

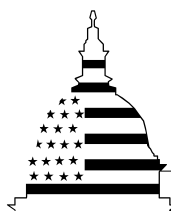
GAO

Report to the Subcommittee on Domestic
and International Monetary Policy, Trade,
and Technology, Committee on Financial
Services, House of Representatives

July 2003

COIN AND CURRENCY PRODUCTION

Issues Concerning Who Should Provide Security



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Highlights

Highlights of [GAO-03-696](#), a report to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology, Committee on Financial Services, House of Representatives

Why GAO Did This Study

The U.S. Mint and the Bureau of Engraving and Printing (BEP), which produce the nation's coins and currency, provide their own security and have experienced some problems with theft by employees. Although security is necessary to carry out the agencies' missions, their primary function is producing money. In light of these thefts, a congressional committee asked GAO whether the Mint and BEP should continue to provide their own security or whether the United States Secret Service should provide their security.

Among the issues that GAO was asked to address were (1) how do the Mint, BEP, and other organizations that produce or handle large amounts of cash provide their security; (2) what thefts have occurred at the Mint and BEP and what steps have they taken to prevent thefts from recurring; and (3) what are the potential benefits and costs of having the Secret Service provide Mint and BEP security?

The Mint said it generally agreed with the findings and conclusions that applied to the Mint. BEP and the Secret Service provided technical comments regarding the report, which GAO incorporated where appropriate, but had no overall comments on the report.

www.gao.gov/cgi-bin/getrpt?GAO-03-696.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Bernard Ungar at (202) 512-2834 or ungarb@gao.gov.

COIN AND CURRENCY PRODUCTION

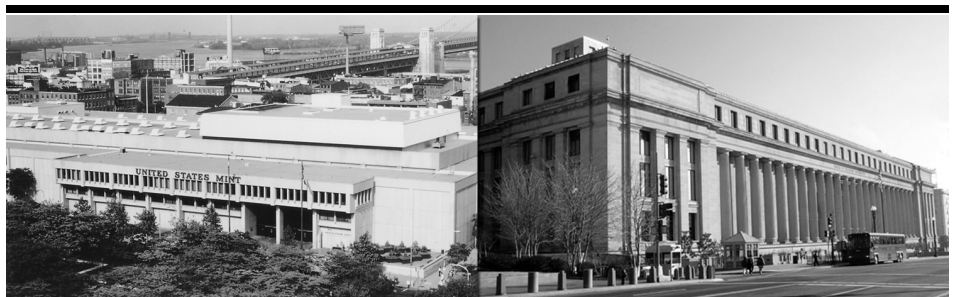
Issues Concerning Who Should Provide Security

What GAO Found

The Mint and BEP use their own police forces to provide security. Eight of the 12 coin and currency organizations in the other G7 nations responded to our requests for information. Four organizations reported that they only used their own security forces; 2 organizations said they used their own security forces supplemented with contractor personnel; 1 organization said it used an outside agency to supplement its own security force; and 1 organization said that it used an outside agency to provide its security. Private businesses that handle large amounts of cash, such as banks and casinos, that we contacted said they used either their own security staff or contractor staff.

The Mint and BEP have experienced some thefts by employees over the last decade. The Mint, which did not have records of security incidents that occurred more than 5 years ago, reported 74 incidents of theft involving about \$93,000 from 1998 through 2002, while BEP reported 11 incidents of theft from 1993 through 2002 involving about \$1.8 million. Both the Mint and BEP had threat assessments made of their facilities and processes and took corrective action to enhance security.

The Secret Service said that if its Uniformed Division were charged with the responsibility of protecting the Mint and BEP, the two agencies could benefit from the Secret Service's expertise in protection and criminal investigations. However, unlike Secret Service police officers, Mint and BEP security personnel are already familiar with the coin and currency production processes, which is a benefit in identifying security risks in these manufacturing facilities. Further, if the Secret Service protected the Mint and BEP, the government could incur additional costs because the Secret Service requires more training for its officers than the Mint and BEP police. The Secret Service police officers also are provided more costly retirement benefits than the Mint and BEP police.



Sources: U.S. Mint and Bureau of Engraving and Printing.

Left photograph: U.S. Mint in Philadelphia.

Right photograph: Bureau of Engraving and Printing in Washington, D.C.

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Abbreviations	
BEP	Bureau of Engraving and Printing
CSRS	Civil Service Retirement System
DHS	Department of Homeland Security
FERS	Federal Employees Retirement System
FLETC	Federal Law Enforcement Training Center
FPS	Federal Protective Service
GSA	General Services Administration
OPM	Office of Personnel Management
TSA	Transportation Security Administration

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United States General Accounting Office
Washington, D.C. 20548

July 18, 2003

The Honorable Peter T. King
Chairman
The Honorable Carolyn B. Maloney
Ranking Minority Member
Subcommittee on Domestic and International
Monetary Policy, Trade, and Technology
Committee on Financial Services
House of Representatives

The U.S. Mint and the Bureau of Engraving and Printing (BEP)—Department of the Treasury agencies that produce the nation's coins and currency—have experienced some thefts in the last decade by their employees, including the theft of about \$1.6 million in test currency¹ from BEP in 1994. The government's money producing facilities are also considered by law enforcement officials to be potential terrorist targets because of their symbolic importance and role in the U.S. economy. During fiscal year 2002, the Mint produced and shipped about 15 billion circulating coins, and BEP produced and shipped about 7.1 billion Federal Reserve notes. Although the primary mission of the Mint and BEP is to produce money, they also provide their own security.

