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EXAMINING MANAGEMENT PRACTICES AND MISCONDUCT AT TSA: PART II

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES

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EXAMINING MANAGEMENT PRACTICES AND MISCONDUCT AT TSA: PART II

Thursday, May 12, 2016

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The committee met, pursuant to call, at 9:01 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Mica, Duncan, Jordan, Walberg, Amash, Gosar, Gowdy, Lummis, Massie, Meadows, DeSantis, Mulvaney, Buck, Walker, Blum, Hice, Russell, Carter, Grothman, Hurd, Palmer, Cummings, Maloney, Clay, Lynch, Connolly, Kelly, Lawrence, and DeSaulnier.

Chairman CHAFFETZ. The Committee on Oversight and Government Reform will come to order.

Without objection, the chair is authorized to declare a recess at any time.

We have an important hearing today. The public comes in regular contact with the Transportation Security Administration. We have a fairly new administrator who I have had a chance to visit with, but it is important as the Oversight Committee that we continue to take a look at what is happening or not happening at the TSA.

So today, we are going to have our second hearing examining the management practices and misconduct that we have heard about and seen about and investigated at the Transportation Security Administration.

And this time of year the traveling public picks up kids and families, and people are traveling sometimes at record levels. People get frustrated. They go to airports, there are long lines, there is frustration, but at the same time we have to find a balance to make sure that those airplanes are properly secure because the enemy, terrorists and whatnot, they only need to get by once. And they deal with millions of passengers on a weekly basis at the TSA.

We have a lot of good men and women who serve on the frontlines who are trying to do the best job that they can and dealing with a frustrated public sometimes it is hot and they are sweaty and they are late, and there are a lot of issues to deal with.

Last summer, the Department of Homeland Security inspector general performed a covert testing of TSA's airport security screening and found "failures in the technology, failures in TSA procedures, and human error." There were very alarming rates of suc-

cess for penetration beyond the lines in being able to bring something nefarious onto an airplane.

Although some of the inspector general's recommendations are still outstanding in the wake of the testing, the TSA claims they are making progress and training its employees to be more thorough in resolving these security concerns, yet the progress may be undermined if TSA employees continue to quit at their current rates. The agency loses around 103 screeners each week through attrition. As the administrator has told me, a lot of these are part-time employees. But nevertheless, it is very expensive to get somebody trained up and bring on to only have them leave later on in the process.

In the year 2014 the agency hired 373 people but had 4,654 departures. You can see where—if you think of it as a bathtub, if you are pouring water into it but the drain is going out faster than you can keep people in that tub, that there gets to be a problem.

We are very concerned about the morale at the Transportation Security Administration, the TSA. The government does do, I think, a good thing. It goes out and ranks and does surveys and comes up with a scientific way to assess the various agencies. Of the 320 agencies, the TSA ranked 313th. This is an alarming trend throughout Homeland Security, not just the TSA. There are a number of these agencies, including the Secret Service and others, that are near the very, very bottom of agencies that are ranked.

It is something that has to be assessed. And there are probably reasons for this, and we want to understand that. We have a duty and obligation to the Federal employees, and you worry that people in a security type of situation with low morale, you don't necessarily get the best security and the best product out of that.

Two weeks ago, one of our witnesses testified that he believed "while the new administrator of the TSA has made security a much-needed priority, once again, we remain an agency in crisis." He attributed poor leadership and oversight of senior leadership appointments in the last several years as major contributing factors. In testimony before this committee he alleged a double standard within the TSA. We have heard senior leaders in the agency are treated with far more leniency than the TSA's rank-and-file employees.

Now, we have one situation. I don't know this man; I don't believe I have ever met him. If I did, I again don't remember it. But he is a very senior person. As the assistant administrator of the Office of Security Operations, there is a gentleman, his name is Kelly Hoggan. He receives a base compensation of $181,500, a very healthy salary. Since his promotion to that position in 2013, security operations at TSA have been abysmal.

Again, the inspector general I think we will hear testify today the penetration tests that were done previously were nothing close to successful. They were successful in getting objects and items through security, but they were, from a security standpoint, absolutely rock bottom in terms of their performance.

Yet during this time, in September 2014, the inspector general found that despite spending $551 million on new equipment and training, the TSA had not improved its checked baggage screening at all since the IG report found vulnerabilities in 2009.

Last summer, covert testing by the inspector general revealed an alarming high-rate failure rate that was widely reported by the media. Yet whistleblowers reported that instead of being held accountable for those failures, Mr. Hoggan received an amazing amount of bonuses beginning in 2015.

I want to show you a slide here.

[Slide.]

Chairman CHAFFETZ. Not to pick on this person, but this is what is so frustrating, and the rank-and-file sees this. He is earning a base salary of $181,500, and in 13 months he gets $90,000 in bonuses. That is just his bonuses. Nine times he is getting bonuses over a 13-month period. That is in addition to his health care and all the other things, retirement that he will get. People don't understand that.

Let me go to this next slide.

[Slide.]

Chairman CHAFFETZ. So here you have John Halinski, who I don't believe works at the Administration anymore. He makes a recommendation to the person at the bottom, a guy named Joseph Salvatore, who makes a recommendation that Kelly Hoggan get a bonus, and then Halinski, who made the recommendation to Salvatore, Salvatore recommends Hoggan get a bonus and then Halinski gives him that bonus. It happened four times.

Go back if you could to that first slide.

[Slide.]

Chairman CHAFFETZ. So you got rank-and-file people working hard, trying to do the right thing. We have massive security failures based on what the inspector general is doing, and this person at the senior part of the food chain gets $90,000 in bonuses. I don't understand that. This didn't even necessarily happen during this administrator's watch, but we want to know what is being done to clean this up.

If you can go to the next—you can take that slide down. Thank you.

So how did he get this done? In the normal scenario, the President has to approve any bonuses over $25,000. OPM has to approve bonuses over $10,000, and yet Title 5 in OPM regulations don't apply to the TSA, and that is why I think we are going to have to go back and review this.

When the IG investigated that after a whistleblower tip it found in July of 2015 TSA had no clear policies prohibiting an arrangement such as we had just seen and only "loose internal oversight of the awards process." I hope we are going to hear that this has been cleaned up and that they can be more fair and more equitable and truly rewarding those people that are having success. The frustration is it is not as if we have had success. Those bonuses were given to somebody who oversees a part of the operation that was in total failure. This is contributing, I think, to the massive problems of morale and other challenges that we have.

Administrator Neffenger has many challenges to overcome in restoring the confidence of the rank-and-file, and even the perception that some current leaders have been part of the problem can continue to harm morale within the ranks of the TSA. More significantly, it can deter TSA employees from speaking up about security

challenges, which ultimately impacts the core responsibility of the agency to keep America's transportation safe.

Last November, the inspector general testified "creating a culture of change within TSA and giving the TSA workforce the ability to identify and address risk without fear of retribution will be the new administrator's most critical and challenging task and something I am sure that we are going to talk about today.

Chairman CHAFFETZ. You know, we have somebody on our panel who has spent considerable time dealing with the TSA and transportation. It was the chairman of the Transportation Committee here in the Congress, and I would like to yield some time to Mr. Mica of Florida.

Mr. MICA. Well, thank you, Mr. Chairman and ranking member, for conducting this part II. There are some very serious concerns about performance of TSA, the first hearing that you held just a few weeks ago. We had, for the first time since we created TSA, people who came in from responsible positions and were willing to testify to the almost sheer chaos that exists both in the management and also the operations.

Of course, I expressed my concern about the meltdown that we have had to date, and I had prepared actually yesterday—and staff had gotten me like one figure during the break. We had 6,800 American Airlines passengers miss their flights due to checkpoint delays, and that is sort of—you know, we hear that, Members of Congress and others. Well, last night, I had the night from hell. I had three people who I invited to Washington who came to Washington, spent most of the day with me. All of them missed their flights standing in a TSA line. I tell you what. I am so livid.

And Wednesday night is a particularly bad night. Now, traffic was bad. They were late getting there. The TSA people wouldn't have the courtesy to accommodate people who could have caught their flight even though they were somewhat late. The plane was there. I was on the phone for hours. One of the individuals whose family is leaving on vacation today had to get back to Orlando to accompany his family. I actually had a staffer drive him and bought him a ticket home last night. So I could put a face on it.

And you can't get a hold of a damn person in TSA even as a Member of Congress, nor would they take your calls. I tell you what, it is just unbelievable, the operation. And you have got your $100,000 people standing around accommodating Members of Congress to get them on a plane and you can't get a passenger on a plane who has to get home to leave with his family.

I want a list of all of those people standing around that chauffer Members of Congress and VIPs up to the front of line, and you can't get three people, one lady with some physical disabilities. I tell you what. I am so disgusted with this. It makes you, Mr. Chairman, lose your focus.

But let me go back to you can delay these people and then here is my GAO report, "17 known terrorists have flown on 24 different occasions" passing through your TSA. What was the very most troubling of the testimony that I heard—and you can fail and you will fail and your attempts on the training and recruiting and all that will be a failure, I can tell you that. Now, I told you that on my sofa when you came in because you cannot recruit, you cannot

train, you cannot retain, and you cannot administer. It is just a huge failing government program, and it will fail.

But the most troubling thing was the testimony from Mark Livingston, former assistant administrator for TSA's Office of Intelligence and Analysis who testified, "It is my testimony today that we have non-intel professionals running our Office of Intelligence and Analysis." That is the core of the government responsibility, connecting the dots. And he is telling us—and I questioned him about what was going on, and he is saying that that important government function, the most important government function, to find the bad guys, not stop the innocent 99 percent of the travelers, that we have chaos in that operation.

I yield back, Mr. Chairman.

Chairman CHAFFETZ. I thank the gentleman.

I now will recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

There have been few times in my 20 years on this committee that I have felt so strongly about an individual. Administrator Neffenger is a person who I have a phenomenal amount of respect for. When I was the chairman of the Subcommittee on the Coast Guard and Maritime Matters, it was Mr. Neffenger, Admiral Neffenger, who cleaned up a mess called Deepwater Horizon where the Coast Guard was buying ships that didn't float, rid our systems that were supposed to have surveillance of 360 degree with 180 degrees, radios that when they got wet, they didn't work. He cleaned up the mess and saved this country and the Coast Guard probably hundreds of millions of dollars. And, sir, no matter what happens in this hearing, I thank you. I really do.

Last month, our committee heard testimony from three Transportation Security Administration employees. They raised troubling allegations about personnel practices that stretched back several years in some cases. The employees who came forward deserve to have their allegations thoroughly and fairly investigated. And I emphasize that. It is one thing to allege, but we need all the facts so that we can be about the business of not only hearing testimony but bringing about the reform that is necessary. And I am sure you would agree with that, Mr. Roth.

Unfortunately, the committee has not yet had the opportunity to fully examine or substantiate their claims. And let me pause here for a moment.

Mr. Roth, in your testimony, I want you to do me a big favor and I want you to do a big favor for this committee. I want you to distinguish between what happened pre-Neffenger, Admiral Neffenger, and post-. The chairmen spent, and rightfully so, a good amount of time talking about the $90,000 bonus. There is probably nobody in this Congress who has railed against bonuses going all the way back to AIG than I have. And so I want to make sure that we are putting responsibility where responsibility belongs. I hope you will do that.

Nevertheless, during our previous hearing, I was struck by how highly those whistleblowers speak about our witness today, Vice Admiral Peter Neffenger, the administrator of TSA. Despite their understandable frustration about what they endured, these whistleblowers repeatedly told the committee that Administrator

Neffenger was taking positive steps at TSA. They made clear that he is setting a course for the agency that puts the top priority exactly where it should be, on security.

For example, Mark Livingston, a program manager in the Office of the Chief Risk Officer, testified that Administrator Neffenger is "a man of integrity." He also said, "TSA is not going to compromise our mission to expedite passengers at the expense of our mission." He went on to say, "What we are going to do is we are going to get better, we are going to keep pushing pre-check, we are going to keep pushing a better process, we are going to get more people and we are going to get better at this. Mr. Neffenger has made it his priority."

Similarly, Jay Brainard, a Federal security director in the Office of Security Operations in Kansas, testified, and I quote—now, these are whistleblowers. "Certainly, since Mr. Neffenger has been in, there has been a shift to security and trying to get that pendulum to go back so we strike a balance."

Mr. Brainard also said, "It is important for us to make sure that we reassure our officers so that, regardless of the fact, that somebody is going to have to wait a few extra minutes, we still have their back. And we have an administrator who fully supports that, and that is part of the culture that he has established with TSA. That is a very difficult job. It is certainly not the most popular job, and we certainly appreciate it."

I have to say that during my many years here on the Oversight Committee, I have rarely seen employees simultaneously come forward to report what they believe to be abuses while at the same time commending an individual who is in charge of the agency for his efforts to address them so vigorously. I can never remember that in these 20 years, and I have been at just about every minute of all the hearings.

Admiral and Administrator Neffenger testified last November that TSA faces "a critical turning point." And I agree. He cannot turn around this agency on a dime. I wish he could. I don't think anybody up here could. But in the 10 months he has been on the job, and I emphasize 10 months, he has taken bold action to address the challenges he inherited.

For example, in February, he halted all directed reassignments currently in process. If you remember the committee when a lot of the complaints were about people who felt that they were being punished and being retaliated against by being moved from place to place. The wife would be sent to the Northeast and the husband be sent to the Southwest and all kinds of mischief. And so I am glad you addressed that, and I hope that you will talk about that a bit today because it was a large part of our hearing.

In March, he issued a memo that requires new reviews and approvals whenever a directed reassignment is requested. He strengthened TSA's controls over special achievement awards, more transparency to the Executive Resources Council, and appointed a chief operating officer to oversee the assistant administrators in charge of agency's operating divisions. Critically, he has worked diligently to address the security shortcomings identified by Inspector General Roth, who is also with us today. And I truly have a tremendous amount of respect for you, Mr. Roth.

He retrained all screening personnel, including managers, and created a new academy to train newly hired screeners. As Inspector General Roth testified last November, "He has deactivated certain risk assessment rules that granted expedited screening through pre-check lanes."

However, despite all of these positive changes, the number of screeners has dropped by nearly 6,000 over the past 4 years. And I agree with the chairman. That is something that we all should be concerned about. We all need to get to the bottom line of why that is happening. We want to retain our folks. And I am hoping that it is not a situation that the chairman and I found with the Secret Service where people had gotten to a point because they did the same job over and over and over again. I at least concluded that they had moved into a culture of complacency, and sadly, mediocrity.

Of course, the TSA has to do its job, but Congress has to do ours as well. Congress wants to ensure that this agency has the resources it needs to accomplish the security mission, and I want you to let us know whether you do have the resources, including rightsizing the number of screeners. I look forward to hearing from Administrator Neffenger about what more he needs to continue the improvements he has put in motion. And I anxiously look forward to hearing from Mr. Roth about the work he is undertaking to assess these changes.

I do believe that we are well on our way to making the TSA a better organization, and if it is a morale question, I would like for you to address that forthrightly, Mr. Neffenger, Admiral Neffenger, and let us know what you plan to do about that.

With that, Mr. Chairman, I want to thank you, and I yield back.

Chairman CHAFFETZ. I thank the gentleman. I will hold the record open for 5 legislative days for any members who would like to submit a written statement.

I now recognize our witnesses of today's one panel. I am pleased to welcome Mr. Peter Neffenger, administrator of the Transportation Security Administration; and Mr. John Roth, inspector general of the Department of Homeland Security. We welcome you both.

Pursuant to committee rules, all witnesses are to be sworn before they testify. You have each testified here previously, but if you would please rise and raise your right hand.

[Witnesses sworn.]

Chairman CHAFFETZ. Thank you. Let the record reflect that the witnesses each answered in the affirmative.

As you know, we like to limit the oral testimony to 5 minutes, but of course your entire written statement will be entered into the record.

Mr. Neffenger, Administrator Neffenger, you are now recognized for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF PETER NEFFENGER

Mr. NEFFENGER. Thank you. Good morning, Chairman Chaffetz, Ranking Member Cummings, and distinguished members of the

committee. Thank you for the opportunity to appear before you today. I sincerely appreciate the committee's oversight of the management practices at TSA. This issue has been of great concern to me as well. I commit to you and the American people that, under my leadership, TSA has established high standards of performance and accountability.

I also want to thank Inspector General Roth for his support. I greatly value the oversight that his office provides to improve our agency, and I have been working closely with him during my tenure.

My leadership perspective is shaped by more than three decades of national service in crisis leadership. Throughout my career, I have emphasized professional integrity and duty to mission as foundational elements of service for myself and for the dedicated civil servants and military members I have been entrusted to lead.

Since taking the oath of office on July 4 of last year, I have traveled throughout the country and around the world to meet with employees at all levels of our agency. I have been impressed by their patriotism and their sense of duty. These are servants who every day perform demanding tasks under difficult circumstances, and I deeply respect and appreciate their work. They have risen to the challenge of service to a mission and have taken an oath of office and loyalty as a condition of employment. Their success requires the utmost professionalism from all of our employees from frontline officers to the most senior leaders.

My overarching priority is to fulfill the core mission of TSA to secure the Nation's transportation systems. In just 10 months we have undertaken a range of transformational efforts. I immediately prioritized our counterterrorism mission. I set a renewed focus on security, revised alarm resolution procedures, made investments in new technology, and retrained the entire workforce.

We are holding ourselves accountable to high standards of performance and are supporting our frontline officers in their critical counterterrorism mission. We have reinvigorated our partnerships with the airlines, airport operators, and the trade and travel industries and are working closely with Congress to address our security mission.

We simultaneously undertook a broad evolution of the entire TSA enterprise with respect to that mission and our people. I am systematically and deliberately leading this transformation, and I have made it clear that we are focused on our security mission.

Most importantly, I am investing in our people. With Congress's help, I directed a complete overhaul of our approach to how we train our workforce at all levels of the agency. We establish the first-ever TSA Academy on January 1 of this year. This intensive training will enable us to achieve consistency, develop a common culture, instill core values, and raise performance across the entire workforce. Establishing a culture of mutual respect and trust between leaders in the workforce instills confidence and pride and is a prudent investment in the future of the agency.

I also ordered a review of all personnel policies and practices. This led to a number of significant changes, among which are elimination of the arbitrary use of directed reassignments, restric-

tions on permanent change of station relocation costs, and significant controls on bonuses at all levels.

We are overhauling management practices. I've conducted an independent review of our acquisition programs. We're building a planning, programming, budgeting, and execution process, and we're building a human capital management system to address recruitment, development, promotion, assignment, and retention.

And to ensure the effective integration of our leadership team, I have brought in new leaders from outside the agency, a new deputy administrator, new chief of staff, a chief of operations, a new head of intelligence, and other key positions. And with respect to intelligence, I want to note that our intelligence office just received a very prestigious award from the National Counterterrorism Center for the work that they have done to analyze recent attacks on the aviation system.

I assure this committee that under my leadership TSA treats its employees fairly and affords them every legal and available means to exercise their due process rights. We review management controls regularly, revise them when needed, and fully investigate and adjudicate misconduct at every level, and I hold those who violate standards appropriately accountable.

With respect to leadership, my experience tells me that good leaders set high standards and inspire people to perform at their best. I have demanded much of my leaders over the past 10 months. I have set high standards for them. I expect them to work hard, and I supervise them closely.

Finally, we must deliver a highly effective intelligence-driven counterterrorism and security capability every day. To do so, we must have fully trained, highly motivated, professional employees supported by a mature and efficient agency with a common set of values. My guiding principles, which I expressed in my administrator's intent, are focused on mission, invest in people, and commit to excellence.

We are pursuing these objectives every day. As administrator, I will continue to do so until we achieve and sustain success in every aspect of this agency, in every mission, in every office and location where we operate, and with every single employee.

Thank you for the opportunity to appear before you today and for the committee's support of TSA's mission. I look forward to your questions.

[Prepared statement of Mr. Neffenger follows:]

Statement of Peter Neffenger

Administrator

Transportation Security Administration

U.S. Department of Homeland Security

before the

U.S. House of Representatives

Committee on Oversight and Government Reform

May 12, 2016

Good morning, Chairman Chaffetz, Ranking Member Cummings, and distinguished Members of the Committee. Thank you for the opportunity to appear before you today to discuss my vision for the Transportation Security Administration (TSA) and our role in securing transportation systems through the deployment of a dedicated, well trained, professional, and effective counterterrorism workforce. I appreciate the Committee's interest in ensuring TSA sets, meets, and exceeds professional standards for our employees.

