. They do break down. I have a pipeline of about 150 folks waiting to go to FLETC, that when they arrive at their home station, we have to provide them with a vehicle. I think, given that dynamic, 100 vehicles, excess vehicles, is not excessive.

Mr. PERRY. So let's just talk through this a little bit because I think it is appropriate, I understand you have very mission-specific requirements. We all get that. In my opening statement, I outlined the vast number of buildings and properties that you must deal with and how vital, and I used the work "vital," your mission is. I mean that sincerely.

That having been said, are we to believe somehow that people that work in the District of Columbia should have the same requirements as the person that might be driving 3 hours one way in, I don't know, pick any State in the Midwest where what you just kind of laid out anecdotally for us might be true, should it be

the same standard that that person gets—because of position, regardless of mission—sir, you are a senior executive, and you have served as a senior executive in the military. So we are counting on you to make decisions that might not necessarily be proper but would be appropriate for mission completion and in keeping with what we think is appropriate for taxpayer expenditure. I find no way to justify what you have laid out for me, quite honestly.

Mr. PATTERSON. So here is the challenge, sir. Let's talk about the Washington, DC, area. I have 640 facilities that we service in the D.C. area. During a day shift, a regular day shift, there are about 70 law enforcement folks who are on duty. In the afternoon, that drops to about 12. At night, that drops to five. All right. So let me take the example of the shooting and death of our protective security officer at night, in the evening, at the Federal, at the Suitland Federal facility in Suitland, Maryland, at the beginning of this year. I think it was January or February of this year. When that happened, I couldn't call on just those 5. I had to call out every available inspector—law enforcement person that we had to respond to that incident, along with the Prince George's County Police Department because that is our responsibility. So folks had to be ready to do that. They were. We responded appropriately. Not only did my folks have to respond, but my deputy director for operations had to respond.

Mr. PERRY. So, listen, I get that. I understand that completely. I appreciate your diligence and those individuals' sacrifices, which should be highlighted.

That having been said, you as a military commander also know that you have steady-state operations where everybody goes about their business as appropriate day in and day out. But when there is an event and you must surge, people are going to have to be asked to go above and beyond. But that is not the norm. But on those occasions and in those times, you do what must be done.

But that is an acute issue at an acute time. You can't tell me, maybe you can, but have you looked at the cost of surging your force at that time, as opposed to providing the access to the vehicles and use of the vehicles continuously, every single year in the case, in the happenstance that in one State at one moment for 1 day, there might be an incident, you know, in light of the fact that 49 percent of your vehicles have fewer than 12,000 miles on them?

Then keeping with the other line of questioning or at least your testimony, when you say vehicles break down, God, don't I know it. My car is going to have 300,000 on it by the time I get rid of it. All right. They break down. Have you looked at the cost—have you looked at how often the incidents of breakdowns has caused you not to complete your mission, and has that been formulated into your calculation about how many vehicles you should have and how they should be utilized?

Mr. PATTERSON. Yes, sir. We look at that continually. That is all a part of how we allocate vehicles. We have a formula that we use. We look at days in use, the annual downtime.

Mr. PERRY. What is your mission readiness rate?

Mr. PATTERSON. I would have to get with our folks to give you that.

Mr. PERRY. You look at it all the time, sir. You came here. You knew I was going to ask you that question. You are a military guy.

Mr. PATTERSON. Yes, sir.

Mr. PERRY. Army lives on its belly. So does the Air Force. Right? You got to have stuff to do your work.

Mr. PATTERSON. Right.

Mr. PERRY. You would come here without knowing your operational readiness rate, knowing I am going to ask you because you are going to say we need these because things break down, understanding that 49 percent, half of your fleet, has less than 12,000 miles on it. This is a new vehicle to most of America. You are coming in and telling me that you calculated in you need 100 or whatever more vehicles per, plus what you have for each individual, you don't have an answer for me, sir?

Mr. PATTERSON. Yes, sir.

Mr. PERRY. That is unacceptable. It is unacceptable. I am sorry, it is—you can't come here and make your case without that. I suspect if you came with that information, my case would be made.

Mr. Roth, do you have anything to say?

Mr. ROTH. Simply that during the course of our audits, we did not see the kind of data collection we had hoped to see. As we noted, there was a 98 percent error rate in the kinds of mileage when you compared the GSA drive-through data with FPS' own data. So to be able to say that there was an understanding of exactly what the vehicle fleet looked like, how often it was used, I think is not entirely accurate.

Mr. PERRY. Listen, I am way over time here, and I want to give my colleagues a chance. But I do want to get to some things here.

Mr. CHALEKI, you mentioned your increased operational tempo, and then you mentioned some changes that you are looking at to the vehicle fleet management system and how you are going to do things. Do those proposed changes include a view of the use of personal—the personal use of vehicles—those structural changes? I have got to ask you, sir, you have served as well. I am assuming you guys have lived in the real world. I drive my car to work. My wife drives her car to work. We, most people, they take transportation. They handle their transportation themselves. They don't get a vehicle provided to them that then people have to call us and say, "Hey, I saw this vehicle with GSA plates"—and you guys, you two both know this well because you have served, and I have dealt with the same thing at your level—"they are the cleaners, they are at the grocery store, why are my taxpayer dollars paying for these guys and gals to drive all over God's creation, why don't they use their own car?"

So I am asking you, does the personal use of vehicles, is that included in your calculation moving forward on how you are going to manage your fleet?

Mr. CHALEKI. Chairman, on the home-to-work program, we don't allow for the personal use of vehicles. The vehicle is home to work. We don't buy designated home-to-work vehicles. We buy vehicles. Home-to-work enables them to do their response mission. We have stringent rules about who gets home-to-work. We have a stringent process that we went through this year—

Mr. PERRY. Sir, how stringent can it be when every officer has a vehicle?

Mr. CHALEKI. Sir, we rely on the components because they manage their own risks. So because they have the operational requirements, the mission requirements, we look at those requirements. We bump them up against our standards. But, again, they ask for these vehicles—

Mr. PERRY. The American public, the taxpayer, is relying on you as senior-level executive to look at those risks and make sure they are managed correctly. When you think that we have got to patrol the border, who has got 12 to 1, you got guys and gals down-range fighting the enemy who can't get a vehicle—they just can't get one—you have been there. They can't get one. You are hoofing it. You are telling me, we are counting on you, and you are saying, "Well, they told us that is what we needed," so we accepted it. Is that what you are telling me?

Mr. CHALEKI. No, sir. They put in the request based upon their mission. This year, we insisted that each component had sign-off that these are the vehicles that they need.

Mr. PERRY. What happens when they sign off and you find out it isn't what they need? What happens to them?

Mr. CHALEKI. Well, we go through the process, we look at: What do you need the vehicle for? Where is the operational environment? What is the requirement that you are requesting this vehicle? How is it used?

Mr. PERRY. You are satisfied with all the answers?

Mr. CHALEKI. We did reduce the home-to-work by over 500 vehicles this past year.

Mr. PERRY. Well, sir, at this point, that is not, I don't think that anybody in the public is going to think that is enough, with all due respect. Right. We are counting on you. We are counting on you. This is your purview. It is your responsibility. Have you looked at, in your calculation, paying the Federal rate for people that work in the District of Columbia to drive to work as opposed to having the vehicle on taxpayer dime, 50 percent of the fleet of which has less than 12,000 miles, essentially a new vehicle? Have you looked at that as part of your determination, as part of your study, as part of your improvement plan moving forward?

Mr. CHALEKI. No, Chairman.

Mr. PERRY. Are you going to?

Mr. CHALEKI. Yes.

Mr. PERRY. I will tell you this—and I am going to yield to the gentlelady—we are counting—you are individuals with high experience, right, and high responsibility. We are counting on you to do the right thing even if you don't have to do the right thing. We are counting on you. If you want Congress to get involved in your business, just keep doing what you are doing, and we will because we will have to since, apparently, you won't. That is kind of where we are.

With that, I yield to the gentlelady from New Jersey.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman.

I appreciate your generosity in taking the time to ask these questions and going over our 5-minute limit.

But I would like to yield at this moment to my colleague, Mrs. Torres.

Mr. PERRY. So ordered.

Mrs. TORRES. Thank you, Mr. Chairman and Ranking Member.

Mr. Roth, can you please describe the process you completed in investigating FPS vehicle mileage where you identified significant instances of inaccurate or incomplete total miles driven? How is it possible for a vehicle to register negative mileage? What steps can FPS take to better monitor or oversee the mileage tracking process?

Mr. ROTH. Thank you for that question. One of the things that we did was looked at two different data sets for the number of miles each individual car would drive. One is called the GSA, General Services Administration, drive-through. Every time a Federal vehicle comes up to the gas pump, they are required to key in the mileage of that vehicle. That is automatically transmitted to GSA. So we were able to access that information.

There is a second data set for FPS in which each officer would have to record their mileage, including their home-to-work mileage and the sort of mission mileage. We compared those two. What we found out as a result of that comparison was that there was a 98 percent error rate between what FPS thought their mileage was and what GSA thought their mileage was.

With regard to the negative mileage, I am as stumped as you would be with regard to that. My assumption is that something got keyed in incorrectly at the gas pump for the GSA drive-through data. But what it shows is that should have been a red flag, that somebody who was managing the vehicle fleet should have taken a look at that and said: You know, we need better data collection. We need a better understanding of what it is exactly our vehicle fleet is doing.

That didn't occur in this case, which was somewhat troublesome.

Mrs. TORRES. On the issue of sedans, are they sufficiently-sized vehicles to house the necessary FPS officer equipment, particularly in the trunk space? Do you believe that it would—that an officer would have difficulty reaching for, say, a mask or storing mobile field force equipment, or whatever other type of equipment that that officer may need to do their job?

Mr. ROTH. Well, certainly that was the justification that FPS gave us during the course of the audit when we asked why you needed 97 percent of your fleet to be SUV. They said they had equipment, and it was required to have an SUV to do so. One of the things our auditors did was they did a representative sample to see whether or not the officers, in fact, had all their equipment. They did not. In fact, we have a chart within our audit that shows exactly how much equipment was missing. Some of that equipment was never even issued. So the idea that all this equipment was necessary was not belied by the facts that we saw. So that was the first issue.

But the second issue is then our auditors actually did a real-world test and were able to put all the equipment into an averaged-sized sedan. Now, there are instances, of course, K-9s, for example, and other types of operations that would require an SUV. But one of the things I would do, frankly, is walk outside the doors

here and look at the Capitol Police. The Capitol Police have a very similar mission to this in a very similar threat environment as to this. What you see from the Capitol Police are tons of sedans. They do not rely exclusively on SUVs. So I would say that the proffered reason for the large cars simply was not justified by the facts.

Mrs. TORRES. So where are the areas where we could achieve some real savings, whether it is mileage, types of vehicles? Certainly equipment that hasn't been issued to an officer sounds like a very dangerous place for us to be.

Mr. ROTH. I think the Department itself has taken great strides since we have issued—this is our third audit report with regard to the DHS auto fleet. The Department has done a lot of work to try to gain some oversight. But at the end of the day, it requires each component head to act in good faith and be stewards of taxpayer dollars and make sure that, in fact, they have the minimum-sized fleet necessary for them to accomplish their mission. I have some doubts whether that is occurring throughout DHS. That is one of the things that we are certainly going to be looking at as we move forward.

Mrs. TORRES. Thank you.

I yield back to the Ranking Member.

Mr. PERRY. The Chair thanks the gentlelady from California.

The Chair now recognizes the gentleman from Georgia, Mr. Loudermilk.

Mr. LOUDERMILK. Thank you, Mr. Chairman.

I appreciate all you being here.

Mr. Roth, you are quite busy. We see you a good bit.

Mr. PATTERSON, the Office of Inspector General reported that FPS provides a vehicle to every law enforcement officer in FPS so they can respond to after-hours incidents. First question, are specific officers assigned to respond after-hours? Or is this something that is expected of all officers at any time?

Mr. PATTERSON. Yes, sir. It is expected of all officers at any time. Each officer is assigned a portfolio of Federal facilities. Okay. So when there is a problem at one of those Federal facilities, they are the first to be notified that there is a problem at that facility, and they need to respond as they feel necessary to that event.

Mr. LOUDERMILK. Can you give me an example of a couple of Federal facilities? Would it maybe be a Federal courthouse?

Mr. PATTERSON. Oh, yes, sir. We have got Federal courthouses across the country, Social Security facilities, IRS facilities, any number of facilities.

