

OVERSIGHT OF THE SECRET SERVICE

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES

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OVERSIGHT OF THE SECRET SERVICE

Tuesday, November 15, 2016

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

The committee met, pursuant to call, at 10:44 a.m., in Room 2154, Rayburn House Office Building, Hon. Jason Chaffetz [chairman of the committee] presiding.

Present: Representatives Chaffetz, Duncan, Jordan, Walberg, Amash, Gosar, Gowdy, Massie, Meadows, Mulvaney, Buck, Blum, Hice, Carter, Grothman, Palmer, Cummings, Maloney, Norton, Clay, Lynch, Connolly, Lawrence, Lieu, Watson Coleman, Plaskett, Welch, and Lujan Grisham.

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

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

My apologies for the delay. We had testimony I needed to give in the Natural Resources Committee, and I appreciate your patience.

We have a very important hearing here. We've done a series of hearings on the Secret Service. And, first and foremost, let me thank the ranking member on the bipartisan way in which we've been moving forward dealing with this very sensitive subject.

The Secret Service has not been subject to much oversight over the last few decades, but it is a vital part of the mission of the United States Congress, and I think it is a good, healthy thing for all of us to do.

First and foremost, I want to congratulate the Secret Service for going through a very tough, rigorous, long campaign season with an immense amount of travel and work. And, by any account, Secret Service has had a good year. Everything from the election to the visit from the Pope, there are a host of things that the Secret Service has been called on to do—the United Nations. There's a lot of praise that is due to the men and women who are on the front lines.

But we have to deal with some realities of things that we've pointed out over the last couple of years. And so this hearing is going to touch on a variety of topics, but, first and foremost, I want to start and end by thanking the men and women who are doing this hard work.

By our estimation, almost every single agent in the Secret Service has performed overtime for which they have not been compensated. And I want those of you that are watching to digest this.

We know the men and women are committed to this mission, but it is terribly unfair to not receive compensation for doing so. This is not a volunteer job. And when you take yourself and put your life on the line to protect others and protect this Nation, when you're away from your family or just away, away, away, you should get compensated for that, and we need to address that.

We have other problems that need to be fixed. And I know members on both sides of the aisle have questions about the mission of the Secret Service, because one of their prime missions is about cybersecurity. And there are, I think, very legitimate questions, I have deep questions, about the protective mission as well as the cyber mission, because it is taking the majority of the time to engage in the cyber mission. And we'll talk some more about that.

And then one thing that is terribly frustrating and we will not tolerate on the Oversight and Government Reform Committee and the Congress, and that is the lack of cooperation in doing our own investigation and working with the Secret Service. You do not get to hide things. That is not an option for the Secret Service. And yet we continue to deal with this, and we've issued subpoenas that have not been responded to, and that is just simply not acceptable.

But let's go through some of the details. According to data provided to the committee, 1,077 employees, 90 percent of whom are agents, worked unpaid overtime hours in support of the Presidential election in 2016.

Now, there are many law enforcement agencies that enforce caps on paid overtime for their hardworking personnel, and I am not suggesting today that these caps should be totally disregarded or permanently lifted for the Secret Service. You know, we've had a number of hearings, we had a panel that was assembled, outside individuals who came together and talked about the improper staffing levels that have led to this.

The Secret Service at its peak had a staffing level of 7,024 employees. This was in 2011. That number declined every year until the beginning of this year, when the agency had 6,289 employees. The staffing numbers are beginning to improve and are now at 6,507 employees, with 3,300 special agents, 1,400 Uniformed Division officers, and roughly 1,700 administrative and technical personnel.

But, by all accounts, you're some 500 to 1,000 people short of where you should be. And you can't just go grab somebody, hand them a gun, and say, hey, go protect the President or go protect the White House. You can't do that. I recognize that it is difficult to vet, train, and get somebody all the way through the process without them dropping out. We want the best of the best. But there is a problem that snowballs, in that when you don't have the proper staffing levels, you are leaning on people to go through some tremendous efforts.

We have some stories that were provided to us that I want to read some excerpts of, okay? These are agents serving in various parts of the country, and these are quotes.

"During this year, I've missed holidays, birthdays, and other life events. Often, I've been back off my campaign rotation, I've been grabbed for in-town protective assignments or out-of-town assign-

ments for POTUS or VPOTUS. In total, I've been out of the district and away from home for close to 8 months this year."

An agent in Chicago: "During this campaign, by the end of the year, I will have exceeded my pay cap by close to \$25,000. I've been on almost every campaign rotation and back-to-back travel assignments. The pace has been terrible. I can't even remember the last time I've been in the office for 2 days in a row. This has been ridiculous. It's far worse than the 2012 campaign. Thankfully, I'm not married, but if I was, I'd probably be divorced by now."

Here's another agent: "I've been in the Secret Service for almost 25 years and been involved in every campaign since I've been on the job. We thought the 2000 campaign was the worst, but this makes all the past campaigns pale in comparison. I've been one of the detail leaders since beginning this campaign, and I'm currently over \$60,000 over my pay cap. This is on top of the normal amount of salary I don't receive due to the pay cap, which I expect to lose money on during the non-campaign year. This has been rubbing salt in the wound."

"We give all we have, our lives completely disrupted, and we don't see any benefit from the sacrifice. We're losing people. Recruiting has been tough to do, as not many want to do this job. And we are doing nothing to incentivize people to apply or to stay. I have colleagues that were on the same level that have left the job for private-sector opportunities. This never happened in the past, and it should be a wake-up call to headquarters and the Hill about the cost-and-benefit analysis. Making the Service does nothing to combat the sentiment that sacrifice is just not worth it."

Another agent: "My wife keeps asking me what is the benefit, and I don't have an answer."

Another agent: "We are busier than ever. Staffing has become rolling people from one assignment to another with no break. We're all at near our pay cap, which adds to the frustration. I've had things in my house I can't fix I've had to pay someone else to do. I've had an increase in my lawn service contract to do things I would normally do. My children don't see me."

Another agent: "I'm \$25,000 over my pay cap. My average work-week is 90 hours. I'm away from my family for weeks at a time, missing out on various functions for school-age children. My wife feels as though she's a single mother, and there's no financial benefit. I'm not getting paid."

Another agent: "Every hour of OT worked is not paid. I don't get paid for the work that I do."

Another agent: "I average 43 days before I get a day off."

It goes on and on. My guess is if we sat down with every agent, they've got the same story. And that has to change. That's a management problem. That's not an agent in the field's problem; that is a management problem.

And one of the things that we see is you can't even tell us how many hours they worked and how much they are due in overtime. Because last time we talked, you didn't even have a system to track this sort of thing.

So we have got to solve this. I don't want to create a long-term incentive and say, hey, we're just going to pay this in perpetuity forever. You've got to have the tools to actually solve it. It is dan-

gerous to the President, the Vice President, the incoming President, their family, to have somebody who is working a 90-hour week, who's tired, exhausted—and not getting paid? That's not a formula for success, ladies and gentlemen. That has to be solved.

The Secret Service has developed and begun implementing a human capital plan that will increase its staffing level to between 8,000 and 9,000 employees by the next Presidential election in 2020. So we have 6,500 now, but trying to get to 8,000 to 9,000 people, and we want to hear about how you're going to do this.

In the meantime, I do plan to introduce legislation—in fact, I did it last night—that will raise the cap for the 2016 election cycle, providing back pay for uncompensated overtime. To the men and women who are watching this, there is relief if we can get this bill passed. And we want to make sure that you get paid for your overtime. I don't know that we can pay for every single hour of every single thing. I don't know that the Secret Service can even track it. But that is what we're trying to do.

The Secret Service staffing problems are not caused solely by funding issues. In fact, it should be noted that Congress has enacted more funding than the preceding year every single year in a row, with the exception of the year 2006—or since 2006. With one exception, every year, Secret Service budget has gone up, but the staffing levels have gone down. What does that tell you? It tells you that we're not taking care of the staffing levels that should be there, and that is on the Secret Service itself.

Concerns also remain as Secret Service employees are burdened by their increasing nonessential investigative and cyber-related missions that may distract from the core mission of protecting the President and other protectees.

If you average it out—and it's not true for every person, but if you take the 60,000 feet and you average it out, agents spend about one-third of their time in protection-related activities during non-Presidential election years. Protection-related activities increase to about half their time during Presidential election times, which begs the question: Could we, with the existing force, if they were just doing the protective mission, which is a massive important mission to the United States, could they cover all of this without having to have 90-hour to 100-hour workweeks? The answer is, yes, we think we could actually get there.

If the Secret Service focused all of its resources on the protective mission, then the overtime issue before us may not be there at all. I will continue to work with members on both sides of the aisle to figure out how we actually do this.

Casting further doubt on the Secret Service maintaining two separate and distinct missions are issues raised by the Inspector General report critical of the Secret Service's handling of its own information technology systems. The DHS Inspector General, who is here with us today, recently found that the Secret Service's information technology systems, which contain a wealth of extremely sensitive information, are, quote, “vulnerable to unauthorized access and disclosure,” end quote.

A DHS OIG employee who met with our staff referred to the Secret Service IT systems as the worst in all of Homeland Security. And yet they're supposed to be the ones protecting the Nation from

everything that we do. And a lot of people do a lot of good work, but that mission is growing and expanding and it's going global. It's already gone global. It went global a long time ago.

The employee indicated the audit should have only taken a few days but it took months because of how unsecure the systems were and because the Secret Service lacked basic information technology security knowledge.

Matters are made worse by the troubling culture of mishandling sensitive information. Additionally, when meeting with Homeland Security and Secret Service officials, we learned the improper access and disclosure of sensitive information was so commonplace that Secret Service employees didn't even know it was against the rules to do so.

This is how arcane the Secret Service process is. Applicants must email sensitive background forms that the Secret Service then prints, stores, and then manually re-inputs them into the system. Do you know how many man-hours are wasted on that, doing that in that system? We have asked the Inspector General to investigate.

If the Secret Service is committed to reform, then the agency must also be committed to ensuring top leadership is above reproach and worthy of respect from those that they lead. They are one of the most revered law enforcement agencies on the planet, but after we saw Cartagena, Secret Service employees believed there was a double standard for top leadership, that depending on who you knew and what your position was, you could be promoted despite misconduct. It is imperative that this belief be completely wiped clean in order to truly transform the agency.

Currently, the Secret Service is refusing to comply with the duly-issued subpoena. The documents in question contain serious misconduct at the senior-most levels of the agency. On May 20, we requested information related to any past misconduct committed or alleged by senior officials at the GS-15 level or above. On September 2, given their nonresponse, we issued a subpoena for those documents. Today, the production is still not complete.

We did receive a trove of documents late last night—we shouldn't have to have a hearing to compel that—but the names have been redacted. The names have been redacted. We can't conduct this. We can't do our proper oversight with all the redactions. On this one page here, I can show you, there's 22 redactions on one page of duly-issued-subpoenaed material.

The committee understands there are more than 40—40—officials, of roughly a universe of about 300, there are roughly 40 individuals out of 300 at the GS-15 level or above, including a recently promoted assistant director who had misconduct in their personnel record, either alleged or proven.

Based on materials the committee has reviewed, the misconduct in question includes transmitting hardcore pornography on government computers, racially charged messages, visiting strip clubs during working hours using government vehicles, impersonating an FBI agent or DEA agent, improper relationships within the workforce, domestic violence, and sexist conduct.

The committee has long held that senior leaders must be held to the same standard as the rank-and-file employees.

The reason this was highlighted is because, when given a survey, anonymous survey, the Secret Service employees told us only 22 percent—22 percent—of the Secret Service employees believed that senior leaders maintain high standards of honesty and integrity. Think about that. More than 79 percent of Secret Service employees don't believe that senior leaders act honestly and with integrity.

Of course we're going to look into this. That's one of the most stunning numbers we've ever seen pop out at us on these surveys. And there's a reason we do these surveys, is so we can highlight this. But we don't know if you've cleaned this up. We don't know if you've helped solve this. And it's not good enough to just say, "Oh, yeah, we're addressing it," when you won't share the information with the committee.

There have been some positive reforms. This committee's bipartisan December 15 report and the December 2014 Blue Ribbon Panel report made extensive recommendations for reform. The Secret Service has taken steps to implement these recommendations and begun to correct its mistakes.

But until the Secret Service takes seriously the character of its own senior leadership, it cannot hope to recruit and retain the type of workforce it needs to regain its prestigious position as history has known. The committee is dedicated to reforming the agency to make sure it is as successful as possible and is a zero-fail mission.

Again, we appreciate the good work of the men and women who have gone through a very rigorous campaign schedule. But that has not let up; they still have a lot of protection to do. And we thank them for that service.

We will now recognize the ranking member.

Mr. CUMMINGS. Thank you very much, Mr. Chairman, and I'm glad that we are having this hearing.

To the men and women of the Secret Service, I too join the chairman in thanking you for all that you do in protecting the President and the other protectees and addressing issues that are very, very difficult.

When you think about working and not being paid and, at the same time, having to go home to a family who has not been able to spend the time that they want to spend with you, and then when you look at your paycheck, you're not even compensated for that time. So I join the chairman with regard to trying to make sure that we retroactively raise the cap so that Secret Service agents, employees, might be properly compensated.

Since the beginning of this Congress, I've joined with the chairman to conduct a comprehensive investigation of the Secret Service—the good, the bad, and the ugly. Working together, we issued a bipartisan report last year that documented the cultural problems in the agency and detailed specific incidents of abuse by agents who went astray.

But we also did something else extremely important. We documented how staffing levels at the Secret Service dropped off a cliff after significant budget cuts were imposed by sequestration. Let me read to you what our report said, and I quote: "The crisis began after 2011, when the number of employees began to decline sharp-

ly, and the decline continued across all categories of employment,” end of quote.

One of the top causes we identified was the, quote, “significant cuts imposed by the Budget Control Act of 2011,” end of quote. That was the bipartisan, unanimous finding of this committee. Through sequestration, Republicans in Congress slashed the budget of the Secret Service, and we’re still feeling the consequences of those budget cuts on the men and the women who devote their lives to protecting the President and many other officials.

After recognizing this massive problem, we also proposed a bipartisan solution. In our bipartisan report, we made 29 joint recommendations, and one of them read as follows, and I quote: “Congress should ensure that Secret Service has sufficient funds to restore staffing to required levels, and the Secret Service should ensure that it has systems in place to achieve these goals.”

Now, I agree with the chairman. It’s one thing to deal with the staffing; it’s another thing to make sure that all of the support systems are in place. There has been a lot of research done with regard to the Secret Service, a lot of recommendations, but we do have a duty to make sure that the Secret Service is carrying out those recommendations and carrying them out in a timely fashion.

Unfortunately, the problem we now face is that some apparently feel that these words mean little, and they will not support additional funding, by the way, for the Secret Service beyond this year to increase staffing or even to keep the staffing they have.

As we all know, 2016 has been a year of extraordinary demands and strain on the Secret Service. I thought the chairman did an excellent job of laying out some of those concerns. Recent reports indicate that more than 1,000 Secret Service agents—one-third of the agents—have worked so many hours that they are now maxed out of their overtime and salary and are prohibited by current law from receiving any additional overtime pay. Some agents started working overtime for free as early as June and are exceeding the pay cap by \$50,000 or \$60,000.

But this happens every 4 years. Every Presidential campaign year—and we know this in advance—significant hours of overtime are required for the Republican and Democratic National Conventions and for around-the-clock protection of the Presidential candidates and their families. This year, the Secret Service had to provide security at two additional major events: the United Nations General Assembly and the Nuclear Security Summit.

As our bipartisan report showed, Secret Service agents have been leaving at historic rates. One senior agent explained how agents had their lives, and I quote, “completely disrupted and don’t see any benefit from the sacrifice.” That’s a very sad commentary.

And as the chairman stated when he talked about this person, he also said: “We’re losing people. Recruiting has been tough to do, as not many want to do this job, and we are doing nothing to incentivize people to apply or stay,” end of quote.

The men and women of the Secret Service put their lives on the line every day because they love our country. I have talked to Secret Service agents who have said to me that they’re willing to take a bullet for the President—willing to take a bullet. And we ought to be able to compensate them.

They endure high-stress, 16-hour workdays. They're away from their families for weeks at a time. They miss birthdays, holidays, anniversaries, and time with their children. That's time that they will never be able to recover. They make extreme sacrifices, and they should get paid for the time they work.

How in the world can we expect to address the major recruitment and retention challenges at the Secret Service if we're not even paying them for the hours they serve? Raising the salary caps only for 2016 is not enough. This is not a new issue. It comes up every election cycle, and we need a permanent solution.

For these reasons, I'm introducing a bill that would create a permanent fix by raising the annual pay cap for every Presidential campaign year. And the Secret Service need to know that in advance. They need to know that we've dealt with this and that they're going to be okay and their families are going to be okay. And if we want to address the issue of morale, I can see no better way to do that.

So it is Congress' duty to consistently fund the Secret Service's most mission-critical areas. And we must take action, and we must take action now.

Finally, I am very encouraged that the Secret Service has been making progress implementing our recommendations and those of the Protective Mission Panel. Just this morning, the Department of Homeland Security Inspector General issued a new report commending the Secret Service on the significant strides they have been making. However, the report warns that full implementation will, and I quote, "depend heavily on adequate funding and staffing," end of quote.

This is a warning for us here in this committee and every Member of Congress. I've often said that I want the Secret Service to be the elite among the elite. I want that reputation that the protective armor that they have cannot be pierced, because I think that that in and of itself, that reputation in and of itself, is a deterrent from anybody trying to do something to harm the President or the other officials.

And so I urge my Republican colleagues to support my bill and to show the American people that this committee can do more than just talk, that we can act to address the problems swiftly and provide a permanent solution, but, more importantly, to say to the Secret Service that we appreciate you and we want to make sure that you receive every penny that you have earned.

With that, Mr. Chairman, I yield back.

Chairman CHAFFETZ. I thank the gentleman.

We'll hold the record open for 5 legislative days for any members who would like to submit a written statement.

We'll now recognize our panel of witnesses. We're pleased to welcome Mr. Tom Dougherty, Chief Strategy Officer at the United States Secret Service; Brigadier General Kevin Nally, retired, Chief Information Officer at the United States Secret Service; the Honorable John Roth, Inspector General, the Department of Homeland Security; and the Honorable Patrick O'Carroll, executive director of the Federal Law Enforcement Officers Association.

Gentlemen, we thank you for being here.

Pursuant to committee rules, all witnesses are to be sworn before they testify. If you will please rise and raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

Thank you. You may be seated.

Let the record reflect that all witnesses answered in the affirmative.

In order to allow time for discussion, we'd appreciate it if you would limit your oral testimony to 5 minutes. Your entire written record will be made part of the record.

Mr. Dougherty, you're now recognized for 5 minutes. And, please, pull that microphone up close and make sure it's on. Thank you very much.

WITNESS STATEMENTS

STATEMENT OF TOM DOUGHERTY

Mr. DOUGHERTY. Thank you, Chairman Chaffetz, Ranking Member Cummings.

I apologize first. I'm under the burden of a cold, so I apologize for a little bit of the voice issue. But let me start.

Good morning, Chairman Chaffetz, Ranking Member Cummings, and distinguished members of the committee. I am proud to appear before you today alongside Secret Service's Chief Information Officer, my colleague Kevin Nally, a recent acquisition by Secret Service, to discuss a broad range of ongoing reforms in betterment of the agency.

It is our honor to represent the men and women of the Secret Service at the conclusion of the 2016 Presidential campaign. Through the exceptional commitment, dedication, and selfless sacrifices of our workforce, the Service has successfully performed one of its most important responsibilities to the Nation, that of protecting Presidential candidates and Presidential and Vice Presidential nominees.

One week removed from the general election, we continue to look ahead as we prepare for the Presidential inaugural and beyond.

As with the generations that preceded us, all of us, our more than 6,500 employees demonstrated a level of professionalism and commitment upon which the reputation of our agency has been built historically. I appreciate the opportunity to speak today about these accomplishments, as well as the challenges ahead and the efforts that the Director and the staff have undertaken to ensure that the Secret Service is an agency that does continuously improve.

The agency began preparation and training for candidate operations in the summer of 2015—a long time ago now, it seems—at the direction of the Secretary of the Department of Homeland Security and, after consultation with the Congressional Advisory Committee, initiated protection of candidates in November of 2015.

As part of our campaign efforts, we also provided security for three Presidential debates as well as one Vice Presidential debate.