TSA's mission is to protect the nation's transportation systems to ensure freedom of movement for people and commerce. TSA screens over 2 million passengers at more than 430 airports every day. Our agency faces a determined enemy and a persistent and evolving threat from terrorist groups around the world, exacerbated by homegrown violent extremists inspired by messages of hatred to do harm to the American people. Successfully executing our critical security mission in a challenging, dynamic environment requires the utmost dedication and professionalism from all of our employees, from frontline officers to the most senior leaders.

Throughout my 35-year career in government, I have emphasized professional integrity and duty to mission as foundational elements of service for myself and for the dedicated civil servants and military members I have been entrusted to lead. Like all civil servants and members of our armed forces, each TSA employee swears an oath upon entering office to support and defend the Constitution and to well and faithfully discharge the duties of office. Since taking office as Administrator on July 4, 2015, I have traveled throughout the country and met with employees at all levels of our agency, and I have been continually impressed by the passion, patriotism, and sense of duty among the men and women of TSA, who every day perform demanding tasks under enormously difficult circumstances.

TSA's greatest asset is its people. I have committed to investing in our people as a guiding principle of my leadership, as TSA must ensure our workforce remains ready to execute our counterterrorism mission. I am committed to ensuring they are expertly trained, deliberately developed, and led by value-based leaders. We must recruit and retain highly capable individuals reflective of the diverse public we serve, invest in training, provide career paths for growth and development, ensure fair personnel practices at all levels of the agency, and identify and hold accountable those who engage in misconduct.

Accountability is a central theme of my leadership, and it takes many forms—accountability to our oath of office; accountability to a well-defined and demanding set of standards; accountability to the American people by ensuring that employees perform their jobs; and accountability to fundamental legal, moral, and ethical standards. I hold myself accountable to these same standards. This is my calling and it is why I serve, to meet the selfless demands of duty to a mission and the people who execute that mission.

Recruitment and Hiring

TSA recruits and employs a diverse workforce with a range of talents tailored to our operating environments. With every challenge comes the demand to hire the finest talent, create best practices, and develop innovative approaches to problem solving from current and future employees. A key goal in our recruitment and hiring approach is to attract, develop, and retain a world-class workforce representative of the communities we serve.

Nearly one quarter of TSA employees have served our Nation honorably in uniform through military experience prior to joining the agency. TSA works collaboratively with the Department of Defense, veterans' groups, and other agencies to continue our commitment to recruiting and hiring veterans. In 2015, TSA attended 95 veteran and military recruitment events and hired 961 veterans, which is the most among all Department of Homeland Security (DHS) components.

TSA's recruitment and hiring strategy is focused on selecting the best available individuals for the job to support the demands of countering a dynamic threat and offering a positive experience to the traveling public. All of TSA's employees, hired across the agency's geographically dispersed duty stations, have successfully cleared an assessment process that ensures they have met the requirements of the Aviation and Transportation Security Act.

TSA subjects each individual identified as a candidate for hire to a robust background check, including vetting against terrorist watchlists and a criminal history records check. After hire, TSA recurrently vets all employees throughout their employment for unreported criminal activity or ties to terrorism. In order to mitigate the potential risk from insider threats, this recurrent vetting standard helps ensure continued employment eligibility of the workforce.

Unreported information that is identified during the review process is referred for appropriate resolution in accordance with established disciplinary procedures described below.

Diversity and Inclusion

A workplace culture of inclusivity encourages collaboration, flexibility, and fairness, enabling individuals to operate at their maximum potential. TSA works to educate all employees to value multiple viewpoints in the workplace and to show how varied perspectives are essential to creative thinking, problem solving, and decision-making. Our Office of Civil Rights and Liberties, Ombudsman, and Traveler Engagement partners with TSA offices to implement a framework that builds and maintains diversity and inclusion in the workforce. These partnerships are designed to create respectful and inclusive work environments and to weave principles of diversity and inclusion into policies, business plans, practices, performance expectations, programs, and services.

Training and Career Development

Since taking office, I have devoted my efforts to three core principles: focusing on mission, investing in people, and committing ourselves to excellence. Ensuring world-class training for employees throughout TSA is integral to developing an organizational culture focused on security effectiveness and unifying our approach to counterterrorism and security operations.

In the wake of security failures revealed by DHS Office of Inspector General (OIG) covert testing a year ago, TSA studied the root causes of the problems leading to checkpoint failures. As a result of the lessons learned from those efforts, TSA provided the entire frontline

workforce with Mission Essential training to ensure officers understand revised procedures as well as the capabilities and limitations of technology equipment. This training stressed the importance of resolving every alarm at the checkpoint and emphasized that the critical thinking skills of our workforce are integral to security effectiveness. The retraining of the entire frontline workforce in a short timeframe was an unprecedented undertaking for TSA. We built upon that success to plan and execute a series of Mission Essential trainings for the screening workforce. We recently completed the second block of classes in the series, and have just begun the third block of Mission Essentials training, with more to follow as part of our recurrent training regime.

In January 2016, TSA began sending newly hired officers to basic training at the TSA Academy, located at the Federal Law Enforcement Training Center in Glynco, Georgia. The shared experience of training alongside fellow officers from around the country will build morale and ensure a collective understanding of TSA's mission and operations. As of April 22, 2016, we have graduated over 2,000 officers from this course since its inception just four months ago.

Just as we revolutionized how we train our frontline officers, we have also instituted mandatory leadership training to drive my vision of a renewed agency-wide transformation in culture. TSA will be offering formal leadership development opportunities at every step of an employee's career progression. On May 2, 2016, the first cohort of TSA Transportation Security Executive Service (TSES) employees began attending an Executive Leadership Program designed to teach and instill ethical leadership in a complex and demanding homeland security environment. In September 2016, newly hired Federal Security Directors and Deputies will attend a new mandatory training program designed to prepare them to lead airport security and screening operations. In October, we will launch mandatory leadership training for all TSA

employees as they are promoted to the J-band, K-band, L-band, and TSES ranks. Additionally, for the first time in the history of TSA, we will field a new employee training program that will train headquarters and support staffs on our mission, history, values, and standards.

TSA is also expanding participation across its suite of existing leadership development offerings, including the Rising Leaders Development Program for entry level positions, the Mid-Level Leadership Development Program for mid-level employees, and the Senior Leadership Development Program for senior level employees. In addition, TSA actively participates in the DHS Senior Executive Service Candidate Development Program for future executives. These programs are designed to provide every TSA employee the opportunity to gain the requisite skills, capacities, and network for progression and advancement over the course of a career. Cohort sizes for mid-level and senior leader development programs will nearly double in upcoming iterations. These vital development programs will build and enhance the skills and competencies needed to advance in the agency as well as connect every employee to the fundamental principles of selfless service to a mission that requires their integrity and commitment to excellence.

Personnel Practices

To foster a culture of dedication, accountability, and ethical conduct, TSA must ensure its personnel and administrative practices provide fair and equitable treatment for all employees, including those who bring possible wrongdoing to light. Under my leadership, TSA will not tolerate retaliation against whistleblowers, and we will continue to encourage employees to voice their views through a variety of available tools and services and to provide opportunities for redress and due process. I strongly support and encourage employees to disclose any perceived

violations of law or gross mismanagement to the DHS OIG or the U.S. Office of Special Counsel.

During my tenure at TSA, I have received feedback from employees on personnel and administrative practices through several avenues, including the chain of command, surveys, workforce engagements, and employees exercising their legitimate right to have their grievances heard. This feedback brought to light several policies and procedures requiring additional scrutiny, so in February 2016, I directed a review of TSA's personnel and administrative practices.

One focus of employee grievances has been the practice of directed reassignments. The practice of reassigning personnel to meet agency needs is common throughout government, and its existence is necessary to ensure TSA is able to execute its mission effectively. However, reassignments must be subject to sufficient controls to ensure employees are treated fairly and that reassignments are not used as a form of retaliation. In February 2016, at my direction, TSA's Office of Human Capital (OHC) issued new guidance allowing for management reassignments of personnel only when reviewed and approved by the Assistant Administrator for Human Capital. My intent in making these changes was to ensure the proposed reassignment is justified, the employee receives adequate notification, and that the proposed move is in the best interests of TSA. The previous policy required OHC consultation prior to issuing a reassignment action, but it did not explicitly require OHC approval. The new policy will provide additional safeguards to make certain reassignments are justifiable, fair, and equitable.

I have also received feedback from the frontline workforce regarding performance awards and financial incentives for senior leadership. In January 2016, at my direction, OHC updated TSA's management directive on awards and recognition to ensure equitable

management of awards at all levels within the agency. The updated directive mandates that nominations and recommendations for awards and recognition for members of the TSES be made by the member's immediate supervisor, and requires review and concurrence by the Assistant Administrator for OHC and the Chief Financial Officer and approval by the Deputy Administrator. It further caps the amount of Special Act Awards for any TSA employee to $10,000 in one year, halting what I considered an unjustifiable prior practice that placed no limits on these awards. While many TSA employees perform exceptionally under difficult circumstances and are deserving of special awards and recognition for their performance, these changes to awards and recognition policies are designed to ensure incentive programs are implemented equitably and in a manner that is appropriate and ethical.

TSA continues to scrutinize current policies and practices to make certain our personnel and administrative policies are appropriately crafted, clearly stated, and followed in practice.

Disciplinary Processes

To maintain the highest level of integrity, TSA employees are responsible for reporting any known or suspected violation of law, rule, regulation, policy, or Standard Operating Procedure to any manager and/or to the TSA Office of Inspection (OOI) whenever such violation has a nexus to the TSA mission or effective operation of the agency, or when it occurs in the workplace. Allegations of employee misconduct are investigated and, in some cases, OOI agents will work with responsible U.S. Attorney's Offices or State prosecutor's offices, as appropriate.

Under a standing agreement with the DHS OIG, OOI refers allegations of criminal misconduct, serious non-criminal offenses, employee theft above a certain threshold, and discharge or misuse of firearms, as well as all allegations against employees at the K-band level and above, to the DHS OIG for right of first refusal in investigating. If the OIG does not accept the case for

investigation, the matter is referred to OOI for an independent investigation. Certain alleged offenses such as allegations concerning time and attendance abuse are addressed through a supervisory review, including allegations against J-band and lower employees that are administrative in nature. After the completion of an investigation of alleged misconduct, OIG or OOI investigators produce a Report of Investigation, which generally contains witness statements, relevant documents, and other evidence as well as an agent's summary of investigative activities. Similar evidence may be collected during an administrative inquiry.

Completed reports and administrative inquiries are referred to TSA's Office of Professional Responsibility (OPR) or the appropriate management official for adjudication. TSA's OPR provides consistency in misconduct penalty determinations and facilitates an expeditious, standardized adjudication process. OPR adjudicates all allegations of misconduct investigated by the DHS OIG or involving senior-level employees or law enforcement officers. OPR may also exercise jurisdiction over any matter the Assistant Administrator for OPR determines should be reviewed and adjudicated by OPR. For cases that fall outside of OPR's jurisdiction, management at the airport or office where the employee is assigned handles adjudication.

TSA maintains a Table of Offenses and Penalties to provide guidance for determining appropriate corrective, disciplinary, or adverse actions for common offenses. The Table of Penalties is available to all TSA employees and identifies TSA policies and possible consequences of violation, including penalties for each type of offense. Disciplinary penalties range from a letter of reprimand to removal. With respect to screening workforce employees, TSA requires removal for certain offenses, including failed drug or alcohol testing, sleeping on duty while assigned to a security activity, and cases involving theft. When removal is not required, the Table of Penalties includes a recommended penalty range, as well as aggravated and mitigated penalty ranges.

Whether adjudicated by OPR or local management, if an investigation establishes employee misconduct, disciplinary and adverse actions are governed by TSA's management directive for addressing unacceptable performance and conduct.

TSA employs an important accountability tool for rapidly removing Transportation Security Officers (TSOs) when egregious or serious misconduct is substantiated. The one-step removal process allows management officials to expeditiously remove an employee while ensuring due process. In the one-step removal process, a TSO may be issued a removal action after a management official has a meeting with the employee to discuss the evidence supporting the removal action and to allow the employee to respond to the allegations. The offenses for which the one-step removal process may be used include validated failure of a drug or alcohol test; refusal to submit to TSA-ordered drug or alcohol testing; cases involving theft, illegal drug use, possession of illegal drugs, on-duty alcohol use, or being under the influence of drugs or alcohol while on duty; intentional serious security breaches and sleeping on duty while assigned to a security activity; and arrests for specific serious offenses set forth under 49 C.F.R. § 1542.209(d) (such as felony theft, fraud, aggravated assault, and sexual misconduct or exploitation involving a minor or child pornography).

Most disciplinary and adverse actions are handled through a two-step process. In a two-step process, a TSA management official will first issue a notice of the proposed action and provide the employee with the opportunity to review the evidence supporting the charge(s) and to respond orally and/or in writing. Second, another management official will consider the entire record, including the input from the affected employee, and will issue a written decision. OPR issues the proposal and decision notices in the matters it adjudicates.

TSA's disciplinary policies and processes are designed to hold accountable individuals who engage in misconduct while upholding due process rights and ensuring equitable treatment for employees at all levels of the agency.

Conclusion

TSA is comprised of tens of thousands of individuals with diverse backgrounds, experiences, and skillsets who join together every day to execute a complex, challenging mission through a commitment to a common set of values. Mission success is dependent on our ability to empower our people to perform by investing in training and professional development, providing for fair and equitable practices for all employees, and holding accountable those who fall short of our standards for conduct. Thank you for the opportunity to appear before you today and for the Committee's support of TSA's important mission.

Chairman CHAFFETZ. I thank the administrator.

I will now recognize Inspector General Roth for his testimony. You are now recognized for 5 minutes.

STATEMENT OF JOHN ROTH

Chairman Chaffetz, Ranking Member Cummings, and members of the committee, thank you for inviting me here to testify this morning.

One year ago, I testified before this committee at a hearing on TSA's programs and operations. During that hearing, I testified that we remain deeply concerned about TSA's ability to execute its important mission. I noted that TSA had challenges in almost every area of its operations. At the time, I testified that TSA's reluctance to correcting security vulnerabilities that our audits uncovered reflected TSA's failure to understand the gravity of the situation.

Six months ago, I testified before this committee and stated that I believe that the new administrator had begun the process of critical self-evaluation and, aided by the dedicated workforce of TSA, was in a position to begin addressing some of these issues. I predicted that the new administrator's most critical and challenging task would be to create a culture of change by giving the workforce the ability to identify and address risks without fear of retribution.

Today, I still believe that to be true. However, we should not minimize the significance of the challenges that TSA faces and the grave risks that failure brings. The task is difficult and will take time. In the meantime, my office will continue to conduct audits, inspections, and investigations and bring an independent look and professional skepticism to our reviews, as we are required to do.

In light of part I of the committee's hearing, I would like to discuss our office's work in investigating misconduct within the TSA workforce. As you know, we are organizationally independent from both DHS and TSA, and as such, have a crucial role in ensuring that crimes and serious misconduct will be investigated by an independent fact-finder.

The department employs more than 400—240,000 employees and an equal number of contractors. We have fewer than 200 investigators onboard and available to conduct investigation, so this amounts to approximately 2,000 employees for every OIG investigator. In fiscal year 2015 we received almost 18,000 complaints, about 350 complaints per week. A substantial number of those complaints alleged that DHS personnel engaged in misconduct. Last year, we initiated 664 cases, and our investigations resulted in 104 criminal convictions and 37 adverse personnel actions. Some of these investigations involved TSA personnel.

In the last fiscal year, we received about 1,000 complaints either from or about TSA employees. We typically accept for investigation only about 40 of those cases per year. Our criteria for case selection involves an assessment of the seriousness of the allegation, the rank or grade of the individual involved, and whether OIG's uniquely independent role is necessary to ensure that the case is handled appropriately.

We value the contributions that whistleblowers make in identifying fraud, waste, and abuse. Federal law provides protections for

employees who disclose wrongdoing. Specifically, the agency may not retaliate against employees by taking or threatening to take adverse personnel action because they report misconduct. The IG act also gives me the absolute right to protect the identity of our witnesses upon whom we depend to expose fraud, waste, and abuse.

In TSA, for example, we investigated a whistleblower's allegation that a notorious felon was granted expedited screening through pre-check. The traveler was a former member of a domestic terrorist group and while a member was involved in numerous felonious criminal activities that led to arrest and conviction. After serving a multiple-year sentence, the traveler was released from prison.

The TSA officer gave us the tip because the officer recognized the traveler from news coverage. We investigated it and found that the officer was correct. Because of TSA's policies at the time, this traveler was given expedited screening. We were able to write up a report and give notification both to the Department and Congress, including this committee.

Thanks in part to this whistleblower's complaint, we were able to illustrate the dangers of this policy, and TSA has ultimately rethought the issue of managed conclusion.

I would also note that the chairman's description of the bonuses that Mr. Hoggan received in our investigation of it was as a result of an alert DHS employee who notified us of that situation.

When I arrived at OIG about 2 years ago, I was concerned about how we had been managing our whistleblower protection program. My goal is to make sure that we have a whistleblower program that is good or better than any in the Federal Government. To that end, we have instituted a number of changes in the last 6 months to ensure that whistleblowers with claims of retaliation are listened to and that their claims are fairly and independently investigated.

Mr. Chairman, this concludes my testimony. I welcome any questions you or other members of the committee may have.

[Prepared statement of Mr. Roth follows:]

DHS OIG HIGHLIGHTS

Examining Management Practices and Misconduct at TSA: Part II

May 12, 2016

Why We Did This

The audits, inspections, and investigations conducted by DHS OIG are part of our ongoing efforts to ensure the efficiency and integrity of TSA. Investigations of TSA personnel make up a large portion of our overall investigative workload.

What We Recommend

We made numerous recommendations to TSA in our audit and inspection reports. Our recommendations are aimed at helping TSA improve its ability to execute its important mission.

For Further Information:
Contact our Office of Legislative Affairs at (202) 254-4100, or email us at DHS-OIG.OfficeLegislativeAffairs@oig.dhs.gov

What We Found

This testimony highlights a number of our recent reviews as well as our role in investigating TSA misconduct:

- Since 2004, we have conducted eight covert penetration testing audits on passenger and baggage screening operations. Last summer, the results of our covert testing of TSA's Automated Target Recognition Software and checkpoint screener performance was troubling and disappointing.

- Recent audits reflect issues with TSA's stewardship of taxpayer dollars, including inadequate oversight of its equipment maintenance contracts; failure to develop a comprehensive deployment strategy for AIT machines; issues with TSA's administration of its contacts; and Office of Inspection's failure to use its staff and resources efficiently.

- In June of 2015, we found TSA lacked assurance that it properly vetted aviation workers possessing or applying for credentials that allow unescorted access to secure areas.

- Last year, we received 1,000 complaints from or about TSA employees and investigated about 40. Whistleblowers play an important part in identifying waste, fraud, and abuse and we have taken steps to improve our Whistleblower Protection Program.

DHS Response

TSA concurred with most recommendations made in our audits and inspections.

Chairman Chaffetz, Ranking Member Cummings, and members of the Committee, thank you for inviting me to testify on management practices at TSA.

One year ago tomorrow, I testified before this Committee at a hearing on TSA's program and operations. During that hearing, I testified that "we remain deeply concerned about its ability to execute its important mission." I noted that TSA had challenges in almost every area of TSA's operations: its problematic implementation of risk assessment rules, including its management of TSA Precheck; failures in passenger and baggage screening operations, discovered in part through our covert testing program; TSA's controls over access to secure areas, including management of its access badge program; its management of the workforce integrity program; TSA's oversight over its acquisition and maintenance of screening equipment; and other issues we have discovered in the course of over 115 audit and inspection reports. At the time, I testified that TSA's reaction to the vulnerabilities that our audits uncovered reflected "TSA's failure to understand the gravity of the situation."

In November of last year I testified before this Committee and stated that:

> [T]he first step in fixing a problem is having the courage to critically assess the deficiencies in an honest and objective light. Creating a culture of change within TSA, and giving the TSA workforce the ability to identify and address risks without fear of retribution, will be the new Administrator's most critical and challenging task. I believe that the Department and TSA leadership have begun the process of critical self-evaluation and, aided by the dedicated workforce of TSA, are in a position to begin addressing some of these issues.

Today, I still believe that to be true. However, we should not minimize the significance of the challenges TSA faces, and the risk that failure brings. The task is difficult and will take time. In the meantime, my office will continue to conduct audits, inspections and investigations, and bring a professional skepticism to our review, as we are required to do.