Mr. LOUDERMILK. So every officer that works there will have a vehicle, even if they are just manning the front entrances? The Federal courthouse that one of my colleagues has a Congressional office in, there may be three officers up front that are there manning the entrance that you go through the metal detector. Each one of these would have a vehicle?

Mr. PATTERSON. Let me explain that. The folks that you see at the Federal courthouse are—inside the courthouse—are court security officers. They work for the U.S. Marshal Service. We don't have, our officers, our law enforcement folks don't stand post at any of these. They don't stand post anywhere. Okay. Our job is to oversight those folks that do stand post. Okay. So what we do is

we hire a number of folks through contract agencies that provide security services at IRS, Social Security, and other facilities across the Nation.

So our job is to ensure that, No. 1, those folks are doing what they need to do. Second, we have a responsibility to every facility that we protect to ensure that we mitigate the threat at those facilities. So we do a security assessment at each one of those facilities. It is on a time line when we have to do it. So every one of our inspectors has to go out and do that. We also have a requirement to do what we call post inspections. So every facility that has a guard, a protective security officer—and they may have a physical checkpoint, you know, where you have to go through the magnetometer—well, we have a responsibility to ensure that, No. 1, they are doing their job and that the equipment there is working appropriate. So our folks are on the go quite a bit. That is what they are doing. They are moving from one facility to another to ensure that what is operating is operating effectively.

Mr. LOUDERMILK. So I envision that 1 officer may have 3 or 4 facilities in his portfolio?

Mr. PATTERSON. I have some officers that have as many as 20 or 30 facilities in their portfolio.

Mr. LOUDERMILK. Do you have facilities that have more than 1 officer assigned to it?

Mr. PATTERSON. No, sir.

Mr. LOUDERMILK. On average, how often do you get calls for off-duty incidents?

Mr. PATTERSON. Every day, every night, every night, an alarm goes off somewhere in the Nation at a facility. Every night there is some vagrant who is trying to do something at one of our Federal facilities. We get calls all the time. I can't predict where we are going to get calls. To give you an example, when the incident happened in Baltimore and there was a riot, we responded to that because the Federal facilities were at risk. Our folks out of Philadelphia could not get down in a timely manner. So we pulled folks out of Washington, DC, which would normally have been directed here to go up there. So we got them out of bed, go up there and help with the protection of those facilities there. So at any given time, we may find ourselves anywhere. Just as when the Secretary said that he started Operation Blue Surge right after the incident in Canada, that he wanted to ensure that there was a higher profile around certain Federal facilities in the Nation. We pulled folks from all over the country to do that. Many of those folks drove to those facilities. They didn't fly. They drove.

Mr. LOUDERMILK. Are these vehicles fully emergency vehicles, lights, sirens?

Mr. PATTERSON. Yes, sir. That is another thing. We have to ensure that these vehicles meet the standards across 50 States because we never know where these vehicles are going to be. So what we do is we ensure that they meet the National standards for lights and equipment. But the most important thing, as far as I am concerned, every day is officer safety. Officer safety is paramount. So we have to make sure that they have the right equipment and whatever it is that they need in those vehicles to ensure that they get there safely, are able to do their job, and return home.

Mr. LOUDERMILK. Thank you.

Mr. Roth, do you concur with your investigation with the answer to the question?

Mr. ROTH. The issue we had was with region 11, which is the National Capital Region. They operate a 24/7 sort-of shift. They have three shifts of officers, unlike, you know, a typical Federal response facility. So one of the things I would say is for region 11 we had real concerns because their policies within region 11 said you were not going to be called out after hours. Yet, they were issued home-to-work. We asked about that justification. The answer we got is: Well, we need to change the policy with regard to region 11 to ensure that would be the case.

The second thing I would say with regard to the travel, again, all we can go on is the data. The data says that 47 percent, I think 49 percent of all the FPS vehicles have fewer than 12,000 miles a year. So I have no doubt that, in fact, there are many officers who are on the road constantly and putting miles on their cars, but there are a significant number of cars that do not. In fact, we had 234 cars that had fewer than 5,000 miles per year on the car. So we can only go by the data. The data shows they are vastly underused. As I indicated before, there are about 250 more cars than there are actual officers on duty.

Mr. LOUDERMILK. Mr. Chairman, I know I have exceeded my time, but if I could be extended or if someone else, I would like to hear Mr. Patterson respond to the issue that was brought up by Mr. Roth is region 11 having a policy of not responding after hours, if that is appropriate.

Mr. PATTERSON. Yes, sir. There is no policy that region 11 will not respond. There was a standard operating procedure that was in—we have a dispatch facility in Suitland, Maryland. Someone had issued to that dispatch facility that we have 5 folks who are on duty after hours versus the 60 who are on duty during the day. What they were trying to achieve there was that if you are going to call someone out for a response in the metropolitan area, please try to call one of those first before you—now, we have done away with that policy. You will call—whoever is responsible for that facility, they will be called. But that was what that was about. It wasn't "don't call anybody." It was that if you are going to call someone, try to call one of those 5 first before you call others.

[Further clarification follows:]

LETTER SUBMITTED BY L. ERIC PATTERSON

*January 14, 2016.*

The Honorable SCOTT PERRY,  
*U.S. House of Representatives, Washington, DC, 20515.*

DEAR CHAIRMAN PERRY: Thank you for the opportunity to testify on December 3, 2015, on the management and operations of the Federal Protective Service (FPS) Fleet Program. I want you to know that we are actively working on the Questions for the Record from the hearing. In the interim I want to provide you with further information on the FPS Fleet Program and ensure there is no misunderstanding of my testimony.

Overall, the National Protection and Programs Directorate (NPPD) and FPS have made progress in addressing the recommendations issued in the Department of Homeland Security (DHS) Inspector General Final Report (OIG-16-02), *The FPS Vehicle Fleet Is Not Managed Effectively*. I am committed to maintaining a vehicle fleet that allows FPS to gain efficiencies while ensuring mission readiness. While I believe the existing vehicle fleet supports the FPS mission, we are currently con-

ducting a more in-depth review to determine the optimal mix of vehicles within large metropolitan areas and are considering the inspector general's recent recommendations as part of this analysis.

Regarding vehicle orders, I stated in my testimony that 16 SUVs and 33 sedans were delivered in 2015. To clarify, these vehicles, delivered in 2015, were part of the Fiscal Year (FY) 2014 order in which FPS turned in 75 vehicles and requested 16 SUVs and 33 sedans. The FY 2015 vehicle order pending at the time of the hearing was for 122 SUVs, 59 sedans, and 1 van. This order is on hold in order to further review and document the vehicle selection criteria against the mission need. Future fleet orders will use these findings as the basis for the fleet order instead of a like-for-like replacement strategy.

I would also like to provide additional information with regard to my testimony that FPS is in compliance with the Vehicle Allocation Methodology (VAM). I stated that "we are now completely in line with" [the VAM]. My intention in so stating was to say that FPS has complied with the FY 2012 VAM survey, as required by DHS policy. The DHS IG has stated that DHS should make improvements to the VAM policy and ensure it meets the full scope of requirements of General Services Administration (GSA) Bulletin B-30. We are actively participating in the effort to update the DHS VAM policy, and all Departmental fleet policies, and ensure we continue to meet all requirements. As recently as January 12, 2016, my team met with NPPD, DHS Management Directorate, and the DHS Inspector General teams to discuss specific shortfalls and identified the need to work with GSA to refine the guidance and requirements that they are using to train agencies on VAM.

In 2015, NPPD conducted an annual fleet utilization and retention analysis. The 2015 analysis identified 217 FPS vehicles that did not meet utilization (i.e. GSA mileage) standards and these vehicles are undergoing further review against the mission requirements to determine vehicle disposition.

I am confident that our collective efforts will result in improved documentation, decision making, and management oversight of the FPS Fleet Program. I am committed to working with you in support of the FPS mission to provide safety, security, and a sense of well-being to the millions of visitors and Federal employees who work and conduct business on our facilities on a daily basis.

Sincerely,

L. ERIC PATTERSON,  
*Director.*

Mr. LOUDERMILK. I thank both the gentlemen.

I yield back the time I have already exceeded.

Mr. PERRY. The Chair thanks the gentleman.

The Chair recognizes the gentlelady from New Jersey.

Mrs. WATSON COLEMAN. Thank you very much, Mr. Chairman.

Mr. Roth, how long did your investigation take place?

Mr. ROTH. I would have to get at the exact audit period, but what we looked at was fiscal year 2014.

Mrs. WATSON COLEMAN. How many people were on that investigation? How many people actually work for you?

Mr. ROTH. How many people work for me?

Mrs. WATSON COLEMAN. Yes.

Mr. ROTH. About 650, including law enforcement agents, as well as auditors.

Mrs. WATSON COLEMAN. So how many people were on this investigation?

Mr. ROTH. Let me look real quick. It is actually in the report.

Mrs. WATSON COLEMAN. Okay. While you are doing that, Mr. Patterson, this whole question of sort of—let me know when you—

Mr. ROTH. I have it. It is about 6 people and then, of course, supervisors.

Mrs. WATSON COLEMAN. Okay. Thank you. Mr. Patterson, this issue of utilization of the vehicles with less than 12,000 miles, 2 questions I think. No. 1 is, does it impede your response time if a

person has to go to a facility to pick up a car to then go respond to a place that is an active area?

Mr. PATTERSON. It absolutely does. Let me give you an example.

Mrs. WATSON COLEMAN. The other question is, from a policy perspective, if you have this sort of vast differential in the utilization miles, should you be thinking of a rotation policy where you rotate some of those cars with the lowest mileage out for some of the ones with the highest mileage and bring the other ones—do you know what I mean?

Mr. PATTERSON. Yes, ma'am. To answer your first question, would it be a challenge for our folks if they had to park their vehicles, then be called out to respond, go back to the office, pick up the vehicles, and then go to the facility? Yes, it would.

Just to give you an example, when the shooting happened up at the Suitland Federal center in January or February, our folks were called out. My deputy director for operations was called out. He has, he has a home-to-work vehicle as well because I expect him to be out there when there is an issue in the city that must be taken care of. I have a home-to-work vehicle, but I don't use it. All right. However, on that night, my deputy called me out. He said: You probably need to come out here because we just had one of our officers killed.

Okay. I came out in my private vehicle, and it took me 30 minutes just to try to get through the county roadblocks because they were wondering, "Well, okay, who are you, why are you here?" because I did not have an official vehicle. Now, I finally got through, but it took time. All right. When we are responding to an emergency, time is of the essence.

So to answer your first question, I believe that, yes, it would be a considerable challenge if, in fact, our folks had to go back to work and pick up a car and then try to get to wherever it is they have to go.

Mrs. WATSON COLEMAN. So there has been this discussion about 250 excess or surplus vehicles which were characterized as being excessive.

Mr. PATTERSON. Yes, ma'am.

Mrs. WATSON COLEMAN. Beyond your need. First of all, was there a point in time when there were 250 vehicles that could be characterized of this nature? No. 2, did it have anything to do with your staffing at that time?

Mr. PATTERSON. Well, you know, on any given day, that number is going to change. We have folks who come into, that we assess into the organization. We have folks. We have vehicles. People retire. So that number, I don't know of any time that that number has been up to 250, but it may have been. I can't say for sure. All right. We do have excess vehicles. I will grant you that. We have them for a particular reason because our vehicles do break down. I have an expectation that our folks will be able to respond and get to work and do the things that they need to do that the American people, I believe, expect of them.

Mrs. WATSON COLEMAN. Thank you.

Mr. Chaleki, do you have any input in the validity of the request for the additional vehicles? So do you—is there some sort of meth-

odology that is employed to determine how many vehicles you need to have in ready that may not be used?

Mr. CHALEKI. When we do the vehicle allocation methodology that we did in 2012, it asks all those questions. Really what the VAM is, is a Department-wide survey. So it would ask, in this case, FPS to explain the vehicle use, how you use it, what is your response, what is the remoteness of the location?—Those kinds of questions, which would help drive the actual number of vehicles.

Mrs. WATSON COLEMAN. So it seems to me that there is a methodology that is used to make a number of decisions regarding vehicles, who gets them, what type of vehicle, where they are located, et cetera.

But there was serious questions with regard to Mr. Roth's findings with regard to your ability to justify their findings of certain omissions or flawed information or whatever. What have you done that responds to the—particularly the 5 recommendations that were made that I thought had more to do with accountability than whether or not you should have a sedan—I want to ask you about that question, a sedan versus an SUV—but all the other issues regarding vehicle use, underuse, misuse, whatever?