In light of these thefts by Mint and BEP employees, you asked us to review (1) how security is provided at the Mint and BEP and how that compares with the security arrangements at coin and currency producing organizations in other countries and at businesses that handle large amounts of money, (2) what thefts have occurred at the Mint and BEP in recent years and what steps have been taken to prevent thefts from recurring, and (3) what are the potential benefits and costs of having the United States Secret Service provide Mint and BEP security?

To address these questions, we obtained and reviewed Mint, BEP, and Secret Service police job classifications, application and training requirements, and salaries and benefits; thefts that occurred from 1998

¹Test currency is produced for design, equipment, and/or material testing or experimental purposes to evaluate counterfeit deterrent features or for other purposes. In this case, the currency was spendable and looked like real money.

through 2002² at the Mint and from 1993 through 2002 at BEP; crimes that occurred and arrests that were made from 1993 through 2002 at buildings protected by the Secret Service's Uniformed Division; and government and consultant security assessments of Mint and BEP security. We sought information from the other G7 nations (Canada, France, Germany, Italy, Japan, and the United Kingdom) regarding the security arrangements at their 12 money producing facilities and received responses from 8 organizations in those countries. Further, we verified whether recommendations for security improvements at the Mint and BEP had been implemented. In addition, we interviewed officials from the Mint, BEP, Secret Service, and the Federal Reserve System and representatives from selected businesses, such as banks and casinos, that handle a large amount of cash about their security arrangements. We did our work in Washington, D.C.; Philadelphia, Pennsylvania; and Ft. Knox, Kentucky, in accordance with generally accepted government auditing standards and investigative standards established by the President's Council on Integrity and Efficiency from July 2002 through June 2003. Our detailed scope and methodology are contained in appendix I.

Results in Brief

The Mint and BEP use their own police forces to protect the money they produce and its facilities and employees. Eight of the 12 coin and currency organizations in the other G7 nations responded to our requests for information. Four organizations reported that they only used their own security forces; 2 organizations said they used their own security forces supplemented with contractor personnel; 1 organization said it used an outside agency to supplement its own security force; and 1 organization said that it used an outside agency to provide its security. The six casino and banking companies that we contacted handle large amounts of cash, and they used either their own security staff or contractor staff. In general, the businesses that used their own employees to provide security said they did so to maintain greater control over their security operations, while the businesses that used contract security personnel generally said they did so because it was less costly.

The Mint reported that about \$92,862 of government property, primarily coins, was stolen from 1998 through 2002, involving 74 incidents. This amount includes the market value of coins with production errors that

²The Mint did not have data regarding thefts that occurred from 1993 through 1997; therefore, it provided data on thefts that occurred from 1998 through 2002.

were stolen from the Mint. BEP reported 11 incidents of theft from 1993 through 2002 totaling about \$1.8 million, including 1 theft of \$1.6 million in currency by an employee in 1994. According to Mint and BEP security officials, the thefts that occurred did not happen because of deficiencies in the existing security forces, but were the result of breaches of trust by employees. Moreover, the Mint and BEP have had outside organizations review their security and assess threats and make recommendations for improvements. The Mint has taken measures to prevent employee thefts, such as improving internal controls and accountability over the production of coins with errors, which are valuable to coin collectors. Among the measures that BEP has taken to prevent employee thefts are implementing camera surveillance of production employees and reducing the amount of money in the vault where \$1.6 million was stolen in 1994. We did not identify any major security gaps that the Mint and BEP are not currently addressing.

According to the Secret Service, if it were given the responsibility of protecting the Mint and BEP, the two agencies could benefit from the Secret Service's expertise in protection and criminal investigations. However, the disadvantages of using the Secret Service are that additional costs could be incurred for initial training and retirement benefits. Further, unlike Secret Service police officers, Mint and BEP security personnel are familiar with the coin and currency production process, which is a benefit in identifying security risks in such manufacturing facilities. An alternative regarding the Mint and BEP police forces would be to transfer them to a new, separate unit of the Uniformed Division. Under this alternative, the existing Mint and BEP police forces would become a second tier of the Uniformed Division and would be trained, supervised, and managed by the Secret Service. A potential advantage of this arrangement would be that the separate unit possibly could be used as a stepping-stone for Mint and BEP police who would like to become Uniformed Division officers. Further, this arrangement could streamline activities, such as procurement, training, and recruitment, that may save the government money. However, creating two tiers of Uniformed Division officers with different hiring standards, retirement benefits, and collective bargaining rights could cause problems with morale. According to the Secret Service, because of the differences in the hiring standards between the Uniformed Division and the Mint and BEP police, the stepping-stone concept for the Mint and BEP police officers would be impractical and the Secret Service would not use them in fulfilling its other protective responsibilities. In addition, placing responsibility for the security of the Mint and BEP in a separate agency that is not part of the Treasury Department could hinder the responsiveness of

the security personnel to the Mint and BEP. The Secret Service said that this alternative offers no advantages to the Secret Service; would place additional financial, manpower, and other administrative burdens on the agency; and would dilute the Uniformed Division's protective mission.

In commenting on a draft of this report, the Mint said it generally agreed with the findings and conclusions that applied to the Mint. BEP and the Secret Service had no overall comments on the draft report.