The Nature of the Threat

The stakes are enormous. Nowhere is the asymmetric threat of terrorism more evident than in the area of aviation security. TSA cannot afford to miss a single, genuine threat without potentially catastrophic consequences, and yet a terrorist only needs to get it right once. Securing the civil aviation transportation system remains a formidable task – with TSA responsible for screening travelers and baggage for over 1.8 million passengers a day at 450 of

our Nation's airports. Complicating this responsibility is the constantly evolving threat by adversaries willing to use any means at their disposal to incite terror.

The dangers TSA must contend with are complex and not within its control. Recent media reports have indicated that some in the U.S. intelligence community warn terrorist groups like the Islamic State (ISIS) may be working to build the capability to carry out mass casualty attacks, a significant departure from – and posing a different type of threat – simply encouraging lone wolf attacks. According to these media reports, a mass casualty attack has become more likely in part because of a fierce competition with other terrorist networks – being able to kill opponents on a large scale would allow terrorist groups such as ISIS to make a powerful showing. We believe such an act of terrorism would ideally be carried out in areas where people are concentrated and vulnerable, such as the Nation's commercial aviation system.

Checkpoint Performance

Detection of dangerous items on people and in baggage requires reliable equipment with effective technology, as well as well-trained and alert Transportation Security Officers (TSO) who understand and consistently follow established procedures and exercise good judgment.

We have identified vulnerabilities in TSA's screening operations, caused by a combination of technology failures and human error. Since 2004, we have conducted eight covert penetration testing audits on passenger and baggage screening operations. Because these audits involved covert testing and contain classified or Sensitive Security Information, we can only discuss the results in general terms at this hearing.

One penetration testing audit identified vulnerabilities in TSA's use of Advanced Imaging Technology (AIT) equipment[1] at domestic airports. TSA acknowledged that it could improve operation of new passenger screening technologies to prevent individuals with threat objects from entering airport secure areas undetected and agreed to take the necessary steps to increase AIT's effectiveness. (*TSA Penetration Testing of Advanced Imaging Technology (Unclassified Summary), OIG 12-06*)

We also used covert testing to determine whether unauthorized and potentially dangerous individuals could gain access to secured airport areas. In addition, during this audit, we identified the extent to which TSOs, airport employees, aircraft operators, and contractors were complying with related Federal aviation security requirements. Our test results are classified and cannot be

[1] AIT equipment screens passengers for metallic and nonmetallic threats, including weapons, explosives, and other objects concealed under layers of clothing, without physical contact.

discussed here today, but we can say that we identified significant access control vulnerabilities and recommended improvements. (*Covert Testing of Access Controls to Secured Airport Areas, OIG-12-26*)

In September 2014, we reported the classified results of our tests of checked baggage screening. We also reported that TSA did not have a process to assess the causes of equipment-based test failures or the capability to independently evaluate whether deployed explosive detection systems were operating at the correct detection standards. According to TSA, since 2009, it had spent $540 million for checked baggage screening equipment and $11 million for training. Despite that investment, TSA had not improved checked baggage screening since our 2009 report on the same issue. (*Vulnerabilities Exist in TSA's Checked Baggage Screening Operations (Unclassified Summary), OIG-14-142*)

Last summer we engaged in covert penetration testing to evaluate the effectiveness of TSA's Automated Target Recognition software[2] and checkpoint screener performance in identifying and resolving potential security threats at airport checkpoints. The specific result of our covert testing, like the testing we have done in the past, is classified at the Secret level. However, we can describe the results as troubling and disappointing. (*Covert Testing of TSA's Passenger Screening Technologies and Processes at Airport Security Checkpoints* (Unclassified Summary) OIG-15-150)

In contrast to previous covert testing reports, TSA's response to our testing has been significant. DHS and TSA instituted a series of changes well before our audit was final. As part of that effort, TSA initiated a "tiger team" program to conduct a focused analysis on issues that the OIG had uncovered, as well as other matters. The result was a list of 22 major corrective actions that TSA has taken or planned to take. These efforts have resulted in significant changes to TSA leadership, operations, training, and policy.

We will be monitoring TSA's efforts to increase the effectiveness of checkpoint operations and will continue to conduct covert testing. In fact, we have a round of covert testing scheduled for this summer. Consistent with our obligations under the *Inspector General Act*, we will report our results to this Committee as well as other committees of jurisdiction.

[2] Automated Target Recognition software is designed to enhance passenger privacy by eliminating passenger-specific images and instead auto-detecting potential threats and highlighting their location on a generic outline that is identical for all passengers.

TSA Operations and Management Oversight

Our audits reflect continuing concerns with TSA's stewardship of taxpayer dollars spent on aviation security.

Acquiring and Maintaining Equipment

Over the years, TSA has made significant investments in acquiring and maintaining equipment, including Explosives Detection System machines, Explosives Trace Detection machines, AIT machines, information technology, Bottled Liquid Scanners, x-ray machines, and walkthrough metal detectors, yet a series of our audits found issues with TSA's acquisition management.

- This week, we issued a report on TSA's Security Technology Integrated Program (STIP), a data management system that connects airport transportation security equipment, such as Explosive Trace Detectors, Explosive Detection Systems, Advanced Technology X-ray, Advanced Imaging Technology, and Credential Authentication Technology. This program enables the remote management of this equipment by connecting it to a centralized server that supports data management, aids threat response, and facilitates equipment maintenance, including automated deployment of software and configuration changes.

  However, we found that, while progress has been made, numerous deficiencies continue in STIP information technology security controls, including unpatched software and inadequate contractor oversight. This occurred because TSA typically has not managed STIP equipment in compliance with DHS guidelines regarding sensitive IT systems. Failure to comply with these guidelines increases the risk that baggage screening equipment will not operate as intended, resulting in potential loss of confidentiality, integrity, and availability of TSA's automated explosive, passenger, and baggage screening programs.

  TSA also has not effectively managed STIP servers as IT investments. Based on senior-level TSA guidance, TSA officials did not designate these assets as IT equipment. As such, TSA did not ensure that IT security requirements were included in STIP procurement contracts. This promoted the use of unsupported operating systems that created security concerns and forced TSA to disconnect STIP servers from the network. TSA also did not report all STIP IT costs in its annual budgets, hindering the agency from effectively managing and evaluating the benefits and costs of STIP. (*IT Management Challenges Continue in TSA's Security Technology Integrated Program*, OIG-16-87)

- Another recent audit revealed that the safety of airline passengers and aircraft could be compromised by TSA's inadequate oversight of its equipment maintenance contracts. TSA has four maintenance contracts valued at about $1.2 billion, which cover both preventive and corrective maintenance for airport screening equipment. Because TSA does not adequately oversee equipment maintenance, it cannot be assured that routine preventive maintenance is performed on thousands of screening units or that this equipment is repaired as needed, ready for operational use, and operating at its full capacity. In response to our recommendations, TSA agreed to develop, implement, and enforce policies and procedures to ensure its screening equipment is maintained as required and is fully operational while in service. (*The Transportation Security Administration Does Not Properly Manage Its Airport Screening Equipment Maintenance Program*, OIG-15-86)

- In 2013, we conducted an audit of TSA's methods for planning, deploying, and using AIT machines at airports. We found that the component did not develop a comprehensive deployment strategy for this equipment. TSA also did not require program offices to prepare strategic acquisition or deployment plans for new technology that aligned with the overall needs and goals of its passenger screening program. As a result, despite spending approximately $150 million on AIT units, TSA continued to screen the majority of passengers with walkthrough metal detectors. Without documented, approved, comprehensive plans and accurate data on the use of AIT, TSA was unable to effectively deploy this new technology where it was needed and, instead, relied on walkthrough metal detectors to screen the majority of passengers. By doing so, TSA potentially reduced the technology's security benefits and may have inefficiently used resources to purchase and deploy the units. (*Transportation Security Administration's Deployment and Use of Advanced Imaging Technology, OIG-13-120*)

- Also in 2013, we conducted an audit to determine TSA's progress in establishing key information technology management capabilities to support mission needs. We found that not all information technology procurements had gone through the information technology acquisition review process because they were not categorized as information technology procurements. As a result, there was little assurance that all information technology investments were aligned with the Chief Information Officer's strategy or TSA's future information technology mission needs.

Additionally, we found that TSA's information technology systems did not provide the full functionality needed to support its mission due to challenges with TSA's requirements gathering process. The staff created manual workarounds or developed local systems to accomplish their mission. In addition, information technology support roles were not well defined or communicated, and the number of information technology support staff were not sufficient at certain field sites. Some field sites detailed employees from operational areas to fill in gaps in information technology support, which reduced the number of staff available to serve at security checkpoints and may hinder TSA's ability to carry out its mission. (Transportation Security Administration Information Technology Management Progress and Challenges, OIG-13-101)

Use of Criminal Investigators

Our report on TSA's Office of Inspection provides another example of TSA's lack of stewardship of taxpayer dollars. In September 2013, we reported that the Office of Inspection did not use its staff and resources efficiently to conduct cost-effective inspections, internal reviews, and covert testing. The office employed personnel classified as "criminal investigators," who received premium pay and other costly benefits, even though other employees were able to perform the same work at a substantially lower cost. Additionally, the office's quality controls were not sufficient to ensure that its work complied with accepted standards, that staff members were properly trained, and that its work was adequately reviewed. Finally, the office could not always ensure that other TSA components took action on its recommendations to improve TSA's operations. We estimated that TSA could save as much as $17.5 million in premium pay over 5 years by reclassifying criminal investigator positions to noncriminal investigator positions. (*Transportation Security Administration Office of Inspection's Efforts To Enhance Transportation Security*, OIG-13-123)

Airport Employee Screening

In June of last year, we issued a report that looked at TSA's controls over the vetting of aviation workers possessing or applying for credentials that allow unescorted access to secured areas of commercial airports. We found that TSA had less effective controls in place for ensuring that aviation workers 1) had not committed crimes that would disqualify them from having unescorted access to secure airports areas, and 2) had lawful status and were authorized to work in the United States. In general, TSA relied on airport operators to perform criminal history and work authorization checks, but had limited oversight over these commercial entities. Thus, TSA lacked assurance that it properly vetted all credential applicants.

Further, thousands of records used for vetting workers contained potentially incomplete or inaccurate data, such as an initial for a first name and missing social security numbers. TSA did not have appropriate edit checks in place to reject such records from vetting. Without complete and accurate information, TSA risks credentialing and providing unescorted access to secure airport areas for workers with potential to harm the nation's air transportation system.

Finally, we noted that TSA did not have access to a complete set of records because TSA was not authorized to receive all terrorism-related information under current interagency watchlisting policy. I am pleased to report that that situation has now been remedied. (*TSA Can Improve Aviation Worker Vetting, OIG-15-98*)

Management of Contracts

Our audits have identified issues in the method by which TSA administers its contracts as well. This year, we released a report on TSA's management of its human capital contract, valued at about $1.2 billion over eight and a half years. We found that TSA's oversight of the HR Access contract needs improvement. Specifically, TSA has limited options for holding the contractor accountable for performance deficiencies. There were instances in which TSA did not hold the contractor monetarily accountable for personally identifiable information (PII) violations. Had TSA consistently applied the terms and conditions of the contract, the agency could have saved approximately $4.2 million. TSA also did not hold the contractor monetarily liable for noncompliance with statement of work requirements relating to veterans' preference.

Additionally, TSA needs to improve its assessment and monitoring of contractor performance. Performance metrics are not comprehensive. TSA inflates performance evaluation scores, and those scores are not consistently affected by poor performance. Had TSA not inflated performance scores and given the contractor positive scores for work that was not completed, the agency could have saved approximately $350,000 in performance awards paid. Furthermore, TSA does not consistently conduct day-to-day independent monitoring of contractor performance. TSA's lack of contract oversight resulted in performance awards that do not accurately reflect performance. In addition, award fees, totaling $4.5 million, may not be justified, and TSA has no assurance it received the best value for its money. (*TSA's Human Capital Services Contract Terms and Oversight Need Strengthening, OIG-16-32*)

OIG's Role in Investigating Misconduct at TSA

Through the *Inspector General Act of 1978* (*IG Act*), Congress established Inspectors General, in part, in response to concerns about integrity and accountability and failures of other forms of government oversight. The *IG Act* charged Inspectors General, among other tasks, with preventing and detecting fraud and abuse in agency programs and activities; conducting investigations and audits; and recommending policies to promote efficiency, economy, and effectiveness. The position of Inspector General was strengthened by provisions in the *IG Act* creating independence from department officials, providing powers of investigation and subpoena, and reporting to the Secretary as well as Congress.

Inspectors General play a critical role in ensuring transparent, honest, effective, and accountable government. The personal and organizational independence of OIG investigators, free to carry out their work without interference by agency officials, is essential to maintaining the public trust not only in OIG's work, but in the DHS workforce as a whole. The American public must fundamentally trust that government employees will be held accountable for crimes or serious misconduct by an independent fact finder.

OIG and DHS Internal Affairs Offices

DHS Management Directive (MD) 0810.1 implements the authorities of the *Inspector General Act* in DHS. MD 0810.1 establishes OIG's right of first refusal to conduct investigations of criminal misconduct by DHS employees and the right to supervise any such investigations conducted by DHS internal affairs offices. The MD requires that all allegations of criminal misconduct by DHS employees and certain other allegations received by the components—generally those against higher ranking DHS employees—be referred to OIG immediately upon receipt of the allegations.

Many DHS components, including TSA, have an internal affairs office that conducts investigations. Under the authority of the *IG Act*, OIG has oversight responsibility for those internal affairs offices. This oversight responsibility generally takes three forms.

- First, we determine upon receipt of the complaint whether the allegations are the type that should be investigated by the OIG rather than the component's internal affairs office. We have the absolute right under the *Inspector General Act* to conduct any investigation without interference. Except for a few narrow categories of matters (which must be reported to Congress), not even the Secretary can prevent the OIG from conducting an investigation.

- Second, for those investigations the internal affairs offices conduct, we have the authority to receive reports on and monitor the status of investigations.

- Lastly, we conduct oversight reviews of DHS component internal affairs offices to ensure compliance with applicable policies, reporting requirements, and accepted law enforcement practices. Our reviews are conducted on a three-year cycle and our findings are published through our website. In 2015 and the first half of 2016, we reviewed three component internal affairs offices and made 70 recommendations for improvement. Our recommendations ranged from suggestions for improving the processing of allegations to counseling a component to seek the proper investigative authority for its internal affairs office. These reviews are critical to ensuring that misconduct allegations, whistleblowers, and those reporting allegations of wrongdoing by DHS employees are treated with the seriousness they deserve.

Our investigative process generally follows these steps:

1. An allegation of misconduct is reported to OIG or other appropriate office; if reported to an office other than OIG and several criteria for seriousness are met, the component must report the allegation to OIG.

2. Whether the allegation was reported directly to OIG or through a component, OIG will decide to investigate the allegation or refer it to the component's internal affairs office; if referred, the component can decide to investigate the allegation or take no action.

3. If OIG decides to investigate, we develop sufficient evidence to substantiate or not substantiate an allegation and write a report of investigation.

4. OIG provides its investigative findings to the affected component, which uses this information to decide whether discipline is warranted. We are not involved in decisions regarding discipline after we provide our investigative findings.

5. For criminal matters, OIG presents its investigative findings to the Department of Justice (DOJ) for a determination of whether DOJ will pursue judicial action.

The Department employs more than 240,000 employees (and nearly an equal number of contract personnel), including a large number of law enforcement officers and agents in U.S Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement, the Secret Service, and the TSA. These

officers and agents protect the President, our borders, travel, trade, and financial and immigration systems. Additionally, the Department employs an equal number of contractors.

In fiscal year (FY) 2015, we received almost 18,000 complaints. A substantial number of the complaints alleged that DHS personnel engaged in misconduct. We initiated 664 investigations. The remainder were referred to component internal affairs offices, other agencies, or were administratively closed. In FY 2015, our investigations resulted in 104 criminal convictions and 37 personnel actions.

Investigations against TSA personnel comprise a portion of our overall work. In the last fiscal year, we received about 1,000 complaints either from or about TSA employees. We typically accept for investigation about 40 of those cases per year. Our criteria for case selection generally involves an assessment of the seriousness of the allegation, the rank or grade of the individual involved, and whether OIG's uniquely independent role is necessary to ensure that the case is handled appropriately.

Whistleblower Protection

We value the contributions that whistleblowers make in identifying, fraud, waste, and abuse. Federal law provides protections for employees who disclose wrongdoing. Specifically, managers are prohibited from retaliating against them by taking or threatening to take any adverse personnel actions because they report misconduct. The *IG Act* also gives us the absolute right to protect the identity of our witnesses, who we depend on to expose fraud, waste, and abuse.

DHS employees' contributions in exposing poor management practices have been well documented. In the TSA context, for example, we investigated a whistleblower's allegation that a notorious felon was granted expedited screening through PreCheck. The traveler was a former member of a domestic terrorist group and, while a member, was involved in numerous felonious criminal activities that led to arrest and conviction. After serving a multiple-year sentence, the traveler was released from prison.

The traveler was sufficiently notorious that a TSO recognized the traveler, based on media coverage. In scanning the traveler's boarding pass, the TSO received notification that the traveler was PreCheck eligible. The TSO, aware of the traveler's disqualifying criminal convictions, notified his supervisor who directed him to take no further action and allow the traveler to proceed through the PreCheck lane.

TSA agreed to modify its standard operating procedures to clarify TSOs' and supervisory TSOs' authority in referring passengers with PreCheck boarding

passes to standard screening lanes when they believe it is warranted. However, TSA initially disagreed with our recommendation regarding the Secure Flight program, but I am pleased to report has reversed its earlier opposition. (Allegation of Granting Expedited Screening through TSA PreCheck Improperly (Redacted) OIG-15-45)

When I arrived at OIG about two years ago, I was concerned about how we had been managing our Whistleblower Protection Program. I wanted to raise our profile within DHS as the entity to report fraud, waste, and abuse. My goal is to make sure we have a whistleblower program that is as good as or better than any OIG in the Federal Government. While we have made some very good efforts along those lines in the past, I decided that we need to be more proactive. To that end, I have:

- Asked a senior executive at the OIG to be the statutorily-mandated DHS Whistleblower Ombudsman. He is spearheading the efforts to ensure that all DHS personnel and contractors, in every component, understand their rights to report fraud, waste, and abuse, and to be protected from retaliation for doing so.

- Revamped the intake process for allegations of whistleblower retaliation. Now, each claim will be examined by a specially-trained group of investigators within our Whistleblower Protection Office, being assisted and supported by our lawyers in the Office of Counsel.

- Obtained, for the first time in our history, official certification from the Office of Special Counsel that our whistleblower protection program met the whistleblower protection requirements of 5 U.S.C. § 2302(c).

While I am confident that these changes are a step in the right direction, I also understand that it will take constant vigilance and continual effort to ensure that whistleblowers who have claims of retaliation are listened to and that their claims are fairly and independently investigated.

Mr. Chairman, this concludes my testimony. I welcome any questions you or other members of the Committee may have.

Chairman CHAFFETZ. We thank you both and now recognize Mr. Mica of Florida for 5 minutes.

Mr. MICA. I am sure, Administrator, you have heard or watched the proceedings when we had three TSA officers in here. As I said in my opening remarks, one of my major areas of concern is your intelligence and analyst office and that capability. I had never heard more damaging testimony than I heard under oath on that matter.

And we have detailed information that we have acquired about some of the personnel that are there, and obviously, the qualifications and the background are lacking. What do you want to say to this?

Mr. NEFFENGER. Congressman Mica, thank you for the question. I had questions about the capabilities across the entire organization when I first came in, as you know.

Mr. MICA. And are you currently reviewing the qualifications and the allegations?

Mr. NEFFENGER. I am. I have a new chief of intelligence that I brought in who is an intelligent professional. He's here. I can report that ——

Mr. MICA. I think that I would like an outline to the committee. I mean, the screening function is fine and you may find some knives and some guns. They are not going to take down an aircraft. But intelligence is a government responsibility. We don't have good intelligence, and again, I cited an older GAO report where known terrorists are going through the system. This was a risk-based system. So can you provide us with an outline of what you intend to do to correct this situation?

Mr. NEFFENGER. Yes, sir, and I'll also provide you with examples of how we have to build an intelligent enterprise, which I think is one of the best in the country now. And I can say that ——

Mr. MICA. Well, again ——

Mr. NEFFENGER.—it's been recognized recently by the National Counterterrorism Center with one of their prestigious awards for the ——

Mr. MICA. Well, again ——

Mr. NEFFENGER.—analysis that they've done.

Mr. MICA. Again, it is just most troubling.

The other thing TSA has been giving this line. I have seen it in the press that it is a lack of funds that right now create some of the problems in the lines. That has been put out by TSA, hasn't it?