Mr. PATTERSON. Yes, ma'am. I will begin the answer. Clearly, we probably, we didn't do a good job in that we have a completely—we had a completely manual process, first of all. We didn't have the—we just completed a fleet management directive. All right. We are now completely in line with the vehicle allocation methodology.\* All right. We are also going towards the telematics program, which really it takes all the guesswork out of this. It means that any time an inspector or one of our law enforcement individuals moves that vehicle, it is being tracked. Okay. So there is not going to be a question as to when and where and how; we are going to know specifically. So this will help to help us better understand what the overall utilization is in that vehicle and how they are being used and, quite frankly, will help me make better decisions in how we deploy those vehicles and employ these vehicles.

Mrs. WATSON COLEMAN. Do you have a justification for choosing or desiring or needing a sedan versus an SUV or an SUV versus a sedan?

Mr. PATTERSON. Yes, ma'am. You know, 80 percent of the SUVs that are currently in the fleet of the Federal Protective Service were bought in 2008, 2009, and 2010.

That means they were ordered a year before that, all right,

So, during part of that time, we were under the management of the Immigration and Customs Enforcement service. So what we bought was whatever that was offered to us, all right? It was either sedans, at that time, or SUVs. At that time, we believed that SUVs were the best choice because SUVs gave us a 6-year life. So that meant that we could upfit the vehicle. We would buy the vehicle. For 6 years, we would have that vehicle and not have to turn it in and not have to replace it.

GSA's requirement for replacing sedans is on a 3-year cycle. So that means, every 3 years, we would have to replace that vehicle

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\*See previous insert, letter dated January 14, 2016.

and upfit that vehicle. We actually believe that there is a savings associated with these vehicles over time.

Now, it is my understanding that GSA is going to a 5-year life cycle for SUVs, so that has changed.

But just to give you an example, this year, we ordered SUVs and S sedans. For 2015, 16 SUVs were delivered; 33 sedans were delivered. So we are going through this process. We are looking and evaluating, okay? But we came out of a system before that, really, we bought what we were offered. GSA says: This is the package. At that time, the Immigration and Customs Enforcement says: Okay, this is what you can buy. This is what we did. So——

Mrs. WATSON COLEMAN. So my last question has to do with the fact that you were overpaying for equipment——

Mr. PATTERSON. Yes, ma'am.

Mrs. WATSON COLEMAN [continuing]. That you had already paid for.

Mr. PATTERSON. Yes, ma'am.

Mrs. WATSON COLEMAN. My question is, have you established a mechanism to make sure that that doesn't happen?

Mr. PATTERSON. Yes, ma'am. We have.

Mrs. WATSON COLEMAN. What is it?

Mr. PATTERSON. Yes, ma'am. What it is, is that we were still paying the lease fees on the upfitting equipment for vehicles that were purchased in 2007. Okay? It was an accounting—we just missed it. We just missed it, and it was pointed out to us. We have corrected those accounting processes to ensure—and working with GSA because GSA recognized immediately that they had been overcharging us. So we are working that out now.

Mrs. WATSON COLEMAN. So, Mr. Roth, do you believe that the FPS is moving in the right direction considering your findings?

Mr. ROTH. We have an audit resolution process. We are certainly going to be taking a look at some of the assertions that we have heard since the audit has come out. I will have to say that I was a bit disappointed to learn in preparation for this hearing about the episode that happened this summer in which we gave the findings to FPS and the Department, saying that there was an excess vehicle fleet. So they had a significant number of vehicles that had, you know, fewer than 5,000 miles. Notwithstanding that, they refreshed 16 percent of their fleet. That happened in August. So perhaps since that time, there has been some change. But, you know, as a professional auditor, we will remain skeptical.

Mrs. WATSON COLEMAN. Thank you.

Thank you, Mr. Speaker.

Mr. PERRY. The Chair thanks the gentlewoman.

The Chair recognizes the gentleman from Florida, Mr. Clawson.

Mr. CLAWSON. Thank you for coming.

Mr. Roth, we see a lot of you. Thanks for what you do.

So if I understand correctly, you all get your fees by charging 74 cents per rentable square foot, right? Am I right about that?

Mr. PATTERSON. Yes, sir.

Mr. CLAWSON. You all are doing a good job managing, so that fee is going down on a year-to-year basis, correct?

Mr. PATTERSON. I am sorry, sir?

Mr. CLAWSON. I am assuming 2 or 3 years ago, that would have been 78 cents going to see—I mean, you are managers. You are all over your business. You are all over your cars. So your customer costs would be going down; 74 cents is probably less than it was a few years ago. That is how we all run our businesses.

Mr. PATTERSON. Yes, sir. Effective management would drive our costs down. However, we are increasing in personnel for the increased number of threats that are across the country. So our personnel numbers have gone up as a result of that.

Mr. CLAWSON. But your square foot would go up as your customer base goes up. This is a variable—

Mr. PATTERSON. Yes. Yes.

Mr. CLAWSON. Your price is a variable price.

Mr. PATTERSON. Well, we are tied to GSA lease. Yes.

Mr. CLAWSON. What is that?

Mr. PATTERSON. We are tied to GSA lease square footage.

Mr. CLAWSON. Right. So, as that goes up, you get more money.

Mr. PATTERSON. Yes, sir. But when that goes up, that means we have more accountability to whoever the customer is.

Mr. CLAWSON. Right. But your costs per square foot shouldn't be going up. It should be going down.

Mr. PATTERSON. No. It can't go down if we are bringing on more folks in order to accomplish the mission.

Mr. CLAWSON. The variable expenses should match the variable costs.

Mr. PATTERSON. Yes, sir. But how—

Mr. CLAWSON. Your fixed costs should stay the same.

Mr. PATTERSON. Well, yeah. But—

Mr. CLAWSON. Mr. Roth, am I missing something there? I mean, I have been running businesses my whole life. I have never seen where we didn't get mileage on fixed cost extension by adding customer square footage.

Am I wrong? Am I missing something here?

Mr. ROTH. Not that I am aware of, Congressman.

Mr. CLAWSON. Okay. So, given that, if your costs are not coming down, particularly as your square footage goes up—because you are not going to have fixed expenses at the home office, please.

Mr. PATTERSON. Yeah. I don't know. I would have to talk—

Mr. CLAWSON. Let me finish my point.

Mr. PATTERSON. Yes, sir.

Mr. CLAWSON. In that environment, you are going to get hit by things like cars. You just do. That is life.

I go down to one of my factories, and it is not performing, and they have got extra cars sitting around, that is a symbol.

If this number was going down every year, like the median income for my constituents goes down every year, then the cars don't bother me as much because you are making headway on your other costs.

Your variable costs should be going down as your rentable square foot goes up because you are getting billed—you are getting added revenue. Now, that is the world we live in.

So when I looked at this, I said to myself: Well, they have got too many cars. They are refreshing their fleet. They must be making it up somewhere else because certainly they wouldn't be coming

to me saying: Our costs are going up to the taxpayers, and we want more cars.

There is no world that I have lived in where you get away with that.

So I don't know the ins and outs of how you are doing on the vehicles. But if that 74 cents was going down to 72 cents and 71 cents because you are making headway on your cost structure on a variable basis, Mr. Patterson, then what is going on with the vehicles seems a lot less sensitive.

Mr. Roth, is anything about my math incorrect? Because if it is, tell me. I don't want to get on a limb if my math is wrong.

Mr. ROTH. I don't believe it is, sir.

Mr. CLAWSON. Fixed cost leverage means something as your business grows.

I yield back.

Mr. PERRY. The Chair thanks the gentleman.

Mr. Patterson, I just want to revisit the home-to-work transportation in region 11.

It seems hard to justify the 1.2 million in self-reported home-to-work miles driven in fiscal year 2014 by 142 officers as essential for carrying out its mission.

FPS region 11 has rotational shifts for on-duty officers 24 hours a day as protocol states that off-duty officers in this region should not—it doesn't say "will not" but it says "should not"—be dispatched to after-hour incidents.

I understand you had one. They couldn't get here from Philly—this is your testimony—so you pulled them out of Washington, which is presumably region 11, correct?

Mr. PATTERSON. Yes, sir.

Mr. PERRY. But that is one incident. That is one incident. That is not every single day. So it is hard to justify 1.2 million self-reported miles.

Hopefully, they are correct. But that is an awful lot of miles.

It says: Nearly 57 percent of the fleet's overall miles driven are home-to-work and cost region 11 an average of about \$300,000 per year.

Almost 60 per percent of your miles are driven getting to work, not doing—that is how people see this. I don't know how else to say that. I just don't know how else to say that. That is how I see it. That is how people see it.

Now, I understand it is inefficient when you are trying to get to the site, as an official, and you have got to be stopped by the police and so on and so forth. I truly get that. But you are in charge of this operation, right? So, to me, you know, we have been through this—especially you guys, as military guys. You are managers. So if it is not working the way it is now, to do the mission and complete the mission and save the taxpayers the money or at least charge them the minimum, then you have got to change how you operate your mission.

Maybe you should have a quick-reaction force in region 11 so that when that happens, you don't get detained because they are in the vehicle. But not every single person is driving so that 57 percent of your miles and your cost in region 11 are going to drive to work.

You understand how that looks out in the real world? Mr. Clawson, this is a guy who made the bottom line, who ran businesses. That is how it looks to his constituents, taxpayers. When he talks about the square footage price, and when the Secretary comes in for Homeland and says, "We need more money to protect the American people," and we get a report like this, what am I supposed to think? How do I go into a town hall meeting and tell my constituents that we are doing the best we can? They know we are not. They see this stuff too.

The reason probably Mr. Roth—one of the reasons Mr. Roth took a look at your organization is because people call in and say: This organization is wasting taxpayer money.

That is why they do it, because they see it. They count on you, senior-level executives, SES guys, making a lot of money compared to average working people—just like me—making a lot of money. They expect accountability, and they expect results. If you are not getting it under the current paradigm—

I get it that when you showed up, these vehicles were already coming. I get that. We are not holding you accountable for that. That is the way it is.

But moving forward, when I hear that you guys aren't going to look at this, this home-to-work program as one of the improvements you want to look at, when you are not bringing in your operational readiness rate, when you are telling my counterpart here from New Jersey that vehicles break down—meanwhile, you have got vehicles—what is it?—49, 47 percent of your fleet with less than 12,000 miles. Tell me what American driving today, other than they bought a new car, is driving a car that has got less than 12,000 miles or 5,000 miles. That is not happening in the real world.

So when you tell me they are breaking down, you need to tell me how many incidents you didn't make it to because your vehicle broke down. Can you tell me that?

Mr. PATERSON. No, sir.

Mr. PERRY. So you can't defend yourself, and I am not going to defend you. All right? If you are going to come and make a claim like that, you had better bring something, but you are not bringing anything.

I don't mean to be up here being a curmudgeon, but our job is oversight for the taxpayer: To make sure you are getting your mission complete and you are doing it at the least cost. Quite honestly, it doesn't look like you are doing it. You might be getting your mission done, but everybody can get their mission done when they have unlimited resources, which is what you have right now. You have unlimited resources. That is the appearance here. Then the Secretary is going to come and say: We need more.

No, we don't need more. We need to do it correctly.

Let me ask you this, Mr. Chaleki. The subcommittee staff analyzed fleet data from several components and found that while FPS has over 100 extra vehicles in its fleet, other components do not have—do not have—spare vehicles in their fleet. Specifically, neither Customs and Border Protection—you would admit and agree that is a pretty important and visible topic at this moment, right?—or the TSA, the face of the Department of Homeland Secu-

riety, neither one of those two very critical agencies have spare vehicles, and neither assigns vehicles directly to personnel.

What makes you folks any different? Why is your mission different? What are we missing here? I mean, am I missing something?

Mr. Chaleki, am I missing something?

Mr. Patterson has been on the hot seat here. Why don't you take some of the heat?

Mr. CHALEKI. I appreciate that, Chairman.

No, the other components don't have spares. Again, the FPS mission requirements said that because of the remote locations that they are operating from, they can't afford to have a breakdown of a particular vehicle. In this case, the LE-1s. These are the pursuit vehicles. But you can't just go downtown and rent a new one. If it breaks down and you only have a couple of agents, those agents aren't able to do their job. That is why they have a sparing methodology at NPPD that they use to justify that.

I think it has reduced slightly down to 92 vehicles. But that is their methodology that they are using here.

Mr. PERRY. So just a couple thoughts here. Not to just be critical for the sake of being critical, when Border Patrol—and I don't know how many miles their vehicles have on them. I don't know what their maintenance condition is. When they have got to chase somebody and the vehicle breaks down, that is not good, right? We wouldn't want that to happen to them either. So they could come and say: Look, we need 100 percent all the time. But somehow, they are able to get their mission accomplished at the 12:1 ratio. So I just beseech you: You must take a look at this because if you don't, we will.