Background

The Mint and BEP, which are part of the Treasury Department, produce the nation's coins and currency. The Mint primarily produces circulating coins in Denver, Colorado, and Philadelphia. It also makes numismatic coins and medals and stores over \$100 billion in government precious metals at facilities in Denver; Fort Knox; Philadelphia; San Francisco, California; Washington, D.C.; and West Point, New York. BEP produces (1) the nation's currency for the Federal Reserve System, (2) many security documents that the federal government issues, and (3) some postage stamps. Its production facilities are in Washington, D.C., and Ft. Worth, Texas. During fiscal year 2002, the Mint produced and shipped about 15 billion circulating coins at a cost of \$430.9 million, including \$47.2 million for security. BEP produced and shipped about 7.1 billion Federal Reserve notes in 2002 at a cost of \$376.7 million, including \$33.2 million for security.

The authority of the Mint and BEP to establish police forces is derived from 40 U.S.C. § 1315, which provides the Mint and BEP police with powers to enforce federal laws and regulations for the protection of individuals and property, including making arrests and carrying firearms. Prior to the enactment of the Homeland Security Act of 2002, the Administrator of the General Services Administration (GSA), through GSA's Federal Protective Service (FPS), was responsible for policing government buildings under GSA's control and had delegated this responsibility to the Secretary of the Treasury who redelegated it to the Mint and BEP. Although the Homeland Security Act amended 40 U.S.C. § 1315 by transferring responsibility for this policing authority to the Secretary of the Department of Homeland

Security (DHS),³ the savings provisions in the act state that the existing delegations will continue to apply.⁴ Additional security legislation found in Public Law 104-208 (1996) provides Mint and BEP police officers with the authority to carry out their duties on Mint and BEP property and the surrounding areas and while transporting coins, currency, and other agency assets.⁵

The primary mission of the Secret Service is to protect the President and other individuals, enforce the nation's counterfeiting laws, and investigate financial crimes. In carrying out this mission, the Secret Service's Uniformed Division also protects the buildings in which the people it protects are located, such as the White House complex, the Treasury Department headquarters building and annex, the Vice President's residence, and foreign diplomatic missions. The Uniformed Division has statutory authority to carry out its duties under 3 U.S.C. § 202 and 18 U.S.C. § 3056, including the power to make arrests, carry firearms, and execute warrants issued under the laws of the United States. The Secret Service's jurisdiction extends throughout the United States on mission-related work.

How Security Is Provided at the Mint, BEP, and Selected Other Organizations

The Mint and BEP use their own police forces to protect their facilities and the money they produce. Eight of the 12 coin and currency organizations in the other G7 nations responded to our requests for information. Four organizations reported that they only used their own security forces; 2 organizations said they used their own security forces supplemented with contractor personnel; 1 organization said it used an outside agency to supplement its own security force; and 1 organization said that it used an outside agency to provide its security. The six casino and banking businesses that we contacted, which handle large amounts of cash, used either their own security staff or contract staff. In general, the businesses that used their own employees to provide security said they did so to maintain greater control over their security operations, while the businesses that used contract security personnel generally said they did so because it was less costly.

³Public Law 107-296, 116 Stat. 2135, 2178 (2002).

⁴Public Law 107-296, 116 Stat. 2135, 2310-2311 (2002).

⁵Note to 31 U.S.C. § 5141.

Mint and BEP Police Forces

As of March 2003, the Mint had 381 police officers. It also employed 38 people to provide administrative support for its security operations. BEP had 209 police officers as of March 2003. It also employed 36 people to provide administrative support for its security operations. In addition, BEP employed 79 security specialists, investigators, and security managers who BEP does not count as police officers, but who are licensed and trained to carry firearms and can provide back-up for the police. BEP conducts most of its own background investigations, while the Mint contracts out this work.⁶

The Mint and BEP police primarily provide security by guarding entry and exit at the agencies' facilities and conducting electronic surveillance. In contrast to the Secret Service, which is concerned primarily with protecting individuals and, as part of that mission, controlling public access into protected facilities, the Mint and BEP police are focused on preventing employees from taking coins and currency from the facilities. Both the Mint and BEP police use outside experts to conduct threat assessments regarding their facilities and to make recommendations for security improvements.

The Mint and BEP police provide security for production facilities that are not located in the same cities. The Mint police provide protection at the primary coin production facilities in Denver and Philadelphia; the facilities in San Francisco and West Point, which produce numismatic coins; the Ft. Knox facility, where gold and other precious metals are stored; and the Mint's Washington, D.C., headquarters. The BEP police provide protection at BEP's Washington, D.C., headquarters and at currency production facilities in Washington, D.C., and Ft. Worth.

Because both the Mint and BEP protect money producing facilities, the two agencies have considered merging their police forces. According to the Mint, a combined police force could exercise greater flexibility in deploying security personnel in response to emergencies. However, the

⁶Background investigations are conducted on Mint and BEP job applicants and contractors, and periodic investigation updates are conducted on current employees. The Mint's background investigations are conducted by the Internal Revenue Service's National Background Investigation Center and the Office of Personnel Management (OPM). In fiscal year 2002, BEP conducted 1,247 background investigations and referred 191 investigations to OPM. BEP referred these investigations to OPM because the applicants had lived and worked in multiple states. According to BEP, it was more cost-effective for OPM to conduct those investigations because OPM has several offices located throughout the United States.