Mr. NEFFENGER. No, sir, I have not said that it's a lack of funds.

Mr. MICA. Well, I have seen it from TSA. It is actually staffing. Last night, like at Reagan, at seven o'clock they closed some of the lines. TSA cannot staff to traffic. So, I mean ——

Mr. NEFFENGER. Let me ——

Mr. MICA.—I've seen it all over. I had an anecdotal report last week of a Member that told me that at one airport they were backed up, lines forever. The other side of the airport there was a concourse and there were not thousands standing around but everybody standing around and someone can't shift them. And in the lanes that the individual was leaving in, two were closed. I have

been at National airport. I have seen the same thing. People can't make a decision to staff to traffic.

The other thing, too, is we have got to look at the money that you are spending. The last account I had we were spending $1.1 billion on administration and $1.9 billion on screening. That is a lot of administration. We need to pare those numbers down. The bonuses that the chairman said, $80,000. I asked the staff, well, how much can we pay screeners? If you are losing 30 percent of the screeners—30 percent of the screeners and 38 percent of the non-TSO employees leave their job within 1 year. So you could be training these people, and like the chairman said, you have got a boat, you know, with a leak in it, it is going to sink.

But again, how much is a—let me ask this question. How much is the bonus you can give to a screener? I am told $300 a year.

Mr. NEFFENGER. No, it can be higher than that. I don't have the exact number for it.

Mr. MICA. Can someone tell us the exact amount?

Mr. NEFFENGER. Yes, sir, I will ——

Mr. MICA. But I am told it is about $300 year. If you are giving—that guy got—we will knock off the one month, so he got $80,000 in bonuses, and I have got people that are doing the work, not sitting in an office.

And I want a full accounting of all the people working in the Washington area. At one time there were 4,000 people within like 10 miles of here working for TSA making on average $103,000. I would like that figure into the record. Can you provide us with that?

Mr. NEFFENGER. Yes, sir, we'll provide that.

Mr. MICA. And then finally, I am not a management analyst, but these folks testified, too, that you went from a risk-based system to the system we see out there with these long lines and everything. We have got the summer coming and they said if you think, what was it, the day after Thanksgiving was bad, that we are going to see that every day. What is plan B? We have gone from a risk-based system down to shaking and thoroughly examining everyone and no Plan B. Can you tell us about Plan B?

Mr. NEFFENGER. Well, we're still a risk-based system. In fact, we still have TSA pre-check. We are growing that population. It's a—we're doubling—we've doubled the enrollment of that population over the last year, and the risk-based approach is the more people I get into the Trusted Traveler Program, the more I can move them through expedited and the more we can focus on those who aren't.

We discontinued the practice of arbitrarily assigning and randomly assigning people from an unknown population into that expedited population. That was called managed inclusion. That pushed a lot of people back into the standard screening lanes.

We have a significantly larger population of travelers this year than we had previously, and it's grown substantially. It grew faster, at a higher rate, than was predicted by those who set the predictions for our budgets, which have been built, as you know, in the past.

The—when I came into this organization last year, I found an organization with 5,800 fewer screeners and it had had fewer front-line officers than it had had 4 years previously. And that was in

the face of significantly higher traffic volume. And one of the first things I asked Congress to do was to halt any further reductions to the workforce because it was my suspicion that we did not have enough people to staff our lanes. And my suspicion was correct. We do not have enough people currently to staff our lanes.

Mr. MICA. I ——

Mr. NEFFENGER. And we have been systematically scrubbing our budget to hire more.

Mr. MICA. I respectfully disagree and yield back.

Chairman CHAFFETZ. I thank the gentleman.

I now recognize the gentlewoman from New York, Mrs. Maloney, for 5 minutes.

Mrs. MALONEY. Thank you, Mr. Chairman, for calling this important hearing. Nothing is more important than securing the lives of American people.

And I want to thank Admiral Neffenger and IG Roth for your work to really make the TSA security system more effective.

I would like to remind my colleagues that TSA was built not for speed or created by government but to protect our citizens. Almost 3,000 people just in New York City alone were murdered on 9/11 merely because they woke up and did what each one of us are doing today in this room. They went to work, sat at their desks, and they were murdered not on a military site but at their worksite. And this happened at other sites around the country.

And if you remember—I would go to the airport just to see what was going on. It was closed down. No one would fly. Our commerce was crumbling; our air system was totally dead. Everything was dead until government came in and started putting security measures in place to protect the American people.

Five hundred of my constituents died on 9/11 and hundreds of friends and acquaintances of mine merely because they were Americans going to work. This is horrifying. And we know that our airlines continue to be a terrorist target. We know. I talked to the pilots. They tell me they continue to test the system all the time to see if there are weaknesses. And they find that often after they leave the plane and see where they were meddling.

So I want to thank both of you for your focus on security.

I would also like to remind my colleagues that when we created TSA it was hotly debated for months. There was a division between both sides of the aisle. Some thought it should be privatized. Others thought the government should have this responsibility since our main responsibility is to protect our citizens. If our police and our fire are maintained and supported by the government, surely the TSA that plays a vital role of making sure that America doesn't get on a plane that is going to blow up should have that same type of support from the Federal Government.

So I want to thank Mr. Neffenger for your statements before this committee where you—and I am going to quote you because I thought it was such a good line. You said you are "readjusting the measurements of success to focus on security rather than speed."

And I will say to you I don't see TSA pandering to any passengers. I get stopped all the time. Sometimes I say why am I being stopped? They said it is a random number. You are that random number. Sometimes the bells go off. But like every other

American, I have not seen anyone protest the fact that they were stopped. They realize that they are there to help make it more secure for us.

And I study the lines, like all of us. I travel every week back and forth. And we have long lines. TSA has really helped. The pre-check, sometimes the pre-check line is longer than the other lines. The pre-check line is really growing, as you said.

But I have studied my fellow residents, and I don't see them angry. If they lose their flight, miss their flight, they should have been there earlier. We are all supposed to be there an hour earlier. We rarely are there an hour earlier. And they are not upset. They realize that they are stopping people to make sure they don't get killed when they get on that plane.

So I for one just want to support the oversight strength of our nation. The IG's office came out saying it wasn't strong enough for security. The admiral has responded. He has 10 points that he is implementing. And I just want to ask Admiral Neffenger, what adjustments have you made to ensure that screeners are assessed on the security results that they achieve?

And I want to reiterate I have never, never since 9/11—it has been 15 years. I have never seen a resident or foreigner, whoever is in that line, object that they are being stopped or that someone else is being stopped, and because of their feeling that there is an emergency, they may miss their plane. The one complaint I hear is it secure enough? What is the oversight? Every now and then someone gets on a plane with a knife or some weapon and it gets all over the papers and people start calling my office how did this happen? Because if people do not believe that their planes are secure, they are not going to fly. Commerce is going to hurt, the country hurts. And fear is terrible and undermining the American spirit to get things done.

So I really want to know what are you doing to improve security? If you need more people, let us know and give us a report on how you can keep the security at the top level but you may have to have more people. I just know in New York it is a busy place, but oftentimes, there are only one or two lanes open because they don't have the people to staff the other lanes. But no one is complaining about a pressure on security. You know, I want to thank you for the job you do.

Chairman CHAFFETZ. The gentlewoman's time ——

Mrs. MALONEY. If anything, it should be tougher in my opinion.

Chairman CHAFFETZ. The gentlewoman's time is expired, but the administrator may answer.

Mr. NEFFENGER. Thank you. I'll provide a further comment for the committee's record, but let me just highlight a few points that we're doing. As you know, following the results of the IG's test last year, the first thing we did was a true root cause analysis, what actually happened. What I found were systemic problems in agency focus, in agency training, and in the way in which we deployed our equipment.

So the first thing we did, we did a retraining of the entire workforce. That took 2 months. It was a rolling stand-down 8 hours at a time, every single employee, including myself. I made all my senior leaders go through it as well. We called that Mission Essentials.

We have followed up with a quarterly version of Mission Essentials. We now focus on various aspects of the checkpoint. We have dramatically increased our covert testing, internal covert testing, and we do immediate feedback into that.

We provide—I work from—as I say, I work from the positive side of the equation. We provide rewards for those people who perform well, and then we turn those people into trainers for the next round of folks. We do immediate feedback, and we do that consistently.

I get daily measures of performance, workforce readiness, workforce performance, and workforce accountability. We've change that. It's no longer based upon how long the lines are that you're working. That's a separate issue, and we deal with that at the management level. But for the frontline workforce, I want them to know that I want them to focus on their mission, and I will support them in doing so and will provide them the best possible training.

We also train them on the equipment, how it operates, and we gave them hands-on understanding of what the limitations were. There's a more fuller answer for you, which I'll provide. Thank you, sir.

Mrs. MALONEY. Thank you.

Chairman CHAFFETZ. Thank you. I will now recognize the gentleman from Tennessee, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Thank you, Mr. Chairman.

Admiral Neffenger, can you tell me how many TSA employees make $100,000 or more a year?

Mr. NEFFENGER. I'll have to get the number for you for the record, sir. I don't know that off the top of my head.

Mr. DUNCAN. Can you make a rough guess?

Mr. NEFFENGER. I can make a rough guess, maybe—I don't really know, sir. I'll have to get that for the record for you.

Mr. DUNCAN. All right. Well, let me ask you this. Do you know how many TSA employees got bonuses in the past year?

Mr. NEFFENGER. There were—as I said, I've restricted the number of bonuses that we do. I'll get you the exact number. It was a significantly smaller number, and it's based upon performance. It wasn't based upon special act awards.

Mr. DUNCAN. Can you tell me, have you personally fired any TSA employees for misconduct or rudeness or incompetence since you have been in office?

Mr. NEFFENGER. There have been a number of people who have been fired from the agency at all levels of the past year. I came in and one of my first tasks was to determine what my agency looked like. I hold my leaders, as I said, to high standards, and I have demanded a lot of them. I have been—I'm confident in my current leadership team. I'm certainly confident in the people I've brought in to help lead that team. And today, I've been satisfied with their performance, although we have a long way to go.

Mr. DUNCAN. And you heard Mr. Mica say that you are spending almost as much on administration as on actual screening. What is your response to that? Do you think that is—is that accurate?

Mr. NEFFENGER. Well, I agree that any leader needs to look hard at the way in which his resources are being spent. I have done so. As I mentioned, I've done a systematic review of our entire agency

and the management practices of this agency. We've taken a hard look at the budget, and in fact, I've moved a lot of resources around and I've been working with my—the appropriators and other—and my oversight committees to ensure they understand where those savings can be found. I think there's more savings to be found in my budget. Some of that administrative oversight is required to manage the contracts that TSA has, but I think that there's always room for examination of that, and I intend to do so.

Mr. DUNCAN. Were you surprised when the inspector general mentioned the 18,000 complaints and 104 criminal convictions?

Mr. NEFFENGER. I think that was across the DHS enterprise, not all TSA. We—it's—we're a subset of that number. I'm always dismayed by misconduct in an agency. We're a very large agency of about 60,000 people. It doesn't surprise me that we occasionally have people who don't act well. I'm concerned about the—its effect on ground. I'm mostly concerned about how you deal with it when you discover it, and I've committed to the inspector general that I will work very closely with him on understanding what the nature of those allegations and misconduct are.

Mr. DUNCAN. I have served on the Aviation Subcommittee ever since I have been in Congress. I chaired it for 6 years, and I can tell you that you have well over twice as many screeners now as when it was privatized, and yet there are more complaints and longer lines now than when it was privatized. Do you have any explanation of that?

Mr. NEFFENGER. Well, I think there's a couple factors there. One, there are significantly more people moving through—travelers now than there were ——

Mr. DUNCAN. Well, not that many more percentagewise.

Mr. NEFFENGER. Yes, sir, actually ——

Mr. DUNCAN. There has been an increase but I can tell you there has not been a—there has been a big increase but not a 2–1/2 times increase over when it was privatized. I can assure you of that.

Mr. NEFFENGER. Well, we'll get you the exact number, but I think you would be surprised at how much of a volume we're seeing. And there's a lot more to worry about at a checkpoint than we ever had before. There's a lot more threats to the system. This is one of the most dynamic threat environments I've ever seen. So the nature of passenger screening is much more complex than it was 15 years ago prior to 9/11.

Mr. DUNCAN. Have you reviewed the testimony of the witnesses that we had in here a few days ago and particularly the testimony by the one administrator that you spent $12 million on a re-staffing of a floor that should have cost $3 million at the most?

Mr. NEFFENGER. I have reviewed the testimony, and as I mentioned, I've put significant controls over expenditures, over costs associated with those expenditures at all levels of the organization.

Mr. DUNCAN. Now, I also heard that there were just about as many contractors as numbers of employees, and yet I have read and heard that many small businesses feel they are having trouble getting meetings set up or getting phone calls returned. Do you have or would you be willing to set up a small business ombudsman or a small business outreach office to help—so many depart-

ments and agencies when they become so big, just the big giants are well-connected enough to get meetings and get phone calls returned. And I am wondering if you are doing something about that.

Mr. NEFFENGER. Yes, sir. Actually, thank you for that question. I have good news to report on that front. That's one of my concerns, too, coming in. My time in the Coast Guard I spent a fair amount of time on the acquisition side of the house and we had great concerns about small business participation. So it's a particular interest of mine. We do have a small business outreach office, and what I'm pleased to report is that we met our small business participation targets last year for the first time ever, and we continue to do so.

I don't think there's enough competition in the current marketplace, and I think that there's a great deal of entrepreneurial and creative ideas in the small business world.

Mr. DUNCAN. All right. Thank you very much.

Chairman CHAFFETZ. I thank the gentleman.

I will now recognize the gentlewoman from Illinois, Ms. Kelly, for 5 minutes.

Ms. KELLY. Thank you, Mr. Chair.

Administrator Neffenger, you have talked about the idea that more and more people are traveling and that TSA needs more workers. I wanted to concentrate a little bit more on pre-check. How many passengers are currently enrolled in pre-check?

Mr. NEFFENGER. We're currently at about 2.4 million people enrolled in pre-check.

Ms. KELLY. And what number do you think that can grow to?

Mr. NEFFENGER. Well, we've done a lot of work with the U.S. Travel Association and other associations connected with the airline industry, and we think we can get the number to 25 million by calendar year 2019.

Ms. KELLY. And what are you doing to encourage passengers to join the program?

Mr. NEFFENGER. Well, we've done a lot more to advertise the program. You need to continually advertise something for people to be aware of it, and I think in my opinion failure to do so over the past few years consistently has reduced its—the awareness of people for it. So there's two factors. One, you have to advertise it and it has to be available, and then you have to have places where people can sign up for it. And those were the two areas that I think that we needed to do a lot of work on.

We've been working very closely with U.S. Travel Association, individual airlines, the airline associations, and the airport associations to increase their advertising. I'm pleased to report that all the major airlines are doing their own versions of advertising. Some of the major airlines have offered to the opportunity to exchange miles for pre-check.

We've gone out to a number—to the U.S. Chamber of Commerce and to a number of the large corporations. Microsoft Corporation, for example, now buys pre-check for all of its travelers, for its frequent travelers. So those kinds of things are helping considerably.

And our enrollment rate now is running about 165,000 per month, which is more than double what we saw this time last year. We think it needs to get a little higher, but between that and the

other Trusted Traveler Programs of the government such as Global Entry and NEXUS and SENTRI, we believe, and the associations agree with us, that we think we can get this up to 25 million, which would dramatically change the way we can operate this system by calendar year 2019.

Ms. KELLY. I typically fly in and out of O'Hare or sometimes Midway, and what my colleagues said about sometime the precheck lines are actually longer than the regular lines, but the other thing is all of the carry-on luggage because of what the airlines charge, people are carrying more and more luggage on and stuffing more and more things in the luggage. And according to the New York Times, the big four airlines—American, Southwest, Delta, and United—made $22 billion in profit from their charges. And I wanted to know—that is one of the sources of growing profits in the airline. And what portion of that from the airlines goes toward paying any airport security? Do they contribute in any way?

Mr. NEFFENGER. I think the—currently, the airlines do not make a direct contribution to airline security. There's a passenger security fee that's charged on every ticket. It's capped on a round-trip.

The—we do—we are seeing more baggage come through the checkpoint. I will say that the airlines now are being very diligent about enforcing the one-plus-one rule, and that's helped considerably. We're also experimenting in a number of the large airports with what we call travel-light lane, which gives those individuals who are carrying—who have just, you know, a simple carry on like a briefcase or a purse or something the opportunity to have a dedicated lane which allows us to move significantly more people through. It's the carry-on baggage that is one of the major slowdown points in the checkpoint.

Ms. KELLY. And I wonder if we should do more calling on the airlines to help address the consequences of their business decisions on the TSA screening process because the more they charge, the less people are going to check their bags. I think American is $35 for a piece of luggage. What do you think about that?

Mr. NEFFENGER. Well, it's the decision of the airlines to make those fees. I can talk about the impact of people carrying a lot of baggage through the checkpoint. I will say that I think airlines are aware of this. I've had a number of conversations with the CEOs of each of the major airlines. I understand why they made that business decision. I tell them what the impact can be upon us, and they've committed to working with us to ensure that they find ways to reduce that stress at the checkpoint.

Ms. KELLY. And it's something they should look at because if everyone carries luggage on, that slows up people getting on the airplane and the on-time record and on and on and on so ——

Mr. NEFFENGER. That's right.

Ms. KELLY. I yield back. Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you. I will now recognize the gentleman from Arizona, Mr. Gosar, for 5 minutes.

Mr. GOSAR. Thank you, Chairman.

Mr. Neffenger, TSA employees report that directed reassignments have been used improperly to force out disfavored employees. Do you believe this is an ongoing practice at TSA?

Mr. NEFFENGER. I discontinued that practice explicitly, and in fact have put strong controls on it. I will say that I think an agency—an operating agency needs to be able to move people periodically to places where their skills are needed or for exigent circumstances, but you need strong controls over that. It needs to be done in an open and transparent way, and it needs to be done in a way that is not used for retribution or punitive measures. But I've stopped that.

Mr. GOSAR. Well, I am glad you went that way because I would like to illustrate Mr. Brainard, who testified before this committee, that he was issued a directed reassignment from Iowa to Maine in 2014 with no apparent need or justification even though the move cost him significant financial hardship. His replacement and the person he was replacing were issued similar reassignments. In your opinion, was this an appropriate use of directed assignment, and if so, what is your justification?

Mr. NEFFENGER. If I may, it was not an appropriate use of directed reassignments, and that's why I changed the policy.

Mr. GOSAR. So now, Mr. Brainard has also testified that he had an excellent performance evaluation. He was reassigned to a smaller and less complex airport. The person he replaced did not want to leave, and the person reassigned to replace him reassigned because accepting their reassignment would cause him hardship. Can you further explain the decision to move forward with this reassignment?

Mr. NEFFENGER. Again, that happened before I arrived as the administrator.

Mr. GOSAR. Oh, it may have happened before, but, I mean, you are responsible, are you not, sir?

Mr. NEFFENGER. Well, I'm responsible now, and as I said before, I am not conducting directed reassignments in that manner. If I have to—in fact, I have not directly reassigned anyone under my leadership.

Mr. GOSAR. Now, Andrew Rhoades was issued a directed reassignment in February of 2015, which was stayed by the Office of Special Counsel due to concerns of retaliation for protected whistleblower activity and ultimately rescinded by the TSA. Can you explain how Mr. Rhoades' reassignment was approved?

Mr. NEFFENGER. Again, I would defer to the person who made that decision. I don't allow the policy under my watch, and we're supporting Mr. Rhoades in his complaint, which stands before the Office of Special Counsel right now.

Mr. GOSAR. Now, part of the justification for Mr. Rhoades' reassignment was to sever past loyalties due to suspicions he was a source for the media, which he denies. Do you consider this an appropriate justification?

Mr. NEFFENGER. Well, again, that matter is being investigated right now by the Office of Special Counsel. If they find that to be true, then of course it wasn't appropriate.

Mr. GOSAR. So was Mr. Rhoades' directed reassignment approved by the Executive Resources Council?

Mr. NEFFENGER. I believe it was brought before the Executive Resources Council under its then-mandate and then recommended to senior leadership beyond that.

Mr. GOSAR. Now, have you disciplined anybody at TSA for their role in this reassignment?

Mr. NEFFENGER. Again, I'm waiting for the results of the Office of Special Counsel investigation. Depending upon what they find, it may point to appropriate discipline.

Mr. GOSAR. I mean, if there is a—you know, and in many cases with law enforcement, people are put on administrative leaves. Has anybody been put on administrative leave or anything like that?