In the course of this election year, the Service coordinated security for over 2,500 candidate trips, during which approximately 4

million people went through magnetometer screening in order to protect the American political process.

Protection is a collaborative effort, and we are fortunate to have the support of a number of partners over the past year. Particularly, we work with our DHS colleagues at Homeland Security Investigations—that’s HSI—Transportation Security Administration, U.S. Customs and Border Protection, as well as State and local public safety agencies throughout the country to ensure protection for these candidates. And we thank them for their critical support. We could not do our job without State and local law enforcement.

Amidst candidate operations, the agency coordinated five national special security events over this particular year—and then, of course, the Pope just prior to that time, as well. That’s six.

While Federal, State, and local partners from across the government supported these NSSEs, as envisioned in Presidential directives, I am proud to say that these events also demonstrated a tremendous unity of effort—or unity-of-government effort within the Department.

These NSSEs included the State of the Union, the 2016 Nuclear Security Summit, the Republican and Democratic National Conventions, and, of course, the 71st United Nations General Assembly in New York.

Beyond the operational achievements of the past year and a half, Director Clancy has rebuilt the Secret Service’s command structure and implemented policies to increase transparency and communication between senior leaders, supervisors, and the rank and file across our agency. Many of these changes were recommendations made by the independent Protective Mission Panel as well as this committee.

The work of the PMP led the Secret Service to examine how we lead the organization, how we train for and conduct operations, and how we engage with every member of the workforce.

One year after the PMP issued this report, the Secret Service invited the panel members from the PMP back to our headquarters to meet with Director Clancy to discuss the progress we had made and to get their input, genuinely, to ensure that our actions and intended direction were consistent with the intent of their recommendations. Their positive response to our progress was encouraging. Our job is not finished, though, of course, with that.

The DHS Office of Inspector General recently reviewed the Secret Service’s progress in implementing the recommendations of the PMP. In its report, the OIG stated, “The Secret Service has clearly taken the PMP’s recommendations seriously, which it has demonstrated by making a number of significant changes.” The DHS OIG went on to note that “fully addressing some of the PMP recommendations will take considerable time. It is a sustained effort, funding and stakeholder support”—your support. We appreciate the OIG’s assessment and concur with the five recommendations that he has put forward to us.

In addition to Mr. Roth’s report, we have actively sought assessments and feedback from external sources, among them, most recently, as published today, the National Academy of Public Administration, which helped us identify ways to build and complete additional actions related to both the PMP and also the HOCR report.

The Secret Service is committed to a sustained, long-term effort of continual improvement. During our work to address the PMP recommendations, we have addressed concerns raised in the committee's report, which include changes in Secret Service leadership and the structure of our organization fundamentally, profoundly; hiring and retaining personnel; and the budgeting of our own mission needs to sustain the operations based on what it costs.

With the 2016 Presidential campaign behind us, our employees continue to meet the significant requirements of the mission in the face of our ever-changing threat environment. Under Director Clancy's leadership, we will continue to support all of our employees as we build our hiring and retention initiatives—there are many—and fight to provide them with the commensurate compensation for the long hours that they work on behalf of the American people. We have made tremendous strides in fulfilling these. We bring the same focus to the recommendations made by this committee.

On behalf of Director Clancy and his executive staff, I would like to thank the men and women of the Secret Service for their hard work and sacrifices this entire year. The agency has a proud tradition of operational excellence and professionalism. I know the Director is deeply committed to the workforce and will continue to do everything he can.

Chairman Chaffetz, Ranking Member Cummings, and members of the committee, that concludes my testimony, and I do welcome your questions going forward.

[Prepared statement of Mr. Dougherty follows:]



Thomas E. Dougherty

**Chief Strategy Officer
Office of Strategic Planning and Policy
United States Secret Service**

Prepared Testimony

**Before the
United States House of Representatives
Committee on Oversight & Government Reform**

November 15, 2016

Introduction

Good morning Chairman Chaffetz, Ranking Member Cummings, and distinguished Members of the Committee. I am proud to appear before you today to represent the Secret Service at the conclusion of the Presidential Campaign. Through the exceptional commitment and dedication of our workforce, the Secret Service successfully accomplished its mission, though we continue to look ahead, as we prepare for the Presidential Inauguration and beyond. Our over 6,500 employees, as with generations that have preceded them, demonstrated a level of professionalism upon which the reputation of our agency was built. I appreciate the opportunity to speak today about these accomplishments, as well as the challenges ahead, and the efforts the Director and his staff have undertaken to ensure that the Secret Service is an agency that continuously improves.

Mission Status

Protection is the priority of this agency. The Secret Service reached a milestone in this election year last week with the General Election. The agency began preparation and training for candidate operations in the summer of 2015, and at the direction of the Secretary of the Department of Homeland Security (DHS or the Department), initiated protection for then-candidate Donald Trump and Dr. Ben Carson in November of 2015. This effort grew to include augmented protection for Secretary Clinton, a permanent protectee of the agency, Senator Bernie Sanders until he suspended his campaign, and eventually the Vice-Presidential nominees and their spouses. It also included the security of three Presidential debates - Hempstead, NY, St. Louis, MO and Las Vegas, NV - as well as one Vice Presidential debate in Farmville, VA. In the course of this election year, the Secret Service coordinated security for over 2,500 candidate trips, during which approximately four million people went through magnetometer screening.

Protection is a collaborative effort and we were fortunate to have the support of a number of partners over the past year. We worked with our DHS colleagues at U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), the Transportation Security Administration (TSA), and U.S. Customs and Border Protection (CBP), as well as state and local public safety agencies to ensure protection for these candidates. We are honored to have been part of the professionalism demonstrated by all of these entities and are appreciative for their assistance as we worked together to provide protection for the candidates.

Amidst candidate operations, the agency coordinated five National Special Security Events (NSSEs) over the past year. While federal, state, and local partners from across government supported these NSSEs, I am proud to say these recent events also demonstrated a tremendous "Unity of Effort" within the Department. The Federal Emergency Management Agency, U.S. Coast Guard, TSA, ICE, CBP, and others were all critical to the security planning and execution efforts. This "whole of government" approach has become an effective model for these events. The NSSEs included the State of the Union, 2016 Nuclear Security Summit, the Republican National Convention, the Democratic National Convention, and the 71st United Nations General Assembly.

The election of our next President last week put a symbolic cap on candidate nominee operations, but our work continues at a vigorous pace. The Secret Service has been deeply involved in Presidential Transition Office efforts and already enhanced the level of protection for the President-elect and Vice-President-elect and their families, to reflect the positions they will formally hold come January. When the next President is sworn into office and the current President reenters private life, the Secret Service will also be prepared with a former President Obama protective division. In addition to a former Presidential protective division, Vice President Biden and Dr. Biden will be eligible to receive Secret Service protection for six months upon leaving office. Planning for this historic day of transition on January 20, 2017, the 58th Presidential Inauguration, has been well underway since early this summer.

Despite the added challenges of multiple NSSEs and protection of the presidential candidates throughout the campaign, the Secret Service ensured the safe arrival and departure for 8,580 protective travel stops in fiscal year (FY) 2016, a 40% increase in protection over the previous year. Personnel also completed 8,369 protective surveys, executed 140 protective intelligence arrests and provided security for 26 foreign trips for the President and 36 foreign trips for the Vice President, over the course of this campaign. In fact, the Secret Service is presently traveling with the President on a three country trip to Greece, Germany, and Peru, which required personnel to travel in advance capacities.

The success of these protective trips is dependent on existing, long standing relationships agents throughout the world have with state, local, and international law enforcement counterparts. These relationships are developed largely through cooperative investigative work. We stand by this complementary, integrated relationship between protection and investigations which is the basis of this agency, knowing that it is the very foundation of the results we achieve. The structure of the agency, with an integrated mission, allows for an ebb and flow in its investigative mission in order to prioritize these protective responsibilities. Although the focus of the Secret Service has principally been on protection over the past year, the Secret Service also continued to engage in significant investigative casework throughout the country and across the world.

In addition to our significant protective responsibilities, the agency remains focused on investigating cyber crime, a top priority. The Secret Service, and its partners, established long ago that defense alone is inadequate – proactive law enforcement investigations are essential in combating cyber threats. These investigations often involve the strong domestic and international law enforcement partnerships developed over many years. For example, in April 2016, Marcel Lazar of Arad, Romania, also known as “Guccifer,” was extradited to the United States after an investigation led by the Secret Service’s Washington Field Office, the Federal Bureau of Investigation, and the State Department, in coordination with Romanian authorities. Lazar accessed private online accounts of American citizens including an immediate family member of two former Presidents. Other victims included a former member of the U.S. Cabinet, a former member of the U.S. Joint Chiefs of Staff, and approximately 100 other Americans. In September 2016, Lazar was sentenced for the unauthorized access to a protected computer and aggravated identity theft.

Core financial infrastructure violations involving crimes like money laundering continue to be investigated as well. In June 2016, a Secret Service Santa Ana Resident Office investigation of a long-running telemarketing scheme that targeted small businesses and charities led to 20 federal arrests and seizures over \$5.2 million. Over 200 victim companies were interviewed during the investigation, which included churches, non-profit organizations, schools, small businesses, and government entities and involved at least eighteen fraudulent call centers. Significant community impact cases like this one show the important impact that the agency has made, not just in protecting the President, but protecting the financial infrastructure of this country.

Protective Mission Panel and House Oversight & Government Reform Reports

Since his arrival, Director Clancy has rebuilt the Secret Service’s command structure and implemented policies to increase transparency and communication between senior leaders, supervisors, and the rank and file across the agency. Many of these changes implemented recommendations of the Protective Mission Panel (PMP) and this Committee.

The work of the PMP led the Secret Service to examine how we lead the organization; how we train for and conduct operations; and how we engage with every member of the workforce. A year after the PMP issued

its report, the Secret Service invited the panel members to meet with the Director to discuss the progress we had made and to get their input to ensure that our actions and intended direction were consistent with the intent of their recommendations.

The DHS Office of Inspector General (OIG) recently reviewed the Secret Service's progress in implementing the recommendations of the PMP. In its report, the OIG noted that fully addressing some of the PMP recommendations will take considerable time, funding, and stakeholder support. We appreciate the OIG's assessment, and concur with the five recommendations the report offered to allow the Secret Service to be more responsive to the PMP recommendations.

In addition to the OIG report, we have actively sought assessments and feedback from other external sources. Understanding that work/life balance was at the root of many of the PMP's recommendations, we contracted an independent third party to conduct a comprehensive study of work/life balance at the Secret Service. Additionally, we have sought the feedback of the National Academy of Public Administration, which recently completed an assessment of our business transformation efforts and helping us to identify ways to build upon our completed actions.

All of these efforts demonstrate our focus on improving the Secret Service, not just in short-term actions, but as part of a sustained, long-term effort of continual improvement. Our efforts to address the PMP recommendations have also allowed us to appropriately address similar concerns of this Committee, which include changes in Secret Service leadership and structure, hiring and retaining personnel, and budgeting for our mission needs.

Training and Personnel

In addition to our operational demands, the Secret Service remains focused on our human capital requirements. As Director Clancy has said on numerous occasions, our people are our most important asset. A healthy, robust workforce benefits all involved and allows us to work to our potential in protection and investigations. Increased staffing is the key to enabling improved quality of life and training opportunities for our employees. In FY 2016, amidst an extraordinary protective tempo, the agency hired 327 special agents, 309 Uniformed Division officers, and 194 Administrative, Professional and Technical (APT) staff members, giving us the highest total employee population we have had since 2012. This success is a direct result of our National Recruitment Strategy which was developed with the assistance of a professional marketing firm. This marketing firm is also helping to carry out the campaign across the country to discover talented candidates. In addition, through our Entry Level Assessment Centers, the Office of Human Resources has been able reduce applicant processing time for special agents and Uniformed Division officers from ten months to four.

We plan to build on the momentum of our recruiting efforts and hire approximately 280 special agents, 280 Uniformed Division officers, and 260 APTs in FY 2017. The tireless efforts of our Human Capital Division, Security Clearance Division, our field offices, and the personnel at the James J. Rowley Training Center, in coordination with the Federal Law Enforcement Training Centers have made this possible. Our FY 2016 hiring represents a 67% increase in basic training courses compared to the previous year. The Rowley Training Center has grown and adjusted to meet the increased training needs of the Secret Service. In addition to growing its special agent training staff, the Rowley Training Center has begun a series of capital improvements to meet the needs of our workforce. Upgrades and investments in a Building Defense Training Facility, Canine facility, shooting ranges, and other school-house facilities improve the capacity and capability to provide needed training for our workforce. With these long-term investments, the Secret Service is providing necessary immersion, real-life, integrated training befitting our premier law enforcement personnel into the future.

Our human capital efforts are multi-faceted. While we have made significant progress on our hiring goals, we realize the positive impact of hiring is muted if attrition is ignored. As such, the retention of our existing workforce has been a priority. The current workforce retention issues facing the Secret Service are directly related to the effects that increased operational demands, evolving threats and the need for additional manpower have on employee morale.

The agency's first retention effort to date was directed at our Uniformed Division workforce, where we were able to implement the Uniformed Division Retention Bonus Program. The Secret Service rolled out other incentives including the re-ignition of the student loan repayment and tuition assistance programs, updating the telework policy, and revitalizing the Senior Special Agent and Senior Resident Agent program. The Secret Service is also considering several options for a more comprehensive retention program including an agency-wide APT Career Progression Plan and a child care subsidy program.

Secretary Johnson and Director Clancy are giving particular attention to an initiative intended to ensure that our employees are compensated appropriately. The "max-out" issue has been consistently identified as one of the top issues affecting employee morale and employee retention. However, the protective mission requires continued, uninterrupted coverage for our protectees, requiring individuals to work over the amount for which they are able to be legally paid due to the annual cap. The Secret Service is in the process of developing a more comprehensive position on specific legislative changes, and looks forward to working with the Committee to address employee morale and retention issues

Technology, Perimeter Security and Operations

Working closely with our partners in the National Park Service, the Secret Service has received preliminary approval from the Commission of Fine Arts and the National Capital Planning Commission for designing an upgraded fence round the White House complex. The Secret Service has completed initial testing of the preferred design and hired an external engineering firm to validate the design and engineering process. With completion of a full-scale design mock-up, the Secret Service will seek to start construction of the new fence around the central 18-acres of the complex in 2017.

In-line with the recommendations of the PMP, the Secret Service has increased the number of special agents in the Presidential Protective Division. In addition, through the aggressive hiring efforts previously discussed, the Secret Service is seeking to increase the number of Uniformed Division officers at the White House by 200. While this is a long-term process, in FY 2016, each new graduating special agent spends two weeks in a protective assignment at the White House. The Service has also transferred multiple Uniformed Division administrative assignments to APT employees to increase the number of officers available to provide increased opportunities for training and leave.

Leadership

Since the arrival of the Chief Operating Officer (COO), the Secret Service has aligned business units to report to the COO with an enterprise wide view. Operational protective-investigative divisions continue to report to the Deputy Director. In addition, the Secret Service split its Human Resources and Training Divisions, and elevated the Office of the Chief Information Officer (CIO) and Office of the Chief Financial Officer (CFO), and created the Office of Strategic Planning and Policy at the executive level. These changes created clear lines of responsibility and highlight the importance of their input to senior decision makers.

This mission-oriented organizational structure is also supported by the increasing expertise of the executive workforce. In addition to the COO, the Secret Service has hired career, non-law enforcement professionals to lead the Office of the CIO, Office of Strategic Planning and Policy, Office of Technical Development

and Mission Support, Office of the CFO, and has recently announced an external search for the new head of the Office of Human Resources. These subject matter experts bring a wealth of executive level experience to their posts and will help the Secret Service to continually evolve its professional workforce.

The Secret Service has also worked tirelessly to achieve a mission-base budget starting with the 2018 – 2022 Resource Allocation Plan. To support this budget, the Chief Financial Officer (CFO) has held multiple town-hall style events with the workforce to outline the changes and its implementation across the directorates. In addition, the Office of the CFO has worked closely with other stakeholders in DHS, the Office of Management and Budget, and the staff of the Congressional Appropriations Committees to support the submission of the new budget. The success of these actions is reflected in the Secret Service's transition to the Common Appropriations Structure in FY 2017. An intermediate, but successful transition is crucial to achieving a full mission-based budget in 2018; the new structure will provide increased granularity of our spending needs and support budget justifications into the future.

Integrity and Accountability

The Secret Service has taken many actions to strengthen and implement its integrity and discipline process. The Secret Service established an Office of Integrity in 2013 that defined integrity and professional standards, disciplinary policies and procedures, and a service-wide table of penalties was developed to ensure fairness and consistency in the disciplinary process. The table of penalties is a living document and changes can be incorporated as needed. For example, we recently updated the table of penalties to include instances of failing to report misconduct and expand the definition of the "Lack of Candor" offense codes, indicating that lack of candor should be charged independently of underlying misconduct.

In addition, the Office of Integrity has developed a series of web-based videos to familiarize the workforce with the discipline process and outline the clear-lines of responsibility and accountability designed into the new process. In July 2016, the Office of Integrity published the 2015 Discipline Report to communicate with the workforce regarding the actions taken in response to the disciplinary process for the previous year. Further, the agency has enhanced the mechanisms by which employees can report instances of misconduct.

The Secret Service recognizes that the integrity and accountability of our leaders and workforce are essential to conducting our integrated mission and of great interest to members of this Committee. With that in mind, we have implemented several of the Committee's recommendations.

The Secret Service has been working steadily to realize the recommendations as outlined by the PMP and your Committee. Although much has already been accomplished, many of these changes are long-term and cannot be achieved without sustained effort by the entire organization.

Validation

To assess progress and expected effectiveness of actions underway, the Secret Service requested the National Academy of Public Administration conduct an independent review of recent enhancements to its business support functions and organizational management. The Academy formed an expert panel and study team to evaluate Secret Service management and operational policies, protocols, and practices and to recommend modifications to those reforms or additional steps to most effectively and efficiently meet the agency's objectives and recommendations of the PMP and this Committee. In addition, the Secret Service has accomplished a substantial number of organizational, policy and process changes to transform the way the agency does business, to professionalize administrative, technical and management functions and to remedy numerous staffing and employee issues. Agency leadership has achieved these changes in a relatively short time, demonstrating its commitment to change.

Information Technology (IT)

Before I conclude my remarks, in light of the presence of the Department's Inspector General and his recent report on IT, I would like to speak for a moment on the subject. Director Clancy re-aligned the IT management structure under a Chief Information Officer (CIO) to be more consistent with that found across industry. CIO Kevin Nally was named to that position by Director Clancy and brings a wealth of knowledge with him from his time as CIO of the United States Marine Corps.

Robust information security and a modern IT infrastructure are foundational to the success of the Secret Service mission. Since the Information Integration and Technology Transformation (IITT) program began with funding in 2010, significant strides have been made to provide secure capabilities to a highly mobile workforce. As pointed out in the recent DHS-OIG report, changes to the IT infrastructure did not come soon enough to prevent unacceptable and unauthorized access to personally identifiable information on the Secret Service mainframe database which existed at the time. The retirement of the 1980s era mainframe and associated upgrades to a modern IT environment have allowed for greater controls and assurance that access to systems across the Secret Service enterprise is limited to those with a need and authority to know the information contained within. Further, administrative system rights have been limited, and IT policies continue to be updated and communicated to the workforce.

These were changes occurring when CIO Nally arrived and he has worked tirelessly to see them through to completion. At the same time, he has been laying out his own vision and strategy to move the agency forward as he continues to aggressively hire to fill vacant positions within his office.

Conclusion

As we conclude this election year, the operational challenges facing the men and women of the Secret Service will not subside. Each day, our special agents, Uniformed Division officers, and APT staff face unparalleled demands. This has been the nature of the mission of this agency faced by generations of employees. Our employees continue to meet the high-tempo needs of the mission in an ever changing threat environment. Their perseverance to be successful in protection, while immersing themselves in complex investigations motivates our leadership staff to implement positive change for them in this agency. Under the direction of Director Clancy, his leadership team will continue supporting all of our employees by building on staffing and retention initiatives, and fighting to provide them with the commensurate compensation for the long hours they work on behalf of the American people. We are proud of our progress to date on the PMP recommendations and will continue to do the work that remains. We also appreciate the OIG's audit on our IT systems and recognize that continued improvements are needed and essential to the successful completion of our mission. The Secret Service will continue to improve the oversight and management of our IT systems to ensure that the information with which it is entrusted is properly protected and secured. We bring the same focus to the recommendations of your Committee's report, and you should expect to see similar results to the ones already achieved, in those that remain.