Mint also said that (1) because of the geographic dispersion of the Mint's and BEP's production facilities, the number of police positions that could be eliminated through a merger of the police forces would be limited and (2) all Mint and BEP police officers would have to be trained in the security aspects of both the coin and currency production processes.

BEP management was opposed to merging the Mint and BEP police forces because the centralization of the forces would not necessarily lead to a more effective security effort, and these officials raised questions regarding managerial controls, allocation of resources and funds, and accountability. BEP management noted that because Mint and BEP production facilities are not located in the same cities, local supervision still would be needed at each facility.

Although the Mint and BEP are not pursuing a merger of their police forces, they are considering sharing certain security-related functions. In April 2003, Mint and BEP officials met to discuss the sharing of security-related services and agreed to share intelligence information, and they are studying the feasibility of jointly conducting drug testing and background investigations.

Appendix II provides specific information regarding Mint and BEP police forces in terms of the facilities they protect, job classifications, number of police, application requirements, starting salaries, attrition rates, and training requirements.

Security Arrangements at Money Producing Facilities in Other Countries

We sent questionnaires to both the coin and currency producing organizations in the six other G7 nations (Canada, France, Germany, Italy, Japan, and the United Kingdom) requesting information about who provides their security and whether they had experienced thefts from 1993 through 2002. Eight of the 12 coin and currency producing organizations responded to our requests for information. Four organizations reported that they only used their own security forces; 2 organizations said they used their own security forces supplemented with contractor personnel; 1 organization said it used its own security force and personnel from the country's customs agency; and 1 organization said that the country's Ministry of Defense provided its security.

Two of the 8 organizations reported that they had experienced thefts of \$1,000 or more over the last 10 years; 1 of those organizations was protected by its own security force, and the other was protected by the

country's Ministry of Defense. The organization that was protected by its own security force reported experiencing two thefts. One incident involved an employee's theft of gold that was worth about \$40,000. The other incident involved two employees' theft of error coins worth about \$1,000 to coin collectors. The second organization, which was protected by the country's Ministry of Defense, reported that currency worth about \$40,200 was stolen from its facilities. The other 6 organizations that responded said they had not experienced any thefts of \$1,000 or more over the last 10 years.

Security Arrangements at Businesses that Handle Large Amounts of Cash

We contacted four banks and two casinos regarding who provides their security and why because, like the Mint and BEP, these entities also handle large amounts of cash. The security director for one banking company said that it only uses its own security guards in its major cash vault facilities, which may contain hundreds of millions of dollars. He said that from his company's assessment of risk factors and experiences, it appeared that its own well-trained, well-paid security guards are more dependable, reliable, and honest than contract guards. The security directors at the three other banks we interviewed said that they used contract security personnel to provide their security because of the cost advantages compared with hiring in-house staff. Of those three companies that used contract guards, one also used in-house staff to supervise contract personnel and to guard its cash vault operations.

Security directors from two major casino companies both said that they employ their own security staff, rather than using contract staff. The security director of the first company said that using its own security staff provides the company with more control, for example, by conducting background investigations on staff to ensure their suitability. Similarly, the security director of the second company said that it is difficult to maintain supervisory control or take corrective actions over contract security officers.

Security Arrangements at the Federal Reserve System

The Federal Reserve System, the nation's central bank, employs its own police force.⁷ Security personnel were granted federal law enforcement authority under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot) Act of 2001.⁸ A Federal Reserve security official said that the Federal Reserve preferred to use its own police force because it is important to (1) know the officers and their training and capabilities and (2) have the police force under its management control. The Federal Reserve reported that it had experienced 12 internal thefts by its employees in the past 10 years totaling \$516,080, of which \$239,562 has been recovered to date.⁹

Thefts at the Mint and BEP and Steps They Have Taken to Prevent Such Incidents

We asked the Mint and BEP to provide information regarding thefts that occurred over the last decade. We reviewed these incidents with Mint and BEP security officials in terms of what happened, why, and how they occurred, and what steps have been taken to prevent thefts from recurring. According to Mint and BEP security officials, the thefts did not occur because of deficiencies in the existing security forces, but were the result of breaches of trust by employees. Further, both the Mint and BEP have had threat assessments conducted regarding their facilities and have generally implemented the recommendations that were made to improve security. As a result, it does not appear that the Mint and BEP have major security gaps that they are not currently addressing.

⁷After the September 11, 2001, terrorist attacks, the Board of Governors temporarily supplemented the security at its Washington, D.C., facilities with an armed contract security service, but the contract security service is now being phased out.

⁸Public Law 107-56, 115 Stat. 272, 333 (2001), amended 12 U.S.C. § 248, by adding subsection (q) on uniform protection authority of Federal Reserve facilities.

⁹The Federal Reserve indicated that the theft of some of the missing money is still under investigation and that it expects to recover more of the stolen cash.

Thefts at the Mint

Although we requested that the Mint provide information on thefts that occurred during the past 10 years, the Mint indicated that it did not have records of thefts that occurred more than 5 years ago and provided records regarding incidents that occurred from 1998 through 2002. The Mint's records indicated that about \$92,862 of government property (primarily coins) was stolen during that time, including \$80,000 total market value of coins with production errors ("error coins") that a Mint employee stole from 1998 through 2000.¹⁰ The records reflected 74 reports of theft that occurred both inside and outside of Mint facilities. They also indicated that two employees were convicted of stealing from the Mint; an employee who stole 400 to 500 error coins was sentenced to prison, and another employee who was caught stealing 35 1-dollar coins was sentenced to probation.