Mr. NEFFENGER. I've not placed anyone on administrative leave.

Mr. GOSAR. Now, do you stand by the validity of these reassignments or do you have any reason to believe that they were improper?

Mr. NEFFENGER. With respect to the ones you're talking about ——

Mr. GOSAR. Yes.

Mr. NEFFENGER.—again, I'm going to—I will await the Office of Special Counsel's review. I think it's important that we look for an independent review of that to determine whether or not there was improper use there. I will tell you that I don't think the manner in which we were doing directed reassignments prior to my arrival was justifiable. And even if it was appropriate, it wasn't done in a way that was open, transparent, fair, and otherwise controlled, which is why I changed it and we put significant controls on that process now.

Mr. GOSAR. And do you—on updates on reassignments, are they periodic or are they a daily basis? How are they done in your office?

Mr. NEFFENGER. Oh, I get a report on those. I will tell you I've not done any directed reassignments, so right now, the update is that we aren't doing that, and I've created a process by which someone can recommend a reassignment, someone can request a reassignment, and then it goes through a series of checks and reviews. That includes the Office of Human Capital, the chief financial officer, the Executive Resources Council, and ultimately comes to the office of the administrator for a decision.

Mr. GOSAR. Well, I thank you. I am just running out of time so I will yield back. Thank you, Mr. Chairman.

Chairman CHAFFETZ. I thank the gentleman.

I will now recognize the ranking member, Mr. Cummings, from Maryland.

Mr. CUMMINGS. Admiral, I want to get down to the meat of what happened the other day when the whistleblowers came in. There was a theme running throughout their testimony, and they were very forthright, really good people. And they came to us begging almost for fairness. But one of the things that they said was that there are some leadership folk and they said it is not a lot of them that try to undermine the things that you are trying to bring about. And they felt very strongly that if these folks were not there, things would run a lot smoother.

And so I just want to ask you, one of them said this, "this workforce is waiting out Mr. Neffenger because they think the elections are coming." Other whistleblowers expressed similar concerns. And, Administrator, have you heard this type of concern? And I hear that you are doing a great job, but that the problem elements at TSA are just waiting you out?

And how do you put in systems that go beyond your tenure? Because I know you are used to doing that. You did it with Deepwater Horizon in the Coast Guard. You made sure that we had procurement officers that were trained properly. You set up a mechanism by which there was an inside-the-Coast-Guard training apparatus, and now they are doing fine. So how do you do that here and keep in mind what they said? They weren't so much complaining about you. They were complaining about some folks under you. So how do you deal with that? And do you have any idea who these whistleblowers were talking about?

Mr. NEFFENGER. I don't know who they were directly referring to, Mr. Cummings, but let me tell you how I approach leadership at this organization. The first thing you have to do is set very clear standards, which I have done since I've been there, and very clear expectations and define a vision and a mission for where you're going. And it's directly related to getting our security mission done. And then I hold people accountable for reporting back to me.

So I will tell you this. I have—I sat down with each of my leaders, the people who report directly to me at headquarters and who are responsible for—collectively for the performance of TSA. And I looked each one of them eye to eye, and I've done this repeatedly and I do this weekly, and I do this sometimes daily. And I've said this is what I expect of you. If you fail to perform, then I will hold you accountable. And I hold them accountable by requiring them to report back to me with very specific measures of performance.

I will tell you to date—and I've driven them very hard. I know that because I know how hard I—because I know how hard they're—I'm working and I know how long they're there. And if I'm there at eight o'clock at night and I call somebody, they're there at eight o'clock at night, and then we do that until we get it done.

So what I'm seeing is a leadership team that if driven and pointed in the right direction is doing what I'm asking them to do.

Now, how do you ensure that that stays there in the event, you know, I'm not here after the elections? First of all, I want to—you inspire the workforce to the mission that they first took the oath of office for. You can remind people of the oath of office they took, and I remind everyone that this is a workforce that committed themselves to one of the most challenging missions in the country. And then you have to build the institutional controls and you put them into policy and then you get that policy stamped by the Department of Homeland Security.

And you turn to people like the inspector general and you turn to people like the Secretary of Homeland Security, and you ask them to review your policies and then you put controls at the department level over this.

And then you bring in leaders below you that are career employees that will survive you that are on the same page you are, which I've done. I have a new deputy administrator who came in from outside the agency, and she has a stellar reputation in the Federal Government.

And then you bring in a—I brought in the chief of operations, again, a stellar operator who is a man of superb integrity and who then is responsible for encouraging that going forward.

I will provide for you a list of those kinds of actions we're taking, but I think the way you ensure that it survives is that you don't let it be the decision of one individual anymore, which I don't.

Mr. CUMMINGS. Well, let me ask you this. One of the things—and I think that—first of all, I think every member of this committee and I know for a fact the chairman feels this way and certainly—because we have talked about it a lot. If there is retaliation, we have a major problem with that, and we will do everything in our power to protect whistleblowers.

And I guess my question now is when I heard about this reassignment—and I know you are not doing it anymore—I mean, some of that stuff really upset me because basically what they were doing was it sounded like intentionally tearing up families, dividing them, and I mean really putting some hardship on people, which was, I mean, unbearable. And they were spending—I think one case spend $100,000 to do a reassignment that didn't even make sense except to retaliate.

I want to know what your position is with regard to retaliation, how you deal with that. And we want to be assured that if there are people who are doing that—and I am telling you, I think you will get—not I think, I know you will get every member of our committee backing you up, but we want to know what your position is with regard to that, and have you found any of that so far, I mean, yourself. I know that you may have heard some things. I don't—but go ahead.

Mr. NEFFENGER. Well, I don't tolerate that. That's—it's illegal, it's unethical, and it fits in all the categories of the kind of people you don't want any organization. The people who were doing the—most of those directed reassignments are no longer with the agency. They left before my arrival. I'm very interested in the results of the Office of Special Counsel investigation into the existing cases with the individuals who appeared before you. Depending upon those findings, I will take immediate action against that.

It will not be tolerated. I don't tolerate it. It's why I stopped the practice. I don't know how extensive it really was because we know the people that have come forward. But I can tell you that it doesn't happen under—and I made that very clear to everyone.

I also directly support the rights of individuals to come forward. That's valuable information you get from people who have the courage to step forward and tell you what they think is wrong with the organization.

Mr. CUMMINGS. And I am going to finish with this, Mr. Chairman.

So you are saying that if there are people watching this at TSA who feel that they are being wrongfully retaliated against or some action taken against them that is illegal and improper, you are saying you have an open door?

Mr. NEFFENGER. They can come directly to me, exactly, and I will then, in fact, turn directly to Inspector General Roth and I will ask his assistance in investigating.

Mr. CUMMINGS. Thank you very much, Mr. Chairman. Thank you.

Mr. NEFFENGER. Thank you.

Chairman CHAFFETZ. I now recognize the gentleman from South Carolina, Mr. Gowdy.

Mr. GOWDY. Thank you, Mr. Chairman. I will be brief, and then I will yield the remainder of my time to the gentleman from Florida.

Mr. Chairman, I think we are probably all prisoners to a certain extent to our own personal experience, so while I am open and interested of the experiences and expectations of others, I have never had a problem in any of the airports I have ever traveled to. I use Greenville-Spartanburg, I use Charlotte, I use DCA. The folks are professional.

My friend from Florida mentioned that there may be some Members of Congress and perhaps other people who consider themselves to be dignitaries who either expect or accept preferential treatment. The Members of Congress that I travel with don't expect it, and they wouldn't accept it if it were offered to them. And a Member of Congress has a little bit of obligation herself or himself to say no, I am going to stay in the line like everybody else.

So I am quite certain that your department can do better. I am quite certain that you have a plan to do better. I am also quite certain Congress can do better. So I am going to focus on fixing us, and I trust that you have a plan to fix TSA. And my experience with them is you have a really hard job with the zero margin for error. That is not much margin.

So with that, I would yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman.

Actually, I want to take a minute and compliment Mr. Cummings. Sometimes he and I disagree, rarely, but his line of questioning—Mr. Neffenger, I am not here just to bust your chops, but his line of questioning was from the other side of the aisle, and what we heard raised great questions, and it was documented by staff the amounts of money that were used to pay to transfer people in retribution.

And then the other thing, too, is sometimes I think—I was telling the chairman I think you are a good guy. I think you were a good guy to be sent in to clean up the mess, but sometimes the leader is fed mushrooms and kept in the dark. I will put that as politely as we can. And Mr. Cummings described to you what we heard is going on, that you are being fed this information by these people who are protecting their rear ends. I am trying to put this in terms that can be transmitted on C–SPAN for the family community. But, again, this is our concern.

I helped create TSA. I will never forget Mr. Mineta and I went out and we—I think it was like we had a goal of 20 or 30 minutes from curb to the gate. That was our goal. That was when it was under the Transportation Committee. And we actually went out and did a thing. And it can be done. We don't have to hassle the 99 percent of the people. We are supposed to be looking for the ones that are getting through.

And, again, you have an attrition rate of an average of about 10 percent, right, for screeners, average across the board? If you can't tell me now ——

Mr. NEFFENGER. No, no, the average ——

Mr. MICA.—I don't know what the attrition ——

Mr. NEFFENGER.—of—it's higher in the part-time workforce.

Mr. MICA. Okay. You have 4,500 full-time—or 45,000 as your cap. You have 4,500 vacancies at any time. Thirty percent of them are dropping out after you train them and 38 percent of the non-TSO. That is what we have from you. So, again, it is a tub that the water is draining and we are not going to get—that is why it is very hard to administer all those people.

And staffing to traffic, they can't staff to traffic. And you heard, one of your defenders, Mrs. Maloney, sometimes the pre-check line was longer than the others because no one adjusts. It is not a thinking organization. And I don't know how you get it. I am an advocate of private screening under Federal supervision, which hopefully could make better decisions.

But I also want to know the total number of bonuses that were paid in 2015, 2014. I want to know how much—that is for management personnel and your highest level. Then, I want to know the maximum and minimum amount for the screeners. These guys do work hard, and the staff is telling me their max is in the range of $300. And this guy is getting $80,000, and we are screwing the guy that is doing the work and the job? If we paid them better, maybe we could retain them. I know some of the private screening companies pay more than the TSA schedule. They have to pay the minimum. It is not done on the cheap. You are aware of that, aren't you? Do you have that flexibility to pay more?

Mr. NEFFENGER. I have some flexibility. I don't have much flexibility.

Mr. MICA. Maybe you need more. Thank you. And I yield back.

Chairman CHAFFETZ. Thank you. I would now recognize ——

Mr. CONNOLLY. Would my friend from Florida just yield for one second?

Chairman CHAFFETZ. The gentleman's time has expired.

Mr. MICA. For Mr. Connolly, I would ——

Mr. CONNOLLY. I just want to ——

Mr. MICA.—yield any time—I would do anything Mr. Connolly ——

Mr. CONNOLLY. The C–SPAN word for screwing is euchring ——

Mr. MICA. Thank you.

Mr. CONNOLLY.—for the record.

Chairman CHAFFETZ. I now recognize the gentleman from Massachusetts, Mr. Lynch, for 5 minutes.

Mr. LYNCH. Thank you, Mr. Chairman. And thank you, Admiral. Thank you, Inspector General. Good to see you again.

You realize this is an equal opportunity committee, so when we criticize you today about having long lines and taking too long to screen people, next week if there is a breach, we will haul you appear again and lambaste you for, you know, not be more thorough. So we have that flexibility up here and you do not.

But I think, based on what I have seen and, you know, I have been a critic at times, based on what I have seen, Admiral, the work that you are doing and, Inspector General, you continue to do, I think we are going in the right direction, but we have got a lot of work to do.

The question we had at a previous hearing was regarding—let me ask you up front. We seem to rely a lot on the whistleblower,

and I am wondering in the Aviation and Transportation Security Act, it says that employees may be hired and fired, you know, basically on the will of the management at TSA, any other law in existence notwithstanding.

So, as I understand that, they do not have the protection under title 7 of the Civil Rights Act. They do not have protection under antidiscrimination law by the language in the law that says notwithstanding any other law to the contrary they could be fired. And do you want to speak to that, Admiral?

Mr. NEFFENGER. Yes, sir. They do have protection under civil rights and under the Equal Opportunity Act. In fact, we've explicitly put that into the way in which we govern the agency. So they have all the due process rights and protections are ——

Mr. LYNCH. Have you adopted that? Because you just had a case in court where they threw the case out because they said employees were not covered by that.

Mr. NEFFENGER. Well, I'll have to look at that case, but I believe they are fully covered, and it's one of the questions I asked.

Mr. LYNCH. They are not covered by the statute. I am not sure how ——

Mr. NEFFENGER. Given the unique nature of the statute, no, but it's been adopted by—it was adopted by previous administrators.

Mr. LYNCH. Okay. Okay. Okay. I will take your word for that. That is helpful because if they don't have statutory protections, obviously they are going to have to rely on the whistleblower protection or the 40 cases that Mr. Roth is able to take up each year. And that is not nearly the protections that they would need, right?

Let me go back. We had a case a while ago. I think there were like 70 or 71 employees who were on that no-fly list, terrorist watch list that were actually working at some of our airports. And you came in and you changed that system. And I want to ask you, those employees, were they removed?

And I realize—let me fully explain. The reason that was given was that TSA was not privy to those lists on which those employees who were on the terrorist watch list or the no-fly list were allowed to be employed in airports in secure areas. But when you went in, I understand it from our last conversation, we cleaned that up. And I just want to know how it was cleaned up. Were they fired or what happened there?

Mr. NEFFENGER. Well, just to clarify, they actually weren't on the no-fly or the watch list. They were in what was called the TIDE database, the Terrorist Information Datamart Environment. And this is information that may or may not indicate a direct association with terrorism. So one of the first things we did was I wanted the FBI's read on every one of these individuals. And the answer back was that none of them were—met sufficient information to actually directly call them a terrorist or an associate of a terrorist ——

Mr. LYNCH. But ——

Mr. NEFFENGER. So that said, we looked back at it. Many of them no longer hold their credentials. Two of them had their credentials removed, and the remainder have actually been scrubbed out of the database on the advice of the FBI. But it was very valuable to get—what it did for us, though, is it allowed us then to get

automated access to the categories of that separate database, which then ultimately could feed into the terrorist watch list or the terrorist screening database.

And now we do a full automated review of every single credential holder against that database. And if anybody pops up in any category ——

Mr. LYNCH. Okay.

Mr. NEFFENGER.—it allows you to take a harder look at them, which we do, and then we go back to the intelligence community and to the FBI and we do a scrub on those individuals.

Mr. LYNCH. But you have to admit this is a higher level of sensibility here allowing these folks to actually work inside secure areas ——

Mr. NEFFENGER. Yes, sir, and that was exactly the question that I had about that ——

Mr. LYNCH. Yes.

Mr. NEFFENGER.—which is why—and I've been working very closely with Director Comey and the National Counterterrorism Center to ——

Mr. LYNCH. Right.

Mr. NEFFENGER.—correct things through that.

Mr. LYNCH. Mr. Roth, you did a great job on the screening tests at the big airports, and, you know, we had a very high failure rate the last time you did that test. And I am not sure if enough time has gone by to allow Admiral Neffenger to sort of adopt a new protocol among the screeners, and has that happened yet? Have you done any new test to sort of take a measurement of how we are doing?

Mr. ROTH. Sure. What we have done is two things. One is the natural follow-up that we would do in any audit. So, for example, with regard to the penetration testing, we have reviewed TSA's 22-point plan to increase security at the checkpoint. Additionally, we are planning more covert testing the summer of a similar scale that we did last summer so we'll be able to tell exactly how we're doing.

Mr. LYNCH. Great. Great. Thank you, Mr. Chairman, for your indulgence. I yield back.

Chairman CHAFFETZ. Thank you. I now recognize the gentleman from North Carolina, Mr. Walker, for 5 minutes.

Mr. WALKER. Thank you, Mr. Chairman.

I have been amazed to know how much money has actually been spent in some of these previous relocations, reassignments nearing $200,000 per relocation. Have you directed any of these reassignments during your tenure?

Mr. NEFFENGER. I have not, no, sir.

Mr. WALKER. And Mr. Brainard reported that the relocation expenses for his reassignment to Maine exceeded $100,000. Is that true as far as you know?

Mr. NEFFENGER. That's my understanding, yes, sir.

Mr. WALKER. Okay. And would you agree that that is an illegitimate use of taxpayers' dollars?

Mr. NEFFENGER. It's in excess of what should have been spent. In fact, I've capped any relocation reassignment costs.

Mr. WALKER. How are involuntary relocation decisions approved now?

Mr. NEFFENGER. Now, the process is, first and foremost, it has to be looked at by the Office of Human Capital. I want them to see is there a need for the relocation. Second, has the individual that you're looking—thinking about relocating, is that something the individual desires, wants, what's the skill set that you need, why would you do that.

Second, I have to have a CFO—the chief financial officer has to sign off on the ability to actually pay for it, and it has to be within a reasonable cost, and we set limits on those reasonable costs.

And then finally, after it gets reviewed by my executive counsel, we make the final decision in the office of the administrator.

Mr. WALKER. Administrator Neffenger, it sounds like you are trying to develop or implement a plan for the future, which is part of a cleaning up from some of the things in the past. Probably the biggest thing that concerns me is the issue with Mr. Hoggan. Do you believe that Mr. Hoggan's performance bonuses of $90,000 is justified for the taxpayer?

Mr. NEFFENGER. I don't think that level of bonuses justified, period.

Mr. WALKER. Okay. Well, I am glad to hear that. As the leader of the OSO, did Mr. Hoggan have a key role in directed reassignments?

Mr. NEFFENGER. He had a role in directed reassignments. It wasn't the only role in directed reassignments. Those came out of a different office.

Mr. WALKER. When you said a role, can you expound just for a moment for me?

Mr. NEFFENGER. Well, I mean moving—the Office of Security Operations ultimately has to get the people moved from one location to the other and perhaps has to carry out the order to make the movement happen.

Mr. WALKER. Is it fair to say that he had a key factor in this?

Mr. NEFFENGER. I think he had a role in this, yes.

Mr. WALKER. Okay. All right. In looking at his situation and his involvement, I am sure you have considered replacing Mr. Hoggan as the director of OSO given his responsibility for screening failures, rolling directed reassignments, and his questionable bonus payments. Is that fair to say?

Mr. NEFFENGER. I'd like to back up a little bit, Mr. Walker, and talk about—I— what I found ——

Mr. WALKER. Well, I would like for you—I appreciate it, but I want you to answer the question. You are welcome to expound, but I asked a direct question there.

Mr. NEFFENGER. My first task was to see how—what my leadership team was able to do. And everything I've asked of Mr. Hoggan since I've been here, he has done that. I look all of my leaders and determine whether or not they're qualified for the job ——

Mr. WALKER. Sure, I appreciate it, but there have been some past violations. Have you had discussions as a part of groups saying listen, this is a decision that we may need to make as far as removing Hoggan for these past transgressions?

Mr. NEFFENGER. Well, the inspector general took a look at the situation with respect to that. I think that there were people responsible for that who are no longer within the agency.

Mr. WALKER. I'm not asking—with all due respect, and I know you are doing a great job. And for Inspector General Roth, I am asking about you. What has your role been in Mr. Hoggan's previous indiscretions here when it comes to some of the spending expenditures? Have you had discussions or is there any plan to remove him or put him on probation? What is the decision here?

Mr. NEFFENGER. I do not currently have a plan to remove Mr. Hoggan. He has performed to my expectations since I've been there, and he—and I have not seen any indiscretions on his part in the time that I've been in TSA.

Mr. WALKER. So even though we acknowledge there has been some, do we just kind of put a blind ——

Mr. NEFFENGER. Well, I don't know—I don't acknowledge that he had indiscretions. I think he carried out some orders, and those orders resulted in people being reassigned, sometimes for good reason, sometimes maybe for ill-considered reason ——

Mr. WALKER. But even carrying out orders, it reminds me of the movie A Few Good Men. These young marines were still in the fictitious movie therefore carrying out the code red. If he is following orders but still doing something wrong or going after people, there is still some accountability. Is that not fair?

Mr. NEFFENGER. Well, and I think that those—some of those issues have then investigated, and they were recommended. We have filled out those recommendations as necessary from the inspector general. I have not seen any direct misconduct on the part of Mr. Hoggan in the time that I've been there.

Mr. WALKER. No, and I appreciate that for the time that you have been there. Our concern or the facts that we have is before you arrived, and it was in the not-so-far distant past that there were some of these indiscretions as we have used going on.