We understand you have got to complete your mission, and vehicles break down. But I think Mrs. Watson Coleman made a very common-sense statement: If your vehicles—if half of them are less than 12,000 miles, and you have got some out there that are being driven every day because somebody is driving 3 hours one way, from this place to that place, you guys are managers. You should be looking at this and saying: Well, holy smokes here. One has 5,000 miles on it and is sitting downtown all the time with leaves around the tires, and this guy is driving 300,000 miles on it. Why don't we move this one over there? You are going to say: Well, they have got different State requirements.

Let me ask you this: Does your data include the different State requirements that disallows you to move vehicles from State to State? Because if you don't have that, you can't come here to make that claim to either me or Mr. Roth. If you have got it, bring it.

Do you have it?

Mr. CHALEKI. No.

Mr. PATTERSON. No.

Mr. PERRY. So we don't mean to be overly harsh here. But understand that we are the stewards of the taxpayers' money.

You, you are right there. You are going to charge other agencies taxpayer money to pay you for the business you do to protect them, as you should.

But we required you to use your best judgment, not just—well, this is the way it was done, and it is a little too difficult, and well,

I don't want to be the bad news guy, so I guess I will let Congress be the bad news guy to tell every agent he doesn't get his own or she doesn't get her own vehicle.

If you want to take it that far, I guarantee you, somebody here will do that for you. We don't want to tell you how to do your business. We don't. We don't want to have this meeting again. We don't want to be here again. You don't want to be.

We would rather you be out there managing these people that are protecting us. But if this continues, if Mr. Roth brings this report again to us next year and it is not substantially different, we are going to do the same dance, and there is probably going to be legislation that gets in your business that is going to be bad for all Americans. It is going to be bad for all of us.

I appreciate your time.

Let's see if we can end this thing so you can get out of here because we have wasted a lot of your time here today just waiting on us.

The Chair thanks the witnesses for their valuable testimony and the Members for their questions. Members may have some additional questions for the witnesses, and we will ask you to respond to these in writing.

Pursuant to committee rule 7(e), the hearing record will remain open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 12:47 p.m., the subcommittee was adjourned.]

## APPENDIX

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### QUESTIONS FROM RANKING MEMBER BENNIE G. THOMPSON FOR JOHN ROTH

*Question 1.* Inspector General Roth, according to your testimony this recent review of the FPS vehicle fleet is “merely one example of the consequences that limited Departmental oversight and authority can have on a component’s ability to manage its own vehicle fleet operation effectively.” You also state that without policies that afford fleet managers with definitive authority components will operate with a “business as usual” mentality. Inspector General Roth, are you saying that it is likely that there is little assurance that other components are operating their fleet effectively? What can DHS do to ensure that each component is effectively managing its fleet?

Answer. We identified multiple, systematic oversight deficiencies during our audits of FPS’ vehicle fleet, DHS’s home-to-work program, and DHS’s management of components’ fleet operations. Based on these audits, it is likely that other components also need to improve vehicle fleet management practices.

To help ensure that each component is effectively managing its fleet, DHS can improve oversight by:

- Strengthening the *DHS Manual 112 05-001 Home-to-Work Transportation* and establishing guidance for periodic reauthorization of all approved home-to-work authorizations.
- Finalizing its draft *Motor Vehicle Fleet Management Instruction*.
- Reviewing component vehicle acquisitions and leases.
- Implementing a centralized, Department-wide inventory tracking system.
- Implementing policies to ensure components collect reliable information to track, monitor, analyze and report vehicle fleet use and costs.
- Providing Department motor vehicle fleet management staff with definitive authority over component fleet management decisions.
- Developing and administering a standardized annual vehicle allocation methodology for all components.

Additionally, after our report was final, FPS determined its leasing terms or business model regarding discretionary Law Enforcement equipment did not align with GSA’s business model. The Department should review the GSA/FPS MOU and update as needed prior to future FPS vehicle fleet obligations. Furthermore, DHS should review all GSA MOUs to ensure they align with other components’ business models.

*Question 2.* In your final report, you reference the lack of efficient and effective oversight of the FPS vehicle fleet from the Department of Homeland Security. What can the Department be doing better to ensure the appropriate vehicles, at the appropriate costs, are being utilized by FPS?

Answer. The Department is updating its Motor Vehicle Fleet Management Instruction to include additional controls. Based on our review of the draft instruction, these new controls should help ensure FPS uses appropriate vehicles with the appropriate cost structure.

To address issues of appropriate cost, the guidance must:

- Require a formal justification regarding the type of vehicle approved by the NPPD fleet manager for each replacement vehicle purchased or leased that is larger than class III midsize sedan.
- Require the NPPD fleet manager approve annually each GSA/FPS Law Enforcement equipment package. Each discretionary item should align with an FPS mission requirement. For example, if FPS determines a bike hitch in its Law Enforcement package is necessary, the officer assigned that vehicle should have a mission requirement which entails using a bicycle to conduct regular patrols.

Additionally, the guidance should require NPPD to complete an annual Utilization Retention Analysis Methodology of its entire vehicle fleet. Any vehicle identified

that is under the utilization threshold should require an approved justification from NPPD annually.

*Question 3.* During a random search, you observed approximately 46 vehicles that were not equipped with necessary officer equipment including gas masks and protective suits. Were the officers aware that they were missing essential equipment in their Government-issued vehicle? Why did you decide to not address the missing equipment in your recommendations to FPS?

Answer. The officers were not aware because they were never given criteria that told them what equipment was considered essential.

The scope of our audit was limited to determining whether FPS' vehicle fleet was appropriate for its operational mission. Making a formal recommendation regarding the missing equipment would have required a significant amount of additional audit work, which in turn, would have delayed the audit report. Nevertheless, we briefed the finding to FPS and as a result, FPS issued interim guidance outlining the minimum equipment requirements for law enforcement vehicles and required quarterly inspections of every vehicle. Although we did not issue specific recommendations concerning the missing equipment, we will address this issue through the resolution process of recommendations No. 1 and No. 3. These recommendations require additional oversight and updating of both the DHS and NPPD *Vehicle Fleet Manuals*. We will review the updated guidance to ensure equipment inspections are included.

*Question 4.* In your report, you recommend that DHS Under Secretary for Management require the NPPD Fleet Manager review and revise FPS's Fleet Manual. FPS developed a fleet management policy to address this recommendation, but your office only considers the recommendation partially resolved. What other information or steps are needed from FPS to fulfill your recommendation?

Answer. The recommendation will remain partially resolved until DHS provides the results of the NPPD Fleet Manager's review of FPS' revised policy, issues the revised policy, and incorporates it into NPPD's *Vehicle Fleet Manual*.

*Question 5.* Inspector General Roth, according to your testimony, you state that FPS is just one example of the consequences that the Department's limited oversight can have on a component's ability to manage its own fleet effectively. Please explain how the Department can have better oversight over all DHS component vehicle fleets. Do you see the Department doing that now?

Answer. The Department can improve oversight of its components' vehicle fleets by:

- Strengthening the *DHS Manual 112 05-001 Home-to-Work Transportation* and establishing guidance for periodic reauthorization of all approved home-to-work authorizations.
- Finalizing its draft *Motor Vehicle Fleet Management Instruction*.
- Reviewing component vehicle acquisitions and leases.
- Implementing a centralized, Department-wide inventory tracking system.
- Implementing policies to ensure components collect reliable information to track, monitor, analyze, and report vehicle fleet use and costs.
- Providing Department motor vehicle fleet management staff with definitive authority over component fleet management decisions.
- Developing and administering a standardized annual vehicle allocation methodology for all components.

The Department is taking steps to improve fleet oversight and has drafted several policies and manuals. These steps include:

- Revising *DHS Manual 112-05-001 Home-to-Work Transportation* to include standard definitions, policies, and procedures for home-to-work transportation data collection.
- Requiring each component to review its home-to-work programs and submit requests for their home-to-work reauthorization to the DHS Secretary for approval.
- Creating a motor vehicle and home-to-work transportation reporting module within its Consolidated Asset Portfolio & Sustainability Information System (CAPSIS), and implementing phase II in fiscal year 2016 to improve the accuracy of data. CAPSIS is a business intelligence tool created to aggregate asset management data.
- Drafting an update to the *DHS Motor Vehicle Fleet Management Instruction*, incorporating additional Departmental-level oversight of component fleet management. We are currently reviewing the instruction and will provide formal comments to DHS by January 7, 2016.
- Developing and implementing a Departmental vehicle allocation methodology.

We will continue to work with the Department through the recommendation resolution process to improve oversight of components' vehicle fleets.

*Question 6.* Inspector General Roth, in your audit you noted that FPS made ad hoc justifications about its fleet decisions. Through my oversight, I have also seen administrative lapses at FPS. Do you see the lack of oversight and justifications as a systemic problem at FPS?

Answer. Our review focused solely on FPS' management of its vehicle fleet operations; thus, we cannot comment on whether the lack of oversight and ad hoc justifications are a systemic problem at FPS.

*Question 7.* Inspector General Roth, you state in your testimony that there was a 98% error rate between what FPS thought its vehicle fleet mileage was and what GSA recorded as the vehicle fleet mileage. What do you believe contributed to such a substantial error range? What can management do to ensure this error range does not continue?

Answer. There was a substantial error rate because FPS officers did not always input accurate mileage at the fuel pump when they refueled their vehicles or accurately complete the manual, monthly Vehicle Operation Report (VOR). At the time of our review, VOR processing was a monthly administrative task with limited officer accountability and supervisory oversight.

As a result of our review, FPS immediately issued a policy requiring officers' supervisors to review and certify the accuracy and completeness of the VORs. We believe this policy will help ensure this error range does not continue.

*Question 8.* Inspector General Roth, you state in your testimony that the Department has made strides in its vehicle management and "done a lot of work to gain oversight." Please describe what steps the Department has taken to better oversee vehicle fleet management and any new policies or procedures in place.

Answer. As we noted in question 5, the Department is taking steps to improve oversight. For example, DHS is:

- Revising *DHS Manual 112-05-001 Home-to-Work Transportation* to include standard definitions, policies, and procedures for home-to-work transportation data collection.
- Requiring each component to review its home-to-work programs and submit requests for their home-to-work reauthorization to the DHS Secretary for approval.
- Creating a motor vehicle and home-to-work transportation reporting module within its Consolidated Asset Portfolio & Sustainability Information System (CAPSIS), and implementing phase II in fiscal year 2016 to improve the accuracy of data. CAPSIS is a business intelligence tool created to aggregate asset management data.
- Drafting an update to the *DHS Motor Vehicle Fleet Management Instruction*, incorporating additional Departmental-level oversight of component fleet management.
- Developing and implementing a Departmental vehicle allocation methodology.

*Question 9.* Inspector General Roth, you state in your report that it's FPS policy to not dispatch off-duty officers to after-hour incidents. Director Patterson stated in his testimony that off-duty officers are frequently dispatched to after-hour incidents. Please describe your understanding of this policy and the discrepancy in understanding.

Answer. We understand the importance of the FPS mission, which requires 24/7 readiness for building security. At the hearing, Director Patterson made a general statement about FPS frequently dispatching officers to after-hour incidents. During our review, however, FPS could not provide accurate data on the number of times officers are dispatched to after-hour incidents.

We believe the data FPS used to support reauthorizing the home-to-work program for its officers is inaccurate and incomplete. Specifically, our analysis revealed two issues:

(1) The Suitland MegaCenter dispatches officers to FPS' Region 11. According to its policies, "Region 11 has FPS Officers on-duty 24/7, therefore the MegaCenter should not dispatch off-duty FPS Officers to an incident in Region 11 (this does not include the On-Call Special Agent)." We understand there are certain "On-Call Special Agents" and extenuating circumstances in which FPS Officers in Region 11 are called at home after hours to respond to emergencies. However, this may not justify allowing 142 Region 11 Officers to use the home-to-work program 100 percent of the time. For example, 8 Region 11 Officers live at least 60 miles from their duty station and drive an estimated 28,800 miles per year from home to work; they are authorized to use the home-to-work program because they "may" get called into work.

(2) FPS does not keep accurate records of monthly officer call-outs, so we could not determine the number of times officers are actually called back to work. At the time of our review, FPS was just beginning to capture call-out data in its

VORs, and we did not review them for accuracy. The MegaCenters tracks call-outs, but cannot track whether officers are called out when at home after completing their scheduled work day. Region 11 was also incorrectly annotating call-outs during scheduled work days. Finally, an FPS MegaCenter official said that FPS officers are not always required to respond to after-hours incidents. The MegaCenter dispatcher calls the FPS officer listed for a particular building; if the officer is busy or does not answer, the MegaCenter continues calling officers until someone can respond. According to the MegaCenter official, depending on the incident, on-site contracted guards or local police or fire departments may respond.