Mint records indicated that about \$82,357 of property (primarily coins) was reported stolen from inside Mint facilities from 1998 through 2002, involving 28 incidents, including the following:

- the theft by an employee of 400 to 500 coins, including error coins with a total value to coin collectors of about \$80,000, and
- 27 other incidents involving the theft of \$2,357 of coins and government property, such as office and production equipment, including 10 incidents involving coins found on employees or contractors with a face value of at least \$36.¹¹

Outside of Mint facilities, about \$10,505 in government property was reported stolen, involving 46 incidents, including the following:

¹⁰The Mint did not record the value of all items that were stolen during this period. Therefore, the total value of the items stolen is incomplete. The Mint also reported the total market value, rather than the face value, of the 400 to 500 coins that were stolen by an employee from 1998 through 2000. The head of a company that specializes in the buying and selling of error coins told us that the value of error coins depends on many factors, such as the type of error and the rarity of the coins. He said, for example, that a circulating commemorative state quarter that is 50 percent off-center could be worth between \$150 to \$200, depending on which state is on the coin and how many similar coins are available. However, other rare error coins can be worth tens of thousands of dollars apiece. Mint officials said that although error coins are valuable to coin collectors, they are considered to be scrap by the Mint with negligible cost.

¹¹Because the Mint did not maintain records regarding the value of some of the coins involved in these incidents, the actual value of these items is higher than \$36.

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- 33 reports from Mint customers who claimed that they did not receive coins sent through the mail, valued at \$6,357;
 - 9 reports of other stolen property, such as coins, coin blanks (coins that have not yet been stamped), and office equipment, valued at \$1,356;
 - 3 reports of penny blanks that were stolen from rail cars in 1999 and 2000, valued at about \$592;¹² and
 - 1 report of \$2,200 in nickels that were stolen while being transported by truck in 2000.

We asked the Mint Police Chief whether the thefts occurred due to deficiencies in the police force and what has been done to prevent thefts from recurring. The Police Chief said that the incidents occurred because of an abuse of trust by employees, which he said that no police force could prevent. Regarding the most serious incident—the theft of 400 to 500 coins by a Mint employee from 1998 through 2000—the Police Chief said that this occurred when the Mint was producing a high volume of coins and new production equipment was installed at the Philadelphia facility, which began producing large numbers of error coins. He said that thousands of error coins were on the production floor during this period. He also said that because the first coin made in a batch was not being checked before continuing a production run, many error coins were produced before corrections were made to the equipment. The Police Chief said that the employee was able to take the coins out of the Mint facility over that 3-year period because he did not exceed the threshold set to trigger the metal detectors.

The steps that the Mint took to prevent thefts from recurring did not involve improvements to the police force, but concerned improved internal controls and production procedures. For example, to prevent thefts of error coins, the Mint has required that the first coin produced in a batch be checked for errors; that new equipment be used to quickly destroy error coins once they are made, rather than having them brought to the metal fabricator to be melted; that a report be prepared and provided to the police chief each time an error coin is produced; and that error coins be locked up. The Mint also is in the process of sealing off the production

¹²This amount represents the value of penny blanks stolen during two of the three incidents. The Mint did not report the value of the penny blanks stolen in the third incident.

areas from the rest of the production facility. In addition, the Mint is considering requiring production employees to wear uniforms, which would not have pockets or pants cuffs where coins could be hidden.

Regarding the coins that Mint customers purchased, but claimed that they did not receive, the Mint's Police Chief said the Mint has joined the U.S. Postal Service's interagency fraud group, which helps to identify postal addresses that could be used to fraudulently order coins. Regarding the theft of coins while being transported, the Mint Police Chief said that coins are transported by contractors and that the government is fully insured for their loss. The Police Chief said that the Mint tries to minimize thefts by employees by having background investigations conducted on personnel hired and by severely punishing those who are caught stealing.

The Mint indicated that it conducts threat assessments of its facilities every 5 years. In December 2000, Sandia National Laboratories assessed Mint facilities and made 42 recommendations to improve security in its report. None of these recommendations pertained to improvements in the police force, for example, in terms of the officers' training or skills.

In February and March 2003, we visited the Mint's Philadelphia and Ft. Knox facilities and found that 9 of the 13 recommendations contained in the Sandia report pertaining to those facilities were fully implemented. Of the 4 recommendations that had not been implemented, the Mint indicated that it plans to implement 3 of them. The fourth recommendation had not been implemented because the Mint believed, and we agreed, that it detracted from, rather than enhanced, security. The Mint is also in the process of conducting other security reviews in connection with countering possible terrorist threats.¹³ To avoid possibly compromising security, we are not discussing in this report the specific subjects of the ongoing reviews or the specific security recommendations contained in past assessments.

We also contacted two coin dealers who specialize in buying and selling error coins to ask about the recent circulation of such coins. The head of one firm said that the number of error coins that he has seen has dropped

¹³According to the Mint's Police Chief, following the September 11, 2001, terrorist attacks, information regarding the Mint's Philadelphia facility was found in Afghanistan indicating that it was a potential terrorist target.

significantly since the spring of 2001. The head of the other firm said that he is now seeing the fewest number of error coins in decades.