The agency, the leadership team, and our employees are committed to continually improving the Service. Thanks to the hard work, dedication, and many sacrifices of our employees, we have been successful when the demands of the mission were at its highest this year. On behalf of Director Clancy, I would like to publicly thank them for carrying on the proud tradition of this agency and let them know the Director and his leadership team will continue to do everything we can to fully support them, as we focus on ensuring a reputation that is second to none.

Chairman Chaffetz, Ranking Member Cummings, and members of the Committee, this concludes my written testimony. I welcome any questions you have at this time.

Chairman CHAFFETZ. Thank you.
Mr. Nally, you're now recognized for 5 minutes.

STATEMENT OF BRIGADIER GENERAL KEVIN NALLY, RET.

General NALLY. Thank you, Mr. Chairman, for this opportunity. I actually do not have a written statement, but I would like to caveat and say: The state of IT within the Secret Service is taken very seriously by the Director, his staff, and the entire Secret Service.

For the record, I was not with the Service when this information happened in the OIG report. However, I'd be happy to talk to you about what I've done, with Mr. Clancy's support, to fix what is in the OIG report.

We've made significant organizational improvements in late December 2015, and the successes during each national special security event are a testimony to mission accomplishment, our current leadership in place, and our continual progress for system security and a continued focus on supporting a mobile workforce.

Thank you, sir.

Chairman CHAFFETZ. Thank you.

The Inspector General, Mr. Roth, you're now recognized for 5 minutes.

STATEMENT OF THE HON. JOHN ROTH

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

The Secret Service has taken action to address the concerns and challenges identified by our office, the Protective Mission Panel, and this committee. Although we have seen encouraging progress, many of the implemented changes will require long-term commitment and planning. We will continue to monitor the Secret Service's progress in implementing our recommendations and that of the PMP over time.

In our most recent report, released today, we looked at the Secret Service's progress in meeting the Protective Mission Panel's 19 recommendations that it made in December 2014. We found that the Secret Service has clearly taken the panel's report seriously, and Director Clancy has shown a strong commitment to fully implementing the panel's recommendations.

For example, one of the panel's major findings was that the Secret Service had never developed a budget process that articulated its mission or a corresponding staffing and budget plan to meet its needs. This meant, as its operational tempo has increased, the Secret Service often fixed short-term problems at the expense of long-term ones, such as deferring technology refreshes to pay for operational travel or paying large amounts of overtime rather than fixing the hiring process. To cure this, the Secret Service has for the first time developed a mission-based budget for fiscal 2018, which should address many of the causes of equipment and personnel shortfalls.

The Secret Service has also taken actions or plans to act on the panel's recommendations related to staffing, training, technology, leadership, and organization. Of note, they have hired civilian pro-

professionals for many of the mission support functions, including the CFO, the CIO, the Chief Operating Officer, and the strategic planning and technical development functions. However, again, fully implementing changes and resolving the underlying issues will take a multiyear commitment and depend heavily on adequate funding and staffing.

And, unfortunately, some of the initiated or proposed actions have not yet resulted in the desired outcomes. The Secret Service has increased hiring but still struggles with staff retention. For example, they hired 402 special agents between October 2014 and June 2016 but lost 420 special agents through attrition, for a net loss of approximately 18 special agents. During the same period, they hired 342 Uniformed Division officers but lost 312 through attrition, again, gaining only 30 officers during that time period.

Although training has been enhanced, it continues to be hindered by low staffing levels and high operational demands on the workforce. The Secret Service continues to be challenged by significant hiring delays. A lack of dedicated human resources staff lengthens the hiring process. For example, special agents in field offices conduct polygraph examinations and background investigations as collateral duties, but their primary duties of investigation and protection, of course, take precedence. Additionally, low staffing levels of human resources personnel has slowed the process. At the end of 2015, for example, almost a third of human resource positions went vacant in the Secret Service.

Finally, we took a closer look at the state of the Secret Service's IT program in light of the episode in which agents improperly accessed and distributed Chairman Chaffetz's personal information contained on the Secret Service mainframe known as MCI. We found that the data that was contained within the mainframe was migrated to five different data systems. Unfortunately, in a report that we released several weeks ago, none of those systems have adequate protections in place to prevent similar breaches from happening.

We found major IT systems running without an authority to operate, which is a certification approved by the DHS CIO that effective controls are in place to protect the information on the systems. Additionally, we found inadequate, incomplete, or missing system security plans, inadequate controls on who has access to the systems, and poor audit controls, which hinders the Secret Service's ability to detect unusual user activities and provide the appropriate response to potential or actual security risks.

Moreover, we found that each of these systems had poor privacy protections and inadequate record retention practices. In fact, we found employment applications that were more than 5 years old, including records up to 14 years old. We found Chairman Chaffetz's 2003 application for employment, for example, and the corresponding personal information still remaining within two of Secret Service's systems and, therefore, susceptible to unauthorized access.

After we brought this to the Secret Service's attention, they deleted that record in January 2016. However, the Secret Service could not provide assurance that other applicants' records and cor-

responding personal information had been properly expunged from their systems.

We determined that the cause of these issues was that IT management had not been a priority historically. We found that the responsibility for the IT function had been unwisely split into two parts and that the CIO at the time did not have sufficient authority over the data systems and the Secret Service suffered from significant turnover and staff vacancies. We believe that the Secret Service is moving to correct these deficiencies and will, of course, monitor that progress.

This concludes my testimony. I will be happy to answer questions that the committee may have.

[Prepared statement of Mr. Roth follows:]

OFFICE OF INSPECTOR GENERAL

**Testimony of Inspector General
John Roth**

**Before the Committee on Oversight
and Government Reform**

**United States House of
Representatives**

“Oversight of the Secret Service”



**Homeland
Security**

**November 15, 2016
10:30 AM**



DHS OIG HIGHLIGHTS

Oversight of the Secret Service

November 15, 2016

Why We Did This

The inspections and audit discussed in this testimony are part of our ongoing oversight of the Secret Service. Our reviews are designed to ensure the efficiency and effectiveness of Secret Service operations.

What We Recommend

We made numerous recommendations in these reports. Our recommendations are aimed at helping the Secret Service 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 three of our recent reviews:

- *The Secret Service Has Taken Action to Address the Recommendations of the Protective Mission Panel* – We concluded that the Secret Service has clearly taken the Protective Mission Panel’s recommendations seriously, but fully implementing changes and resolving underlying issues will require a multi-year commitment and depend heavily on adequate funding and staffing.
- *DHS Is Slow to Hire Law Enforcement Personnel* - From fiscal years 2011 through 2015, the Secret Service came close to meeting or met authorized staffing levels for Special Agents and Uniformed Division Officers, but significant hiring delays continued. The Secret Service has made changes to improve its law enforcement hiring process and shorten the amount of time it takes to hire personnel, but most of the changes are relatively new and their long-term success cannot yet be measured.
- *USSS Faces Challenges Protecting Sensitive Case Management Systems and Data* – The Secret Service did not have adequate protections in place on sensitive case management systems. Although the Secret Service recently initiated steps to improve its IT management structure, it will take time to fully implement these improvements and demonstrate effectiveness.

DHS Response

DHS concurred with our recommendations.



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Department of Homeland Security

Chairman Chaffetz, Ranking Member Cummings, and Members of the Committee, thank you for inviting me here today to discuss oversight of the U.S. Secret Service.

Today, I would like to discuss the results of the Office of Inspector General's recent reviews, which touch on the Secret Service's efforts to reform its basic management functions to more effectively execute its mission. Our most recent work focused on three key operational areas: the Secret Service's actions to address recommendations of the Protective Mission Panel, difficulty in hiring law enforcement personnel, and challenges protecting sensitive case management systems and data.¹ In each area, the Secret Service has taken action to address the concerns and challenges identified by our office and this Committee. Although we have seen encouraging progress, many of the implemented changes require long-term commitment and planning. We will continue to monitor the Secret Service's progress in implementing our recommendations over time.

The Secret Service Has Taken Action to Address Recommendations of the Protective Mission Panel

Following the September 19, 2014 White House fence jumping incident, the Secretary of Homeland Security established the Protective Mission Panel (Panel) to undertake a broad independent review of the Secret Service's protection of the White House Complex (WHC). The Panel made 19 recommendations in its December 2014 unclassified report. To address the Panel's findings and recommendations, we verified and evaluated actions the Secret Service has planned and taken since December 2014.

The Secret Service has clearly taken the Panel's recommendations seriously, which it has demonstrated by making a number of significant changes, including several actions underway or nearing completion. Specifically, although managers need more training in encouraging, valuing, and responding to employee feedback, the Secret Service has improved communication within the workforce by providing a platform for employees to share ideas. Additionally, using funding appropriated for Panel initiatives, the

¹ *The Secret Service Has Taken Action to Address the Recommendations of the Protective Mission Panel*, OIG-17-10 (November 2016); *DHS Is Slow to Hire Law Enforcement Personnel*, OIG-17-05 (October 2016); and *USSS Faces Challenges Protecting Sensitive Case Management Systems and Data*, OIG-17-01 (October 2016)



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Secret Service has begun enhancing security and refreshing technology at the WHC. Namely, it is working with stakeholders on plans to construct a new outer fence surrounding the WHC.

One of the Panel's major criticisms was that the Secret Service had never developed a budget process that articulated its mission or a corresponding staffing and budget plan to meet its needs. Historically, as its operational tempo has increased, the Secret Service has often solved short-term problems at the expense of long-term ones, such as deferring technology upgrades to pay for operational travel, or paying large amounts of overtime rather than fixing the hiring process. To cure this, the Secret Service developed a "mission-based budget" for fiscal year 2018, which should address many of the causes of equipment and personnel shortfalls.

The Secret Service has also taken action or plans to act on the Panel's recommendations related to staffing, training, technology, leadership, and organization. However, fully implementing changes and resolving underlying issues will require a multi-year commitment and depend heavily on adequate funding and staffing. Further, some initiated or proposed actions have not yet resulted in desired outcomes. The Secret Service has increased hiring, but still struggles with staff retention. For example, the Secret Service hired 402 Special Agents between October 2014 and June 2016, but lost 420 Special Agents through attrition. During the same period, the Secret Service hired 342 Uniformed Division (UD) Officers but lost 312 UD Officers through attrition. Although training has been enhanced, it continues to be hindered by low staffing levels and high operational demands on the workforce.

To achieve its mission to protect the President and Vice President, their families, and the White House, the Secret Service must invest in cutting edge technology and drive research and development. At times in the past, the Secret Service's organizational structure and processes hindered its ability to carry out these tasks. Our January 2016 report on the state of the Secret Service's radio systems, for example, highlighted the fact that many were well beyond their recommended service life, and many manufacturers had stopped making several of the major system components, making repairs difficult.² Likewise, in our review of the March 4, 2015 alcohol-related incident at the WHC we noted that the video system there was installed in 2007 and, because of the limitations of the system and other reasons, video was not preserved for long periods of time.³ We also found that the alarm at a residence of President George H.W. Bush was installed in 1993 and not replaced, even though in 2010 a Secret Service security expert determined that the alarm system had

² *U.S. Secret Service Needs to Upgrade its Radio Systems*, OIG-16-20 (January 2016)

³ *Investigation into the Incident at the White House Complex on March 4, 2015* (May 2015)



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exceeded its useful life.⁴ Additionally, as we note below, the Secret Service data system known as the Master Central Index, which contained a variety of sensitive and essential information, was developed and implemented in 1984 and remained in use until 2015.

Recently, however, the Secret Service has empowered and professionalized the relevant offices and committed funding to technology refreshes and pursuing new technology. For example, it has made a non-law enforcement professional subject matter expert the head of the Office of Technical Development and Mission Support and established and assigned IT responsibilities to a non-law enforcement professional subject matter expert Chief Information Officer (CIO). Although the Secret Service has reorganized key budget and technology functions, emphasizing expertise and leadership experience, it has not yet elevated civilian leadership in the human resources area. Nor has the Secret Service found the ideal structure or placement in the component for the Uniformed Division.

The Panel asserted the Secret Service is insular and does not regularly learn from its external partners. To address the Panel's recommendations to engage with Federal and international partners, the Secret Service hosted more joint training exercises; sought to obtain periodic, outside assessments of the threats to and strategies for protecting the WHC; and engaged foreign protective services through events. However, the Secret Service has not yet evaluated these partnerships or established regular exchanges of knowledge, and staffing constraints limit joint training, as well as partner outreach. Leading the Federal protective force community, obtaining periodic outside assessments, and coordinating with international partners will require sustained support from Secret Service leadership and the flexibility to carry out these actions in the face of protective mission demands.

We made five recommendations to further the Secret Service's progress in addressing the Panel's recommendations. In addition to this unclassified report, we will be issuing a classified report focusing on our review of the Panel's classified recommendations. This Committee will receive a copy of the classified report once it is complete, and an unclassified summary will be posted on our public website.

DHS Is Slow to Hire Law Enforcement Personnel

In October 2016, we issued a report on the results of our review of the law enforcement hiring processes at three components – U.S. Customs and Border

⁴ *Management Advisory – Alarm System Maintenance at Residences Protected by the Secret Service* (April 2015)


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Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), and the Secret Service. We identified several issues with all three components' law enforcement hiring processes. Today, I will focus on those we identified at the Secret Service.

The good news is that from fiscal years 2011 through 2015, the Secret Service came close to meeting or met authorized staffing levels for Special Agents and UD Officers.

Percentage of Secret Service Authorized Law Enforcement Positions Filled, FYs 2011-15

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Special Agents	100%	97%	94%	100%	95%
UD Officers	100%	97%	93%	94%	87%

However, the Secret Service continues to be challenged by significant hiring delays. The table below shows the average number of days it took to hire Special Agents and UD Officers through job announcements issued in that fiscal year. (A dash indicates the Secret Service did not hire personnel that fiscal year.)

Secret Service Average Days-to-Hire, FYs 2011-15

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Special Agents	286	–	482	441	298
UD Officers	–	–	294	272	359

A lack of dedicated human resources staff lengthens the Secret Service's hiring process. For example, Special Agents in field offices conduct polygraph examinations and background investigations as collateral duties, but it is difficult to complete these collateral duties because the Special Agents' primary investigative and protective functions take precedence. In FY 2015, the Secret Service's security clearance process, including polygraph examinations and background investigations, for UD Officers averaged 200 days. According to Secret Service officials, it takes even longer in an election year, such as this one, because of the Special Agents' increased operational tempo. Hiring freezes and attrition across the Department have also affected staffing levels of human resources personnel and delayed applicant processing and hiring. In the Secret Service, at the end of FY 2015, 32 percent of human resources positions were vacant.

Rather than one comprehensive automated system, the Secret Service uses two applicant tracking systems, which do not communicate with each other. The systems also require manual manipulation of data, making it difficult and



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cumbersome to process large numbers of applicants. In addition, applicants do not submit their Standard Form 86, *Questionnaire for National Security Positions* (SF 86) through the web-based, automated e-QIP system; instead they must email the document to Secret Service staff who print it out and review it manually. The electronic SF 86 only contains pages the applicant has completed; the paper version is the entire 140-page document, including pages not completed. One Secret Service official described the process as a “paper mill,” with boxes of applicant files filling an entire room.

The Department, CBP, ICE, and the Secret Service have all made changes to improve their law enforcement hiring processes and shorten the amount of time it takes to hire personnel, but most of the changes are relatively new and their long-term success cannot yet be measured. The Secret Service has established hiring events that allow applicants to complete several steps in the hiring process in one location. In FY 2014, it took an average of 192 days to hire UD Officers who attended these events versus an average of 290 days for all other UD Officer applicants. In November 2015, the Secret Service created the Applicant Coordinating Center to further monitor applicant hiring, specifically during the polygraph examination, medical examination, and background phases of the process.

Despite improvements, the Secret Service continues to fall short of Office of Personnel Management (OPM)-established and its own time-to-hire goals. OPM’s 80-day goal is unrealistic because it does not account for the additional steps in the law enforcement hiring process. In 2014, the Secret Service implemented a 118-day hiring target for its law enforcement applicants, but on average failed to meet this timeframe in FY 2014 and FY 2015 for both Special Agents and UD Officers. Although the Secret Service has improved its time-to-hire averages, it will likely not meet OPM’s 80-day timeframe, regardless of process improvements, and it will only meet credible and attainable internal targets.

The inability to hire law enforcement personnel in a timely manner may lead to shortfalls in staffing, which can affect workforce productivity and morale, as well as potentially disrupt mission critical operations. In a previous OIG report we found that staffing shortages for UD Officers led to inadequate training, fatigue, low morale, and attrition.⁵ An internal Secret Service report described similar effects on Special Agents.

We made five recommendations to improve the efficiency of law enforcement hiring practices. The Department and all three components concurred with our recommendations and are taking steps to address them. Based on the

⁵ [2014 White House Fence Jumping Incident, OIG-16-64 \(April 2016\)](#)



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components' responses to the draft report, we consider one recommendation unresolved and open and four recommendations resolved and open.

Our recommendation to prioritize and dedicate full-time personnel as needed is unresolved because we do not believe the Secret Service's plan to hire one additional polygraph examining investigator will substantially ease the burden of Special Agents who conduct polygraph examinations and background investigations as collateral duties.

Challenges Protecting Sensitive Case Management Systems and Data

Background

Last year, our office conducted an investigation regarding allegations of improper access and distribution of Chairman Chaffetz' personally identifiable information (PII) contained on the USSS mainframe, known as the Master Central Index (MCI). On September 25, 2015, we reported that 45 Secret Service employees had accessed Chairman Chaffetz' sensitive PII on approximately 60 occasions. The information, including the Chairman's social security number and date of birth, was from when he applied for employment with the Secret Service in September 2003. Of the 45 employees, only 4 had a legitimate business need to access this information. The others who accessed the Chairman's record did so in violation of the *Privacy Act of 1974*, as well as DHS policy and *USSS IT Rules of General Behavior*.⁶

During our investigation, we also planned a follow-up audit to determine whether adequate controls and data protections were in place on the MCI.

In 1984, the Secret Service (USSS) developed and implemented the MCI mainframe application as an essential system for use by USSS personnel in carrying out their law enforcement mission. An independent security review performed in 2007 by the National Security Agency (NSA) identified IT security vulnerabilities on all applications hosted on the USSS mainframe and advised corrective action. According to USSS personnel, a key deficiency of MCI was that once a user was granted access to the MCI, that user had access to all data within MCI — regardless of whether it was necessary for the user's role.

In response to NSA's review, USSS initiated the Mainframe Application Refactoring project in 2011. Four years later, USSS completed final disassembly and removal of the mainframe in August and September 2015 and migrated MCI data to the following five information systems:

⁶ *Investigation into the Improper Access and Distribution of Information Contained Within a Secret Service Data System* (September 2015)



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- Field Investigative Reporting System (FIRS)
- Clearances, Logistics, Employees, Applicants, and Recruitment (CLEAR)
- Protective Threat Management System (PTMS)
- Electronic Name Check System (eCheck)
- Electronic Case Management System (eCase)

MCI disassembly and data migration occurred just a few weeks prior to the start of our audit in September 2015. As a result, we focused our audit on these five systems.

Ineffective Systems and Data Management

Our audit disclosed that USSS did not have adequate protections in place on the systems to which MCI information was migrated. Specifically, we found:

- Inadequate System Security Plans – These documents, which provide an overview of system security requirements, were inaccurate, incomplete, or in one case, nonexistent. As a result, USSS had no reasonable assurance that mission-critical case management and investigative information was properly maintained and protected. Those relying on USSS to protect their identities (e.g., informants) had no assurance against unauthorized access or disclosure of their information.
- Systems with Expired Authorities to Operate (ATO) – USSS was operating IT systems without valid ATOs documenting senior-level approval to operate those systems. Lacking ATOs, USSS had no reasonable assurance that effective controls existed to protect the information stored and processed on these systems.
- Inadequate Access Controls – USSS lacked access controls on the information systems we reviewed. Further, policies did not address the principle of least privilege, restricting system users to only those privileges needed for the performance of authorized tasks. According to USSS personnel, 5,414 employees had unfettered access to the MCI application data before it was retired. These deficiencies increased the likelihood that any user could gain unauthorized and covert access to sensitive information, compromising its confidentiality, integrity, and availability.
- Inadequate Audit Controls – These controls were not fully implemented, hindering USSS' ability to detect unusual user



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activities and/or provide appropriate response to potential or actual security risks, anomalies, or attacks. Such deficiencies significantly hindered USSS' ability to reconcile system events with the responsible individuals, rendering them unable to conduct appropriate incident response in the event of cyber security incidents or threats.