The DHS OCRSO has taken steps to improve tracking of Home-to-Work usage through its revised *DHS Home-to-Work Transportation Manual*, and the fielding of CAPSIS. The data in the system relies on the components to ensure accuracy. DHS OCRSO is just now beginning the second phase of the system roll-out and will start testing the accuracy of the data. We believe there are still additional actions necessary for FPS to accurately capture after-hour incident data. We will ensure that prior to resolving Recommendations No. 1 and No. 3 a DHS and NPPD oversight process is implemented.

#### QUESTIONS FROM CHAIRMAN SCOTT PERRY FOR L. ERIC PATTERSON

*Question 1.* There have been reports of instances, particularly in the National Capital Region, where local police departments are called to respond to incidents or emergency situations at FPS-protected facilities. In particular, our staff has heard reports of FPS officers refusing to respond to an incident at all, knowing that the local police department will respond on their behalf. To what extent is FPS aware of this occurring? How often do local police respond to incidents in FPS facilities instead of FPS officials?

*Answer.* In fiscal year 2015, there were 1,004 on-duty FPS law enforcement officers assigned to protect 9,600 Federal facilities nationally and these officers responded to 91,850 calls for service. Coordinated response with other law enforcement jurisdictions may be appropriate when the facility is either proprietary or concurrent jurisdiction.<sup>1</sup> In some situations, local police were contacted for response first by civilians. FPS is not aware of any situation where a FPS law enforcement officer refused to respond. Occasionally, FPS may not have personnel close to an incident and assistance from local police is utilized in the interest of public safety. In these situations, FPS coordinates with law enforcement partners to determine the most appropriate response based upon the assessed threat of the incident. This cooperation on responses is anticipated and is captured in documents like the inter-agency agreement between FPS and the Metropolitan Police Department. Region 11, which is the National Capital Region, experienced a total of 18,377 responses in fiscal year 2015, of which 338 were responded to solely by local police, representing less than 2% of the total responses.

*Question 2.* The OIG reported that FPS was not in compliance with Federal and Departmental requirements because it did not complete its part of NPPD's overall vehicle allocation methodology. What is FPS's rationale for not being in compliance with these requirements?

*Answer.* FPS has complied with the Fiscal Year 2012 Vehical Allocation Methodology (VAM) survey as required by DHS policy. In 2015, NPPD conducted an annual fleet utilization and retention analysis. The 2015 analysis identified 217 FPS vehicles that did not meet utilization (i.e. GSA mileage) standards and these vehicles are undergoing further review against the mission requirements to determine vehicle disposition. The estimated completion date for this effort is April 1, 2016. This process is part of the VAM compliance process. FPS is confident that these collective efforts will result in improved documentation, decision making, and management oversight of the FPS Fleet Program. The DHS IG stated that DHS should make improvements to the VAM policy and ensure it meets the full scope of requirements of the GSA Bulletin B-30. FPS is actively participating in the effort to update the DHS VAM policy. As recently as January 12, 2016, FPS met with NPPD, DHS Man-

<sup>1</sup>*Proprietary jurisdiction* is where the United States has acquired some right of title to an area within a State's borders (such as a Federal building), but has not acquired any measure of the State's authority over the area. In essence, the United States has rights equivalent to a private landlord and what that means simply is State law applies within the proprietary area to the same extent that it does throughout the remainder of the State. The Government therefore has taken over none of the State's obligations for law enforcement. *Concurrent jurisdiction* is applied in those instances wherein the United States is granted authority which would otherwise amount to exclusive jurisdiction over an area. However, the State concerned has reserved to itself the right to exercise, concurrently with the United States, all the same authority.

agement Directorate and the DHS IG to discuss VAM-specific shortfalls and identified the need to work with GSA to refine the guidance and requirements that they are using to train agencies on the VAM.

*Question 3.* Executive branch guidance directs Federal agencies to determine the optimum size of their fleets and eliminate non-essential vehicles. That guidance states that “the Federal fleet should operate only as many vehicles as needed to work efficiently.” To what extent has FPS determined the optimum size of its fleet and eliminated non-essential vehicles? How can FPS be certain that all 1,169 vehicles, which cost almost \$11 million, are all essential?

Answer. FPS conducted the VAM survey in 2012 to determine the optimum fleet and has reduced its fleet size by over 100 vehicles since this time while increasing the law enforcement officer cadre and responding to surge operations across the Nation. The FPS fleet of 1,152 leased vehicles currently meets the operational requirements and is currently undergoing an annual utilization retention analysis to determine if there are any changes required to the vehicle disposition to ensure the optimum fleet size.

*Question 4.* According to DHS’s fleet program manual, components must consider the need for vehicles driven less than 3,000 miles per quarter or 12,000 miles per year. Vehicles below that threshold are to be disposed of or reassigned. However, the OIG found that 49% of FPS’s leased vehicles had fewer than 12,000 miles in fiscal year 2014, and some of them even had negative miles. How does FPS ensure officers are noting the correct mileage for its vehicles? Considering that half of FPS’s vehicles fall under the Department’s definition of underutilized, why does FPS still have these vehicles?

Answer. FPS continues to collaborate with NPPD and DHS to implement best practices regarding reporting requirements of law enforcement vehicles that operate in varied geographical and operational settings. FPS currently tracks vehicle usage through a manual process. We have a monthly reporting system that collects all vehicle operating records and receipts from the operators and validates cost and mileage. FPS is aware that errors, such as negative mileage, may occur as a result of inaccurate reporting through our manual reporting processes. To address this issue in the short-term, FPS has changed its document monitoring from 10% sampling per month from the regions to 100% review monthly to help reduce errors.

OCRSO is currently developing implementation instructions for Executive Order 13693, “Planning for Federal Sustainability in the Next Decade”, which requires the use of motor vehicle telematics systems. These systems, when implemented, will automate the majority of all vehicle maintenance and mileage tracking while eliminating most, if not all human error. FPS is engaged with NPPD and DHS on this initiative.

According to the current DHS Fleet Program Manual, utilization guidelines for GSA Fleet passenger-carrying vehicles are a minimum of 3,000 miles per quarter or 12,000 miles per year. However, the manual further stipulates that where utilization guidelines are not met, components should have a vehicle justification process in place as a part of their VAM.

FPS vehicle utilization and mission requirements are not based solely on mileage requirements, as provided for in the VAM for all Law Enforcement 1 and Law Enforcement 2 vehicles. There are a number of reasons that many vehicles do not meet the mileage standards but one of the primary reasons is that these vehicles are in densely populated metropolitan areas where time in the vehicle rather than mileage use dictates utilization.

*Question 5.* Mr. Patterson testified that FPS continually looks at the how often vehicle maintenance issues resulted in a failure to complete mission requirements as part of its vehicle allocation process. However, the OIG reported that FPS had not completed a vehicle allocation methodology. What specific factors does FPS consider when allocating vehicles? Why is this process not part of a formal vehicle allocation methodology?

Answer. FPS followed the guidance of DHS and NPPD vehicle allocation methodology and was in compliance with the Fiscal Year 2012 VAM survey as required by DHS policy. FPS allocates vehicles based on the 1:1 law enforcement-to-vehicle ratio and the pool vehicle methodology for necessary operational rotation of vehicles. This ratio is necessary due to the requirement of its current law enforcement force of 1,004 officers, responsible to protect 9,600 geographically-dispersed Federal facilities throughout all CONUS States and all American territories, to meet the FPS mission.

This has been the model for FPS fleet sizing and is supplemented by the FPS Pool Vehicle Methodology for Operational Rotational vehicles which uses all scheduled and unscheduled maintenance activity, accident, and repair down time, location remoteness, and force size and mission requirements to ensure an adequate number

of pooled vehicles are available so mission failure is not a result of vehicle availability. NPPD Fleet Management and FPS Fleet Management are working in concert to formulate analytics that will best represent the FPS fleet requirements and ensure it remains in compliance with the VAM.

*Question 6.* According to DHS's fleet program manual, components must consider the need for vehicles driven less than 3,000 miles per quarter or 12,000 miles per year. Vehicles below that threshold are to be disposed of or reassigned. How many vehicles has FPS disposed of or reassigned over the last 5 fiscal years?

Answer. FPS has reduced its fleet by over 100 vehicles since 2012 and has reassigned Operational Rotational pooled vehicles based on need, but has not reassigned any mission vehicles.

FPS currently has 1,004 law enforcement officers on-board with more than 200 in the pipeline to on-board with the agency. Upon completion of training, each law enforcement officer is assigned a portfolio of Federal facilities to protect, which are often geographically dispersed. It is counterproductive for the officers to share vehicles as it jeopardizes the agency's essential mission to protect the Nation's Federal facilities, tenants, and visitors therein. FPS will assign a vehicle from the existing fleet pool to each approved law enforcement full-time employee position in the fiscal year.

*Question 7.* Mr. Patterson testified that while effective management would drive down costs, FPS's costs are actually increasing due to the need for more personnel to address the increased number of threats across the country. Does FPS intend increase its fees? If so, which specific fees will be increased? How will these new revenues be used? How many incidents have occurred over the last 5 fiscal years? Please provide data by fiscal year.

Answer. The FPS reviewed various options for responding to a heightened threat environment to ensure that the safety and security of Federal facilities and personnel was maintained. The FPS has relied on overtime to support extended workdays for FPS law enforcement personnel and the deployment of additional officers to higher-threat locations, increasing costs and stretching FPS law enforcement personnel. Using the FPS Strategic Human Capital Plan and staffing model, DHS/FPS has developed a number of staffing options for responding to the increasing numbers of threat situations. The estimated costs and appropriate fee levels for each option have been developed using the FPS Activity-Based Cost (ABC) Model. Any changes in FPS fees and how those revenues will be used will be presented in future budget submissions.

With regard to the question of how many "incidents" have occurred over the last 5 fiscal years it should be noted that not all law enforcement responses result in an incident or offense. In fiscal year 2011, FPS responded to 47,135 calls for service; 43,573 in fiscal year 2012; 52,079 in fiscal year 2013; 55,693 in fiscal year 2014; and 59,815 in fiscal year 2015. Additionally, in fiscal year 2015, FPS began collecting activity data associated with Operation Blue Surge, such as vehicle inspections and pre-operational surveillance detection, which accounted for 323,565 responses and activities that is not reflected in Offense/Incident reports.

#### QUESTIONS FROM RANKING MEMBER BENNIE G. THOMPSON FOR L. ERIC PATTERSON

*Question 1.* Director Patterson, over the past 2 years, Secretary Johnson has ordered several surges in operations due to heightened threat environments. Also, FPS has been called upon to increase its building security during protests in Ferguson and Baltimore, and it is reported FPS spent \$2.3 million to secure Federal buildings during the Boston Bombing trial. Can you please tell me how these surges in operation affect your resources? Do you have enough money from the fees you collect to cover the costs of securing these buildings during the surges in operations?

Answer. During fiscal year 2015 and fiscal year 2016, the FPS is relying on prior year carryover and recoveries to sustain surges in operations driven by the heightened threat. These costs were not built into the FPS basic security rate and administrative charge for building or agency-specific requirements to sustain long-term, and DHS and OMB are looking at various methods to identify the most appropriate and sustainable solution to address the funding requirements for the increased surge operations.

*Question 2.* Director Patterson, even though I was disappointed to hear that FPS was not keeping adequate data regarding vehicle mileage, I was not surprised, given the history of administrative lapses the law enforcement agency has had over the years. How do you plan on keeping up with vehicle mileage for home-to-work employees going forward? I am sure that technology will be better than a paper log, so what type of technology do you plan on procuring and do you have adequate funds to procure this technology?

Answer. FPS Administrative Services Division has increased screening of monthly Vehicle Operations Reports (VOR) from a 10% sampling to a monthly 100% review. The DHS Office of Chief Readiness Support Officer is currently developing implementation instructions for Executive Order 13693, "Planning for Federal Sustainability in the Next Decade", which requires the use of motor vehicle telematics systems. These systems, when implemented, will automate the majority of all vehicle maintenance and mileage tracking while eliminating most, if not all, human error. FPS is engaged with NPPD and DHS on this initiative.

*Question 3.* During a random search, the inspector general found that most FPS officers did not have equipment in their vehicles to accomplish their required daily mission, including gas masks, riot gear, and protective suits. Please explain this lapse and what FPS is doing to ensure all agents have the necessary equipment.