Thefts at BEP

BEP reported 11 incidents of theft from 1993 through 2002 involving about \$1.8 million.¹⁴ According to BEP, seven employees were convicted of theft in connection with these incidents, including one employee who was sentenced to prison, and about \$1.5 million of the stolen money was later recovered. The incidents included the theft of

- \$1,630,000 in test \$100 bills from BEP's Advanced Counterfeit Deterrence Vault by a program manager in 1994 (\$1.3 million of the stolen money was later recovered);
- \$60,000 from a Federal Reserve vault inside BEP facilities by three BEP employees in 1995;
- \$30,000 in blank, engraved \$100 bills in 2001 by the former BEP currency production chief;
- \$20,960 worth of stamps by a postage stamp worker in 1996, which was recovered;¹⁵
- \$2,000 (100, \$20 notes) by a machine operator in 1993 (most of which were later recovered);
- a 32-note sheet of \$10 blank engraved notes by a contract cleaning employee in 1993; and
- \$25 in worn and soiled currency in 1999 by a currency examiner, who also admitted to taking \$250 on one occasion and \$400 on two other occasions.

No suspects were identified with respect to four other security incidents. Three of the four incidents involved \$5,500 in currency that was reported

¹⁴Some cases involved currency for which the production process was not yet completed. One incident accounted for over \$1.6 million of the \$1.8 million total.

¹⁵This employee was caught taking \$5,600 worth of stamps from a BEP production facility. Another \$15,360 worth of stamps was found in the employee's BEP locker and in the trunk of his automobile.

missing from BEP facilities in 1997 and 1998. The fourth incident involved the recovery from Atlantic City casinos in 1996 and 1997 of \$16,000 in unfinished notes produced by BEP.

We asked BEP's Security Chief whether the thefts occurred because of deficiencies in the police force and what has been done to prevent thefts from recurring. The Security Chief said that the incidents did not occur because of deficiencies in the police force, but were due to a breach of trust by employees. Further, he said that bags and purses that employees carry with them to work are subject to search when leaving the facilities without first establishing probable cause,¹⁶ but that BEP police need to establish probable cause before searching an employee. Further, he pointed out that in some cases, the currency and postage stamps that employees attempted to steal did not leave BEP facilities because the police were effective in preventing removal of the items.

BEP's Security Chief said that the measures taken to prevent the recurrence of thefts include implementing the video surveillance of production staff, reducing the amount of money in the vault where \$1.6 million was stolen in 1994, increasing the number of layers of wrap surrounding the currency after it is produced, rewrapping currency in the presence of security personnel when the original wrap has been damaged due to handling, increasing the number of police patrols in certain areas, having currency transported by a least two authorized personnel, and having the word "TEST" imprinted on test currency.

In June 1994, following a BEP employee's theft of \$1.6 million in test currency from BEP's Washington, D.C., production facility, the Treasury Department directed that steps be taken to improve the security and internal controls at BEP, including an in-depth physical security review to be conducted by the Secret Service. In December 1994, the Secret Service completed its review and recommended 343 security improvements at BEP. Also, BEP contracted with KPMG Peat Marwick to review internal controls at BEP's production facilities. In January 1995, KPMG made 134 recommendations for internal control improvements. Further, in September 1999, BEP contracted with the consulting firm Kelly, Anderson

¹⁶Probable cause has been defined as reasonable grounds to suspect that a person has committed or is committing a crime.

& Associates¹⁷ to review, evaluate, and document security and internal control corrective actions taken by BEP. Kelly Anderson reported in February 2000 that 19 of the Secret Service's recommendations and 7 of the KPMG recommendations needed additional effort. In February and March 2003, we found that BEP had fully implemented 14 of the 19 Secret Service recommendations and is in the process of implementing another. BEP indicated that it did not intend to fully implement the other 4 recommendations (3 of the 4 were partially implemented) for cost and other reasons, which we did not believe to represent major gaps in security. We selected a random sample of 20 other Secret Service recommendations that were identified as being high risk and KPMG recommendations pertaining to that facility and verified that they had been implemented.

Three of the Secret Service recommendations directly pertained to the police force. Two of the recommendations were to improve police training, and the third was to improve background checks on police before they are hired. Kelly Anderson reported in 2000 that these recommendations were fully implemented.

BEP's Security Chief said that, in addition to the agency's ongoing assessments of terrorist-related threats, BEP is planning to have a contractor further assess terrorist threats and possible countermeasures. To avoid possibly compromising security, we are not discussing in this report what the future threat assessment would encompass or the specific security recommendations contained in past assessments.

Potential Benefits and Costs of Having the Secret Service Provide Mint and BEP Security

According to the Secret Service, if it were given the responsibility of protecting the Mint and BEP, those agencies could benefit from the Secret Service's expertise in protection and criminal investigations. However, unlike the Secret Service's Uniformed Division, the Mint and BEP police are already familiar with the coin and currency production processes, which is an advantage in identifying security risks. In addition, the government would incur additional costs for the initial training of police and retirement benefits if the Secret Service assumed responsibility for protecting the Mint and BEP.

¹⁷Kelly Anderson, which is based in Alexandria, Virginia, provides consulting services to federal government agencies under a contract with the General Services Administration for management, organization, and business improvement services.

Secret Service's Uniformed Division

The Secret Service's Uniformed Division consists of police officers whose duties are focused on the agency's protective responsibilities, which are to protect the President and other individuals. As of February 2003, the Uniformed Division had 1,106 officers. The Secret Service requires Uniformed Division officers to obtain top-secret security clearances and submit to a polygraph test, which the Mint and BEP do not. The Secret Service also requires its officers to receive more initial training than the Mint and BEP police, and the Secret Service's training is focused on its protective mission. Appendix III provides Uniformed Division data regarding facilities that the Secret Service officers protect, number of police, application requirements, starting salaries, attrition rates, and training requirements.