The Chairman has requested that our office investigate possible instances of the mishandling of PII at the Secret Service, including whether any other Member of Congress' PII has ever been improperly accessed or disseminated from a Secret Service database. Because the MCI database has been disassembled and dismantled, we are unable to conduct a historical audit regarding whether PII was mishandled during the time that the MCI was in use, between 1984 and August 2015. Due to the inadequate audit controls on the systems to which the MCI data and information was migrated, we also do not have the ability to review or investigate the potential mishandling of PII since August 2015. We have recommended that the Secret Service update its system policies, which would include updating policies for auditing system events, in order to address this deficiency.

- **Noncompliance with Logical Access Requirements** – USSS had not fully implemented Personal Identity Verification (PIV) cards for logical access to USSS IT systems as required. Approximately 3 percent of privileged users and 99 percent of non-privileged users were not using PIV cards to access information systems, hindering USSS' ability to limit system and data access to only authorized users with a legitimate need.
- **Lack of Privacy Protections** – Despite National Institute of Standards and Technology and DHS privacy protection requirements, USSS had not designated a full-time component privacy officer reporting directly to the USSS Director. USSS privacy documentation was incomplete, out-of-date, or missing documented assessments on how privacy controls were implemented. USSS had not published component-specific policies and procedures to comply with DHS policy. Also, responsible system owners and security personnel (i.e., Information System Security Officers) were unaware of their responsibilities for documenting and



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implementing privacy protections on USSS systems. Ineffective privacy leadership and practices increased the likelihood of serious breaches to PII, resulting in identify theft or worse, personal harm to employees, their families, informants working for USSS, or subjects of USSS investigations.

- **Records Retention** – USSS retained job applicant data on information systems longer than was relevant and necessary, in violation of the *Privacy Act of 1974*. Many “rejected” and “no longer interested” applications were more than 5 years old, including records up to 14 years old. We found that Chairman Chaffetz’ 2003 application for employment with the USSS remained in both CLEAR and eCase, and therefore susceptible to unauthorized access. Collectively, the systems still contained records of the Chairman’s name, social security number, race, the type of position to which he had applied, and the status of his application. USSS could not provide assurance that other applicants’ records and corresponding PII had been properly expunged from CLEAR and eCase as well.

The USSS Chief Records Officer concluded that the historical decision to retain these records for 20 years “was likely just precautionary” and the reasoning was no longer valid. We determined that Chairman Chaffetz’ record and corresponding PII were deleted from CLEAR and eCase as of January 2016. That same month, USSS officials advised us that they were working towards implementing a new 2-year/5-year data retention protocol.

IT Management Has Not Been a USSS Priority

The systems and data management problems we identified can be attributed to a lack of USSS priority on IT management. Specifically, our audit disclosed:

- **Limited CIO Authority and Responsibility** – Historically, the USSS CIO has not been effectively positioned to provide needed IT oversight. In 1988, USSS established the Information Resources Management Division (IRMD) to manage and support the investigative and protective operations and associated administrative functions of the agency from an IT perspective. In 2006, senior management decided to remove the incumbent CIO from heading IRMD and put a Special Agent in his place. The Special Agent, with limited IT management and leadership experience, became responsible for a technology division with a diverse portfolio of IT services, programs, acquisitions, and operational elements.



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In a culture in which Special Agents are reluctant to relinquish control, the split contributed significantly to a lack of IT leadership and inability to build a strong technology program within USSS.

- Lack of Focus on IT Policy Management – Inadequate attention was given to keeping critical USSS IT policies updated. Key guidance had not been updated since 1992 when USSS was part of the Department of the Treasury. Outdated IT policies leave the organization hindered in its ability to implement and enforce IT system security requirements.
- Key IT Leadership Vacancies – Key positions responsible for the management of IT resources and assets were not filled. Some vacancies lasted for almost one year; other vacancies still existed at the time of our audit. For example, for almost a year, from December 2014 to November 2015, USSS lacked a full-time CIO. An acting Chief Information Security Officer (CISO) departed in September 2015; as of January 2016 the position was still vacant although USSS hired a Deputy CISO that same month. Further, USSS did not have a full-time Information System Security Manager, critical to ensuring that the organization's information security program is implemented and maintained.
- Vacant IT Staff Positions – As of December 2015, OCIO reported having 139 employees and 58 vacancies, which is a staff vacancy rate of 29 percent. USSS relied heavily on contractors to fill IT security positions rather than on Federal employees, as background checks for contractors did not require polygraphs. However, contractor Information System Security Officers felt they were not getting sufficient guidance to perform their responsibilities.
- Inadequate IT Training – USSS personnel did not receive adequate IT training. For example, not all employees and contractors completed mandatory IT security awareness, specialized role-based training, or privacy training. As a result, many employees lacked knowledge of their specific roles and responsibilities. For fiscal year 2015, we found that only 85 percent of USSS' employee population had completed the required IT security awareness training. USSS had a total of 6,307 Federal employees and 397 contractors.



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Recent Steps to Improve IT Management

USSS recently initiated steps to improve its IT management structure, which may give more priority to the leadership, policies, personnel, and training needed to ensure protections for sensitive systems and data. Specifically, in December 2015, the USSS Director announced component-wide that the new CIO was put back in charge of IRMD, giving him control of all IT assets. Additionally, five new divisions were established to delineate OCIO functions.

These changes are initial steps to address the various IT deficiencies we identified. However, it will take time for these improvements to be fully implemented and demonstrate effectiveness. Until then, the potential for incidents similar to the breach of the Chairman's information in March 2015 remain. Any loss, theft, corruption, destruction, or unavailability of Law Enforcement Sensitive data or PII could have grave adverse effects on USSS' ability to protect its employees, stakeholders, or the general public.

We made 11 recommendations to address the deficiencies identified in our report. The Secret Service Director concurred with each recommendation and outlined initial steps for corrective action. As part of our normal audit follow-up and resolution process, the Secret Service owes us a corrective action plan to address our recommendations within 90 days of the issuance of the report, which was formally transmitted to the Secret Service on October 7, 2016.

Conclusion

The Secret Service's statutory responsibility to protect the President, other dignitaries, and events, as well as investigate financial and cyber-crimes to help preserve the integrity of the Nation's economy, leaves little, if any, room for error. As our audits and inspections have demonstrated, to achieve its mission, the Secret Service needs to continue working to improve its operations and programs. Although it has planned and taken actions to address the Protective Mission Panel's recommendations, fully implementing changes and resolving underlying issues will require the Secret Service's sustained commitment and depend heavily on adequate funding and staffing. The Secret Service also needs to continue shortening the time it takes to hire law enforcement personnel, because delays in hiring may ultimately lead to staffing shortfalls, affect workforce productivity and morale, and potentially disrupt mission-critical operations. Finally, the Secret Service must manage its systems and information supporting its mission efficiently and securely. In December 2015, the Secret Service began to improve its IT program management, including centralizing all



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IT resources under a full-time CIO and developing plans for an improved IT governance framework. Time will tell whether these improvements will effectively safeguard sensitive systems and data. We will continue to monitor the Secret Service's progress as it takes corrective actions to address vulnerabilities.

Our office will continue to help the Secret Service meet its critical mission through independent and objective audits, inspections, and investigations. In addition to our report on the classified Protective Mission Panel recommendations, we plan to publish several DHS-wide audits in FY 2017 that will include reviews of the Secret Service, including:

- A review of DHS components' use of force;
- A DHS-wide review of employee conduct and discipline;
- An audit to determine the effectiveness of polygraph examinations used by DHS; and
- A review of DHS controls over firearms and other sensitive assets.

Mr. Chairman, thank you for inviting me to testify here today. I look forward to discussing our work with you and the Members of the Committee.

Chairman CHAFFETZ. Thank you, Mr. Roth.
We'll now recognize Mr. O'Carroll for 5 minutes.

STATEMENT OF THE HON. PATRICK P. O'CARROLL, JR.

Mr. O'CARROLL. Good morning, Chairman Chaffetz, Ranking Member Cummings, and members of the committee.

As the chairman noted in his opening, one of our Secret Service members told us that he participated in every campaign rotation this year. In May, he approached the pay cap. At yearend, he will have exceeded the pay cap by around \$30,000. He has missed holidays, birthdays, and other life events. He has been away from home for almost 8 months, and while off campaign rotations, he is often away participating on Presidential and Vice Presidential protective assignments.

Another member told us that he worked more overtime hours in April and September than regular work hours.

Lastly, an agent told us that if the candidate wins, he will approach being \$40,000 over the cap. His average workweek is 90 hours. He is away from his family for weeks at a time and misses out on various functions of his school-age children. His wife feels as though she is a single mother. And there is no financial benefit to his being away. The burden is actually greater since they have to spend more money on childcare since he can't help out.

On behalf of the membership of the Federal Law Enforcement Officers Association, thank you for the opportunity to appear here before you today. FLEOA is the largest nonpartisan, nonprofit professional association, exclusively representing more than 26,000 active and retired Federal law enforcement officers across 65 different agencies.

I would like to discuss in my testimony today the challenge faced by U.S. Secret Service special agents who have worked hundreds of hours of uncompensated overtime during the course of the 2016 campaign season. This is an issue with which I am very familiar, having served as a special agent on Presidential candidate details as well as permanent assignments on both the President and Vice Presidential protective divisions over my 24-year career in Secret Service.

The 2016 Presidential campaign has proven to be one which by most measures was unprecedented. Over the course of the past year, many Secret Service agents have participated in approximately 7,000 protective stops, spent over 200 nights on the road, worked 16 or more hours per day, and likely did not spend more than 1 night in the same bed. Without them, however, the sacred process we go through every 4 years may not happen safely.

During this 1 year, exceptional sacrifices of family, friends, and life are required of special agents, who are forced to work inordinate amounts of overtime under an operational tempo that is not unlike a military deployment.

Yet, despite the unusual demands placed upon agents this campaign season, many of them will not receive full compensation for the long hours that they have worked. It is not free money or a bonus, but money earned logging 16-hour days for weeks on end with back-to-back rotations between campaign travel and investigative details.

They have lost and will continue to lose a significant amount of overtime compensation this year because their pay cannot exceed the pay for a GS-15, step 10. The current situation has become not just a recruitment and retention issue but a fundamental matter of fairness to those who willingly place themselves in harm's way for long hours spent carrying out their sworn duty to protect and serve.

Fortunately, a solution that will ensure compensation for these and other Secret Service agents affected by the pay cap this year is in sight. Thanks to the efforts of this committee and your colleagues on the Homeland Security and Government Affairs Committee and both the House and Senate Appropriations Committees, Congress is close to finalizing language that will provide the USSS with a temporary waiver of the pay cap.

Language like this has been included in both the House and Senate versions of Fiscal Year 2017 Homeland Security Appropriations Act to waive the pay cap up to level 3 of the Executive Schedule for either 2016 or for both 2016 and 2020. It is also proposed to fund at level 2, and FLEOA fully supports the ES-2 level since this will certainly provide some measure of relief for the affected agents.

So, while FLEOA greatly appreciate your efforts, Mr. Chairman and Mr. Cummings, we would also like to stress the importance of working together to find a permanent solution to this pay cap issue. Such a solution could include granting the Director of the Secret Service the authority to waive the application of the pay cap as necessary during a calendar year to meet the demands of the agency's protective functions.

In conclusion, Mr. Chairman, I would like to thank you and Ranking Member Cummings again for working with us to address this important issue. As a Nation, we expect a lot from the small group of patriotic men and women of the USSS, who voluntarily choose to stand between anarchy and order to ensure the leaders of our Republic are able to perform their jobs free from threats or the fear of assault.

At its core, it is a fundamental matter of fairness to ensure that these individuals are fully compensated for the duties they perform on a daily basis, and we greatly appreciate your efforts to do just that.

Thank you again for the opportunity to appear today, and I would be happy to answer any questions.

[Prepared statement of Mr. O'Carroll follows:]



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November 15, 2016

**Statement of Patrick P. O'Carroll, Executive Director
Federal Law Enforcement Officers Association**

On

"Oversight of the Secret Service"

Before the

House Committee on Oversight and Government Reform

Good Morning Mr. Chairman, Ranking Member Cummings, and Members of the Committee. On behalf of the membership of the Federal Law Enforcement Officers Association (FLEOA), thank you for the opportunity to appear before you here today. FLEOA is the largest nonpartisan, nonprofit professional association exclusively representing more than 27,000 active and retired federal law enforcement officers across 65 different agencies.

Over the years, we have greatly appreciated the opportunity to work with this Committee in a bipartisan fashion on a number of significant issues confronting the federal law enforcement community and the brave men and women who fill its ranks. Most recently, this has included legislation to address overtime compensation for officers with U.S. Customs and Border Protection's Air and Marine Operations Division. We are grateful for the speed with which the Committee acted in moving this legislation through the House and we hope the Senate will push it across the finish line over the next several weeks. These matters also include the issue which I would like to discuss in my testimony today: the challenge faced by U.S. Secret Service Special Agents who have worked hundreds of hours of uncompensated overtime during the course of the 2016 campaign season. This is an issue with which I am intimately familiar, having served as a Special Agent on presidential candidate details as well as permanent assignments on both the Presidential and Vice Presidential Protective Divisions over my 24-year career.

As all of us are well aware, law enforcement is not a 9-5, Monday through Friday occupation; and the work federal law enforcement officers perform does not lend itself to regular schedules. The United States Secret Service (USSS) is no exception, and is actually unique in that it is the only federal law enforcement agency with the dual mission of investigation of crimes and the protection of officials and dignitaries. While most investigations can be managed and controlled, the protective schedules and events are usually driven by current events in the nation and the world. With the exception of the government officials the USSS is assigned to protect on a regular basis, the number of other individuals it will pick up as protectees from year to year cannot be anticipated or planned for in advance. This presents an unusual situation for the USSS when it comes to effectively planning its yearly budget request. During a campaign year, add in the multiple and often last minute campaign stops, multiple primary and general election debates, and the national conventions, and what you have is an agency that is always forced to "react and handle" rather than "plan and execute" its mission.

The pace and demands of the protective functions of the USSS are also a function of the authority provided by Congress, which mandates that the agency protect the President, Vice President and their families; all former Presidents and First ladies for life, as well as any children under the age of 16; the Secretary of the Treasury, Secretary of Homeland Security, Deputy Secretary of Homeland Security, the White House Chief of Staff, National Security Advisor, and other government officials; all visiting foreign heads of state and government which, during the United Nations General Assembly in New York, could total 190 dignitaries plus their spouses; and distinguished visitors like Pope Francis. Over the past year, the USSS has executed protection for approximately 7,000 protective stops. This total does not include the two foreign trips and nearly 30 domestic stops scheduled for the President and Vice President in the last two months of 2016.

Every four years, the USSS takes on the added responsibilities associated with providing protection to several presidential and vice presidential nominees and their families. Like its other protective functions, the burdens associated with a presidential election campaign fall squarely on the shoulders of USSS Special Agents. During this one year, exceptional sacrifices of family, friends, and life are required as Special Agents are forced to work inordinate amounts of overtime under an operational tempo that is not unlike a military deployment. The 2016 presidential campaign has been no exception, and has proven to be one which, by most measures, was unprecedented. Just over the course of the past year, many USSS Special Agents have spent over 200 nights on the road, worked 16 or more hours per day, and likely not spent more than one night in the same bed. Without them, however, this sacred process we go through every four years may not happen safely.

Yet despite the unusual demands placed upon USSS Agents this campaign season, many of these same federal law enforcement officers will not receive full compensation for the long hours they have worked. They have lost and will continue to lose a significant amount of overtime compensation this year because law enforcement overtime is considered "premium pay" under current federal law and subject to biweekly and annual caps that limit the amount of pay that a USSS Special Agent can receive. Under 5 USC 5547, USSS and other General Schedule (GS) employees can only earn premium pay to the extent that the sum of their basic and premium pay does not exceed the greater of the pay for GS-15 step 10 or Level V of the Executive Schedule. The total amount of the cap varies by the locality pay area in which the individual is employed. For 2016 in the Washington, D.C. – Baltimore region and most major cities, the annual pay cap is imposed on any pay above \$159,764 for the calendar year, which is at the top end of the scale. In general, the range is between \$152,000 and \$159,764 per year. USSS Agents are fully aware of when they reach the cap because they see it every two weeks printed in black and white on their biweekly pay stubs.

As of today, it is our understanding that a large portion of the agency's senior agents have already exceeded the annual pay cap, including most Special Agents in the GS-13 to GS-15 range. These are the same individuals who are required to work the "command" assignments in protective details as Detail and Shift Leaders and hold "life and death" decision positions. Anecdotally, we have heard that more than 60-70 percent of the agency will exceed the pay cap by year's end. The amounts by which they will exceed the pay cap range from \$20,000-\$60,000 for the year. This is not free money or a bonus, but money earned logging 16-hour days for

weeks on end with back-to-back rotations between campaign travel and investigative details. The current situation has become not just a recruitment and retention issue, but a fundamental matter of fairness to those who willingly place themselves in harm's way for the long hours spent carrying out their sworn duty to protect and serve.

To highlight the impact that the pay cap and excessive hours of overtime are having on rank-and-file Agents, I would like to share the following stories that have recently been conveyed to our organization:

- "I am \$25,000 over the cap and if my candidate wins I'll approach \$40,000. My average work week is 90 hours per week on a CNOS [campaign nominee operations section] rotation and I'm away from my family for weeks at a time missing out on various functions of my school age children. My wife feels as though she's a single mother and there is no financial benefit to being away. The burden is actually greater since we have to spend more money on childcare since I can't help while I'm traveling."
- "I maxed out as of July 10th. I am currently \$19,000 above the pay cap as of right now. I worked more overtime hours in April and September than regular work hours. I've been averaging one day off a month since February 2016. I also average 43 days between days off."
- "I've done every [campaign] rotation and by May was nearing the pay cap. Around July/August, I hit the annual pay cap but continued on my campaign rotations. By the end of the year, I will have exceeded the pay cap by close to \$30,000. During this year, I've missed holidays, birthdays and other life events. Often when I've been back off my campaign rotation, I'd been grabbed for In-Town protective assignments or out of town assignments for POTUS and VPOTUS. In total, I've been out of district and away from home for close to eight months...this year."

Fortunately, a solution that will ensure compensation for these and other USSS Special Agents affected by the pay cap this year is in sight. Thanks to the efforts of Chairman Chaffetz, Ranking Member Cummings, and your colleagues on the Homeland Security and Governmental Affairs Committee and the House and Senate Appropriations Committees, Congress is close to finalizing language that will provide the USSS with a temporary waiver of the pay cap. Language has been included in both the House and Senate versions of the Fiscal Year 2017 Homeland Security Appropriations Act to waive the pay cap up to Level III of the Executive Schedule (ES) for either 2016 (in the House bill) or for 2016 and 2020 (in the Senate bill). This will certainly provide some measure of relief to those affected Agents. We understand that discussions are underway to increase the pay cap waiver to the ES-II Level, and FLEOA fully supports and encourages those efforts.

Although this last election season was unprecedented in many respects, we do not believe it will prove to be unique in the years ahead. The possibility of multiple candidates requiring protection earlier in a campaign year or an extended presidential primary season is very real and presents valid staffing concerns for the agency. So while FLEOA greatly appreciates your

efforts, Mr. Chairman and Mr. Cummings, we would also like to stress the importance of working together to find a permanent solution to the effect that the pay cap has on the USSS. Such a solution could include granting the Director of the Secret Service the authority to waive the application of the pay cap as necessary during a calendar year to meet the demands of the agency's protective functions and, at a minimum, during a presidential campaign year. The amount of the pay cap waiver—whether at the ES-II or -I Level, or up to the Vice President's salary—should be based on a thorough review of the USSS overtime numbers from the current calendar year. This would provide a sufficient baseline for determining the appropriate level of the cap to ensure that Special Agents do not have to forego any overtime compensation for overtime hours worked.