Answer. The process of equipment inventory was not formalized and standardized. To ensure that FPS officers and agents have the necessary equipment in their vehicles to accomplish their daily mission, FPS has clarified the list of mandatory equipment and required that quarterly vehicle inspections be conducted and documented with supervisory oversight.

*Question 4.* Inspector General Roth stated in his testimony that some of the necessary equipment for each FPS officer was not even issued, and therefore not stored in each vehicle. Have steps been taken to ensure each officer is equipped with all the necessary items for the FPS mission? What steps are being taken to shorten the length of time it takes for an officer to receive all necessary equipment?

Answer. To ensure each officer is equipped with necessary items for the FPS mission, FPS has clarified the list of mandatory equipment and required that monthly checks be conducted and documented with supervisory oversight. To shorten the length of time it takes for an officer to receive all necessary equipment, some equipment (such as personal protective equipment) is issued upon an officer's completion of training allowing its immediate use upon assignment, and other equipment will be assigned to vehicles and provided as part of the law enforcement vehicle upfit.

*Question 5.* After the release of the inspector general's report, FPS finalized its formal fleet management policy. Please describe new policies implemented that directly address concerns highlighted in the inspector general's report.

Answer. FPS developed FPS Directive 15.2.9.2, Fleet Management Directive (August 27, 2015). The Fleet Directive outlined procedures for FPS to monitor and document fleet acquisition and leasing decisions; directed the regular reporting of fleet expenditures; defined FPS fleet program standards in accordance with mission requirements and established authorized uses of fleet vehicles. It also defined FPS' process for verifying the completeness and accuracy of motor vehicle records, in compliance with Federal standards, to improve operational readiness reporting. In addition to the implementation of the August 2015 Fleet Management Directive, FPS is working directly with NPPD, DHS Management Directorate, and the DHS IG to discuss ways to improve VAM policy and reporting requirements.

*Question 6.* According to the NPPD Fleet Manual, a class III midsize sedan is the preferred vehicle type, yet 93% of the FPS fleet is comprised of sports utility vehicles (SUVs). Please explain the FPS' decision to not utilize the preferred vehicle type.

Answer. GSA published FMR Bulletin B-33, which provides guidance to Executive Agencies regarding the acquisition of alternative fuel vehicles for law enforcement (L/E) and emergency vehicle fleets. LE vehicles fall into three classifications; FPS's fleet is in the first tier or LE 1:

- *L/E 1.*—An L/E 1 tiered vehicle is configured for apprehensions, arrests, law enforcement, police activities or dignitary protection, and is assigned to pursuit, protection, or off-road duties. An L/E 1 vehicle must be equipped with heavy-duty components to handle the stress of extreme maneuvers and have the horsepower required achieving the speeds necessary to perform these functions.
- *FPS orders all its vehicles through GSA.*—FPS is limited in vehicle availability based on what GSA offers for L/E rated vehicles. FPS was the security element for FEMA at the time and provided security for disaster areas like Katrina, tornado, and other natural disasters like the Iowa flooding. The higher wheel base of the SUV makes them more maneuverable in extreme weather conditions; less likely to flood out; provides a more elevated view of road or terrain features and is able to perform tow requirements. Vehicles purchased during the 2007–2011 time were leased for 84 months to maximize the amortization of the upfit cost.
- *GSA began offering a fully developed L/E rated sedan in 2013 that would meet the requirements of the L/E 1 tiered configuration.*—FPS completed no vehicle order in 2013 but ordered in the fiscal year 2014 cycle. FPS turned in 75 vehicles and received 16 SUVs and 33 class II compact sedans in fiscal year 2015 as part of the fiscal year 2014 order. FPS is evaluating the effectiveness of these

vehicles against operational requirements and will base future replacement vehicle recommendations will base future replacement vehicle recommendation based on the analysis.

*Question 7.* In the inspector general's report, he highlights discretionary equipment added to FPS vehicles, including bike rack hitches, rechargeable flashlights, and premium wireless security systems, increasing costs of each vehicle up to \$20,000. According to the inspector general's testimony, this equipment, which increased vehicle costs up to \$20,000, was not justified. Mr. Patterson, do you agree with Mr. Roth's assessment that this discretionary equipment is not justified? Mr. Patterson, please explain the need for this discretionary equipment.

*Answer.* FPS believes the discretionary equipment cited by the inspector general is justified for mission requirements and situations related to officer safety:

Bike racks are essential for efficiently and safely transporting bicycles assigned to bicycle patrol officers. The hitch receiver (bike rack hitch) was standard equipment on the previously utilized vehicles, but is not included as standard equipment on the current vehicle model. The new bike rack does not require the hitch receiver.

Rechargeable flashlights are important to insure that the officer's flashlight is always charged and ready to use. When an officer's flashlight starts to dim during an emergency, it's too late to change the batteries.

Wireless security systems help to insure the security of valuable and accountable equipment, including weapons systems, ammunition, and body armor, while the vehicle is unattended and generally provide better protection than the Original Equipment Manufacturer (OEM) system. From time to time, FPS tries different systems to determine which one(s) provide the best protection for selected FPS vehicles and recently rejected an expensive after-market security system.

Also, it should be noted that the \$20,000 cost cited by the inspector general includes other law enforcement-required equipment such as vehicle radios, emergency visual and audible warning devices, gun racks/vaults, and prisoner partitions.

*Question 8.* Under current law, agencies have wide flexibility in identify the criteria by which they will justify the acquisition of vehicles and ensure their full utilization. However, this flexibility must be supported with proper procedures and internal controls. What utilization criteria does FPS use to determine the number of vehicles needed, and how does FPS monitor vehicle utilization? The IG found that 49 percent of FPS leased vehicles were driven less than 12,000 miles in 2014. Does FPS consider vehicles that travel under 12,000 miles per year to be underutilized?

*Answer.* FPS is assessing whether specific vehicles with travel under 12,000 miles per year are to be considered underutilized. Many of these vehicles are located in remote, isolated, or inner-city areas where facilities are measured by city blocks apart instead of miles apart. FPS vehicle utilization and mission requirements are not based solely on mileage requirements, as provided for in the VAM for all Law Enforcement 1 and Law Enforcement 2 vehicles. There are a number of reasons that many vehicles do not meet the mileage standards but one of the primary reason is that these vehicles are in densely-populated metropolitan areas where time in the vehicle rather than mileage use dictates utilization.

FPS follows the DHS Fleet Program Manual VAM survey requirements and utilization considerations. Through the annual utilization retention analysis, FPS assesses all vehicles with few than 12,000 miles per year and documents additional justification for retention. The retention justification for the most of the vehicles with fewer than 12,000 miles driven is driven by location, as they are in remote, isolated, or inner city/urban areas where facilities are measured by city blocks apart instead of miles apart. FPS and NPPD Program management offices are working, in concert, to validate 2015 annual retention analysis and estimates that this will be completed by April 1, 2016.

*Question 9.* In fiscal year 2013, FPS identified 44 under-utilized or nonessential vehicles in its fleet, however FPS retained 40 (91%) of these vehicles. Please provide the reasoning for retaining under-utilized vehicles in the fleet. Please also explain to the committee how these vehicles were used after the fiscal year 2013 audit.

*Answer.* FPS vehicle utilization and mission requirements are not based solely on mileage requirements, as provided for in the VAM for all Law Enforcement 1 and Law Enforcement 2 vehicles. There are a number of reasons that these vehicles do not meet the mileage standards but one of the primary reasons is that many vehicles are in densely-populated metropolitan areas where time in the vehicle rather than mileage use dictates utilization.

FPS did turn in 4 vehicles that utilization data or Operational Rotation vehicle methodology could not sustain. FPS retained the remaining law enforcement vehicles based on the mileage threshold because they were located in densely-populated metropolitan areas but are still required to meet operational requirements. In 2015,

NPPD established a vehicle utilization retention process that better documents the decision on vehicle dispositions.

*Question 10.* After the release of the inspector general's report, FPS ordered additional vehicles and refreshed 16% of its fleet. Please describe the need and justification for these additional vehicles. Does FPS still have an excess of over 100 vehicles in the fleet as of today?

*Answer.* Since the 2012 VAM survey FPS has reduced its fleet size by 100 vehicles. The FPS fleet is leased and these orders are for replacement vehicles. The FPS fiscal year 2014 vehicle order was a one-to-one replacement order—49 leased vehicles turned in with expiring leases and 49 replacement leased vehicles ordered. The fiscal year 2015 replacement order has been rescinded pending further review and analysis on the type of vehicle required.

FPS maintains a readiness pool of vehicles for situations when a primary issued vehicle is taken out of operations for repair, maintenance, rotation, or an accident. In order to determine the optimal number of operational readiness vehicles, FPS has developed and documented a methodology. Since FPS has different types of vehicles such as canine vehicles, the pool vehicle methodology must provide pool requirements for each vehicle type. The updated pool vehicle methodology calculation results in a goal of maintaining 91 vehicles to cover 236 FPS locations. Although FPS currently has approximately 110 readiness vehicles in the readiness pool, this number fluctuates daily due to attrition (which could cause a temporary increase in size) and issuing vehicles out to new hires, accidents, or unscheduled maintenance (that will cause that number to decrease).

*Question 11.* Director Patterson, Inspector General Roth was unable to determine how a vehicle within the FPS fleet could register "negative" mileage. Have you evaluated the cause of this miscalculation? What practices have been implemented at the management level to ensure this error does not continue in the future?

*Answer.* FPS continues to collaborate with NPPD and DHS to determine best practices regarding reporting requirements of law enforcement vehicles that operate in varied geographical and operational settings. FPS currently tracks vehicle usage through a manual process and has identified the negative vehicle mileage reporting to be entry error when entering vehicle mileage at the fuel pump. We have a monthly reporting system that collects all vehicle operating records and receipts from the operators and validates cost and mileage. To address these issues in the short-term, FPS has changed its document monitoring from 10% sampling per month from the regions to 100% review monthly to help reduce errors. FPS has implemented a pump entry review process within the regions that since corrected this issue.

OCRSO is currently developing implementation instructions for Executive Order 13693, "Planning for Federal Sustainability in the Next Decade", which requires the use of motor vehicle telematics systems. These systems, when implemented, will automate the majority of all vehicle maintenance and mileage tracking while eliminating most, if not all, human error. FPS is engaged with NPPD and DHS on this initiative.

*Question 12.* Unlike other DHS components, FPS leases almost all of its vehicles. What type of life-cycle analysis has FPS performed to determine that this is most efficient to lease vehicles? Given that fact that FPS spends money to specially equip these vehicles, would it be cheaper to purchase fewer vehicles than leasing the current number of vehicles?

*Answer.* The GSA-leased fleet accounts for 97% of FPS vehicles and represents the lowest possible cost to acquire vehicle systems capable of meeting FPS law enforcement mission requirements. The exception is specialty vehicles (i.e., mobile command vehicles, X-ray vehicles, motorcycles) which are purchased because they aren't available to lease through GSA. Vehicle leasing includes all operations and maintenance costs and has been an effective alternative to vehicle purchasing. FPS ensures that all vehicles are maintained in accordance with the GSA prescribed vehicle maintenance schedules. The vehicle maintenance records are validated with the GSA Maintenance Control Center. This process provides for rapid repair or unscheduled maintenance actions and vehicles are routinely replaced at the expiration of the lease period. All vehicle disposals or vehicle valuations are processed by GSA. FPS uses a staff of two full-time employees and 1 contractor to manage the entire current FPS fleet. An owned fleet would require much more extensive staffing and management which is additional cost. FPS would also be constrained fiscally to provide the up-front funds required to begin replacing leased vehicles with owned vehicles. The replacement cost for one-fifth of the current fleet with up-fit costs included is approximately \$12 million. This would relieve approximately \$2 million of current lease cost and increase the FPS fleet operating cost from the current \$13 million to approximately \$25 million the first year and reducing that amount by approximately \$2 million per year over the next 4 additional years. Year 6 would be the

first year of no major vehicle purchases unless vehicle maintenance to maintain the first year of owned vehicles became excessive. FPS would not have the ability to maintain its own vehicles as many larger DHS entities do because of FPS vehicle distribution. Other DHS entities have large pools of vehicles which lend themselves to garages, maintenance activities, mechanics, and spare item inventories. FPS distribution would require a National maintenance contract or a series of maintenance agreements around the entire United States and its territories. FPS would need to sign a vehicle maintenance contract with GSA to help track and perform the maintenance on FPS-owned vehicles.