My time is expiring. I do hope that there will be some kind of looking into Mr. Hoggan as far as some of these things that went on, especially these involuntary relocations. Mr. Cummings talked about even potentially tearing some of the families apart because I do think there is some responsibility on his part even if he was carrying out orders.

I have got 10 seconds left. I do want to compliment Inspector General Roth. Every hearing I go to you and your staff are properly prepared, and we appreciate it. Thank you very much.

And with that, I yield back, Mr. Chairman.

Chairman CHAFFETZ. Thank you. I now recognize the gentleman from Virginia, Mr. Connelly, for 5 minutes.

Mr. CONNELLY. Thank you very much. And welcome, both of you.

Admiral Neffenger, let me start by saying I really appreciate the management reforms you have undertaken and the spirit with which you have taken them. This is a big enterprise, a difficult enterprise, a critical mission with a lot of unsatisfying aspects to the job. Very few human beings are going to make a 30-year career out of telling people to take off their belts and shoes, and yet it is critical to the mission, the security of the American people.

And so it not easy keeping motivated to have a salary structure that makes sense, and I for one very much appreciate what you have done, and I hope you don't leave with the new administration. And as a matter of fact, if you do, I hope you will give Paul Wiedefeld a call at Metro and join his team because we need the kind of management reforms you have undertaken at TSA.

One little plug that I always make, and I have seen in my own experience a big change, which I appreciate, in how we are treating the public, but we have still got work to do. But I have really been impressed at different airports I have gone to where—and I just think when you create a more hospitable, friendly climate that invites people's cooperation, you get it.

And there is always a risk if you get a hostile public or a resentful public that something can go wrong. Why not go the former if you can? And I just thank you for that, and I hope you will keep that sense of that culture present. We are not dealing with cattle. We are dealing with people, and we need their cooperation and we want them to feel good about the experience as much as they can.

And I think we do have a long-suffering public that gets it about the security mission and is willing to put up with a lot more than I would have guessed, but we should make it as easy as possible without compromising security, and I think that ought to be the ethos. And so I commend the two of you, and I thank you for the progress that has been achieved.

Let me first ask, by having said all of that, I think there is a growing concern as a management challenge what is happening in terms of wait times. So, for example, 600 passengers missed their flights in Charlotte, North Carolina, on Good Friday because of wait times that exceeded 3 hours. Now, Mrs. Maloney said she doesn't know anyone who complains. My guess is they were 600 people that day on Good Friday in Charlotte who did.

It is one thing to understand I am going to be discommoded and inconvenienced to get through a security line to protect me and everybody else. It is quite another that the price of that is it is moving so sluggishly and glacially I am going to miss my flight.

American Airlines says 7,000 of its customers missed flights in March alone, the month of March, due to long waits and security lines. Seattle and Atlanta have indicated they actually may seek authority to try to privatize passenger screening to expedite this process. Could you address that? Because I think we have to agree that is not acceptable. It may happen, but if that becomes routine, that just doesn't—now, we are going to get real public resistance.

Mr. NEFFENGER. Yes, sir. Well, thanks for the question. The—we've seen huge increases in passenger volume. There's no doubt about that. And at peak times we're seeing more people moving through the system than we've ever seen before. Just to put it in perspective, 4 years ago a big day in this country was about 1.6 million passengers going through screening checkpoints. We're well above 2 million passengers daily right now. So that's just a—it's just a volume increase.

And I do think we need to grow the staff slightly to get up to that, and we're working hard on that. In fact, we've been—once we got our appropriation bill passed in December, we began accelerating hiring because, as you know, if you're going to reduce by

another 1,600 or so people, we cut into that number well in advance of the fiscal year.

So we are hiring and we're meeting our hiring quotas. I think the good news is is we have people who actually want to come to work for TSA. But it seems to me—and I know you know this is a good management principle—I think we have got to priority-set some metrics. Three hours is unacceptable.

Mr. NEFFENGER. Well ——

Mr. CONNELLY. So we ought to be setting for ourselves a time frame that is acceptable. We don't go beyond that. And whatever the staffing required, I mean, Mr. Mica correctly talked about staffing to traffic.

Mr. NEFFENGER. That's ——

Mr. CONNELLY. This is part of that.

Mr. NEFFENGER. That's right. And we've been working very closely with the airlines, the airports to understand when those peak loads are coming through and to make sure our staffing meets that. I think we've improved significantly just in the past few weeks.

I'm not aware of any wait times of the length that you're talking about right now, and I track them daily. And I look at passenger volume daily and I look out across all of the airports that ——

Mr. CONNELLY. Well, you may want to check Good Friday in Charlotte ——

Mr. NEFFENGER. I will do that.

Mr. CONNELLY.—according to this report. One final question if the chair will indulge me, just a real quick one.

Inspector General Roth, do we have an anonymous hotline within TSA that people can call when they feel something is untoward, sort of under the broader whistleblower category? But, I mean, you know, in my county there is a hotline you can call if you think someone is doing something untoward, and you are protected with anonymity and it is followed up by our inspector general.

Mr. ROTH. Yes, absolutely. We have a hotline that is manned, as well as a Web site so you can use either of those ways to complain or give us information that we will eventually ——

Mr. CONNELLY. And there is guaranteed follow-up?

Mr. ROTH. We will take a look at it. We get 18,000 complaints a year. We can't guarantee that every single one of those complaints will be thoroughly investigated, but we certainly look at them and evaluate them.

Mr. CONNELLY. Very fine. Thank you, Mr. Chairman.

Mr. WALKER. Thank you, Mr. Connelly.

The chair now recognizes the gentleman from Georgia, Mr. Hice.

Mr. HICE. Thank you, Mr. Chairman.

I think we have got a very great facility for the Federal Law Enforcement Training Center. I think the TSA frankly is not utilizing it to the full potential, certainly not to the potential that would be helpful. But how long on an average does a new hire have to wait before they begin training at the TSA Academy?

Mr. NEFFENGER. Well, I've got good news to report on that. We're—so, as you know, that academy stood up for the first time ever on January 1 of this year, so this is new for us. And we are pushing now eight concurrent classes, about 200 officers a week. We—it takes about 4 months to on-board somebody new, and dur-

ing—and we typically bring them on board and they have to get their security background checks and the like, and then we get them right into a training class shortly after that. So we're actually seeing the ability to move people right in, and we're still ——

Mr. HICE. So 4 months is the average wait?

Mr. NEFFENGER. It's on average 4 to 5 months, but that—but during that time you're going through the background checks and the like to determine if they're ——

Mr. HICE. All right. How ——

Mr. NEFFENGER.—worth hiring.

Mr. HICE. What percentage of TSO go through FLETC?

Mr. NEFFENGER. Well, now, it's—we're doing ——

Mr. HICE. Ten percent?

Mr. NEFFENGER. No, no. Now, we're putting 100 percent of our new hires through FLETC. It used to be the case that we trained, you know, at various places on the job around the country. We are going to make a couple of exceptions because of the need to get some more officers out in front of the summer travel season, so we're doing—we've—we're taking the FLETC curriculum and we're doing it locally in a couple of key locations. But we are ——

Mr. HICE. Is that local training as effective as the FLETC training?

Mr. NEFFENGER. We're using the same FLETC ——

Mr. HICE. I know the curriculum, but is it as effective ——

Mr. NEFFENGER. Well, from my opinion it's not ideal.

Mr. HICE. Okay.

Mr. NEFFENGER. I would like to do everything—if the—we're still—we're building out capacity and FLETC has been working with us to allow for that capacity ——

Mr. HICE. How many airports have requested the authorization to utilize local training?

Mr. NEFFENGER. I think I've got to airports right now that have asked the authorization.

Mr. HICE. Two? Okay. Have any been denied?

Mr. NEFFENGER. What we've said is that we will do it on an as-needed basis. We aren't currently doing any local training classes because we're able to—we've been working with FLETC to increase the class offerings there. So ——

Mr. HICE. Is there a clear policy to determine the as-need basis?

Mr. NEFFENGER. There is a clear policy, yes, sir.

Mr. HICE. Okay. Could you submit that to us ——

Mr. NEFFENGER. Yes, sir. I will do that.

Mr. HICE.—and let us have a copy of that?

In regard to the bonuses, I would like to go back and ask a couple of questions regarding Mr. Hoggan. You are aware that the $90,000 in bonuses were broken up in increments of $10,000 each. Could you explain why the agency did it this way, why it was broken up that way?

Mr. NEFFENGER. Well, as I understand it—and as you know, that was done under previous leadership, but as I understand it, it was because the maximum amount allowable on any given bonus was $10,000.

Mr. HICE. Okay. So was this some sort of scheme to get him—well, could you explain smurfing?

Mr. NEFFENGER. I'm sorry, say again?

Mr. HICE. Smurfing.

Mr. NEFFENGER. Smurfing? I am not familiar with the term.

Mr. HICE. Okay. So if there is $90,000 broken up in $10,000 increments, is that the type of thing that would need approval from DHS?

Mr. NEFFENGER. It does now. I will tell you that there is nothing in my experience that finds that justifiable. It's why I stopped the—it doesn't matter if it didn't violate policy ——

Mr. HICE. All right. So why do you say that? Why is that not justifiable? What does not appear to be to you?

Mr. NEFFENGER. It just looks—it just doesn't pass the front-page test for me.

Mr. HICE. It looks like something is being hidden.

Mr. NEFFENGER. I just don't like it. I don't think it's right, and I stopped that practice. And I make sure now that all of our bonuses have to be approved at the department level, and I severely restricted them within TSA.

Mr. HICE. Mr. Roth, I would really like to hear your comments on all of this.

Mr. ROTH. As we looked at our report, I mean, it was clearly an attempt to circumvent the departmental regulations on approval, so ——

Mr. HICE. Okay.

Mr. ROTH.—smurfing is breaking up specific financial transactions to something below the reporting requirement, which is what happened here.

Mr. HICE. Right.

Mr. ROTH. The individual responsible for that, by the time that we did our investigation, was no longer employed at TSA, and the regulations that existed at the time were so loose that it was technically permissible even though clearly the intent was, I think, wrong.

Mr. HICE. So the intent is to hide?

Mr. ROTH. Absolutely.

Mr. HICE. Yes, absolutely, and that is what smurfing is, and I appreciate you bringing that.

Is there anything currently preventing the agency—back to you, Admiral—from disguising these bonuses in forms of payments, be it relocation or any other method where it is really just a disguise for bonuses?

Mr. NEFFENGER. Yes. I've expressly prohibited it, and I made that very clear in policy. I'm happy to provide that policy for the committee's record. And I require oversight from the Department before any bonus can be awarded to a senior executive.

Mr. HICE. I would like to have that ——

Mr. NEFFENGER. Yes.

Mr. HICE.—policy submitted.

Mr. HICE. So your testimony here is that there is no disguise taking place?

Mr. NEFFENGER. Not under my leadership. And I've made clear that we put that directly into policy, and I made sure that even—that no single individual can approve a bonus award for a senior executive without oversight, and it has to be approved by the De-

partment. Even I don't—I've not even given myself the authority to make the final approval. It goes through the Department for oversight.

Mr. HICE. Okay. Thank you, Mr. Chairman.

Chairman CHAFFETZ. I thank the gentleman.

I will now recognize the gentleman from Missouri, Mr. Clay, for 5 minutes.

Mr. CLAY. Thank you, Mr. Chairman, and thank both of you for being here.

You know, we all agree that security must be the top priority, and there is no disagreement about that.

Mr. Roth, when you testified here in November, you were critical of certain programs that granted passengers access to expedited screening lanes when they had not undergone risk assessments. You also commended Administrator Neffenger. You said he "deactivated certain risk assessment rules that granted expedited screening through pre-check lanes." Is that correct?

Mr. ROTH. Yes, sir.

Mr. CLAY. Okay. On March 24 the Bureau of Transportation Statistics issued a report that said "U.S. airline and foreign airlines serving the U.S. carried an all-time high of 895.5 million systemwide." So, Administrator Neffenger, passenger volumes have been increasing, but the number of screeners in the TSA workforce has dropped by nearly 6,000 over the past 4 years. Is that right?

Mr. NEFFENGER. Yes, sir.

Mr. CLAY. And why did this occur?

Mr. NEFFENGER. I'm sure there were good reasons for people before me to reduce that. I think it was predicated on a prediction of higher numbers of people getting into expedited screening than we've seen. It's just a fact that we're smaller agency on the frontline workforce than we were before and that we had significantly more people moving through the system.

Mr. CLAY. And, you know, I heard my friend Mr. Gowdy from South Carolina talk about he doesn't encounter much trouble. I travel through St. Louis Lambert Field weekly. It seems to have a shortage of employees, especially for the pre-check line. Probably 90 percent of the time that line is closed, and each time, staff gives me the excuse that they don't have enough personnel, enough security officers to check people. So it is very frustrating to my constituents who have paid the extra fee for pre-check. Is there a shortage of staff for airports like Lambert?

Mr. NEFFENGER. We—I think we have a shortage of staff across the system right now. We're moving people into the areas of greatest volume and greatest need. We are hiring back the people that have been slated to be attrited out this year, and we've—we're pushing about 200 new officers every week.

So what I'm hoping to do is build back a sufficient staff to meet the peak staffing that we need. We currently cannot staff effectively across the system to the peak volume periods.

Mr. CLAY. So in your opinion was TSA screener workforce sized appropriately to handle increasing passenger volumes?

Mr. NEFFENGER. Well, I think the budgets were predicated on what was predicted to be 2 percent volume growth. I think we use the Bureau of Transportation Statistics predictions, and you re-

member, these budgets were built a couple of years ago. The actual volume growth has been significantly higher than that, so in my opinion, we're not at the right size.

That said, I appreciate all the great comments about our workforce because we have a really dedicated workforce, and they're doing a very challenging job out there and doing it quite well. I'd like to get them some more help.

Mr. CLAY. Well, okay. Then perhaps you can help me. I annually give a career fair in St. Louis. It is the largest one held. I would love to involve your local staff and coming out in looking at potential candidates, and I will follow up with you on that.

Mr. NEFFENGER. Yes, sir. Thank you.

Mr. CLAY. On May 4 Homeland Security Secretary Jeh Johnson issued a statement responding to increased waiting times, and he said this: "TSA is increasing the staffing of TSOs to help expedite the checkpoint process without sacrificing security." Mr. Neffenger, what is the size of the screener workforce TSA needs to handle projected passenger volumes while ensuring that only passengers who are subjected to risk assessments are sent through expedited screening procedures?

Mr. NEFFENGER. Well, Congress just approved a reprogramming request, which will allow me to hire another 768 screeners—screening officers this summer, and we'll get them out in the workforce, we hope, by the middle of June. That will significantly help us.

We've also been working with the airlines and the airports, and they are taking on some of the non-security-related duties, which helps free up more of my officers to go on—directly on to the screening checkpoints. I think with the combination of those two and the use of our passenger screening K–9s should significantly alleviate some of the challenges that we're going to be facing over the summer.

Mr. CLAY. Thank you both for your responses.

Mr. Chairman, I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I will now recognize the gentleman from Georgia, Mr. Carter, for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman, and thank you, Admiral and Mr. Roth, for being here. I appreciate it very much.

Admiral, let me ask you. Would you agree that having expert and standardized training for TSA screeners like we have at FLETC, the Federal Law Enforcement Training Center in Glencoe, Georgia, that that is very important to make sure that we have personnel that is fully prepared to keep our airports safe?

Mr. NEFFENGER. Yes, sir, absolutely.

Mr. CARTER. I bring that up because the Federal Law Enforcement Training Center in Glencoe, I know you have been there ——

Mr. NEFFENGER. Yes, sir.

Mr. CARTER.—and of course it is in my district. And I am very proud of that. I look at that as being one of the areas that we are getting right in the Federal Government. I mean, to go down there—and I want to invite my colleagues here on this committee particularly to visit because—and we will try to schedule a trip down there for everyone to see just what an outstanding job they are doing down there in the way of training.

And I mention that because I want to make sure that we are not confusing these well-trained employees with the problem that we are having that I consider to be more in performance and more in management in particular. When you talk about having a shortage of employees, that is not because they are not well-trained. That is a management problem.

Mr. NEFFENGER. Yes, sir.

Mr. CARTER. When you talk about employees not showing up on a holiday and having a shortage during the busiest travel time, that is a management problem. So I just want to make sure that we understand that there is a difference here, that they are being trained well.

FLETC is a great facility. It is used by over 94 different agencies. So training is not the problem. The problem here is a management problem and a performance problem.

Mr. NEFFENGER. Well, thank you for that. And thank you for recognizing that our frontline workforce—I believe it to be one of the best in the world. I really do. I've seen their dedication. I've talked to them. I've been down to FLETC multiple times now. I meet with as many of the classes as I can when I go down there, and that is a world-class institution, which is why I was really excited about the opportunity to stand up a full-time academy down there. And Connie Patrick, who runs that outfit, is one of the best in the world.

Mr. CARTER. Absolutely.

Mr. NEFFENGER. And we're looking forward to continuing to develop that. My goal is ultimately to train every single employee of TSA through that academy.

Mr. CARTER. Good.

Mr. NEFFENGER. That's the plan in the future, and we've got a pretty aggressive plan, a pretty ambitious plan, but I'm getting a lot of support from Congress on that, and I really appreciate that.

Mr. CARTER. Well, I just want to make sure we differentiate between the training portion of it and the management ——

Mr. NEFFENGER. Yes, sir, that's exactly right.

Mr. CARTER.—once they get there because we obviously, as you can tell, a lot of upset people here today, and obviously, we have a management problem at TSA, and we are depending on you to get that straightened out.

Mr. NEFFENGER. And that's what I've been tackling, yes, sir.

Mr. CARTER. Okay. Well, let me pivot for just a second and talk about something else, a different subject. A couple of weeks ago we had some employees of TSA here who had testified before us, and you are familiar with that, and they talked about the involuntary directed reassignments. Some of these that we had to testify before us had gotten excellent marks and in fact had gotten awards in being recognized for their outstanding performance, their job performance. And yet, they were reassigned against their will.

And the thing that concerns me is not just, you know, the upheaval of having to move somewhere else for these people. Obviously, that is a very trying time for families and for employees, but the cost in it. What we were told is that their relocation costs were well over $100,000. Is this really happening?

Mr. NEFFENGER. I believe it did happen. I share the same concerns you do. I stopped that policy completely. We don't do directed reassignment.

Now, that said, I think it's important for an operating agency to have the ability to move people periodically. You have to do that. I mean, it's a security agency ——

Mr. CARTER. And I think they understand it, but ——

Mr. NEFFENGER. And ——

Mr. CARTER.—what their concern was ——

Mr. NEFFENGER. And it needs to be ——

Mr. CARTER.—is they were being disciplined as a result.

Mr. NEFFENGER. No, and that's what my concern was, too, so I've put some very strong controls over that process. I'll share with you the nature of those controls so that we don't take up too much committee time, but I will tell you that I'm as concerned as you are about that. I—those reports greatly distressed me. I stopped that process. It's not going to happen again.

Mr. CARTER. Good. So we can take your word that it is over with?

Mr. NEFFENGER. Yes, sir. You can absolutely take my word on that.

Mr. CARTER. Okay. Well, thank you. I appreciate that. And again, thank you for your dedication to FLETC because—and again, Mr. Chairman, I am going to try to get that together, but I want everyone to understand what a great facility this is. This is an example of the Federal Government working.

Mr. NEFFENGER. Yes, sir.

Mr. CARTER. Thank you, and I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I will now recognize the gentleman from Michigan, Mrs. Lawrence, for 5 minutes.

Mrs. LAWRENCE. Thank you, Mr. Chair.

I would like to examine the hiring and the role of human resources at TSA in more detail. In 2008 during the Bush administration, TSA awarded a $1.2 billion human capital service contract to Lockheed Martin. Under this contract, known as HRAccess, Lockheed administered the agency's process for recruiting and hiring and is also responsible for personnel and payroll processing services such as position classification. Administrator, is that correct?

Mr. NEFFENGER. That was the case, yes, ma'am.

Mrs. LAWRENCE. So many of the improper personnel practices that the whistleblowers alleged at the last hearing, including improper hiring and directed reassignments, would have occurred while Lockheed was providing these services to TSA. Is that correct?

Mr. NEFFENGER. It was during the same time period, yes, ma'am.

Mrs. LAWRENCE. Okay. On January 29 the inspector general issued a report about the TSA's contract with Lockheed Martin. The report states that among other performance deficiencies there were incidents in which Lockheed Martin failed to handle personally identifiable information properly. Is that correct, Mr. Roth?

Mr. ROTH. Yes, ma'am.