We asked the Secret Service to provide data on the number and types of crimes and arrests that had occurred at the White House complex (which includes the White House, the Eisenhower Executive Office Building, and the New Executive Office Building) and the adjacent Treasury Department headquarters building and annex during the last 10 years. It reported an average of 1,574 incidents each year at these facilities from 1993 through 2002. The Secret Service reported, for example, in 2002, 34 arrests, 30 bomb threats, 5 demonstrations, 177 incidents of weapons (not firearms) found during magnetometer checks, 3 fence jumpers and unlawful entries, and 44 suspicious packages and vehicles.¹⁸ We also asked the Secret Service to break down the types of arrests that were made at the White House complex and the Treasury Department headquarters and annex during the past 10 years. The data indicated that from 1993 through 2002, the Secret Service made 72 arrests for unlawful entry, 66 of which were in the White House complex, and 25 arrests for theft in the area surrounding the White House complex (none of the arrests for thefts were reported as having occurred within the White House complex or the Treasury Department building).

In providing the data regarding the number of security incidents that occurred at facilities protected by the Secret Service, the Secret Service emphasized that the Uniformed Division has a different mission than the Mint and BEP. The Secret Service said that the Uniformed Division is

¹⁸The number of incidents that the Secret Service reported for 2002 was substantially lower than in previous years from 1993 through 2001. According to the Secret Service, the decrease was likely the result of the suspension of public tours at the White House after the September 11, 2001, terrorist attacks.

concerned primarily with protecting individuals and, as part of that mission, controlling public entry into its protected facilities. By comparison, the Mint and BEP police forces are concerned primarily with the theft of coins and currency by their agencies' own employees from their respective facilities. According to the Secret Service, this difference between the missions of the Uniformed Division and the Mint and BEP is substantial and unique, and to compare data regarding the number of security incidents that occurred at facilities protected by the Uniformed Division and the Mint and BEP would result in an unfair analysis of the abilities and actions of the Uniformed Division. We are not implying that these data are similar or comparable; we present these data to illustrate the differences between the types and number of security incidents that are handled by the Secret Service and the Mint and BEP, which reflect their different missions, and to show that facilities protected by the Secret Service are not crime-free.

The Chief of the Uniformed Division said that assuming the additional responsibility of protecting the Mint and BEP would result in the dilution of the Secret Service's core protective responsibilities. He said that giving the Secret Service responsibility for the security of Mint and BEP facilities would divert from the agency's core protective mission and would cause a staffing shortage. Further, he said that it would not be in the Secret Service's best interests to take on the additional responsibility of providing security for the Mint and BEP at a time when the effect of transferring the Secret Service from the Treasury Department to DHS is undetermined.

Mint and BEP officials were opposed to having an outside law enforcement agency assume responsibility for their security functions because they said that security is best accomplished by their own employees who are familiar with the agencies' internal operations and the coin and currency production processes. Mint and BEP officials also said that their police officers have opportunities for advancement through promotion to supervisory positions. BEP also said that police are encouraged to transfer into career security positions, such as general investigator and security specialist. However, they also said that a larger agency such as the Secret Service may offer more opportunities for advancement. We asked the Secret Service to provide data on the number of Uniformed Division officers who had become special agents at the agency from fiscal years 1998 to 2002 and found that relatively few officers had become agents. (Duties of special agents include investigation and protection, while the mission of Uniformed Division officers is focused on protection.) The data indicated that an average of 21 officers had become special agents each

year during that 5-year period out of an average Uniformed Division workforce of about 1,040 officers, or about 2 percent.

If the Mint and BEP police became part of the Uniformed Division and there was a rotation of duties, the Secret Service's mission of protecting the president and providing security at national special security events could be more appealing to some police officers, compared with the routine nature of protecting Mint and BEP facilities. The Mint's Police Chief said that, to provide variety in the work of Mint police officers and to increase morale, up to 50 Mint police officers a year help the Uniformed Division perform duties at special events—for example, at the Olympics.

Potential Costs Associated with Having the Secret Service Protect the Mint and BEP

If the Secret Service protected the Mint and BEP, the government could incur additional costs because the Secret Service requires more initial training for its officers than the Mint and BEP police, Uniformed Division officers can retire with less government service than the Mint and BEP police, and the Secret Service would have to increase management and overhead to handle the additional workforce. Further, it is unknown how many Mint and BEP police officers would be able to meet the Secret Service's hiring standards or what the costs would be of absorbing these officers into the Secret Service's retirement system.

The Uniformed Division provides new hires with 6 more weeks of initial training than the Mint police and 1 more week of training than the BEP police. The Uniformed Division spends an average of \$20,033 per officer for initial training, compared with \$16,306 per officer at the Mint and \$18,791 per officer at BEP.

The government also could be expected to incur higher retirement costs if the Secret Service protected the Mint and BEP because Uniformed Division officers receive federal law enforcement retirement benefits, which allows them to retire after 20 years of service at age 50 or at any age with 25 years of service.¹⁹ By comparison, Mint and BEP police receive standard retirement benefits for federal employees, which generally allow them to retire after 30 years of service at age 55 if covered by the Civil Service

¹⁹Under the Federal Employees Retirement System (FERS), officers receiving federal law enforcement retirement benefits receive 1.7 percent of their high-3 years of employment, multiplied by the first 20 years of service, and 1 percent multiplied by each year of service greater than 20 years.