In conclusion, Mr. Chairman, I would just like to thank you and Ranking Member Cummings again for working with us to address this important issue. As a nation, we expect a lot from the small group of patriotic men and women in the USSS who voluntarily choose to stand between anarchy and order to ensure the leaders of our Republic are able to perform their jobs free from threats or the fear of assault. At its core, it is a fundamental matter of fairness to ensure that these individuals are fully compensated for the duties they perform on a daily basis and we greatly appreciate your efforts to do just that.

Thank you again for the opportunity to appear before you today. I would be pleased to answer any questions you may have at this time.

Chairman CHAFFETZ. Thank you.

We'll now recognize the gentleman from Tennessee, Mr. Duncan, for 5 minutes.

Mr. DUNCAN. Thank you, Mr. Chairman.

Mr. Dougherty, your agency reported a total staff of 6,507 at the end of fiscal year 2016. That was up from 6,289 at the beginning of the fiscal year, so there's actually been an increase in employment over the past fiscal year.

But I am told that the Service also uses contract employees, but the staff doesn't seem to know exactly how many contract employees you have. So can you give me some rough idea about how much work is being done with contract employees? And has that number also gone up in this past fiscal year?

Mr. DOUGHERTY. Thank you, Mr. Duncan, for that question.

So I can go right to the heart of it, and that is that we're doing everything we can in which to up the tempo for hiring. And, in particular, we have, in fact, added substantial numbers of contractors, both on the Talent Acquisition Division group, which basically hires people at the beginning of the process—that's roughly about 24 individuals, if I recall correctly the number. And that's basically on a two-time basis, sort of in terms of sort of the schedules.

And, in addition, on the security side, we've actually added substantially another 20-plus contractors to sort of upgrade the tempo. That reflects several man-hours of effort for contractor support in which to sort of up the tempo on that.

I might add to that then that, you know, in fiscal year 2016, we literally hired 327 special agents, 309 Uniformed Division officers, and 194 professional people, so 830 individuals in 1 year. If we continue to go forward on the pace that we're doing, we will hire 1,666 individuals over the next 2 fiscal years, this fiscal year and next. We are, in fact, ramping up and really trying to increase the pace.

Mr. DUNCAN. Sixteen hundred over and above the 6,500-plus that you have now?

Mr. DOUGHERTY. That adds to the ultimate bottom-line numbers. Of course, you always have to factor attrition into that, and that is always an issue for us. But, ultimately, we are attempting to try to really increase the pace.

Mr. DUNCAN. All right.

Let me ask you this. The committee issued this report that's already been mentioned at the end of last year, and it says, "The Secret Service has failed to make clear that protection is its ultimate priority." And I understand that, ordinarily, about a third of the time is being spent on protection-related activities, but that ramped up to 44 percent during the election.

But we've seen many hateful, very hateful, demonstrations against President-elect Trump just in the last few days, several places around the country. Are you going to ramp up your protection? Are you going to give President-elect Trump more protection than you would ordinarily do? What's your thoughts on that?

Mr. DOUGHERTY. Well, first, of course, protection is the priority mission of the United States Secret Service. And if there's any doubt about it, Director Clancy has said that—I apologize—that protection is the priority mission of the Secret Service. Director Clancy has said that.

With respect to both the inaugural and all the other things, procedures or methods related to protecting the new administration, obviously, we will continue to use the model that's been very successful in going forward to providing protection to the President. And I think the same thing sort of applies to this President-elect as it does for the previous President.

Mr. DUNCAN. The committee has a report that says the IT systems at the Secret Service are described as the worst at DHS and that, quote, "managers cannot even explain basic IT principles" and that Department officials have said that there's a culture of mis-handling of secure information. Of course, we have that report of the contract advance person at the White House whose Gmail account was hacked with all sorts of secure information.

What's the latest on that? Do you still believe that that's accurate, that the IT systems at the Secret Service are the worst in the whole Department?

Mr. DOUGHERTY. So let me just answer that first for my colleague, in the sense of let me introduce Kevin Nally.

Mr. DUNCAN. All right.

Mr. DOUGHERTY. One of the principal structurally important, profound things that we did in the Secret Service—and I think this is an important decision made by Director Clancy—is to bring in a professional who was not an agent to effectively run our IT systems in the Secret Service.

Mr. Nally could actually clearly address the issues regarding the technology part of this.

General NALLY. Thank you, sir. I'll break it up in a couple parts.

First, one, is it a cultural issue? No, it's not a cultural issue. The individuals that did get out of place, do wrong things, is roughly .7 percent of the population at Secret Service. It's not a cultural thing. We now have procedures in place to check for that. People understand the ramifications of their actions in that regard, and, plus, we have training and education on PII and sensitive types of information.

Number two is, in the OIG report dated October 7, 2016, released October 14, 2016, seven of those recommendations are mine. Six of those have been closed—six of them. Six of them were closed prior to the report being released. The one that's going to be continued ongoing is a continual type of education and training for my information systems security officers, cybersecurity professionals, and those that have access to the network, in terms of cybersecurity awareness, phishing-type drills, et cetera, et cetera.

When I arrived here on November 16, 2015, I saw a need for a complete reorganization of the Information Resources Management Division that was under another assistant director to the office of the CIO. And I want to stress, too, that this is how Mr. Clancy sees IT. He knows it's very, very important to the Secret Service mission, and I have and had his full support in this.

I now have a complete accounting of all IT spending in the Secret Service. I'm the only CIO in the Secret Service, and I'm the only designated approving authority for those systems that we operate in the Secret Service. And all this has been rectified. And, again, I'm the only CIO, I'm the only DAA, and I have direct oversight on all IT spending.

Additionally, in the OIG report dated October 7, 2016, three of the four systems in that report now have ATOs. The fourth one is human capital, which I gave a target date of December 31, 2016, and we're on track to meet that.

Thank you.

Mr. DUNCAN. Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

We'll now recognize the gentlewoman from the District of Columbia, Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman. And I appreciate that you have held this hearing. It comes at a timely moment.

I want to say to our witnesses how much we appreciate your service to our country. You've come before us when we've had a number of complaints. I don't think that is what this hearing is about today.

And I must say, I do not envy you with your mission in the coming months. I have never seen Americans reply or respond to an election by going in huge numbers to the streets simply to protest the new President even before he has done anything. This is a President and others who have to be protected by you.

So the notion of a honeymoon is out of the window. Then you have the upcoming inauguration. And here in the District, we are awaiting that. And, of course, there are people who promise to come in huge numbers for that event.

There was concern about your mission when we had our first African-American President. Some have expressed even greater concern today, given the division in the country.

I am very pleased that this committee issued a bipartisan report that used very strong language, particularly strong language when it comes to staffing, but it was bipartisan language, in December of last year, where the committee, this committee found—and here I am quoting—“a staffing crisis that poses perhaps the greatest threat to the agency.” Now, that, of course, was before all of what I have just described.

We found, this committee found, that the Secret Service had fewer employees than at any time over the past decade, and we found an 8-percent decline in special agents over a 5-year period.

Then, in August, this committee sent a letter to you, to the Secret Service, requesting quarterly staffing updates, and last week you responded. Mr. Dougherty, if I understand your response, there was a net increase of 84 special agents during fiscal year 2016. That's about a 3-percent increase. Is that correct?

Mr. DOUGHERTY. Yes, ma'am. Generally, that's the number, roughly.

Ms. NORTON. Now, that certainly is important to note. The number is still significantly below the number of special agents before the so-called sequester. Isn't that correct?

Mr. DOUGHERTY. The series of events that occurred for the Service from 2011 on really contributed significantly to the Service effectively sort of bleeding off individuals.

Ms. NORTON. “Series of events,” by which you mean what?

Mr. DOUGHERTY. That we had a funding deficit already going into 2012—

Ms. NORTON. Yes. Then the sequester and other—

Mr. DOUGHERTY. And it was exacerbated by a variety of other events. It was——

Ms. NORTON. But here's my concern.

Mr. DOUGHERTY. —a perfect storm.

Ms. NORTON. It looks like you did, in fact, hire a number of agents—the figure I have is 281 special agents—in 2016, and yet there was only a net increase of 84. What happened to the nearly 200 agents? I'm concerned with you're hiring them, you're not keeping them. Or somebody is leaving. Who is leaving and why?

Mr. DOUGHERTY. So we're hiring at historic rates, and we also have an attrition issue which we're attempting to try to address as well. And so——

Ms. NORTON. You ascribe that attrition issue to what? And are they older agents, people ready to retire? Are they the new agents who are coming in who are not retained? Who are they?

Mr. DOUGHERTY. It's a series of issues, Congresswoman Norton. You go through waves where you hire at certain times at high levels, and those people will effectively leave at generally the same time. But we also, too, just simply have a really tough, tough mission. And, ultimately, we're——

Ms. NORTON. Is it what Mr. O'Carroll spoke of, the working conditions that have developed? There are too few agents; some agents are doing two or three jobs rather than one job?

Mr. DOUGHERTY. Absolutely. That's one of the many issues that we are addressing, yes, ma'am.

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

Chairman CHAFFETZ. I thank the gentlewoman.

I now recognize the gentleman from South Carolina, Mr. Gowdy, for 5 minutes.

Mr. GOWDY. Thank you, Mr. Chairman.

Mr. O'Carroll, I don't know if this is a memo or if this was a press release from FLEOA. I'm going to read part of it, and then that will give us some context to have a conversation: "Unfortunately, we have seen some in Congress act as if they were part of the media."

I want to just stop right there and say, of all the criticisms that Members of Congress have gotten in the 6 years I've been here, that one hurts the most.

"Instead of introducing bills that could help our agency, they'd rather go for the 30-second sound bite that tarnishes the reputation of the agency and work ethic of its personnel. This is unfortunate, as we do have many allies in Congress that appreciate the work of the Secret Service, its personnel, and want to help, but they are overshadowed by the screaming minority who might not even be able to pass the test for our job."

Now, I consider myself to be one of your allies, so I don't think you have a better friend in Congress than the former prosecutors. But I am wondering what Members of Congress you were referring to that would rather pursue a 30-second sound bite than help the agency.

Mr. O'CARROLL. Well, Representative Gowdy, I guess, first and foremost, that isn't my quote. It is a quote of a representative from the Secret Service who is a member of my association and it came out on our letterhead, so yes. Our concern on this thing is—and

we've been dealing with your committee, in fact, with you, with the chairman, and expressing our concerns that this is a budget issue that needs to be coming from the authorizers to the appropriators and asking the appropriators to, you know, to add the money that will help with the pay cap on this thing.

Mr. GOWDY. Well, and see there, you just made your case without talking about any Member of Congress who is more interested in a 30-second sound bite than they are helping the agency, you just did it, which makes me wonder why this memo didn't do it.

Are there Members in particular? I actually don't think I've ever been on television talking about the Secret Service, so I don't think you're talking about me. Who are you talking about?

Mr. O'CARROLL. In this case, as I said, Mr. Gowdy, I didn't write that one, so I'm not too sure specifically which Member was being talked about.

Mr. GOWDY. But it came out on FLEOA letterhead.

Mr. O'CARROLL. Yes, sir.

Mr. GOWDY. Right?

Mr. O'CARROLL. Yep.

Mr. GOWDY. And I'm assuming you don't let people send things out on your letterhead that don't at least have some imprimatur of your support.

Mr. O'CARROLL. Well, Mr. Gowdy, what I can do on that one is I can go back to the author of it and find out which Member he was speaking about specifically. But I got to tell you, this is a can that's been kicked down the road for years and years in terms of this overtime issue.

Mr. GOWDY. Right. I get that.

Mr. O'CARROLL. And there's a lot to blame.

Mr. GOWDY. But because I am an ally, sometimes allies also need to offer some words of correction. That paragraph ended by saying, "overshadowed by the screaming minority who might not even be able to pass the test for our job."

Can you see how that might have gotten my attention, the way that that would be phrased, "might not be able to pass the test for our job"?

Mr. O'CARROLL. Yes, sir.

Mr. GOWDY. That's a curious line to put in a memo, isn't it?

Mr. O'CARROLL. Yes, sir.

Mr. GOWDY. Except it's not curious. You and I know exactly what that author was talking about, don't we?

Mr. O'CARROLL. I could guess at it, yes.

Mr. GOWDY. Guess.

Mr. O'CARROLL. Would be some members of this committee.

Mr. GOWDY. Such as whom?

Mr. O'CARROLL. I have no idea.

Mr. GOWDY. How about the one whose personnel file was accessed? Could it be that one?

Mr. O'CARROLL. I would say that there hasn't been very good treatment of that application over the years, which is one of the reasons why we're here, and maybe that was a subliminal reference to it. I don't know. I didn't write it.

Mr. GOWDY. Well, it's actually not subliminal. It could not be more clearer. There's nothing subliminal about it. It just flat out says, who could not pass our test for our job.

Mr. O'CARROLL. And it was a general statement on it, not specific, sir.

Mr. GOWDY. Well, Mr. O'Carroll, you can't run a license tag because you happen to think the driver is cute, you can't run an NCIC background check because your kids might be hanging out with some bad characters, and you can't access the personnel files of Members of Congress that you happen to not like at that particular point. You would agree with me there, wouldn't you?

Mr. O'CARROLL. Reprehensible, and I agree with you.

Mr. GOWDY. All right. Well, it's reprehensible.

Mr. Inspector General, what happened to him.

Mr. ROTH. My understanding is that there was discipline that was imposed by the department. I don't have those details because I was not involved in the discipline process.

Mr. GOWDY. Well, when you say discipline, give me the range of discipline that could be possible.

Mr. ROTH. Well, I think the range of discipline could be anywhere from termination—

Mr. GOWDY. Was anybody terminated?

Mr. ROTH. My understanding is no.

Mr. GOWDY. Was anybody given time off?

Mr. ROTH. My understanding was, yes, people were given—

Mr. GOWDY. With or without pay?

Mr. ROTH. Given time off without pay that was not suspended. There was a number of individuals who were, received time off, and that was suspended, but there were others who actually did get time off.

Mr. GOWDY. How pervasive was the breach?

Mr. ROTH. Well, our report said that it was approximately 40-some people, only of which 3 had—or 4, I can't remember off the top of my head—

Mr. GOWDY. Is there any ambiguity on whether or not it's a good idea to access anyone's, Member of Congress or otherwise, application or personnel file to use for retributive purposes?

Mr. ROTH. No.

Mr. GOWDY. Is there any ambiguity about whether or not that's a good idea.

Mr. ROTH. It is not.

Mr. GOWDY. Can you let me know what discipline was meted out? There's no one in Congress that holds law enforcement in higher esteem than I do, no one. But we choose to go into that line of work, and the rules apply even to us. And I think doing—accessing programs that the public does not have access to, to try to embarrass your critics, to use Mr. O'Carroll's word, is reprehensible. So I'd like to know what punishment was meted out.

Mr. ROTH. Very well. Thank you.

Mr. GOWDY. With that, I would yield back.

Chairman CHAFFETZ. I thank the gentleman.

I'll now recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. I want to really kind of get down to the bottom of this. And I think Ms. Norton was headed in the right direction.

If we are hiring agents and they are leaving almost as fast as we're hiring them, gentlemen, we need to figure out why we're losing so many so quickly and whether that has anything to do, Mr. Roth, with the infrastructure inside the Secret Service.

But before I get to that, I want to ask you, Mr. Dougherty, what are you all telling the agents about their salaries, and how do you keep their morale? What do you say to them? Did you say that you were coming up here with the urgency of now to try to help them get adequate pay? I'm just curious.

Mr. DOUGHERTY. I think that's one of the things, Mr. Cummings, that we're attempting to try to do differently and better, is simply communicate to populations in a different way. Director Clancy sends out videos to the population all the time about what we're trying to do to change the overall culture and the overall—

Mr. CUMMINGS. Did you say to them that you're trying? Because I got to tell you, going back to some of the things Mr. Gowdy said, you've got a lot of allies up here. So we're trying to figure out—so do you tell them you're going to go and try to fight to make sure they get their overtime?

Mr. DOUGHERTY. I think they're seeing that, I think they're sensing that, I think that we are telling them that, that there's a committed leadership on the part of the Secret Service to try and sort of change many of these different things. Pay is a big part of it, obviously. There's a lot of other things, too, that go to sort of quality of life. We did a work/life assessment with that third party as well to basically sort of open up ourselves to try and get an idea as to how to be able to approach those things.

So structurally there's so many changes taking place in the Secret Service right now, I feel confident and enthusiastic about a lot of the things that are going on. I'm also enthusiastic about the fact that we're talking about proposed legislation, which I think does in fact address a very important issue that's been a chronic one and a recurring one for the Secret Service over the years.

Mr. CUMMINGS. Well, Mr. Roth, you've got to help me on this one. I swear, I don't want to be going in circles on this. And, you know, I looked at some of the things that you've said, and you said it several times in your testimony, you talk about requiring a multiyear commitment and depend heavily on adequate funding and staffing. There's two parts to that.

So can you tell us what we need to do, first of all, to help the Secret Service not have this bucket that as fast as we pour agents in, we lose them out. I mean, I think that's what we've got to get—that's the bottom line. And I think that's where the chairman is. We're trying to figure out how do we be more most effective and efficient.

So can you help us? I mean, tell us what they are doing wrong. Tell us if they should be moving faster. This long-term commitment, what does that mean? You know, we need to know because I think that would help guide us as to what we do.

Mr. ROTH. I mean, these are systemic problems that have accumulated over years. So, for example, with the hiring situation, for example, you have Secret Service agents who do protection and do investigations, but also, as a collateral duty, they have to do the background investigations of applicants that are coming in. They

have to do the polygraph investigations of the folks that are coming in. That is a hugely inefficient process. It creates a bottleneck for the Secret Service.

So the time to hire numbers for the Secret Service are very, very long. For a special agent, it's often in excess of a year.

To be able to sort of modernize their systems, their personnel systems, having a third of their HR personnel slots vacant, in other words, they simply don't have the personnel to be able to hire at the kind of tempo that—

Mr. CUMMINGS. Stop right there.

Mr. ROTH. Sure.

Mr. CUMMINGS. Why is that? Because that's very significant, if you don't have the hiring component and you've got missing people there, vacancies there. So what's stopping them from having those people? Is this a thing of musical chairs with regard to the budget, or what? I mean, what's—

Mr. ROTH. I think it's a chicken-and-egg problem, because they don't have enough personnel to sort of ramp up the kinds of efforts that they need to get more personnel. There are things that they are doing, for example, with their IT system for how it is that they process applications. They're having to modernize that.

As the chairman talked about before, right now they have a fairly antiquated system where people email PDF copies of their background investigation form, which then gets printed out, physically reviewed, and then reentered in. There's just enormous inefficiencies in the system that have grown up over time.

So I think what the Secret Service is attempting to do is professionalize what it is that they do. But, for example, changing an IT system within the government takes years, and there's no really getting around that. By the time you get your requirements together, by the time you do the acquisition, by the time you develop the process that you need, it will be years from now before they will have an effective IT system.

Mr. CUMMINGS. The problem is that in the meantime, as Ms. Norton said so eloquently, we have a President-elect who we want to—I mean, he's coming under a lot of—I know that's going to put a lot of pressure on the Secret Service because you see what's happening in the streets. We want to make sure that he is properly protected.

So all the time that you're talking about it's going to take, how do we speed that process up and not subject him and his family and others to less than adequate protection, and at the same time, and at the same time properly compensate the men and women of the Secret Service so that we don't have a further erosion of morale?

I mean, I think those are the questions that are the bottom line and should be the bottom line for this entire hearing.

And then I'm almost finished, Mr. Chairman.

So Mr. Nally—Mr. Roth, keep your mic on, keep your mic on—Mr. Nally, you've heard what Mr. Roth said and Mr. Dougherty. How do we do that? Again, we're losing people. He just said that we've got some things that we need to fix.

Talk about the HR department. We want to know what you're going to do to make the elite—help to make the elite the elite and

be able to staff up. Because we can pass all the money that's out here, but if we don't have the mechanisms to hire people and morale is being damaged, you know, that's a problem. So help me. Talk to me.

Mr. DOUGHERTY. Ranking Member, if I can add to that. I think that we have in fact put most of the mechanisms, refreshed modernized mechanisms. Let me sort of go through a couple of them.

First of all, we changed our hiring system completely from 2013 through 2014 and 2015 now. It's a completely different hiring system right now.

We have ELAC, basically, where we go and have people come to a single place. We have now committed to—the Director is committed to hiring a new professional civilian chief human capital officer. We completely restructured our entire hiring process and also our human capital structure and effectively now have a national recruitment strategy.