Mrs. LAWRENCE. The report also found that Lockheed Martin "failed to consistently refer to eligible veterans on job announcements. Ultimately, the report stated that the Lockheed Martin hiring team "reported a total of more than 150 veterans who were not referred on six different job announcements." Mr. Roth, is that correct?

Mr. ROTH. Yes, ma'am.

Mrs. LAWRENCE. So if Lockheed Martin failed to follow our Federal regulations in regards to the competitive service hires, particularly veterans, preference, this is a simply intolerable. So Administrator, are you familiar with the inspector general's report?

Mr. NEFFENGER. I am, yes, ma'am.

Mrs. LAWRENCE. Okay. So when does the TSA's contract with Lockheed Martin end?

Mr. NEFFENGER. It's coming to an end this year, and we are completely restructuring our approach to that. I would like TSA to own more of its hiring, recruitment, and personnel policies, and so we're restructuring that completely. It's part of the plan to completely overhaul the human resource management program of the agency.

Mrs. LAWRENCE. In lieu of the contract ending with Lockheed Martin, is this going to be put out to bid again? And when you say "assume," do you have the capacity and the resources as far as budget to be able to take on more of these responsibilities in hiring?

Mr. NEFFENGER. We don't have all the capacity we need, and what I'd like to do is if I can get back to you with a fuller answer for the record, we can show you what the plan is, what the strategy is for moving forward beyond the HRAccess contract.

Mrs. LAWRENCE. Well, I want to be on the record that the issues that were brought forward in the hiring process, and we being a Federal agency, is totally unacceptable. The fact that we are ending a relationship with an industry or company that did not meet our benchmarks is refreshing, but I don't want to hear that we are taking on the responsibilities ourselves and them come back later with concerns because you weren't able to handle the capacity.

Mr. NEFFENGER. Yes, ma'am, I share those same concerns. And we have to do this in a very deliberate way, in a way that protects our workforce as it currently exists and in our potential workforce for the future.

Mrs. LAWRENCE. Mr. Roth, did you make any recommendations based on your findings on what TSA could do to improve their hiring practices?

Mr. ROTH. Yes, ma'am, we did. We made five different recommendations. TSA agreed with each of those recommendations, and we're in the process of doing an audit follow-up to ensure that in fact TSA is doing what they said that they would do.

Mrs. LAWRENCE. Thank you. And I look forward to moving forward under your leadership and protecting a group of employees in our Federal Government, as so many others are, but that TSA, being a Member of Congress and in the airport constantly, the respect I have for that agency, the need for good foreign leadership and accountability that we saw through this situation, we need to move forward, and I support you in the future. Thank you.

Chairman CHAFFETZ. I thank the gentlewoman.

I will now recognize the gentleman from North Carolina, Mr. Meadows, for 5 minutes.

Mr. MEADOWS. Thank you, Mr. Chairman.

Inspector General Roth, I want to go on record to not only thank you but your entire team for your service. I have great admiration for your role and the roles of your colleagues across the Federal workforce.

But I have a top-five list, and I would say you and your team are in my top-five list for not only doing insightful work but thorough work, actionable work, and follow-up work that provides a real tool for Members of Congress. And so I want to make sure that the record reflects that.

Mr. ROTH. Thank you.

Mr. MEADOWS. Administrator Neffenger, are you familiar with Federal Air Marshal Robert MacLean?

Mr. NEFFENGER. Yes, sir, I am.

Mr. MEADOWS. Okay. Are you familiar with the fact that the courts have overturned TSA's assertions that his whistleblower disclosures were not prohibited by law?

Mr. NEFFENGER. Yes, sir, I am.

Mr. MEADOWS. Okay. Are you aware of the fact that it has been over a year since an administrative judge has indicated that those disclosures should indeed be protected?

Mr. NEFFENGER. Yes, sir.

Mr. MEADOWS. Okay. So if you are aware of all of those, and in light of the fact that Mr. Cummings asked do you tolerate retaliation, in what scheme could you not see the fact that he has been reinstated but yet no raises, he still continues to be paid at a position—and not put in a position that he would have been in had he not been fired? At what point can you justify that that is not retaliation?

Mr. NEFFENGER. Well, I don't believe I did. I believe he was reinstated as required by the decision ——

Mr. MEADOWS. At a pay that he was that in 2005. Do you know any other TSA employee that is at a pay that he was at in 2005?

Mr. NEFFENGER. Well, I'll double-check the pay ——

Mr. MEADOWS. No, you don't have to double-check. I know.

Mr. NEFFENGER. But I'm—off the top of my head, I can't give you the exact pay of any—of TSA employees.

Mr. MEADOWS. Do most TSA employees get a raise?

Mr. NEFFENGER. Well, you get the annual cost-of-living increases that are authorized by ——

Mr. MEADOWS. So would you say that if he didn't, would that be retaliation?

Mr. NEFFENGER. Well, I'll check to see. I'm—I would be surprised ——

Mr. MEADOWS. Well, no ——

Mr. NEFFENGER.—if he didn't get ——

Mr. MEADOWS. Yes or no? If he is getting paid the same that he got paid in 2005, is it retaliation?

Mr. NEFFENGER. I don't—I'd have to see the facts of the case. I wouldn't necessarily call it ——

Mr. MEADOWS. Well, I am giving you the facts of the case. Is it retaliation or not?

Mr. NEFFENGER. Depending on ——

Mr. MEADOWS. Because let me tell you, what really bothers me is I protect my whistleblowers, and for you to get up here and talk about how wonderful the rank-and-file is and how you are looking out for their best interest and to see evidence that retaliation continues to go, it has a chilling effect, wouldn't you think?

Mr. NEFFENGER. If in fact there is retaliation, I will look into ——

Mr. MEADOWS. Well, why is the ——

Mr. NEFFENGER.—the situation with that.

Mr. MEADOWS.—Office of Special Counsel having to open a full investigation?

Mr. NEFFENGER. On Mr. MacLean?

Mr. MEADOWS. Yes. Why are they having to do a full investigation?

Mr. NEFFENGER. Are you talking about the one that was already done ——

Mr. MEADOWS. I am talking about the one they are about to embark on.

Mr. NEFFENGER. Well, if they're opening one again, it's because he's made an allegation that there's been retaliation. I support his due process to investigate that. I am not familiar with the specifics of this current situation ——

Mr. MEADOWS. Well, don't you think you ought to be?

Mr. NEFFENGER. I'm familiar with the fact that we've reinstated him and that he now is in position to compete for whatever position he desires to compete for ——

Mr. MEADOWS. You know ——

Mr. NEFFENGER.—in the organization.

Mr. MEADOWS. You know, Administrator, let me just tell you, that testimony is very troubling to me because what I am not going to tolerate is retaliation on whistleblowers, and that is what it looks like to me.

Mr. NEFFENGER. Well, I don't tolerate it either, and I promise you I will—following this ——

Mr. MEADOWS. So can you get back to this committee within 30 days with the way that you are going to rectify it so the Office of Special Counsel doesn't have to do a full investigation?

Mr. NEFFENGER. I will follow up on this colloquy to determine what the actual situation currently is.

Mr. MEADOWS. So do I have your commitment ——

Mr. NEFFENGER. I have your commitment ——

Mr. MEADOWS.—that ——

Mr. NEFFENGER.—that I will get back to you with what I have found ——

Mr. MEADOWS. An action plan.

Mr. NEFFENGER.—involving that ——

Mr. MEADOWS. An action plan.

Mr. NEFFENGER.—and if necessary, an action plan, yes, sir.

Mr. MEADOWS. Within 30 days to the chairman?

Mr. NEFFENGER. Well, I will get back to you exactly with what I find. I'm interested in ——

Mr. MEADOWS. Well, that is not an answer.

Mr. NEFFENGER.—what you've just told me.

Mr. MEADOWS. Okay. What is a reasonable amount of time there, Administrator?

Mr. NEFFENGER. Well, I can do it within 30 days. As I said, what I want to do is look at—this is new information that you're providing to me that I'm not aware of. I need to look at this ——

Mr. MEADOWS. Yes, you have done your research. This would not have been a shock that this might have come up today. Is that a shock to you?

Mr. NEFFENGER. Well, I'm aware of the previous issue concerning ——

Mr. MEADOWS. All right.

Mr. NEFFENGER.—this Federal air marshal.

Mr. MEADOWS. Let me dispense with the rhetoric. Get it fixed where we don't have to waste taxpayer dollars on a special investigation into this. You are the guy in charge. We are going to hold you accountable.

And I will yield back. I will expect a response to the committee in 30 days.

Chairman CHAFFETZ. I thank the gentleman.

I will now recognize the gentleman from Oklahoma, Mr. Russell, for 5 minutes.

Mr. RUSSELL. Thank you, Mr. Chairman.

I share my colleague's concerns obviously about whistleblowers. I think while everyone who has the mantle of responsibility certainly wants to do right with their organization, when we do see individuals that have the courage to come forth, they have to be protected. I think that is the bipartisan motivation of everyone on our committee today.

I want to take questions more on the security end and take it in a little bit different direction, however. Inspector General Roth, I, too, share my colleague's, you know, opinion of the confidence of your office and your personal diligence. The record has just been outstanding. But my question today deals with Vapor Wake dog teams in terms of security. And you will see why here in a moment. Did the IG in the reports make any recommendations on Vapor Wake dog teams and how they should be deployed or how they should be used at different airports?

Mr. ROTH. We have not looked at that issue. My understanding is that GAO may have done some work on that, but we have not.

Mr. RUSSELL. Okay. I appreciate that.

And, Admiral Neffenger, as a preface, first off, I take some comfort knowing that you are at the helm of this organization. I don't think anyone who is advanced to your level as an admiral in our Coast Guard who has protected our shorelines and protected our borders has anything other than the interest of the defense of our country, and I appreciate that. I also think that it probably gives you incredible insight in dealing with a myriad of problems in a very complex and at times lethargic organization.

In Oklahoma City in my district the Vapor Wake dog team issue came to mind because acting Federal security director Steve Cartwright had cited that it was the IG's report as the reasons for the elimination of Vapor Wake dog teams from airports such as Will Rogers World Airport, and it was due to the need for performance

and screening and getting people through, and therefore, these airports would have to lose their dog teams.

And in the case—although we had Will Rogers that was one of the charter five original airports in the training of these teams, they train for such teams very effectively, allowed great throughput, the entire program was eliminated from that airport, and I suspect it is probably not the only one.

And so my question to you is why would a Federal security director make the claim that it was the IG and their findings that would call for the elimination of that program, and why would we not want these teams at airports that might have less capacity other than a huge airport, but they also might have greater vulnerability for infiltration? It seems to me that security-wise it makes good sense. And I realize that this was not part of the normal stuff, but it is very important for security.

Mr. NEFFENGER. Well, I'm not sure what the Federal security director's discussion was. Let me tell you from my perspective what we've done.

Mr. RUSSELL. Sure.

Mr. NEFFENGER. We are—I like the—we call them passenger screening K–9s, Vapor Wake dogs. These are dogs that work the passenger line, and they look for trace odors and they follow them back to their source. It's a tremendous resource. It's a great explosive detection technology that we have, and it can move people very efficiently through a security line.

I don't have as many of those dogs as I'd like to have, and so to meet—so this is my decision, so I'm the guy you need to look at for this. It was my decision to take dogs from some airports that aren't seeing as much volume as some of the largest airports on—for the coming summer in order to meet what we know to be the real passenger volumes that we're going to see in these large airports. It was never my intention to eliminate their use.

We're also—so right now, we have about 322 total dogs that TSA operates. Most of those were trained to do cargo sniffing, not passenger screening. We're in the process of converting as many of those as we can to passenger screening K–9s. It takes about a month or so to do that.

Mr. RUSSELL. And I appreciate ——

Mr. NEFFENGER. And we're continuing to do that.

Mr. RUSSELL. I would just ask—and again, security has been much of my life and a lot of my interest here in Congress. I would ask that we would consider—I mean, if I were an enemy, I would infiltrate in small or regional airports simply because there is a better chance of infiltration than in a large one. In deploying all the assets, once you get in the loop, you are inside the loop no matter where you originated or flew from.

And so I would ask that you relook some of this specifically in a vulnerability stance, not necessarily a regional or political stance. That is irrelevant in my view when it comes to security of the Nation. But we ought to relook, rather than putting everything where we expect to have a problem and maybe leave areas vulnerable where we don't.

And with that, Mr. Chairman, I will yield back my time.

Chairman CHAFFETZ. Thank you. I now recognize the gentleman from Alabama, Mr. Palmer.

Mr. PALMER. Well, I am the guy you have been waiting on, the last one.

Mr. Neffenger, how many different assistant administrators have led the Office of Intelligence and Analysis since TSA was created?

Mr. NEFFENGER. I don't have that exact number. I'll get that for you.

Mr. PALMER. It is 11. And I ask that because it concerns me that that office would suffer from that rate of turnover. Would you agree with that?

Mr. NEFFENGER. Turnover in offices is always challenging.

Mr. PALMER. Well, particularly, the office that is responsible for your intelligence and analysis. Have you looked into that?

Mr. NEFFENGER. Yes, sir. In fact, I've brought in a new chief of intelligence this year, and, I mean, he's an intelligence professional, and one of the things I asked him to do was to ensure that we built a world-class, high-quality intelligence operation. And he's in the process of doing that.

Mr. PALMER. And that is Mr. Bush?

Mr. NEFFENGER. That's Mr. Bush, Tom Bush, yes, sir.

Mr. PALMER. Are you aware of any significant security violations committed by OIA officials?

Mr. NEFFENGER. I'm not sure if you're referencing anything in particular. I am ——

Mr. PALMER. I am asking if you are aware of any security violations committed by OIA officials.

Mr. NEFFENGER. I know that prior to my arrival there was an individual who was in charge of OIA who had been disciplined by the agency.

Mr. PALMER. So that answer would be yes?

Mr. NEFFENGER. Yes.

Mr. PALMER. Do you believe OIA should abide by the professional standards of the intelligence community in handling classified information?

Mr. NEFFENGER. That ——

Mr. PALMER. Wasn't that what the issue was?

Mr. NEFFENGER. It was ——

Mr. PALMER. Classified information?

Mr. NEFFENGER. My understanding, that was not the issue that that was about, no, sir.

Mr. PALMER. Well, then what were the circumstances related to the departure of the former assistant administrator Stephen Sadler?

Mr. NEFFENGER. Oh, I was—with Stephen Sadler—I need to familiarize myself with that case. I'm sorry, sir.

Mr. PALMER. Well, there were multiple security violations that took place under his leadership.

What percentage of TSA's intelligence and appropriation is used for vetting, and what percentage is used for traditional intelligence?

Mr. NEFFENGER. I'll get you the exact number for the record, but we—a significant amount of our activity is spent on vetting, understanding the vetted population, but we also have a strong analysis

branch that works very closely with the intelligence community members to provide specific intelligence assessments of transportation security challenges and risks.

Mr. PALMER. Well, one of the—I am going to transition a little bit here. One of the things that I am concerned about is in our last hearing there were repeated reports that there are only three U.S. airports that currently require employee security checks. Are you aware of that?

Mr. NEFFENGER. That's actually not correct. Well, it depends on what you mean by security checks. We vet anyone who holds a credential ——

Mr. PALMER. I am not talking about that.

Mr. NEFFENGER.—that gives them access.

Mr. PALMER. I am talking about requiring them to go through the same kind of security that, say, a staff member ——

Mr. NEFFENGER. So this would be screening of individuals as they ——

Mr. PALMER. As they are coming into the property ——

Mr. NEFFENGER.—enter the property?

Mr. PALMER.—they are reporting for work, yes. I should have been more clear.

Mr. NEFFENGER. Okay.

Mr. PALMER. I apologize.

Mr. NEFFENGER. There are currently, I think, three or four airports that do—that the airport themselves do a security screening. There are other places where employers provide security screening. But we are at varying levels across the system right now for direct screening. Everyone has access requirements, and that's a fundamental requirement. And those access requirements are with their badge, and those badges give you access to certain locations. And then there are some airports that have gone beyond that to do actual screening. We in TSA do random screenings throughout the sterile area of the airports as well.

Mr. PALMER. Well, but that gets back to my concern. Every member of my staff, every member of—any Member of Congress's staff has to go through screening process. Their bags are screened. They have to take metal objects out of their pockets. They all have badges, okay? And that is part of my concern is that out of the thousands of people who work for TSA, does it not create any concern? I mean, it was reported that there were a number of TSA employees who had some tie to terrorist groups, and it just seems to me that they ought to go through the same screening process that ——

Mr. NEFFENGER. Well, we've had no TSA employees that have ties to terrorist groups. We vet our people daily, and if we ever found that ——

Mr. PALMER. I am not ——

Mr. NEFFENGER.—they'd be gone.

Mr. PALMER. Well, I am just telling you that in our last hearing ——

Mr. NEFFENGER. We ——

Mr. PALMER.—that came up, that it was reported that there were some who had some connection to terrorist—or potentially had terrorist ties. And I am bringing this up in the context of out of the

thousands of people who work for TSA, all of whom have security badges, it just makes sense before they enter these critical areas that they go through a screening process like everybody else. Their bag goes through a machine, they go through the machine like everybody else.

Mr. NEFFENGER. Congressman, I want to make sure I understand what we are saying. First of all, there's—there are the people who are not TSA employees who have access badges to airports, and they are—and we vet those people continuously against—there's a population of about 900,000 or so in the aviation system that have access badges of some type. And it's varying types of access and they're not all accessing the same locations.

Those people are continuously vetted against the terrorist screening database. They're now continuously vetted against extended database elements, the so-called TIDE database. And they're also recurrently vetted against the criminal database. We are piloting a continuous vetting pilot with the FBI.

Mr. PALMER. We are not talking about the same thing.

Mr. NEFFENGER. And then TSA employees are also vetted against those—our own employees.

Mr. PALMER. We are not talking about the same thing. I mean, it is also been reported that there are thousands of the badges that have been lost or stolen, let me say, that haven't been accounted for. My question is when they report for work, do they have to put their bag on a conveyor to go through a machine to see what is in the bag? And do they go through ——

Mr. NEFFENGER. In some locations they do, and in some locations they do not.

Mr. PALMER. Well, then my contention is is that it ought to be all locations.

I yield back.

Chairman CHAFFETZ. I haven't asked questions yet, so I would like to recognize myself now for probably more than 5 minutes.

So let's talk about the involuntary reassignments or the directed reassignments. You have spoken about that. You said there is or is not evidence that that was done as a retaliatory action?

Mr. NEFFENGER. I do not have any direct evidence. What I'm waiting for is to see what the results of the Office of Special Counsel investigation tells me with respect to a couple of the people who have made such allegations.

Chairman CHAFFETZ. Well, the Office of Special Counsel has already stated Andrew Rhoades' directed reassignment, as well as Becky Roering's suspension, due to evidence that there were cases of improper whistleblower retaliation. Are you telling me that they haven't given you the final report? Is that what you are waiting for or ——

Mr. NEFFENGER. I am waiting for—as Mr. Rhoades has an outstanding investigation, which is still pending. In the meantime, I was pleased to see that, prior to my arrival, that that had been stayed and he is still located in the ——

Chairman CHAFFETZ. What about Becky Roering's?

Mr. NEFFENGER. Same with hers. I understand that hers is still undergoing review as well.

Chairman CHAFFETZ. And you have no other evidence of any other ——

Mr. NEFFENGER. I myself do not have any ——

Chairman CHAFFETZ.—retaliation? Do you have any other evidence of any other types of retaliation above and beyond the directed reassignment tool that they had used?

Mr. NEFFENGER. I don't have personally any knowledge of any other retaliation. If I see it, I will take action to address it.

Chairman CHAFFETZ. Mr. Roth, do you have anything to shed on this?

Mr. ROTH. I do not. I don't have any evidence that I could share at least today.

Chairman CHAFFETZ. Okay. Administrator, we have particularly over the last 6 months—I have got kind of one page—a two-sided page here of outstanding requests that we have from this committee. We will give you a copy of this. I don't expect you on the spot to respond to it, but there are some that have had no—I see you have a copy there. Again, I don't you on the spot, but we need help getting these responses in a timely manner. Some have been good, but others have been not so good. Some we have had nothing on. We get very frustrated with having to do in camera reviews. We handle classified intelligence on a regular basis. I just need your support in responding to these outstanding requests.

Mr. NEFFENGER. Yes, sir, I will.

Chairman CHAFFETZ. I want to go back to what Mr. Palmer was talking about. You said you vet daily. When somebody—I want to get a crystal-clear picture. When somebody applies and goes through the process of working for the TSA, they get what sort of background check?