*Question 13.* The inspector general’s report highlights Region 11, which is the D.C. region, and its high home-to-work miles, specifically stating that home-to-work costs approximately \$300,000 per year in the District of Columbia. Does every officer in Region 11 have home-to-work privileges? Have you examined the need for every officer in the D.C. region to commute to and from work in his or her official vehicle?

*Answer.* Currently, every officer assigned to the National Capitol Region (NCR), Region 11, is authorized and utilizes home-to-work. FPS intends to transition to a rotating roster of personnel to be on call for response efforts based on a continuous assessment of operating requirements and the dynamic threat environment. FPS is currently pursuing measures to reduce the home-to-work utilization from 100% of Region 11 officers to a 35% target baseline level. This measure is being implemented in phases to provide time for proper evaluation of mission impact. FPS estimates completion of this evaluation before the end of fiscal year 2016. After the initial assessment in the NCR, FPS will evaluate the required home-to-work authorization and utilization target baseline levels for all its regions to safely and efficiently perform the FPS law enforcement mission.

QUESTIONS FROM CHAIRMAN SCOTT PERRY FOR THOMAS CHALEKI

*Question 1.* The OIG reported in 2013 that 64 NPPD employees should not have been eligible for home-to-work because DHS policy requires that employees live no farther than 50 miles from work. How many Department employees with home-to-work authorization live farther than 50 miles away? Please provide information by component, with FPS broken out separately from NPPD. What is the average mileage for the vehicles used by employees with home-to-work authorization who live farther than 50 miles from work?

*Answer.* The following table details the number of employees, within each component, whose residence is located beyond 50 miles from their official duty station. As requested, the Federal Protective Service (FPS) is broken out separately from NPPD. The number for NPPD reflects the component as a whole, including FPS. Approximately 98.5 percent of the home-to-work transportation authorizations listed was approved under the law enforcement provision; the remaining authorizations were approved under the field work provision.

For those employees whose residence is located more than 50 miles from their official duty station, the average monthly home-to-work transportation mileage is 1,035 miles, based on data submitted for 4th quarter, fiscal year 2015.

Component Name	Number of Employees Beyond 50 Miles
Customs and Border Protection .....	194
U.S. Immigration and Customs Enforcement .....	177
National Protection and Programs Directorate (total) .....	59
Federal Protective Service .....	50
Transportation Security Administration .....	3
U.S. Secret Service .....	211
Total .....	726

*Question 2.* According to Mr. Chaleki’s statement, the Office of the Chief Readiness Support Officer (OCRSO) reviewed each component’s home-to-work requirements, which resulted in a justification for each authorization. What did this review entail? To what extent has the OCRSO determined whether each authorization’s justification is sufficient rather than simply on file?

*Answer.* On December 17, 2014, the deputy under secretary for management directed all components to submit only home-to-work transportation authorization requests necessary to meet mission requirements. The chief readiness support officer

(CRSO) followed with a memo to all components on December 19, 2014 that provided additional guidance on the submission requirements and to make clear that all submissions must follow the format outlined in the DHS Home-to-Work Transportation manual and to include all the elements listed as follows:

- (1) A listing of the component's most critical home-to-work mission priorities that comply with statutory, regulatory, and policy requirements;
- (2) A risk-based assessment for home-to-work authorization reductions within the component's operational mission;
- (3) A listing that prioritizes home-to-work requests by category from lowest to highest risk;
- (4) Specific examples of duties being performed after hours;
- (5) Clear justification for requests where a low number of after-hours call-outs was reported;
- (6) A detailed explanation on whether or not the component used a duty roster for on-call personnel, and if not, what method is or will be used to ensure only mission essential usage of home-to-work vehicles; and,
- (7) A certified listing of all home-to-work users by category as outlined in the memo.

The Office of the Chief Readiness Support Officer (OCRSO) fleet manager met with all component fleet managers and law enforcement personnel on December 18, 2014, to further discuss and clarify the submission requirements.

Upon receipt of a component's home-to-work transportation authorization request that was reviewed, approved, and signed by each component head, OCRSO reviewed the entire request package to ensure that each required document was included, and then reviewed each document in detail to ensure that it complied with the requirements set forth in the aforementioned memos, DHS policy, and Federal regulation. Based on the review, OCRSO responded to each component with a series of questions and comments or to request additional documentation, clarify assertions within the request, and/or request additional justification when necessary. OCRSO collaborated with the Office of General Counsel in this review. Once the review was complete, the analysis of each request was documented and forwarded to the Secretary of Homeland Security for consideration.

The Department's current home-to-work transportation authorizations were approved through June 2016. This was an approval for a 1-year period versus the standard 2-year approval.

*Question 3.* What steps has the OCRSO taken to ensure that FPS complies with Federal and Departmental requirements to complete a vehicle allocation methodology?

*Answer.* OCRSO rewrote the DHS Fleet Manual Instruction to include a definition of the vehicle allocation methodology (VAM) and updated Departmental requirements for conducting a VAM to include frequency and outputs. Components may conduct their own VAM but if they choose to do so, the method and statistical outputs are submitted to and approved by OCRSO. Exclusions or exemptions from completing a VAM, or retention of vehicles that do not currently meet utilization standards, are approved by OCRSO.

*Question 4.* What are the most significant barriers that currently stand in the OCRSO's way in ensuring effective oversight of component vehicle fleets?

*Answer.* Many of the barriers that hampered OCRSO's ability to provide effective oversight of component vehicle fleets have been, or are quickly being addressed. For example, DHS Delegation 00500, Delegation for Administrative Services, provides the Chief Readiness Support Officer with the authority to provide oversight of the DHS fleet programs. Recent progress in the development of the Consolidated Asset Portfolio and Sustainability Information System (CAPSIS) is providing fleet personnel insight and analysis capabilities not previously possible, and the update of the DHS Fleet Management Instruction will provide stronger policy that will enable OCRSO to ensure component fleets are managed effectively. OCRSO is working through budget and personnel processes to ensure sufficient resources are in place to oversee vehicle programs.

*Question 5.* GAO reported in 2014 that agencies may choose to have devices installed on GSA-leased vehicles that provide information, such as vehicle location, idling, and speed, that fleet managers can use to manage and reduce costs of fleet operations. To what extent is DHS pursuing this technology? What challenges, if any, does DHS face in obtaining this technology?

*Answer.* In 2013, OCRSO began pursuing fleet technology for vehicles participating in the Southwest Border Fuel Savings Initiative. OCRSO partnered with CBP and ICE to develop requirements for a system that would capture fuel consumption, utilization, and vehicle diagnostics. Since that time, this initiative has expanded to eventually outfit over 17,000 owned vehicles operated by CBP, ICE, and

FLETC with telematics hardware. Efforts are currently underway to upgrade 68 fueling sites along the Southwest Border with the required infrastructure. This initiative is expected to become operational in August 2016.

OCRSO is continuing to work with components to determine the feasibility of expanding this telematics program, or similar technology, across the entire DHS motor vehicle fleet. OCRSO is looking to identify a single solution that can be deployed DHS-wide and is compatible with our existing data systems. OCRSO will evaluate the systems currently being offered by GSA. There is no dedicated funding for vehicle telematics beyond the Southwest Border Initiative. Beginning in March 2017, all leased vehicles will be outfitted with telematics as they are exchanged on the normal refresh cycle with the cost added to the overall lease. Owned vehicles will be outfitted as component funding becomes available.

Fleet telematics is a new field for DHS fleet managers. OCRSO is working with component fleet managers to develop a telematics policy that addresses emerging concerns about the collection and use of sensitive law enforcement vehicle location information as well as cyber concerns regarding information security. Further, DHS is engaged with the Department of Transportation, the National Highway Traffic Safety Administration, as well as other Federal agencies and automotive industry representatives, to identify risks and determine mitigation strategies related to motor vehicle cybersecurity threats and vulnerabilities.

*Question 6.* In 2014, the OIG reported that DHS and its Fleet Manager did not have the authority necessary to oversee components' fleet operations. DHS responded that it would strengthen this official's authority. To what extent has the CRSO improved the Fleet Manager's ability to exercise authority over components fleet operations?

*Answer.* The inspector general recommended that DHS ensure that the DHS Fleet Manager has adequate oversight and necessary enforcement authority over Component Fleet Managers' efforts to acquire vehicles, right-size their fleets, and eliminate underused vehicles. DHS concurred with the OIG recommendation. To strengthen the DHS Fleet Manager's oversight role, OCRSO has reviewed and updated the DHS Fleet Manual Instruction strengthening the DHS Fleet Manager's ability to provide proper oversight.

Additionally, the DHS Fleet Manager's ability to provide adequate oversight of Component Fleet Programs has been strengthened as a result of OCRSO's implementation of a single, Department-wide fleet management data system that provides more visibility into the components' fleets, resulting in more transparency into component right-sizing efforts. CAPSIS consolidates Department-wide fleet data into a single portfolio management system. The system has already given OCRSO the ability to conduct in-depth analysis of each component's fleet management in ways not previously possible. Over the past 2 months, OCRSO has begun extensive analysis of component fleet data by comparing their aggregated data in CAPSIS against the FAST data being reported to GSA in the 2015 annual FAST report, as well as developing a Fleet Data Scorecard that will identify data anomalies and inconsistencies to components on a monthly basis.

*Question 7.* In March 2015, the President issued an Executive Order that mandated Federal departments to determine the optimal vehicle fleet size. Under this Executive Order, the Secretary of a Department is allowed to exempt "law enforcement, protective, emergency response, or military tactical vehicle fleets of that agency." In order to implement the Executive Order, DHS has modified its fleet vehicle manual, including its vehicle allocation methodology. How many vehicles in DHS's overall fleet will be exempted under this provision? What methodology is used to determine which vehicles in the fleet should be exempted? Will FPS be exempted from this requirement?

*Answer.* It is expected that some law enforcement vehicles that are specifically built for, and used for, protection activities, off-road and pursuit activities may be granted exemptions from the Energy Independence and Security Act of 2007, Section 141, and Executive Order 13693 pertaining to the reduction of fossil fuel consumption, increased alternative fuel use, and the acquisition and use of low greenhouse gas-emitting vehicles. These vehicles will still be evaluated according to VAM requirements. This will be necessary to ensure that each vehicle acquisition is a valid requirement and is the right size and type for the mission.

*Question 8.* According to Title 40 of the United States Code, the head of each executive agency is required to have a centralized system to manage their vehicle fleets and to provide oversight of those operations. What is the status of such a centralized system at DHS?

*Answer.* OCRSO completed the development of CAPSIS, which was designed to consolidate Departmental real and personal property, mobile assets, and sustainability management information. Within CAPSIS, the Asset Management Data

Warehouse consolidates Department-wide fleet data into a single portfolio management system to include performance management modules. It also integrates operational information from fleet card systems for Government-owned vehicles and applicable GSA reports for leased vehicles.

The CAPSIS fleet management information system now contains fleet data from all DHS components. OCRSO is currently developing a fleet data scorecard that will ensure components are reporting quality data by providing component fleet managers with a monthly report that identifies data anomalies and/or inconsistencies. OCRSO expects to implement fleet data scorecard reporting during fiscal year 2016. Additionally, OCRSO will begin submitting the annual Department-wide FAST report utilizing the CAPSIS fleet management information system beginning with the fiscal year 2016 FAST submission which is due in December 2016. OCRSO provided the DHS OIG with a demonstration of the CAPSIS fleet management information system on November 18, 2015. The OIG indicated that they were pleased with the system developments, and they look forward to another demonstration once the fleet data scorecard has been implemented.

*Question 9.* In response to the OIG's 2014 recommendations on DHS management of fleet operations, DHS stated that it would charter a working group to, among other things, benchmark component accomplishments and processes put in place since fiscal year 2012. DHS stated that this effort would be completed by September 30, 2015. Did this occur and, if so, what were the outcomes? Please provide the information compiled, or any report that compiles, the benchmarked information on components.

*Answer.* OCRSO established a working group to review the DHS Fleet Instruction Manual following the release of the inspector general's report OIG-14-126. The working group was comprised of OCRSO fleet staff as well as component fleet managers. The group reviewed the DHS Fleet Instruction Manual and made recommendations to strengthen the manual, adopting best practices from component fleet practices. The changes to the manual are summarized below.