Now, so I'd say that the numbers that I gave you, over the next 2 years, we will have hired a third of our entire agency over again. It's not about the numbers. We are doing everything we can to bring in people.

Now, the campaign will subside. We will get back to sort of a cadence where I think people start to kind of settle. And I think that that retention levels that we're experiencing right now, which are historic, are going to sort of calm down.

We do believe that we're going to get to a place where next year we're going to be at 6,805 individuals and that the next year, finally, additional individuals. We are moving towards that. And remember, 6,805 is substantially over where we've been, and it's moving rapidly towards the direction of 7,025, where we were in 2012.

Mr. CUMMINGS. Mr. Roth, will you—I just want to—my time has expired. But I've been wondering, can you comment on what he just said?

Mr. ROTH. Well, I certainly think that the building blocks are in place, that they have professionalized their staff. For example, a CFO who is a professional CFO, a CIO, a chief operating officer, now a chief human capital officer, all those were recommendations of the PMP that they thought were necessary to get the basic building blocks of, you know, management fundamentals down as opposed to having agents come through on 3-year rotations to try to, you know, be the CIO.

But time is going to tell whether or not this is sufficient. Right now they are caught, I think, in a vicious cycle; that is, with the increased tempo means that there's going to be increased attrition, and then increased attrition means that the work tempo for everybody else who's left increases.

So perhaps Mr. Dougherty is right that they will be able to break that cycle at the conclusion of this election events, and we will simply monitor it and see.

Mr. CUMMINGS. Thank you, Mr. Chairman.

Chairman CHAFFETZ. Thank you.

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

Mr. MEADOWS. Thank you, Mr. Chairman.

Thank each of you for your testimony. And I want to start off by saying that I've enjoyed a good relationship with Director Clancy and his leadership. I wear a law enforcement pin almost every day that I am here or in the district. It is my heart and my passion.

I'm frustrated a little bit because of what I hear today. Mr. Dougherty, just to be frank, you refer to your agents as a population. They're not a population. They're people. They're families. And I've had the pleasure of being able to work alongside them in North Carolina where we got to see a lot of the people that have been away from their families for a very long time, not just with the Secret Service but with the Department of Homeland Security as well.

And so when we look at the strains, I'm all about making sure that they get compensated properly and that we don't have this systemic problem. But here's my concern, Mr. Dougherty. I continue to hear from agents who say that the systemic problem within the Service is not about the systems, it's not about the computer systems, it's about the 8th floor, it's about the management and the fact that what we do is we continue to force people to relocate in the middle of their term at 14 or 15 years with the Service, we continue to upend them.

And when are we going to fix that problem? Because you talk about bad morale, you move somebody from California to Washington, D.C., because it's the way that you do business. It is time, and your counselor there behind you knows that this is not our first rodeo together. It is critical that we handle this problem because you're going to continue to have retention problems until you fix the overall feeling within the Service that the people just a few blocks from here care about them and their families. So what's your plan for that?

Mr. DOUGHERTY. Well, first of all, thank you, Congressman Meadows for the comment about law enforcement. I do very much appreciate that. And I didn't mean to convey necessarily population versus people. Ultimately, they're individuals, they're people, and we need to care about each and every one of them and take care of each of them and to effectively trust them and feel pride in them.

I think this is the one area that I think that if we're really doing well, I think it's this area. We have unloaded ourselves, in terms of starting, really asking for people outside the agency to come in and focus group our people and ask them the very issues that you're raising. How do you feel about special agents?

Mr. MEADOWS. So what have you changed? I've only got 5 minutes. So based on that input, what have you changed? Because I haven't seen a whole lot of change.

And getting back to what General Nally said, I believe that the vast majority, if not almost all of our agents, there's not a cultural aspect of poor performance. But I do believe that there is a cultural problem with regards to the way that the Service looks at who gets hired, when they get hired. Even the new agents who would gladly come to Washington, D.C., you send them somewhere else and then you bring them back midstream as if that's some kind of wonderful way to do the project.

Have you addressed that? Yes or no?

Mr. DOUGHERTY. Yes, sir, I believe we have. Let me just raise just a couple of points here.

Mr. MEADOWS. So when I start getting phone calls, and they call me directly, when I start getting phone calls, I'm not going to have to come back and ask you to clarify your sworn testimony today, you've addressed that?

Mr. DOUGHERTY. They asked us to change the special agent relocation committee. We did that. They asked us to change the way that there's requests, basically, for exceptional circumstances. We changed that. They asked us for a new special agent promotion process. We changed that. They asked us for a new special agent career progress—

Mr. MEADOWS. So why do you have the retention problem then?

Mr. DOUGHERTY. I think basically there's—

Mr. MEADOWS. Because it isn't money, I can tell you. Money is a motivator for 6 weeks. Now, getting them properly paid and overtime, that is an issue. But the other issue that systemically within the Service has nothing to do with the amount of money, it has to do with the culture that is there. And I've heard from too many agents to know that that's not the case.

Mr. DOUGHERTY. Well, I think compensation is a big part because when you're crushing people and you're asking them to go—

Mr. MEADOWS. Well, you've got people behind you that are disagreeing with you right now. I watch people, and they're disagreeing, they're shaking their head no. They would agree with my statement that it has some to do with money but a whole lot to do with the culture.

Mr. DOUGHERTY. I'm not disagreeing with you. I think it has something to do with money. I think it has to do with a lot more than that. I think there's a lot of things that we are attempting to try and move and change.

So all of the different things that came up in the Eagle Hill, for example, work/life process, that basically we—that they said—asked us to do, we are implementing. We're effectively going forward and doing those things.

We just put our work/life study on our intranet site. It's there for our people to see. What do they recommend? What are we moving forward on? It's many things. It's multiple things.

So I do think that there is, in fact, progress made. We're hoping that we see the effects of that progress.

Mr. MEADOWS. Well, this committee wants to hear from those agents that are being affected for recommendations so that we can follow up with you.

I appreciate the chair holding this hearing. I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I'll now recognize the gentleman from Massachusetts, Mr. Lynch, for 5 minutes.

Mr. LYNCH. Thank you, Mr. Chairman, and the ranking member.

I want to thank the panelists, Mr. Dougherty, Mr. Nally, Mr. Roth, Mr. O'Carroll. I appreciate the job you all are doing.

I have a couple of slides here I just want you to take a look at it, if you would. Could we put up the one regarding total full-time employees at the Secret Service?

Well, let me just explain. I'll wait for the slide. While we are waiting for them, let me just say, you know, we've been looking at a couple of the incidents around the White House that have occurred over the last couple of years, last few years, you know, people breaching the perimeter, one fellow running through the White House down into the Green Room. We've had situations with armed personnel getting on the elevator with the President. A bunch of embarrassing moments.

And I think that the pressure on our Secret Service employees under this new threat environment, as Mr. Dougherty has explained, is only getting worse with the number. Here we are, okay.

[Slide]

Mr. LYNCH. Total full-time employees, if you can look at that, in 2006, we seem to be on a trend line of addressing this new threat environment. We went from about 6,500 to about 7,000 employees over 5 years. But that peak, that peak of 7,024 employees, that's when we came in with the Budget Control Act in 2011, and then you see a precipitous decline in full-time personnel, down to about 6,300.

So we've got less now at Secret Service than we had back in 2006. And as you have explained in your testimony, the threat environment is getting worse.

Can we put up the other one on special agents? Here's special agents, okay.

[Slide]

Mr. LYNCH. So we were trying to ramp up, because of the extreme threat environment, we were trying to ramp up. Over 2006 to about 2011, we went from about 3,200, almost 3,300, to about 3,500. And then again the Budget Control Act comes into play, and now we've got less than we had in 2006, even though the demands on our folks are worse, especially your special agents.

Two of the areas where I think are very important, one is processing our employees, our special agents and Secret Service personnel, and also training them. Training them. I think, you know, that's something that, Mr. Dougherty, you've talked about in the past, and, Mr. Roth, you've highlighted that as well, and Mr. O'Carroll, you've agreed as well.

We want a highly professional, capable, well-paid, and the pay needs to be better. Not only shouldn't we be, you know, putting a Band-Aid on it for 1 year, an election year, we've got to look at the whole structure here. We've got to pay our agents better. We're asking a lot of them, and we ought to try to establish a pay level that will attract the best and brightest, and also the academy type. The professionalism and excellence that we demand from our Secret Service personnel, we have to have commensurate training and pay for them.

Mr. Roth, is there any special change that we could make or any area that Congress could focus on to help our Secret Service personnel and help that agency, you know, get to where we need them to be?

Mr. ROTH. I think legislatively there's probably not a lot that needs to be done, at least in the short term. I would recommend continued oversight. I think that's a very important and healthy thing that we're going to do, because as I said in my testimony and

as we say in our reports, they've made initial good progress. The leader of the Secret Service has embraced the Protective Mission Panel recommendations, has embraced this committee's recommendations to move forward.

But we don't know what the future holds. So the only way to be able to continue to hold the Secret Service's feet to the fire is with continued oversight that this committee gives and hopefully that our office gives as well.

Mr. LYNCH. Okay. I believe my time has expired. I just want to thank you all for your contribution to this hearing and to the issues that we're working on here. Thank you again.

I yield back the balance of my time.

Chairman CHAFFETZ. I thank the gentleman.

I'll now recognize the gentleman from South Carolina, Mr. Mulvaney, for 5 minutes.

Mr. MULVANEY. I thank the chairman.

Mr. O'Carroll, I don't know if you've been here before or not. I don't think you've been here since I've been on this committee. But I think you'll learn, especially with myself and my colleague from South Carolina, Mr. Gowdy, one of the things we appreciate is candor. There's really no reason to beat around the bush.

You all were talking about Jason, Chairman Chaffetz, we get it, that's fine. Okay. You could sit and go back and forth all day saying: Well, I don't know who it might be. I could guess, but I won't guess.

I mean, you all put out another, a separate press release that actually specifically mentioned the chairman. It said—and I don't know who Jon Adler is, apparently he's your national president—quote, "The chairman's actions boggle the rational mind. He's turning his committee into the fictional USS Caine as he subpoenas Secret Service law enforcement officers to his ship to count strawberries," end quote.

That's about the chairman. The previous statement is about the chairman. Let's just be honest with each other. It's a much better way to conduct a hearing.

So I'll ask you a straight question: Do you think it helps?

Mr. O'CARROLL. No.

Mr. MULVANEY. So why do you do it?

Mr. O'CARROLL. Well, I'll tell you one thing. I've been doing this now for 3 months, Mr. Mulvaney, and in that 3 months, I've tried to tighten up our processes and procedures. If you notice in both those cases—and one of, I guess, a nuance on this thing, is it isn't from the Federal Law Enforcement Officers Association, it's from their foundation that those two press releases came. And that Mr. Adler had been a president of FLEOA. He went over to the foundation, which is the charitable arm of our organization.

Up until now, anybody who had an officer position had access to our letterhead press release type information. That's what you're referring to. But I've got to tell you—

Mr. MULVANEY. I hate to cut you off, but I mean, I mean, seriously, man, the headline—it says the Federal Law Enforcement Officers Association. Again, this is a minor deal, but don't sit there and tell me it's your foundation, not the association. I mean, it is—

Mr. O'CARROLL. I'm trying to be as candid as I can.

Mr. MULVANEY. Is this your letterhead?

Mr. O'CARROLL. It's the foundation letterhead, if I'm not mistaken.

Mr. MULVANEY. No, you are mistaken. It says Federal Law Enforcement Officers Association.

Mr. O'CARROLL. Well, then maybe it was under his watch as the president, which is outside of mine.

Mr. MULVANEY. Okay. Let's get to the thing. I mean, seriously, you're killing me with this. Let's have an honest conversation and not try and—ugh.

Inspector General Roth, here's, I think, the last question I want to ask about the topic, which is the punishments. I think one of the things that frustrates us, that frustrates people back home, is that something deplorable to happen, something awful happens, that the Secret Service of the United States of the America used private records about a sitting Member of Congress to try and make him look bad and undermine his authority.

In fact, I think you said something disturbing, which is it says that there's nothing to prevent that from happening again. So you're telling me that today a Secret Service agent who doesn't like Mr. Cummings can go and start looking through your files for material on him. Is that a true statement?

Mr. ROTH. It depends whether Mr. Cummings was either a protectee or an applicant. So, obviously, the Secret Service doesn't keep records on everyone.

Mr. MULVANEY. Okay.

Mr. ROTH. But certainly other applicants who would be in, for example, Chairman Chaffetz's situation, those records still are there, they still don't have audit protection, it's unclear as to who has access to those records, and there's certainly no way to detect that.

Mr. GOWDY. Will the gentleman yield for one question?

Mr. MULVANEY. I will.

Mr. GOWDY. How did you all know he was an applicant? How did the Secret Service know that Chairman Chaffetz was an applicant?

Mr. ROTH. According to our investigation, someone decided to look it up in MCI. There was a single individual in a field office who just decided to look it up, and from there, it sort of spread throughout the Secret Service.

Mr. GOWDY. But the next point, if you're going to run Chairman Chaffetz's name, you could run Ranking Member Cummings' name, you could run anyone's name.

Mr. ROTH. Correct. But you may not find a record within the MCI system.

Mr. GOWDY. It was only because Chairman Chaffetz respected the Secret Service enough to actually apply.

Mr. ROTH. That's correct.

Mr. GOWDY. Okay.

Mr. MULVANEY. Staying on that, Mr. Roth, one of the things that frustrates us is that the penalties—no one was fired. I think everybody acknowledges that. We've got a report here that says that Homeland Security actually reduced the amount of discipline from an average of 8-1/2 days to 5.3 days, in part, because DHS discovered that mishandling of the information was a common practice.

Since when is that an excuse? I mean, you had an assistant director who encouraged the release of this information, but part of the justification for not penalizing that person was that, oh, everybody did it. Really, is that the defense, Mr. Dougherty, that this was so common that you all searched Mr. Cummings' records and mine or Mr. Gowdy's, that since everybody did it, it was—didn't deserve to be punishable?

Mr. DOUGHERTY. So, Mr. Mulvaney, first of all, let me correct the record.

Mr. MULVANEY. Okay. Please.

Mr. DOUGHERTY. Secret Service individuals, employees, cannot access those records now. They are limited. That's one of the things that we did do change over the last—

Mr. MULVANEY. Do you disagree, Mr. Roth, or are you guys just using different terms for different things?

Mr. DOUGHERTY. We're talking about what is in existence now versus what it was when they actually looked at us. But we have, in fact, looked at this issue.

Mr. MULVANEY. Mr. Roth, yes, no, maybe?

Mr. ROTH. That's certainly not our information at the time we did the audit. When you looked at the five different data systems, for example, Chairman Chaffetz's information was in two different systems. It was in the personnel system and the—

Mr. MULVANEY. When was your audit, Mr. Roth?

Mr. ROTH. I'm sorry?

Mr. MULVANEY. When was your audit?

Mr. ROTH. I think our field work was done, completed at the beginning of 2016. I don't have the exact date.

Mr. MULVANEY. You're saying you fixed it since then, Mr. Dougherty?

General NALLY. Can I? May I address that, sir?

Mr. DOUGHERTY. That's correct. Let me refer to my colleague here, Mr. Mulvaney.

Mr. MULVANEY. Sure. If it's been fixed, that's good news and we can move on.

General NALLY. It's been fixed.

Mr. MULVANEY. Okay. Mr. Roth, do you mind taking another look at that again?

General NALLY. I can expound upon that if you'd like.

Mr. ROTH. Certainly as part of our audit process, what we do is every 90 days we take a look at what progress they've made and we'll report on that.

Mr. MULVANEY. Well, if that's one thing that comes from the hearing, that at least this can't happen again, maybe that's good news. I wish we could talk more about what your agents are going through, all of them, because it sounds like something that would universally frustrate all of us up here. We'd like to help, but, unfortunately, we've got other stuff to deal with as well.

Thank you, Mr. Chairman.

Chairman CHAFFETZ. I thank the gentleman.

I'll recognize the gentleman from Missouri, Mr. Clay, for 5 minutes.

Mr. CLAY. Thank you, Mr. Chairman.

As we discuss what Congress can do to improve staffing at the Secret Service, we should understand how Congress helped create the crisis in the first place. Last year, the chairman, myself, and all members of this committee approved a bipartisan report that found the Secret Service was experiencing a staffing crisis, and one of the three main causes was, quote, "significant cuts imposed by the Budget Control Act of 2011," otherwise known as sequestration.

Mr. Dougherty, you were at the Secret Service when sequestration took effect. Do you recall seeing how that impacted the agency?

Mr. DOUGHERTY. Congressman Clay, thank you very much for that question. It was a perfect storm for the Secret Service to find ourselves in that, and it contributed significantly to the rapid decline in our funding and our budgeting for personnel, and, frankly, we're still digging our way out of that hole.

Mr. CLAY. Wow. The Secret Service rapidly lost 500 employees between 2011 and 2013. During those 3 years, the committee's report found, quote, "Congress approved \$165 million less than the combined amount requested by the President for the USSS."

Mr. Dougherty, do you recall how senior leadership reacted to those budget cuts at the time and how they handled the shortfall?

Mr. DOUGHERTY. I don't recall the exact numbers, but I do recall that the management response was effectively to sort of pick people and programs and sort of just balance it so that protection was not impacted and people were not impacted, as little as possible. It was really effectively a very hard choice and one in which we tried to manage as much as we possibly could.

We are also, though, I might add, sort of leaning forward, managing out of it. We are attempting to sort of manage out of it. And funding is, in fact, a very important commodity, a component to this particular issue.

Mr. CLAY. Given the cuts, can you think of a way the Secret Service could have avoided significant decreases in staff?

Mr. DOUGHERTY. Would you repeat that question?

Mr. CLAY. Given the cuts that impacted your agency, can you think of a way the Secret Service could have avoided significant decreases in staff?

Mr. DOUGHERTY. We were in a place where our base funding for our agency was already low, we hit the wall, it was really a place where it was very difficult to sort of manage out of it. It really became a Hobson's choice, technology, people, programs, the whole like. So it ultimately became a very difficult thing for us to sort of get out.

That's why we think that we are sort of starting to kind of move out of that and why we are hiring at such a rapid pace in order to make up the difference.

Mr. CLAY. So you are now trying to restore that staffing to a respectable level.

Mr. DOUGHERTY. Director Clancy has made that the priority of the agency, is to refresh and to bring people back in so that we can give our people our lives back.

Mr. CLAY. You know, one of the 29 recommendations in the committee's bipartisan report was, and I quote, "Congress should ensure that the USSS has sufficient funds to restore staffing to re-

quired levels, and USSS should ensure that it has systems in place to achieve these goals.” Permanently fixing the pay cap waiver issue should be the first step of many towards fulfilling this recommendation.

Mr. Roth or Mr. O’Carroll, would you concur that Congress should ensure sufficient funding for Secret Service staffing? Mr. O’Carroll first.

Mr. O’CARROLL. Yes, Mr. Clay, we agree completely. Sufficient funding would take care of a lot of the morale issues and the other issues that they’re experiencing.

Mr. CLAY. Mr. Roth.

Mr. ROTH. Yes. Certainly our findings have shown that this is going to require a sustained long-term commitment of both personnel and funds.

Mr. CLAY. And, Mr. Dougherty, has the Secret Service evaluated what levels of funding would be sufficient to restore staffing appropriately?

Mr. DOUGHERTY. We have, Congressman Clay. Whether it’s the strategic human capital plan that we submitted to Capitol Hill last June or the very sort of other additional budgets that we’ve done or the discussions we’ve had with committee staff with respect to our quarterly evaluations, we continue to raise the issue about additional funding in order to pay for a mission-based budgeting process.

Mr. CLAY. And it’s evident that Congress cannot slash the budget of the Secret Service without expecting serious consequences.

And, Mr. Chair, my time is up.

Chairman CHAFFETZ. Thank you.

I’ll now recognize myself for 5 minutes.

Mr. Dougherty, what do you believe Congress does not have a right to see?

Mr. DOUGHERTY. I have full respect for the oversight and the constitutional duties of the Congress with respect to that, so I’m not sure exactly.

Chairman CHAFFETZ. Is there anything that you believe the Congress should not be able to see?

Mr. DOUGHERTY. I believe that when we’re going through a process of trying to figure out records, how we all can accommodate each other’s sort of interest in making sure that Congress is able to do their oversight job fully, completely, and unhindered, and at the same time recognize to some extent some of the considerations, the interests that we have as an agency, particularly since we owe our people some privacy.