Mr. NEFFENGER. It's a standard national agency check. It's the same type of check you do for people coming into the military first time. You do a criminal history background check, you check their name against the terrorist screen database, you look for any disqualifying activities, offenses, or the like in their background prior to coming on board.

Chairman CHAFFETZ. And there are some infractions that would still be acceptable to be hired as a TSA ——

Mr. NEFFENGER. There are. I can't enumerate those off the top of my head, but there are some ——

Chairman CHAFFETZ. If you can provide that, whatever the current standard is.

Mr. NEFFENGER. Yes, sir, I will.

Chairman CHAFFETZ. And then you said you vet those daily, but how do you—if somebody were to get arrested, somebody had an assault charge or a murder charge or, you know, pick something heinous, how would you know that once they have been hired?

Mr. NEFFENGER. Well, once—oh, you mean after they've been hired?

Chairman CHAFFETZ. Yes, after they have been hired.

Mr. NEFFENGER. Well, we do recurrent criminal history ——

Chairman CHAFFETZ. How often?

Mr. NEFFENGER.—background checks. I believe it's on a—I believe it's an annual basis. I'll verify that. And then we do daily re-

current—I mean, it's just a continuous test, check against the terrorist screening database for our employees.

Chairman CHAFFETZ. Four hundred and fifty or so airports, I am not sure how many ports you are dealing with. How many of these—you mentioned 900,000 security badges of all sorts.

Mr. NEFFENGER. In the aviation system.

Chairman CHAFFETZ. In the aviation system. So how many of those are—do you have a sense of how many of those have biometric information, whether it would even be as simple as a photograph on them?

Mr. NEFFENGER. Well, they all have photographs. As you know, those are issued—these are the badges that airports and airlines issue their individuals, and it's set individually at each airport. So a badge that you have for Atlanta Hartsfield will not work in any other airport. So these are issued by employers and the airport. It's—usually the standard is set according to—there's a Federal security standard that they have to meet in order for the badge—so they all have to have photographic IDs and they all have to have a biometric identifier associated with them, but not all of those biometric identifiers are necessarily in use for access purposes at every airport.

Chairman CHAFFETZ. When you say biometric, do—one of the issues in the past is they didn't have readers. They didn't have electronic readers for each of these ——

Mr. NEFFENGER. Well, I don't want to confuse this with the TWIC card, the Transportation Workers Identification Credential. It's not a credential that's used in the aviation system. The Transportation Worker's Identification Credential is not a credential that's used in the aviation system. That's the one that is primarily used in the maritime transportation system and people who are interacting with that.

That one does not currently have a—readers for it. So that biometric in the maritime world is not currently in use, so it's still a—I mean, it's a badge that—or card that's issued with a background check. It has a biometric on it but not all the readers are out there. But in the aviation system—so that's a government-issued card. It's a joint program between the Coast Guard and TSA. It does not apply to aviation workers. The—that's a—there's a much larger population of people who hold that TWIC card.

Chairman CHAFFETZ. So you shouldn't be able to use it in an airport?

Mr. NEFFENGER. You ——

Chairman CHAFFETZ. You use it in the maritime ——

Mr. NEFFENGER. You cannot use it in an airport.

Chairman CHAFFETZ. Shipping, cruise lines, things like that ——

Mr. NEFFENGER. Yes, sir.

Chairman CHAFFETZ.—is that what you are talking about?

Mr. NEFFENGER. Yes. Truckers that interact with the ports and the like.

Chairman CHAFFETZ. Okay. That is one of my bigger concerns is the access that so many people have. I mean, Dulles airport alone my understanding is there is some 16,000 security badges out there.

To Mr. Palmer's point, what he was talking about is, you know, why not check people who go—why not check TSA employees as they go in and out? And you check a pilot. I stand there and, you know, they go to the front of the line, as they should. Pilots are checked. My goodness, if we are trusting somebody, it is trusting the pilot. Why not check each person?

Mr. NEFFENGER. Well, we do check out—each person. They do recurrent drug testing, they do—we vet them against the databases, we watch them every day. Remember, these are people who are standing in the security checkpoint day in and day out and we pay close attention to ——

Chairman CHAFFETZ. Yes, but if they pop some—pick whatever you want—in a backpack and they just walk past, you would never know, correct?

Mr. NEFFENGER. Well, that's not necessarily true. We do a lot of integrity testing. In fact, we have a pretty good integrity testing program, I think, and we—if we find people doing wrong ——

Chairman CHAFFETZ. No ——

Mr. NEFFENGER.—we get rid of them.

Chairman CHAFFETZ.—you are checking and screening every person that goes through except the TSA people.

Mr. NEFFENGER. Well, they're—I mean, they're checked by definition when they show up in the morning. They are vetted every single day. Like I said, we look at them every single day. They're probably some of the most watched people in the transportation system because they're under the watchful eyes of supervisors, they're under the watchful eyes of the other screening workforce. So I believe that we're doing a very good job of keeping track of those folks. These are really good people, and they've taken ——

Chairman CHAFFETZ. By and large, I am sure they are really good people, but, again, when you have a zero tolerance for—you have to keep security at its highest level. I just don't understand that. We check a pilot, we check the flight attendants, but we don't check the TSA folks going. And you have had arrests. I mean, there have been problems.

Mr. NEFFENGER. We have had arrests.

Chairman CHAFFETZ. It is not as if it has never happened before. Your ability to move drugs or weapons or anything else across that line—Mr. Roth, do you have any insight into this?

Mr. ROTH. I don't, no, Congressman.

Chairman CHAFFETZ. I want to move to dogs if I could. I am a huge fan of dogs. The person I want to sit next to on the airplane is the person who has had their luggage screened, has had their handheld information screened, they walked through a metal detector, and they have walked by a bomb-sniffing dog.

I have never seen some of the technology that is used at the airport. I have never seen it at the White House. I don't see it in Afghanistan where they are dealing with improvised explosive devices on a daily basis. I don't see it in a lot of other places. Europe has banned some of this technology, and yet we still use it here in the United States.

And I appreciate your comments about the dogs, but the single best way to secure an airport from an improvised explosive device is a dog. Would you disagree with that or agree with that?

Mr. NEFFENGER. Yes, I think it's a hugely important piece of the security environment. I like dogs, too. I'm a big fan of them. In fact, I've been advocating for more K–9s in the screening—in the aviation security environment.

Chairman CHAFFETZ. We need more of them, and I hope the appropriations follow appropriately.

I want to compliment TSA also on its Instagram presence. You want to see an entertaining Instagram, go ahead and go to the TSA one. I will put in a plug for it. You have got some, I think, 400 plus thousand people that are looking at it. But it is also kind of scary because almost on a daily basis, I mean, the one I looked at just now there was a live smoke grenade that somebody tried to bring onto an airport. At BWI there was a picture of a gun that they had taken off a person.

The rise of people bringing or attempting to bring guns on an airplane is astronomical. I mean, the statistics on this are quite high. My question—and maybe you can shed light on what that is happening—but I don't see that there is any consequence. I don't hear anybody is getting prosecuted. We have a $10,000 fine, you can go to jail, but find me a person in this country that has violated that. And if you don't know, if you don't understand at this point in time that you can't bring a gun on the airplane, where in the world have you been living?

And a lot of people I know will come to the TSA and say, oh, well, I forgot I had my gun in my backpack, gosh darn it. Well, go put it back in your car. I mean, I believe in the Second Amendment. I am as pro-gun as you get. But if you are an idiot and you don't know you have got a gun on you and it is loaded and you are trying to bring it on an airplane, why aren't some of these people going to jail every once in a while?

Mr. NEFFENGER. Mr. Chairman, I am a shocked as you are by people who bring guns to the airport. And you're right, we saw many, many more last year than we saw the year before. TSA is not a law enforcement agency so I don't have the authority to take action against individuals. The protocol is that when we see a gun, it gets held inside the x-ray machine. We call local law enforcement, and then it's up to local law enforcement and the laws of whatever jurisdiction that they cover to take action against that.

We can take action against an individual. We can strip them of their pre-check eligibility if they come through a pre-check line, but it's—we have to turn them over to local law enforcement and then it—and is whatever the law is it ——

Chairman CHAFFETZ. Well, what would the call be—what would you like local law enforcement to do?

Mr. NEFFENGER. Well, again, it—you—we know that we have laws in this land where people are allowed to conceal carry, where they are allowed to open carry, and in many States the local law enforcement says take that back out to your car and then come back in. Sometimes they get arrested. If you're in New York State, you'll get arrested. If you're someplace else, you might not get arrested.

I would—you know, I just don't want that stuff coming through the checkpoint. I mean, it's astonishing what people try to bring through checkpoints these days.

Chairman CHAFFETZ. Okay. So live smoke grenade, trying to bring it on an airplane, what should happen? Are you encouraging—I guess I am trying to ——

Mr. NEFFENGER. Well, we are working very hard. We encourage local law enforcement to take as strong of action as they can. I think if somebody brings a live smoke grenade onto a plane, they shouldn't be allowed to fly anymore, but I don't have the authority to make that decision.

Chairman CHAFFETZ. All right. I have far exceeded my time.

Let's recognize the gentleman from Wisconsin, Mr. Grothman, for 5 minutes.

Mr. GROTHMAN. Thank you.

In the past, the committee heard numerous accounts of line staff being punished for minor infractions while high-level managers went unpunished for significant abuses. Is there a double standard if a TSO employee can be fired for picking up a pen during integrity tests but senior officials who retaliate against their subordinates or engaged in serious misconduct such as lying to the police about a DUI are allowed to keep their job?

Mr. NEFFENGER. I think that there needs to be—we're doing this. I think there needs to be work done on the way in which we do discipline and performance management across the board. I—the law—as you know, the Aviation and Transportation Security Act set up somewhat of a bifurcated system, and it needs to be consolidated, it needs to be coordinated.

Mr. GROTHMAN. Okay. Next, this is more of a comment, and I want you to respond because I think Congresswoman Maloney said something I don't agree with. I obviously on this job fly a couple times a week. I have never seen a situation in which the pre-check line is longer than the regular line, and I think I can probably speak on behalf of most people. I wish you would put more people in the pre-check line because we would get things through quicker. And I do hear people complain, and I realize you have got a difficult job, but they wish they could go through the lines faster. So I don't know, you know, who she talks to, but just so you know there is another side to the story.

And I have got another question for you. TSA spent $47,000 on an app to randomly assign people to go right or left that anybody with basic knowledge of codes could do. Do you feel that app is worth what TSA paid for it?

Mr. NEFFENGER. I think that was an excessive amount of money to pay for that. We don't use that app. That was done, as you know, back in 2013. And we're not using that.

Mr. GROTHMAN. Okay. Mark Livingston, the former deputy assistant administrator, testified that a watch floor transformation that was supposed to cost $3–3.5 million cost approximately $12 million because it was performed improperly. Do you want to comment on that? Are you familiar with that?

Mr. NEFFENGER. And I'm not sure which watch floor transformation he's referring to, but what I've done is we've done a complete review of our entire acquisition process, and from my perspective, there are lots of opportunities to save taxpayer money in our current processes.

Mr. GROTHMAN. We will give you one more thing that Mr. Livingston said. He said there is a still a half-million dollars worth of equipment sitting in a box in the office. Do you want to comment on that? Are you familiar with that?

Mr. NEFFENGER. I'm not familiar with that, but I'm going to go back and look for that.

Mr. GROTHMAN. Okay. I will yield the remainder of my time.

Chairman CHAFFETZ. I will go to Mr. Cummings for 5 minutes.

Mr. CUMMINGS. I am going to be very brief. First of all, I want to thank both of you for your testimony.

After the last hearing we had on TSA, Admiral, we had a—my staff has just given this to me this morning, but it was a letter, a handwritten letter from one of the whistleblowers. And I have never read a letter into the record that was addressed to me like this, but I am reading it for a reason, and I will explain it in a minute. Again, this is one of the whistleblowers.

It says, "Dear sir, thank you for your leadership and direct fairness in the hearings on the issues of TSA's current and potential misconduct. You spoke truth to power when you asked and demanded a fair and balanced hearing. You breathe air into our agency and gave hope to all the men and women when you asked for the facts. We, all of us at TSA, now believe that Congress can and will fix TSA. Thank you, sir. You have inspired all of us to renew our faith in the process of accountable leadership, and I wish you continued success and great health." And I am going to leave the name out.

And the reason why I read that letter is because there are people depending on us, and they just want to get it right. You know, a lot of times I hear negative things about employees, that is Federal employees and State government, but I tell people that a lot of these people—and most of them, they come out, they have a mission, and they want to serve the public. And they want to treat them right.

There are stresses that come with the job. I mean, any elected official will tell you that they could be at the supermarket and maybe somebody will come up and say, hello, and then somebody will say, Congressman—they are just trying to get out of the supermarket—about the seventh or eighth person, you know, the person doesn't realize that they are the seventh or eighth person that has called him and doesn't realize he has got to get home. So that is part of the job.

And I realize that a lot of the things that the employees do, I am sure, can get monotonous. And the chairman was just showing me the photos of all the knives and the guns and grenades and things that people I am sure in many instances—most instances it is accidentally are trying to get through. So we do not have room for error.

But I read the letter because I want to remind you—and I know I don't have to do this, but there are so many people who want us to help. They want you to help, and they want us to help. And when I listened to those whistleblowers, and I heard all of their testimony, you know the theme that ran through the whole thing was that they simply wanted the best for the public and for the agency. They weren't showboating. They probably didn't even really

want to be here, but they, like many of our Federal employees, most, they had a desire that their agency would be the elite of the elite.

And that is the kind of reputation I want to get to. I want people to be very proud to be a TSA employee. And I want them, when they say, you know, I work for the TSA, to stick their chest out and say you know what, this is a great organization.

But again, keep in mind what I said. If you go back and you listen to all the things that they said, they talked about a few bad apples in the leadership and excluded you, by the way. They said that you are doing a good job. So I just beg you to keep all of that in mind. And I really appreciate your efforts. I know it is difficult. Mr. Roth, I want to thank you.

And I hope that you all will continue to work together because that is what it is all about. This is how it is supposed to work. We need the critical eye of just a great lawyer and a great IG like you, Mr. Roth, but then we need the response to be appropriate.

And so with that, Mr. Chairman, I yield back. And again, I thank you, Mr. Chairman, for this hearing.

Chairman CHAFFETZ. I thank the gentleman.

I now recognize Mr. Mica from Florida for 5 minutes.

Mr. MICA. Thank you, Mr. Chairman.

I spoke earlier about the attrition rate, which overall is about 10 percent, about 4,500 a year, and then the new hires, we are losing about 30 percent of those and 38 percent of the non-TSO, which is information we got from you.

The problem is that is an average. You have 30 airports in the country that handle 75 percent of the traffic, and those numbers are much higher. I know Los Angeles, a whole host of the big ones have had a problem recruiting, retaining, training, and hiring.

You actually have deferred—you told Mr. Hice you have lots of people going through with few exceptions to FLETC, but you actually have given authority to 21 airports, almost all of those the largest in the country, isn't that correct, for local training and hiring?

Mr. NEFFENGER. Well, it won't be at 21 locations. We've given the authority ——

Mr. MICA. Waivers to 21 locations.

Mr. NEFFENGER. Right. We've given ——

Mr. MICA. We have Boston, O'Hare ——

Mr. NEFFENGER.—on an as-needed basis, yes, sir.

Mr. MICA.—JFK ——

Mr. NEFFENGER. That's right.

Mr. MICA.—La Guardia, Miami, LAX. I mean, these are the big ones, too.

Mr. NEFFENGER. Yes, sir.

Mr. MICA. And I don't generally have a problem with that. I think that you can get people to do the training, and there are firms that will do that may be internally. It can be done. But I just want to make sure that was in the record. I disagree with the gentleman who last spoke. And I talked to him about at every airport screening the employees through a metal detector and all of that. In Orlando and Miami it is a waste. I don't know if you are still doing it in Atlanta.

You need to be vetting the employees first before they are hired, and you need to be vetting even the TSA people, which are not all getting cleared. The people who work in the secure areas, we had a hearing, and thousands of them, we didn't have Social Security numbers. Hundreds and hundreds of them are foreign nationals with working papers we don't know anything about. That is what concerns me is the people who have access to secure areas. So vetting and then monitoring those people, knowing who they are.

The dogs, and there is an opinion about dogs. Dogs right now don't deal with the threat that we face. The threat is a non-nitrate-based explosive. Dogs can't detect that, neither can the equipment you have got at the airport. You know that, don't you, sir? Just say—it is yes.

Mr. NEFFENGER. Well, I ——

Mr. MICA. I can tell you it is yes because I have tested the system, and I have ordered more tests of the system for the first time in years and will reconfirm that.

And this thing about getting guns and knives and all of that, they aren't going to take down a plane. Those people don't pose a risk. Maybe they did it accidentally. Do you know any of them that intended to take down a plane of those guns and knives that you—none of them. But I do know that known terrorists have gotten through the system. That concerns me.

I do know that your Intel and Analysis division is in chaos from what I have been told. Your intel division lacks a classification guide, we were told, which is a breach of classification guidelines. Did you know that?

Mr. NEFFENGER. I don't believe we lack any guide, sir.

Mr. MICA. Well, again, that is what we are told. It says it lacks a classification guide. This is information given to us, also reportedly does not have the capability to internally vet and disseminate intelligence in real-time. Any intelligence information dissemination in the field must be first vetted and then approved by DHS and FBI, sort of a bureaucracy. These are other reasons why we failed to connect the dots in the past, and failing to connect the dots in the future is a concern. And again, I would ask you to respond also to that on intelligence analysis.

The SPP program, to solve your problem, you have got to get out of the screening business. You need to set the rules for the screening, oversee it, and audit it and let the private sector do it. They do it for nuclear facilities, DOD facilities, some of our most secure facilities. You will never get it right with 45,000 personnel across the whole country. It is just not going to work. I can assure you no matter what you do.

I want to speed up this SPP process. It takes a year. Can you prequalify people that can provide screening services?

Mr. NEFFENGER. It depends—I'll have to check the exact rules. I know that we follow the ——

Mr. MICA. But I would like to see that because this is the first thing. It requires 120 days. We will have dozens of airports that will opt out, but you can still set the rules. You get out of this mess and get into the security business, which will save us from another terrorist attack. I would like a response on how we can clean this up so it doesn't take that long as part of the record. And then ——

Mr. NEFFENGER. Sure.

Mr. MICA.—finally, Mr. Chairman, I have asked for some information about salaries, both within the District, and then overall I want to see for the record the amount for screening and the non-screening positions in your highest-paid positions, a complete list of them and the totals ——

Mr. NEFFENGER. Yes, sir.

Mr. MICA.—and salaries. Thank you. I yield back.

Mr. NEFFENGER. Thank you.

Chairman CHAFFETZ. As we wrap up here, Mr. Neffenger, the last point I just wanted to make, we have a request and I want to reiterate the bonus policy. One of the criticisms, I believe, from the inspector general is that there really wasn't a bonus policy in place. So what is it? In 2015, for instance, the senior members, the TSES members who made less than $160,000 were ineligible for a bonus even if they achieved the highest level of excellence. But if you made more than $160,000, even if your performance evaluation came in lower, you could get a bonus. That seems so upside down and wrong.

Mr. NEFFENGER. I'll get you the policy for the record, Mr. Chairman, so that you can see what we've done.

Chairman CHAFFETZ. Mr. Roth, do you have any comment on that?

Mr. ROTH. No, just what was in our investigation, which was that the policy was very sort of loose, but we had a commitment from TSA that they would fix the policy. My understanding is they have.

Chairman CHAFFETZ. Okay. It is something we would like to look at. Mr. Roth, last question, what are your biggest concerns?

Mr. ROTH. Just the size of the enterprise, 2 million passengers a day, 450 airports, TSA as the checkpoint operator but also TSA as the regulator of the airports, it's a monumental task that's going to take time to fix.

Chairman CHAFFETZ. Okay. We appreciate you both. We have the greatest confidence in the administrator but also in the inspector general, plays a vital role. And you each represent a lot of employees and a lot of people who are good, hardworking, patriotic people that are trying to do the right thing, and for that we thank you.

We have a mutual symbiotic relationship in trying to weed out the bad apples, and they are there. And to the extent that we can make that better, smarter, more fair, I think it will improve morale, it will make the airports and the population more safe and secure, and we share that mutual goal. And so we look forward to continuing to work with you and thank you for your presence today. And thanks again to the men and women who do the good hard work every day.

With that, the committee stands adjourned.

[Whereupon, at 11:46 a.m., the committee was adjourned.]

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