#### *DHS Motor Vehicle Fleet Program Instruction Summary of Change*

##### *Major Changes*

- Establishes CRSO as responsible for management and oversight of the DHS Motor Vehicle Fleet Program;
- Establishes CRSO as responsible for assessing component fleet programs to evaluate compliance with laws, regulations, policies, directives, and sustainability mandates;
- Strengthens vehicle acquisition justification guidelines;
- Provides guidance for compliance with Executive Order 13693 and Energy Independence and Security Act (EISA) 141;
- Changes formatting throughout to increase clarity and standardize appearance in line with existing DHS Instructions; and
- Reduces the citation of Federal Management Regulation language throughout, and aligned instruction content with DHS strategy, policy, and existing regulations.

#### *Summary of Change Details*

##### *Vehicle Use*

- Provides new definition and guidelines for Official Use;
- Provides additional guidance on the transport of non-Government personnel;
- Provides guidance on alcohol use and operation/use of DHS vehicles;
- Provides additional guidance for crash/accident reporting;
- Provides additional guidance on Vehicle Operator responsibilities; and
- Reduces home-to-work program guidance in favor of cross-referencing the revised DHS Home-to-Work Instruction.

##### *Vehicle Acquisition*

- Provides additional guidance on the execution of the VAM, and
- Establishes CRSO as having review and approval authority for component acquisition and replacement plans.

##### *Sustainability*

- Provides guidance on the implementation of telematics motor vehicle information technology systems per Executive Order 13693, and
- Implements new EISA guidelines and sustainability targets.

##### *Records and reporting*

- Provides further guidance for the retention of Fleet Program records, and

- Provides additional appendices to include references and contacts for Federal Management Regulation and DHS Reporting Requirements.

*Question 10.* Mr. Roth testified that FPS refreshed 16% of its fleet despite the OIG informing FPS and the Department that 234 vehicles in its fleet had fewer than 5,000 miles. Moreover, Mr. Chaleki noted in his statement that that OCRSO reviews and approves all component GSA lease submissions. In light of this, please explain why OCRSO approved this lease submission.

*Answer.* In fiscal year 2015, FPS processed a request through NPPD to replace 182 vehicles on a 1-for-1 basis to refresh the FPS fleet. This order was for 152 SUVs and 30 sedans. This request represented a zero growth acquisition. After analysis by NPPD and the DHS Fleet Manager, FPS reduced their original fiscal year 2015 GSA vehicle order from 152 SUV's down to 98; a 36 percent reduction. The revised order contained 44 Interceptor Sedans including right-sizing of 15 Criminal Investigator vehicles from Interceptor SUVs to Interceptor Sedans. The DHS Fleet Manager initially approved this order.

Subsequent to this order being approved, OCRSO became aware of a utilization retention analysis conducted by NPPD that identified 217 FPS vehicles as underutilized. Following OCRSO consultation with NPPD, the FPS fiscal year 2015 vehicle replacement order was rescinded by the NPPD Fleet Manager on November 11, 2015. OCRSO is currently working with NPPD to determine their vehicle requirements prior to submitting a revised order, if required, in the fiscal year 2016 GSA cycle.

*Question 11.* Mr. Chaleki, according to the draft, updated DHS Motor Vehicle Fleet Program Manual, all vehicle acquisitions and lease agreements are to be reviewed by the CRSO. Since the implementation of the updated vehicle fleet program manual, have all components submitted their lease agreements to your office? How many lease agreements has your office reviewed?

*Answer.* The updated DHS Fleet Management Instruction Manual is currently being reviewed by components and has not been officially implemented. However, all vehicle leases are reviewed by OCRSO. The fiscal year 2016 GSA replacement cycle has just begun and runs through March 2016. To date, OCRSO has received approximately 700 vehicle lease requests, which does not include any requests from FPS. OCRSO will begin reviewing all requests in January.

#### QUESTIONS FROM RANKING MEMBER BENNIE G. THOMPSON FOR THOMAS CHALEKI

*Question 1.* Mr. Chaleki, according to the draft, updated *DHS Motor Vehicle Fleet Program Manual*, all vehicle acquisitions and lease agreements are to be reviewed by the CRSO. Since the implementation of the updated vehicle fleet program manual, how many lease agreements have been reviewed by your office? How many were not approved or required modification by your office?

*Answer.* The updated DHS Fleet Management Instruction Manual is currently being reviewed by components and has not been officially implemented. However, all vehicle leases are reviewed by OCRSO. The fiscal year 2016 GSA replacement cycle has just begun and runs through March 2016. To date, OCRSO has received approximately 700 vehicle lease requests, which to date does not include any requests from FPS. OCRSO will begin reviewing all requests in January.

*Question 2.* The inspector general's report states that DHS did not provide sufficient oversight to ensure FPS complied with all Federal and departmental guidance. Do you agree with this assessment? What is the Department doing to better oversee fleet management at FPS?

*Answer.* OCRSO does not provide direct oversight of the FPS fleet. FPS is a sub-component of NPPD. The DHS fleet manager works directly with the NPPD fleet manager on all fleet requirements for NPPD sub-components. NPPD is responsible for ensuring that FPS complies with all Federal, DHS, and NPPD fleet management guidance and for ensuring that all information from the NPPD fleet and by extension, the FPS fleet, is accurately reported to the DHS fleet manager in a timely manner. To improve oversight of the DHS fleet, OCRSO is updating the *DHS Fleet Management Instruction Manual* and has improved its fleet data collection capabilities through improvements to the CAPSIS data system.

*Question 3.* The inspector general's report recommends that you develop and administer a standardized vehicle methodology for all components annually. The Department concurred with this recommendation. Please explain what steps you are taking to fulfill this recommendation. Please also explain why a standard vehicle methodology was not being utilized previously.

*Answer.* OCRSO is currently developing requirements documentation to conduct a Department-wide VAM in fiscal year 2017. No vehicles will be exempt from participating. OCRSO conducted the Department's first VAM survey in 2012 for all

DHS components. ICE and USSS did not participate in this initial VAM survey. ICE completed a partial VAM that same year to include mileage and fuel consumption, but was unclear about the vehicle usage requirement in the survey and the possible security implications. Once the security concerns were addressed, ICE conducted a full VAM in fiscal year 2014. USSS also cited security concerns as the reason for not participating in the initial VAM survey. In 2013, OCRSO conducted a follow-up VAM and continued to track progress towards vehicle reduction targets. As a direct result of the efforts taken through the VAM between 2012 and 2015, the Department has experienced an 8.3 percent reduction in its motor vehicle fleet.

*Question 4.* The Department's Fleet Manager serves as the last review of fleet management decisions. The inspector general found that DHS did not always ensure FPS completed the Vehicle Allocation Methodology (VAM) or provide sufficient documentation justification for having additional vehicles. Please explain the Department's lapse in oversight and future plans to better ensure FPS is operating the most cost-efficient fleet.

*Answer.* In 2012, DHS conducted its first VAM to assess the fleet. As a sub-component of NPPD, the entire FPS fleet was subject to the VAM assessment. In fiscal year 2012, the FPS total vehicle inventory was 1,307. As a result of the VAM conducted by NPPD, the FPS fleet eliminated 129 vehicles reducing the fleet to a total of 1,178 vehicles.

The lack of a centralized fleet management information system hampered OCRSO's ability to provide proper oversight of component fleet operations. The development of CAPSIS and the consolidation of Department-wide fleet data into a single portfolio management system have given OCRSO the ability to conduct more in-depth analysis of each component's fleet management in a way not possible earlier.

Over the past 2 months, OCRSO has begun extensive analysis of component fleet data by comparing their aggregated data with CAPSIS against the FAST data being reported to GSA in the 2015 annual FAST report, as well as developing the Fleet Data Scorecard. Additionally, OCRSO consolidated Department-wide home-to-work data and has begun extensive analysis of this data, as well as development of the Home-to-Work Data Scorecard. These initiatives will provide OCRSO with oversight opportunities previously not available.

As a result of these two developments, OCRSO is currently conducting in-depth analysis of the NPPD Fleet Program, including FPS. We are meeting regularly with the NPPD Fleet Manager to address inconsistencies in their fleet and home-to-work program.

*Question 5.* As Fleet Manager, do you oversee FPS' use of the Vehicle Allocation Methodology or VAM? Please explain the inspector general's finding that FPS did not use the VAM as intended and has not implemented an allocation tool to properly justify the number, type, and use of the current fleet. What steps are in place to develop an appropriate allocation methodology and/or to better utilize VAM?

*Answer.* NPPD provides direct oversight of the FPS fleet. The DHS Fleet Manager works directly with the NPPD Fleet Manager on all fleet requirements for NPPD sub-components. OCRSO is currently conducting an in-depth analysis of the NPPD Fleet Program, including FPS. We are meeting regularly with the NPPD Fleet Manager to address inconsistencies in their fleet and home-to-work program.

As recommended in the inspector general's report, OIG-16-02, OCRSO is conducting analysis of VAM technology available in the private sector that can be procured and implemented in fiscal year 2017 and sustained in subsequent years.

*Question 6.* What incentives or penalties does DHS have that would ensure FPS and other components within DHS run efficient fleet operations?

*Answer.* DHS does not have or utilize any incentives or penalties to ensure the efficiency of fleet operations by components. DHS Delegation 00500, Delegation for Administrative Services, delegates to the Chief Administrative Office (now the Chief Readiness Support Officer) DHS-wide authority and responsibility for administrative services, to include the motor vehicle fleet. Further, the CRSO is empowered to rescind component authority to lease or acquire vehicles if personnel demonstrate a lack of capability to carry out the appropriate functions.

As analysis of newly-acquired fleet data and home-to-work utilization data are analyzed, and strengthened Fleet and Home-to-Work Instructions are issued, the CRSO is empowered to take action where deficiencies in fleet management are identified.

*Question 7.* Your office is responsible for FPS fleet management at the Department. Please explain to the committee the office's daily responsibilities with overseeing the FPS fleet, including monitoring purchase decisions, equipment upgrade decisions, and overall fleet management.

Answer. Subject to the oversight, direction, and guidance of the under secretary for management, DHS Delegation 00500, Delegation for Administrative Services, delegates to the chief administrative office (now the chief readiness support officer) DHS-wide authority and responsibility for administrative services, including the motor fleet, which is overseen through life-cycle management and other mission support functions. Life-cycle management may include capital planning, requirements development, operations and maintenance, supply chain functions, acquisition and disposal, and other similar functions.

Further, DHS Delegation 00500 delegates to component heads the authority to administer the administrative services programs for their components, subject to the direction, oversight, and DHS policies issued by the chief administrative officer (now the chief readiness support officer). The delegation also empowers the CRSO to rescind such authority if component personnel demonstrate a lack of capability to carry out the appropriate functions. FPS is not a DHS component; rather it is a sub-component of NPPD. As such, the FPS fleet is subject to the management and oversight of NPPD. OCRSO provides oversight to the NPPD fleet manager and requires all FPS issues be vetted by NPPD leadership before being forwarded to the DHS fleet manager.

OCRSO has begun extensive analysis of component fleet data by comparing their aggregated data with CAPSIS against the FAST data being reported to GSA in the 2015 annual FAST report, as well as developing the Fleet Data Scorecard. Additionally, OCRSO has consolidated Department-wide home-to-work data and has begun extensive analysis of this data, as well as development of the Home-to-Work Data Scorecard. These initiatives will provide OCRSO with oversight opportunities previously not available.

As a result of these two developments, OCRSO is currently conducting in-depth analysis of the NPPD Fleet Program, including FPS. We are meeting regularly with the NPPD Fleet Manager to address inconsistencies in their fleet and home-to-work program.

*Question 8.* The Department was recently subject to an inspector general report, OIG-14-126, that questioned the Department's fleet management policy. Please describe what changes have been made in oversight in response to the inspector general's findings.

Answer. The inspector general recommended that DHS ensure that the DHS fleet manager have adequate oversight and necessary enforcement authority over component fleet managers' efforts to acquire vehicles, right-size their fleets, and eliminate underused vehicles. DHS concurred with the OIG recommendation. To strengthen the DHS fleet manager's oversight, OCRSO reviewed and updated the *DHS Fleet Management Instruction* strengthening the DHS fleet manager's ability to provide proper oversight.

The inspector general also recommended that the Department implement a single, Department-wide fleet management data system that would give the DHS fleet manager more visibility into components' fleets and make right-sizing efforts more transparent. DHS concurred with the OIG recommendation and developed CAPSIS. CAPSIS consolidates Department-wide fleet data into a single portfolio management system. The system has already given OCRSO the ability to conduct in-depth analysis of each component's fleet management in a way not previously possible. Over the past 2 months, OCRSO has begun extensive analysis of component fleet data by comparing their aggregated data in CAPSIS against the FAST data being reported to GSA in the 2015 annual FAST report, as well as developing a Fleet Data Scorecard that will identify data anomalies and inconsistencies to components on a monthly basis.