Mr. GOWDY. Would the gentleman yield?

Chairman CHAFFETZ. The gentleman from South Carolina.

Mr. GOWDY. Would you agree Congress created the whole inspector general apparatus? That’s not constitutional in nature, it’s statutory, right?

Mr. DOUGHERTY. I would agree that Congress not only established the IG, they established the United States Secret Service in 1865.

Mr. GOWDY. All right. Good point. We did both. So Congress, if they wanted to, could do away with all the inspector generals’ next

appropriations process if they wanted to. They don't, but they could, right?

Mr. DOUGHERTY. I understand.

Mr. GOWDY. So why would Congress have to wait until an inspector general concludes an investigation before Congress can get in line to gain access to information?

Mr. DOUGHERTY. What information are we talking about Representative Gowdy?

Mr. GOWDY. Any information. It is routine for people to sit at that table and say: We cannot cooperate with an ongoing congressional investigation because there's an ongoing inspector general investigation. It is routine for that to come from witnesses at that table.

Mr. DOUGHERTY. The information under both the February 2015 letter and the June 2015 subpoena has been substantially complied with but for one document production, and also the ultimate issue on names.

Chairman CHAFFETZ. Why not complete production under the subpoena as opposed to substantial? Why do you get to make that determination?

Mr. DOUGHERTY. I'm not making that determination. What I've saying is basically—

Chairman CHAFFETZ. The Secret Service—has the Secret Service fully complied with the duly issued subpoena from Congress?

Mr. DOUGHERTY. We continue to owe you materials. We have been doing production.

Chairman CHAFFETZ. When are we going to get it?

Mr. DOUGHERTY. Well, first of all, it's been the committee that basically inserted additional document requests that they prioritized over this.

Chairman CHAFFETZ. No, no, no, no. It was issued in June, I believe.

Mr. DOUGHERTY. It was issued February and June, yes.

Chairman CHAFFETZ. Okay. So why have you not fully complied with it?

Mr. DOUGHERTY. It's tens of thousands of documents. We are relatively one document production away.

Chairman CHAFFETZ. No, you are taking extra time and work. I'll give you an example here. In this particular document, just on page 4 alone, there's 21 redactions.

Mr. DOUGHERTY. I don't know which document you're referring to, Chairman.

Chairman CHAFFETZ. All right. We tried to do this—this is the Bartlett file.

Why do we get redacted documents?

Mr. DOUGHERTY. I have not seen that document, so I can't refer to that document.

Chairman CHAFFETZ. Go ahead. I'll show you a copy of it. Deliver it to him.

Mr. DOUGHERTY. What I'm saying, Chairman, is—

Chairman CHAFFETZ. Why should I get any redacted documents? To my original question, what is it that Congress should not be able to see?

Mr. DOUGHERTY. So even on Wednesday and Thursday of last week, I was sitting down with committee staff to try and resolve this issue.

Chairman CHAFFETZ. I don't—you don't want to go there, Mr. Dougherty, you do not want to go there. I want the documents. We have a duly issued subpoena, and I expect you to fulfill it without redactions. If you think there's a justification for redaction, tell me now.

Mr. DOUGHERTY. So the anonymous document—the anonymized document that we gave you, which lays out sort of all the various sort of categories of information about these particular files, and we gave that to you yesterday, we thought that that would help you be able to sort of parse out and target what particular files you particularly want to discuss in more fully in an informed way.

Chairman CHAFFETZ. You are making decisions that you should not make. When I issue a subpoena, you should fully comply with it. It's not optional. You don't get to parse it out and hide things.

When you have 79 percent of the Secret Service saying that your senior-most leadership is not honest and trustworthy, we have a problem and we're going to go peek under the hood. When you have more than 10 percent of your level 15, GS-15 and above who have problematic backgrounds in that they've had to go through investigations of themselves since they've been agents, you have a problem.

When you hand us a document with nearly 30 people and only 1 of them says it's unsubstantiated, we have a problem. When you have Cartagena happen and there are eight incidents since Cartagena, and then they continue to get promoted, at least I think it's five of them continue to get promoted, we have a problem. We get to do an investigation.

So to my original question, what is it you think Congress has no right to see?

Mr. DOUGHERTY. Chairman, we're trying to basically sort of lean forward, and I'm looking at the list—

Chairman CHAFFETZ. My simple question is, are you or are you not going to comply with the subpoena?

Mr. DOUGHERTY. That is why we are having a discussion with staff—

Chairman CHAFFETZ. I don't want to have a discussion anymore. We've been talking about it for nearly a year. I want the documents. Are you or are you not going to provide them?

Mr. DOUGHERTY. And there was discussion on the table in which to accommodate that. But the list that we gave you—

Chairman CHAFFETZ. You really want to have—you want to talk about the discussion that you proposed?

Mr. GOWDY. Would the chairman yield for a moment?

Chairman CHAFFETZ. Yes.

Mr. GOWDY. Just humor me and give me an idea what those discussions would be about. What privilege are you asserting that would prevent you from making information available to the entity that created your department, your agency?

Mr. DOUGHERTY. So I'm not standing here in a position as an attorney here because I've not served in that role at the Secret Service in a very long time.

Mr. GOWDY. That's okay. You don't have to be an attorney to know why you're not turning stuff over.

Mr. DOUGHERTY. I'm not asserting a privilege, Mr. Gowdy.

Mr. GOWDY. Well, if it's not a privilege—

Mr. DOUGHERTY. What I'm doing is having a practical discussion about the information that is—that furthers and advances the committee's oversight and effectively bringing us to a positive place.

Mr. GOWDY. Right. But I want you to hear those words from our standpoint. Let me tell you what I hear when I hear you say that: We're going to decide what we think you need.

Mr. DOUGHERTY. And that's not the case.

Mr. GOWDY. That's what you just said, that advances the committee's work. We may get to decide what advances our work. Would you give redacted documents if it were a grand jury subpoena or a court subpoena? If that branch of government sought documents, would you go through and redact them before you gave them to a judge?

Mr. DOUGHERTY. I think that's a good example, but I'll take a different example, that is, in terms of normal discovery. Oftentimes, courts will say we're—

Mr. GOWDY. Oh, please tell me you are not treating Congress like a criminal defense attorney. I am begging you to please tell me that's not what you're doing.

Mr. DOUGHERTY. I'm not, Mr. Gowdy. What I'm saying is basically the discussions that we had as late as last week I thought were going towards a creative resolution to this particular issue which ultimately was going to give the committee the place where they wanted to be on this.

Mr. GOWDY. Well, what I hear the chairman saying—

Mr. DOUGHERTY. And I think in time we would have been able to get there.

Mr. GOWDY. What I hear the chairman saying is the place he wants to be is exactly what he asked for. Hence, there really is no more need for negotiation. Unless you have a legal privilege or some constitutional precept you are standing on to not allow the branch that created your agency to see documents, then what is the discussion about?

Mr. DOUGHERTY. The discussion is about ultimately what is fair to individuals as well. Look, if you have a child come home where basically they do a fender bender, you basically sort of put them in a timeout or whatever, and then you ultimately give them the keys back.

This is exactly the same situation. We have individuals who have engaged in misconduct, but it doesn't mean necessarily that's the end of their career. They basically continue to go forward, just like we treat our children. That's basically what we're talking about.

Mr. GOWDY. Well, don't you think the father of three would be able to appreciate that analogy? Then why can't you give us the documents and then make the analogy?

Chairman CHAFFETZ. Let me recognize the ranking member, Mr. Cummings.

Mr. CUMMINGS. I just want to make sure we don't keep—it seems like we're going in a little circle here, and I want to get us off from the circle. Who makes the decisions with regard to the redactions?

We're all concerned about Congress being able to do its job, and to do its job, we need information. But who makes—you know, when you said you're not a lawyer, you know, I know a lot of people have a lot of—against lawyers, but we do—we have been provided with special skills and information that a lot of people don't have. So you're not a lawyer. Is that right?

Mr. DOUGHERTY. I'm a lawyer.

Mr. CUMMINGS. You are?

Mr. DOUGHERTY. I am, yes.

Mr. CUMMINGS. Okay. And so tell me who makes these decisions with regard to redactions?

Mr. DOUGHERTY. It's a combination of decision with—

Mr. CUMMINGS. Do you make them?

Mr. DOUGHERTY. I do not, and that's not the role that I have played in, sir. I actually came here to talk about PMP and the HOCR Committee report and not this, because this is an area that I've not been involved in up till now. I don't play an official role in this. I played an official role in building up the new integrity system and the new table of penalties, but not the old disciplinary system that we had before.

Mr. CUMMINGS. So who can we talk to, to get the—you don't sound like you're the right person to be asking these questions. Who should we talk to, to get the answers to the questions?

Mr. DOUGHERTY. This is a joint decision of the Department.

Mr. CUMMINGS. This is legal counsel for the Secret Service and legal counsel for DHS?

Mr. DOUGHERTY. Legal plays a very large role in the decision-making, yes, sir.

Mr. CUMMINGS. All right.

Chairman CHAFFETZ. I've got to conclude here with this line of questioning here to tell you how highly offended—offensive it is, you comparing this to a fender bender, okay. When you have 79 percent of your employees saying that they don't believe the senior management is acting honestly, don't tell me it's some fender bender. This so-called employee number 5, an SES-level employee transmitted hardcore pornography materials along with racially charged and sexist conduct, and yet he only received a written reprimand.

You have another. Here's an email I'm going to read to you, as best I can, and sorry for the nature of this. This is, "Subject: A very talented woman." And remember, this is on government computers between employees.

"Now this"—uses the "B" word—"has some talent. Careful where you open, there's definitely adult material." And then it goes on. But you redacted all this. I can't tell if you're actually taking the appropriate disciplinary process.

And don't tell me this is some innocent fender bender where we didn't take away the keys the right way. Get serious, Mr. Dougherty, this is serious stuff. And if we can't trust the senior-most people in the Secret Service, you're right, they're going to have to lose their keys to the kingdom.

And I don't think you're taking the appropriate disciplinary action, but I want to find out. I want to know. I want to look at those files. And guess what, that's the way the Congress is set up.

And when you have more than 10 percent of your SES employees 15 and above that fall into this category, you have a very serious problem. I could go on and on about the serious nature. And when you send me a spreadsheet with 30 and none of them are—only one of them says it's unsubstantiated, we have the right and the duty and the obligation to look at it. That's what oversight is all about. This committee was formed in 1814. Abraham Lincoln served on this committee, for goodness sake.

So unless you have some legal authority, you are putting us in a position that nobody wants to be in. We don't want to have to hold you in contempt. You should cooperate.

And of all the things out there, Homeland Security, Secret Service should know. You wouldn't put up with this. If you were investigating somebody else and you had a subpoena and you served it on them and they said, "Give me a moment, I've got to cross out a few things because I just want to make it fair, I just want to cross these things out so that, you know, I want to make sure that you get what you need," are you kidding me? That is not the way this process works.

You have a duly issued subpoena. I expect you to comply with it. When will you give me an answer as to whether or not you're going to comply with the subpoena in its totality, not in negotiation, in its totality? When will I have that answer?

Mr. DOUGHERTY. Chairman Chaffetz, I'm not in a position to tell you that.

Chairman CHAFFETZ. You knew this question was coming. We told you in advance it's coming. When is it reasonable for me to have answer to this question?

Mr. DOUGHERTY. I think we are working very hard on that, at the latter part of last week, and hopefully we can get to a place—

Chairman CHAFFETZ. Give me a date.

Mr. DOUGHERTY. I cannot give you a date, Chairman Chaffetz. I'm not the decisionmaker here.

Chairman CHAFFETZ. Who's the—going back to what Mr. Cummings says. Give me specific names. Who advised you on this question? Who?

Mr. DOUGHERTY. Well, it's ultimately—

Chairman CHAFFETZ. No, I want to know specifically who did you have a discussion about this with? You're under oath. Give me the answer.

Mr. DOUGHERTY. With respect to multiple individuals.

Chairman CHAFFETZ. Go ahead. List them out. I've got time. Go ahead.

Mr. DOUGHERTY. Director Clancy, a number of other individuals.

Chairman CHAFFETZ. No, no, name the individuals. You're a smart man. You know these people's names. Name them.

Mr. DOUGHERTY. The gentleman directly behind me, Mr. Paramore. Our counsel, Donna Cahill. Those are the individuals.

Chairman CHAFFETZ. Those three, nobody else?

Mr. DOUGHERTY. That's what I recall.

Chairman CHAFFETZ. Any other? I'll give you one more chance. Anybody else advise you on how to—

Mr. DOUGHERTY. I do not recall, Chairman.

Chairman CHAFFETZ. Okay.

Mr. DOUGHERTY. This has been a multipronged discussion, and I've had multipronged discussions with your staff on this issue to try and sort of find a way forward.

Chairman CHAFFETZ. Okay. It's not acceptable. We shouldn't have to wait this long. We're trying to do our jobs, and we're trying to help you to do your jobs, but it requires cooperation. And when I have to get to the point where I have to issue a subpoena, I expect compliance, 100 percent compliance. Understood?

Mr. DOUGHERTY. Understood.

Chairman CHAFFETZ. We'll now recognize the gentleman from Wisconsin, Mr. Grothman, for 5 minutes.

Mr. GROTHMAN. Yeah. Kind of disturbing testimony. I think we can kind of see why 79 percent say leadership is not honest and trustworthy.

But in any event, a question for Mr. Roth. Before, the topic of compensation came up. What is the base compensation for the different Secret Service levels or officers?

Mr. ROTH. I would not have that information.

Mr. GROTHMAN. Does Mr. O'Carroll have that information?

Mr. O'CARROLL. No, Mr. Grothman.

Mr. GROTHMAN. Does any of the other guys have that information?

Mr. DOUGHERTY. That's on the OPM sort of, you know, general schedule Web site. Basically you can find it there, and we can certainly provide that information to you.

Mr. GROTHMAN. Yeah, I know. But do you have any idea what people make? Like, if I'm a Secret Service agent for 15 years, what am I making? Nobody knows?

Mr. DOUGHERTY. Approximately \$145,000 base pay.

Mr. GROTHMAN. Okay, 145,000—

Mr. DOUGHERTY. A lot of hours for a little bit of pay.

Mr. GROTHMAN. Okay. And so if the Secret Service—are they getting overtime then above that?

Mr. DOUGHERTY. They are for protection.

Mr. GROTHMAN. Okay. So if I work 41 hours a week, I'm getting more than 145,000?

Mr. DOUGHERTY. They would receive overtime for protection. They also receive leave pay, which effectively is law enforcement availability pay. That's an additional 2 hours, but that's beyond overtime.

Mr. GROTHMAN. I guess there's some feeling that we're not paying enough here. And maybe I'll ask Mr. O'Carroll. I mean, to me, these are professional jobs, right? Don't you think they're kind of professional jobs?

Mr. O'CARROLL. Yes, sir.

Mr. GROTHMAN. I mean, to me, anywhere in the world, if you're making 145 grand, that's not a 40-hour-a-week job, right? If I'm making 145 grand, I expect, I don't know, 45, 50, 55 hours a week, right, don't you think?

Mr. O'CARROLL. Agreed. But as you notice from my testimony at the beginning, is most of the agents in the campaign, you're working 16-hour days. So they are putting more than a 40-hour work-week.

Mr. GROTHMAN. I know, but the question is, and I would think this is particularly if you're doing the Presidential or Presidential candidate detail, almost an honor, I guess it surprises me that if you're making 145 grand a year, that on your compensation, if you're working 45 hours a week, you're expecting overtime. You see what I'm say something?

I mean, normally, you know, people who work for me, my chief of staff, my deputy chief of staff, I mean, they're not making that much, but they work more than 40 hours a week. I work well over 40 hours a week because, but they pay us pretty well for that.

I just am a little bit surprised that as a Secret Service agent, if you're working 45 hours a week, you think that's overtime or additional pay. You think that's right?

Mr. O'CARROLL. Well, a couple of things on it just for clarification. One, they are getting paid for some of that overtime with that law enforcement availability pay. So, yes, as we said, that above that \$140,000 there would be some overtime, that's automatically included.

And what we were bringing up, or one of our concerns of our members is, is that it's capping out at the 15 step 10 level, which is about 160,000. So technically, any agent after that, with the caps on it, are working for free, and that was my concern. So, again, we're kind of dealing with that—

Mr. GROTHMAN. What I'm saying is, if you get up around 150, you're expected to work more. I mean, that's what well-paid people do.

Mr. O'CARROLL. Yeah.

Mr. GROTHMAN. Now, just a general question for Mr. Dougherty. That 79 percent say leadership is not honest and trustworthy, you want to comment on that? Why do you think people are answering the questionnaire that way? Why do you think that your agents think you're not honest and trustworthy to that degree? I mean, that's just stunning. Could you give me an opinion as to what's going on in their mind, in your opinion?

Mr. DOUGHERTY. I'm not sure when that particular survey or number was established. Do recognize that we have had multiple surveys and other things that basically sort of go to the issue of confidence in leadership. I do think, though, that the change of leadership with Director Clancy, keeping in mind that he changed every single assistant director but for one individual, and also, too, recreated the agency, that there has been substantial changes in terms of that and the kinds of things that we're trying to respond to.

Mr. GROTHMAN. Why do you think in the past such a high percentage thought leadership was so bad? What bad things were they doing?

Mr. DOUGHERTY. Well, I think that, first of all, the old disciplinary process that we had basically contributed to that, because effectively it was not very transparent, it wasn't consistent, and it wasn't fair.

Mr. GROTHMAN. Okay.

Mr. DOUGHERTY. They had different decisionmakers basically making those decisions.

Mr. GROTHMAN. I cut you off. I'll ask the same question to Mr. Roth. I'm almost out of my time.

Mr. ROTH. It's difficult to know. Certainly those questions, the answer to those questions have been consistent over time. One of the things that we talk about when we talk about an ethical culture is to have a tone at the top, the right kind of tone at the top, having systems in place to enforce that culture, and then actually doing something about it.

So in relation, for example, to the discipline that was imposed on the individuals that accessed, in violation of the Privacy Act, Chairman Chaffetz's records, I think that discipline was inadequate, and I think it's perceived of as a dual standard.

Mr. GROTHMAN. Okay. I just want—well, in my life, I'm trying to go back in my life, all the bosses I've had, if I ever felt anybody was untrustworthy and not honest, and I really can't think of any of my bosses I felt that way about. So when you have that many think that poorly about the people who run the Secret Service, it's kind of scary. But I've run out of my time, so thank you.

Chairman CHAFFETZ. I thank the gentleman.

I'll now recognize the gentleman from Virginia, Mr. Connolly, for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman. Great to be back.

Mr. Roth, why does anybody in the Secret Service need overtime?

Mr. ROTH. We haven't looked at that, Congressman. I'm not sure what you're getting at. It's not part of our audit reports.

Mr. CONNOLLY. Well, I mean, if you had a full workforce with fully staffed shifts, in theory, ideally, you'd never need overtime. Isn't that correct?

Mr. ROTH. Understood. Correct. There had not been a staffing plan that had been established previous to just recently. So essentially, the Secret Service was understaffed, forcing people to work overtime, eliminating training that was necessary for them to do their jobs.

Mr. CONNOLLY. Okay.

Mr. ROTH. So that's why they needed the overtime.

Mr. CONNOLLY. And how pervasive of a problem is that, that understaffing that requires more and more overtime?

Mr. ROTH. It is significant. As we talked about when we looked at the PMP report, certainly in 2015 they had 6,350 people on board. The estimate was that they needed 7,600 people on board, so about 1,300 more individuals, to have the kind of staffing that would minimize, although not eliminate overtime, because that's the nature of law enforcement, that there's always overtime, but also allow for adequate training.

Mr. CONNOLLY. So the fact that we're, if we'll stipulate your numbers, we're 1,300 understaffed, that's a lot. That's about 20-something percent of the ideal workforce, right?

Mr. ROTH. Correct. And, again, what I'm talking about is numbers from 2015.

Mr. CONNOLLY. No, I understand.

Mr. ROTH. It has gone up since.

Mr. CONNOLLY. Right.

Mr. ROTH. Yes, it is significant.

Mr. CONNOLLY. So the Secret Service has to fall back on overtime if it's going to carry out its duties.

Mr. ROTH. Precisely.

Mr. CONNOLLY. And if it doesn't do that, if it actually just keeps people to their shift, no overtime, what's the risk?

Mr. ROTH. Well, obviously, it's a risk of mission failure.

Mr. CONNOLLY. And does that put lives in jeopardy?

Mr. ROTH. It absolutely does.

Mr. CONNOLLY. Because this isn't just any mission.

Mr. ROTH. That's correct.

Mr. CONNOLLY. And, of course, in an election year, the demands on the Secret Service are that much greater.

Mr. ROTH. Correct.

Mr. CONNOLLY. Especially this one maybe. That's my editorial comment; you don't have to comment.

All right. So Congress certainly has recognized this problem, right, and rushed to fill in the gap and make sure that you had either the overtime you need and/or the staffing you need so that this sacred mission is not compromised and nobody is at risk. Is that not what's happened, Mr. Dougherty?

Mr. DOUGHERTY. Congressman Connolly, first of all, if I can at least observe that the law provides for the payment of overtime for Secret Service agents as well as other law enforcement. Really, the issue that we're talking about just simply is the cap to the law that Congress has established relative to payment of compensation for law enforcement.

Having said that, I totally agree with you, though, that really the resolution to the problem, of course, in trying to make sure that the Service can continue to do its mission is both funding and also to the law, sort of a recognition that at least that we have a unique mission which requires an awful lot of hours by individuals to sort of continue to do what they're doing.

Mr. CONNOLLY. Yes. Mr. Dougherty, my time is running out and I was going to get to the point you brought up, and thank you for bringing it up.

So this pay cap Congress has imposed. Is that correct?

Mr. DOUGHERTY. Actually, I think we are excited at the idea that the committee effectively has sponsored legislation—

Mr. CONNOLLY. Not my question, Mr. Dougherty. Is there a pay cap or not on overtime, absent other legislative action?

Mr. DOUGHERTY. You are correct, sir.

Mr. CONNOLLY. Yes. And does that pay cap in any way affect performance or morale of Secret Service agents who are doing their duty and putting in the overtime, whether they're getting paid—whether there's a pay cap or not? Is that not correct?

Mr. DOUGHERTY. I think that's the nub of the question.

Mr. CONNOLLY. Yes.

Mr. DOUGHERTY. And I believe, sir, that the answer is yes, that when you ask individuals—it's one thing to ask an individual to go and do their job. It's another thing, though, to say, do your job and, by the way, at this point in time in your workweek you're not getting compensated any further.

I believe that this is simply an unintended consequence to the way that Congress sort of struck the ceiling or the cap, not taking

into consideration the specialized missions that certain organizations have. And the Secret Service's, I think, is a unique one with respect to that, particularly given the recurring sort of nature of the campaign. Every 4 years we kind of run into this. This was not a problem that just existed in 2016; it has been a problem that's been in existence going back to multiple campaigns.

Mr. CONNOLLY. Yes. I take your point. And my time is up. But I would simply say, we hear a lot about, you know, we ought to run government like a business. I don't know any business that would say to its employees, we're going to set, you know, virtually limitless hours for you to work and we're only going to compensate you for part of that. And I just think we in Congress have a responsibility to revisit that issue and address it in a responsible way so that the Secret Service is adequately compensated and your mission is successful.

Thank you, Mr. Chairman.

Mr. DOUGHERTY. Thank you, Congressman Connolly. Thank you very much.

Chairman CHAFFETZ. I thank the gentleman.

I'll recognize the gentleman from Alabama, Mr. Palmer.

Mr. PALMER. Thank you, Mr. Chairman.

Mr. Dougherty, are you aware that in the list of best places to work in the Federal Government in 2015 that Secret Service ranks 319th out of 320?

Mr. DOUGHERTY. I am aware of that.

Mr. PALMER. Did it ever occur to you that there might be a connection between the fact that 79 percent of the rank and file that work for the Secret Service, the men and women in uniform and in the protective detail, that that might have something to do with that low ranking?

Mr. DOUGHERTY. That ranking is connected to a lot of things.

Mr. PALMER. Well, I can assure you that when 79 percent don't trust leadership, it's going to be reflected in your ranking.

And I'm sitting here listening to this and listening to you guys talk about the overtime. And we had a hearing back in March of 2015, and it turns out that in that hearing we found out that the uniformed officers were now getting only, like, 25 minutes of training and that your protection detail had previously been spending 25 percent of their on-duty time in training. It's now down to 2 percent. And then you're working these hours. I think Mr. Thomas Perrelli in a February hearing indicated maybe 58 hours. So you're working these people, and then you're providing them, in my opinion, untrustworthy leadership.

And I just want to bring up something here, and going back to Mr. Gowdy's questions. Assistant Director Edward Lowery, who was recently promoted to that, does he have a misconduct citation in his record?

Mr. DOUGHERTY. Again, I serve as the chief strategy officer for the Secret Service. I'm not involved in the disciplinary process. I cannot answer that question.

Mr. PALMER. I'm not asking you if you were involved in discipline. I'm asking you a direct question. It's a yes or no, or you can say you don't know.

Mr. DOUGHERTY. I don't know.

Mr. PALMER. Okay. You know, he is the one who sent out an email that said that there is some information that he might find embarrassing that needs to get out. The “he” he was referring to is Mr. Chaffetz, Chairman Chaffetz.

There’s 10 new assistant directors that have been promoted. I’ve got a list here. Forty-one alleged misconduct or people charged with misconduct. How many of the 10 new assistant directors do you think might be on this list? Could you answer that for me?

Mr. DOUGHERTY. I cannot.

Mr. PALMER. Could you find out and let us know?

Mr. DOUGHERTY. Yes.

Mr. PALMER. I appreciate that. Would you also let us know if Mr. Lowery is one of those?

Mr. DOUGHERTY. Yes.

Mr. PALMER. Nodding your head I take is an affirmative. Thank you.

I also would like to point out that this appears to be problematic in the Department of Homeland Security, because among the large agencies Homeland Security ranks last, and they ranked last in 2014 and 2015. And I just think this is indicative, Mr. Chairman, of a major issue with management.

And, again, going back to the fact that 79 percent say that they find management not, you know, that they’re not honest and not trustworthy, makes it look like management is more interested in protecting management than they are looking out for the men and women who are putting their lives on the line.

And you’re wearing them out. I can tell you as a former athlete that—and particularly in football—when you got in the fourth quarter fatigue would make a difference. I don’t care—and you’ve reduced their training down to such low levels that you combine that with fatigue and you’re looking for a disaster. And then on top of that, you operate the agency in such a way that really is reprehensible. I’ve heard that word used once before.

I mean, what are you going to do? Are you going to continue to protect management? Are you going to continue to deny the committee the documents that we’ve requested? Because our objective is not necessarily to get anyone. Our objective is to restore the credibility and reputation of the Secret Service so that the men and women who serve the Secret Service can do their job, can get paid what they should get paid, and can get home safe. Is that too much to ask?

Mr. DOUGHERTY. I appreciate the sports analogy, because I use them all the time.

Frankly, that’s why we’re coming here and doing the quarterly updates, to show you the things that we’re doing. And yes, we have been talking to the committee to basically sort of resolve this ultimate issue about the records.

Mr. PALMER. The chairman has pointed out that we’ve made multiple requests. We’ve subpoenaed the documents that we think are important to getting the Secret Service back to the level of expertise and credibility that they’ve enjoyed for their entire existence, but you’ve denied us those documents. We’ve got cases here where there’s misconduct that’s gone really unpunished. And if you

want to restore your rank and file's confidence in the agency, you need to work with us.

I yield back.

Chairman CHAFFETZ. I thank the gentleman.

I'll recognize myself for a series of questions as we conclude this hearing.

Inspector General Roth thought we were roughly 1,300 people short of where we need to be right now. Mr. Dougherty, is that your understanding? Is 1,300 how many we're short?

Mr. DOUGHERTY. I'm not following exactly where he gets the number 1,300. I can tell you sort of what we've plotted out through our strategic human capital plan effectively. If you're going to get ourselves back to the 7,024 or you're going to get us to the number 8,300 effective, which we've plotted out all those numbers, we have tried to assess through new models for personnel where we think we ought to be.

Chairman CHAFFETZ. And I appreciate that and we want you to share that in its totality with the committee. What I'm trying to understand is how far short of those goals as you plot it moving forward, much to what Mr. Lynch put up on the chart which was part of our graph. How far short are we? And if you can't answer right off the cuff—

Mr. DOUGHERTY. I can't answer right off, but I would be glad to provide that information and number to you.

Mr. DOUGHERTY. I think it does, though, tie, though, to the plan that we have given to the Congress in June of 2015. And we continue to update our strategic human capital plan, and we're having our models revalidated by an outside contractor to make sure that we are in the right place on that as well.

Chairman CHAFFETZ. It is something of keen interest—Mr. Cummings referred to it, so many of us have referred to it—is how many we're short. I liken this to a bathtub. You know, you try to keep filling it up in the top, but the drain at the bottom, the attrition is so great. And until you get ahead of that curve, you can't get people with reasonable lives. We want them to have a personal life. We want them to be able to do these things.

And we recognize the surge that happens during a Presidential campaign, but what we also see is that, according to the numbers you've given us, agents only spend about a third of their time on protective-related activities during non-Presidential years and just barely over half their time during Presidential years.

So if you're spending 50 percent to two-thirds of their time on activities outside of the protective mission, it does beg the question that I will continue to pursue, which is, should we shed off all the things that you're supposed to be doing as it relates to cyber and cyber defenses? Because look at the irony here. We're hearing reports from the inspector general you don't even have the basic systems in place to deal with some of the most basic things we have.

Mr. Nally, you said something. You said, quote, "All this has been rectified." I want to give you a chance to help clarify that, because I have pictures of your office where somebody emails in their application. It's printed out. It's stacked up in the hallway, not in a secure setting. It's behind a locked door, but certainly not in a secure setting. And then you retype it in?

How arcane, how bad is the personnel system, both in terms of hiring and tracking current employees? Are you where you want to be?

General NALLY. Mr. Chairman, I'll never be where I want to be.

Chairman CHAFFETZ. Okay. Where are you at now? I mean, okay, great. That's a philosophical thing. But where are you at? If I pulled out somebody's name, I pulled out Jane Doe out of the file and I said, show me employee number 1,233, could you tell me how many hours she's worked?

No, no, I want to ask Mr. Nally. He's the CIO.

Could you tell me that?

General NALLY. I don't know, because I don't have access to that system.

Chairman CHAFFETZ. Can the system pull up that information? Does the system track personnel's hours worked?

Mr. DOUGHERTY. Chairman Chaffetz, I run that part of the Secret Service.

Chairman CHAFFETZ. Okay. Go ahead.

Mr. DOUGHERTY. The answer is yes. And we have provided to the committee staff our annual performance statistics. I'll be glad to provide them again.

Chairman CHAFFETZ. But can you, by the personnel—if I took a random sampling, if Mr. Roth came in here and took a random sample of the personnel, could he tell me that Jane Doe worked this many hours?

Mr. DOUGHERTY. I believe that we can.

Chairman CHAFFETZ. Mr. Roth, is that something you can do in short order? Can we take a random sampling and track these employees? I mean, when you get into an SES employee or a GS-15 employee, can you track that?

Mr. ROTH. We don't know. I'd have to check with my folks to see if that's doable.

Chairman CHAFFETZ. So here's the problem. I've sponsored a bill to loosen up \$22 million to pay people for the overtime they worked in just 2016, but I need some assurance that you're not just going to hand this out like candy and say, well, you get, you know, 20,000 and you get 15,000, unless there's some real metrics and some documentation that shows that this person worked 43 straight days at 13 hours a day.

Mr. DOUGHERTY. I know I can provide that data, and I can provide that assurance as to who's getting overtime and when they're getting it and how they're going to get it.

Chairman CHAFFETZ. Okay.

Mr. DOUGHERTY. Again, we have those performance metrics. If we do anything right, we do a really good job of that, of sort of understanding. Besides, we pay these people and we have to have an understanding as to the hours that they worked.

So I do think that we're in the right place on this. I'll be glad to provide any information to you to satisfy this inquiry.

Chairman CHAFFETZ. Is there a scheduling system in place now so people can see where—and granted, protectees change where they're going to be at a moment's notice and I get that. But can agents have visibility on when they're projected to work over, say, the next 7 days?

Mr. DOUGHERTY. So that's—go ahead.

General NALLY. Excuse me.

Mr. Chairman, we have a system that will be IOC, initial operational capable. It's called UD, Uniformed Division/RMS, Resource Management System, that will be IOC the first week in December. It's a modernized program that's taking the current scheduling system and automating it.

For example, the agents and duty officers do have an application on their phone that we currently issue them and they use where they can put in for leave or, say, a sick day off, et cetera, that's an automated process. Come the first week in December, they're going to be able to have laid out a scheduling system for those officers. It's automated. It's an agile approach that we're using. We have UD officers involved in the process. And currently, this week out at the RTC we have user verification testing on that system.

Chairman CHAFFETZ. Mr. Roth, I just would like—agents, officers, they need to be able to know when they're going to work. We heard this horror story last time. It was Wednesday before Thanksgiving, and they didn't know if they were working on Thanksgiving and what time. They said, I'm happy to work on Thanksgiving, just tell me if I've got to have breakfast with my family or dinner with my family, I can't see it. And I want to make sure that that is solved.

Mr. Dougherty, do we have enough personnel? Do you need any assistance to help with the inauguration?

Mr. DOUGHERTY. I think you've seen the model or heard of the model before. The model for NSSEs is a really well-developed model for the Secret Service. And that model has been, as we speak, has been already implemented.

Chairman CHAFFETZ. All I'm asking on that topic, I just want the inspector general to go in and look at it and report back and tell us what he's found.

Mr. DOUGHERTY. And we are collaborating—

Chairman CHAFFETZ. Okay.

Mr. DOUGHERTY. —with everybody that we need in order to—

Chairman CHAFFETZ. That's all. That's all. I don't even need an answer from you on that. I want the inspector general to find out if that part is working. The application portion of it, the tracking of overtime, and the projection on when they're going to work in the future. Sort of the beginning, the middle, and the end. I just want him to come back to us and share with us his findings.

Do you have enough personnel or do you need any assistance to successfully get us through this inauguration?

Mr. DOUGHERTY. Our normal model, basically, is to go and collaborate with as many people that we have to, whether it's State and local, other Federal law enforcement, DHS, of course. So I think the answer is yes, the model is there and the plan will be there.

Chairman CHAFFETZ. And to the inspector general, the other thing I would like to get at is, again, we've highlighted this, but we're going to continue to highlight this. I do believe there's a very significant attrition problem. These are good, high-paying jobs, don't get me wrong here, but the amount of overtime is so excessive.

We have to get to a point—and keep in mind the imperative here. It is amazing what they've done and what they will do. And this is where I want to conclude, with the same thing we started with. We cannot thank them enough, the men and women who are actually out there on the front lines doing this day in and day out.

And I can't imagine, whether I was single or married or whatever, or had a loved one or just a mom and dad who cared about me or just somebody who's out there by themselves, looking at the calendar ahead and thinking, gosh, you know what, I got another 15 days in this month and I'm not going to get paid a dime, and continuing to do that. That's how dedicated these men and women are. I want to help solve that by loosening up \$22 million so that we can give relief to almost everybody.

But the long-term way to solve this is to get to the proper staffing levels. They'll do it, they'll work 15 hours a day. But you know what, when you're working 43 days straight, as the one example, and you're pulling 12-, 14-hour shifts, and you're sleeping in a different bed every night because the candidate's traveling all over the country or, you know, right now President Obama is off in Greece and traveling around the world, we need them to be able to do that.

But you don't want an agent who's exhausted and tired and can't figure out how they're going to pay for the child care, because they're not even getting compensated and they're not there to help fix the door or the toilet or whatever it might be. We have to get to the proper staffing levels, and we want to help there.

Mr. Nally, rather than saying all this has been rectified and that you will never be satisfied, all laudable things, two just bits or words of advice. Be honest and candid in terms of your assessment of your capabilities. And, number two, you need to share with us what you're trying to do and what impediments are in the way.

The other thing I would lastly suggest is, it doesn't need to be all reinvented by yourselves. It's a large Federal Government. You're not the first one to run into a staffing shortage. The Office of Personnel Management should be the one to help agencies and departments figure this out.

I worry that every time we look around somebody has got to come up with their own staffing software, you know. And law enforcement is different than how they're going to do it at, you know, the Bureau of Land Management, I get that.

But, please, let's be smart in this and let's solve this problem, give these people some relief so they're fresh, they're satisfied, they're fully compensated.

I thank you all for your expertise and your dedication and your patriotism. We have to get this mission right, and that's the spirit in which we have this hearing. So I thank you all for being here today.

The committee stands adjourned.

[Whereupon, at 1:06 p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

NOV 28 2016

The Honorable Jason Chaffetz, Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2517 Rayburn House Office Building
Washington, DC 20515

The Honorable Elijah E. Cummings, Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2471 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Chaffetz and Ranking Member Cummings:

I appreciated the opportunity to testify before your Committee at the recent hearing, "Oversight of the Secret Service." I write today to correct the hearing record regarding the status of recommendations from our report, "USSS Faces Challenges Protecting Sensitive Case Management Systems and Data (OIG-17-01)," which we issued to the Secret Service on October 7, 2016.

During the hearing, in response to a question from Representative Duncan, Secret Service Chief Information Officer Nally testified that six of the recommendations from our report were closed:

Nally: ...Number two is, in the OIG report dated October 7th, 2016 released October 14th, 2016, seven of those recommendations are mine; six of those have been closed. Six of them. Six of them were closed prior to the report being released.

To the contrary, all of the recommendations in the report remain open.

Department of Homeland Security (DHS) audit resolution procedures provide that OIG has discretion to determine the status of recommendations from our reports and they are closed upon receipt of evidence from the audited DHS Component that agreed-upon corrective actions are complete. The audited Component must provide a status



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report regarding the progress of corrective actions 90 days after the issuance of the OIG's report and every 90 days thereafter.

In this case, we made 11 recommendations to address the deficiencies identified in our report; 10 were recommendations for the Secret Service. In the Management Response to our report—provided by Secret Service in response to our draft report and published as an appendix in the final report—Director Clancy concurred with each recommendation and outlined initial steps for corrective action. Director Clancy also requested that we close four of the recommendations; however, while we agreed that Secret Service's proposed actions met the intent of our recommendations, we determined that the recommendations would remain open until Secret Service provides the appropriate supporting documentation.

We will reassess the status of the recommendations upon receipt of the Secret Service's 90-day update, which we anticipate receiving during the first week of January 2017. We will provide the Committee an update at that time.

In addition to his testimony about the status of the recommendations, Mr. Nally testified, with respect to the problems identified in our report, that "all this has been rectified." We also feel compelled to correct the record in this regard.

While we are hopeful that the changes the Secret Service has made over the last year will ultimately bear fruit, the current state of Secret Service IT systems is that they are insecure and vulnerable. The latest monthly scorecard of the Department's IT security posture, dated October 31, 2016, reveals alarming deficiencies in Secret Service's IT management. Only 25% of Secret Service systems have an Authority to Operate (ATO). Under DHS policy, all IT systems must have an ATO, which is a certification by the DHS CIO that certain IT security controls are in place. Without an ATO, Secret Service has no reasonable assurance that effective controls exist to protect the information stored and processed on these systems. Operating an IT system without an ATO is the functional equivalent of a doctor practicing medicine without a license, or a pilot flying an airplane without an airworthiness certificate. Secret Service's scores in this area are the worst by far of any DHS component, and are well under the DHS established targets, which call for 100% of all high value and mission essential systems to have ATOs, and 95% of all other



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systems to likewise comply. In the October 31 scorecard, the Secret Service's scores in these categories were 25% and 24%, respectively.

We will continue to monitor Secret Service's progress in addressing the issues that we identified in our October 2016 report through our regular audit resolution and follow-up process. We are also considering a future verification review to confirm Secret Service's progress, once it has fully implemented its corrective action plan. We will keep the Committee updated on our efforts.

Please call me with any questions, or your staff may contact Erica Paulson, Director of Legislative Affairs, at (202) 254-4100.

Sincerely,

A handwritten signature in black ink that reads "John Roth".

John Roth
Inspector General

cc: The Honorable Jeh C. Johnson, Secretary
The Honorable Joseph P. Clancy, Director, U.S. Secret Service
Chief Information Officer Kevin Nally, U.S. Secret Service