Retirement System (CSRS) or after 30 years of service under the Federal Employees Retirement System (FERS).²⁰ Agency contributions for employees receiving federal law enforcement retirement benefits are 31.4 percent for employees in CSRS and 22.7 percent for employees in FERS. By comparison, agency contributions for employees receiving standard retirement benefits are 17.4 percent for employees in CSRS and 10.7 percent for employees in FERS. Further, because employees receiving federal law enforcement retirement benefits may retire sooner than those who do not receive such benefits, it is likely that there would be higher turnover in the police force, resulting in the need to train more officers and, thus, in higher training costs over time.

If the Secret Service assumed responsibility for protecting the Mint and BEP and added 590 officers to its Uniformed Division to carry out that responsibility, the size of the Uniformed Division's police force of 1,106 officers would increase by about 50 percent. Such an increase would likely require the Secret Service to add additional overhead and resources to manage the additional workforce. However, there also could be an offset by reducing or possibly eliminating similar positions at the Mint and BEP. It was not possible to estimate during our review what additional people and facilities would be needed or what cost would be incurred.

In addition, if the Secret Service assumed responsibility for protecting the Mint and BEP, it is unknown how many of the Mint and BEP police would qualify to become part of the Uniformed Division, considering that applicants to become Uniformed Division officers are required to submit to a polygraph test and obtain top-secret security clearances, which are not required for Mint and BEP police. According to the Secret Service, for example, a substantial number of applicants for the position of Uniformed Division officer are rejected at the polygraph stage of the process. The Secret Service also requires applicants to meet certain physical fitness standards. Lastly, for those Mint and BEP police hired by the Uniformed Division, there would be a cost of including them in the federal law enforcement retirement plan. According to the Office of Personnel Management, it could cost the government an estimated \$72.7 million (in

²⁰To retire with full standard federal retirement benefits, employees generally must be at least between ages 55 and 57 with 30 years of service. The age at which they are eligible to retire with unreduced retirement benefits depends on the year of their birth and the specific retirement plan under which they are covered (CSRS or FERS). Employees who are age 60 can retire with 20 years of service; employees who are age 62 can retire with 5 years of service.

present value dollars) if the entire existing Mint and BEP police forces were given law enforcement retirement benefits. This computes to an average of about \$123,000 per officer. Because it was not possible to determine how many of the existing Mint and BEP police officers would be absorbed by the Uniformed Division, we could not estimate how much this would cost.

An alternative regarding the Mint and BEP police forces would be to transfer them to a new, separate unit of the Uniformed Division. Under this alternative, the existing Mint and BEP police forces would become a second tier of the Uniformed Division and would be trained, supervised, and managed by the Secret Service. One potential advantage of this arrangement would be that the separate unit possibly could be used as a stepping-stone for Mint and BEP police who would like to become Uniformed Division officers. Further, this arrangement could streamline activities, such as procurement, training, and recruitment, that may save the government money. For example, a unified police force could help recruiting efforts by being able to offer a variety of duties and duty stations. However, according to the Secret Service, because of the differences in the hiring standards between the Uniformed Division and the Mint and BEP police, the stepping-stone concept for the Mint and BEP police officers would be impractical and the Secret Service would not use them in fulfilling its other protective responsibilities. The Secret Service said that this alternative offers no advantages to the Secret Service; would place additional financial, manpower, and other administrative burdens on the agency; and would dilute the Uniformed Division's protective mission. Further, Uniformed Division officers receive federal law enforcement retirement benefits, while Mint and BEP police do not.

The Mint and BEP police are covered by the labor management and employee relations provisions set forth in Chapter 71 of Title 5 of the United States Code, while the Secret Service employees are exempt from these provisions pursuant to 5 U.S.C. § 7103 (a)(3)(H). According to the Secret Service, if the Mint and BEP forces became a separate unit of the Uniformed Division, this would create animosity in the agency because the Mint and BEP police would have collective bargaining rights while Uniformed Division officers would not. The Mint said that because Uniformed Division officers receive federal law enforcement retirement benefits and the Mint and BEP police do not, the substantial disparity in the compensation between the Mint and BEP police officers and the Uniformed Division would create problems with morale and performance. In addition, the Mint said that placing responsibility for security in a

separate agency that is not part of the Treasury Department could hinder the responsiveness of the security personnel to the Mint and BEP.

According to BEP, because of the difference in hiring standards between the Uniformed Division and the Mint and BEP police forces, the Mint and BEP police forces comprising the second tier would always feel less than equal, which would also affect morale and create poor job performance.

Agency Comments

We provided copies of a draft of this report to the Directors of the Mint, BEP, and Secret Service for comment. On June 30, we received written comments from the Director of the Mint, which are reprinted in appendix IV. The Mint Director said that the Mint concurred with the findings and conclusions that apply to the Mint. BEP and Secret Service liaisons with GAO provided by E-mail technical comments regarding the draft report, which we incorporated where appropriate, but did not provide overall comments on the report.

We are sending copies of this report to the Chairmen and Ranking Minority Members of the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on Financial Services, and the House Select Committee on Homeland Security; the Secretary of the Treasury; the Secretary of the Department of Homeland Security; the Directors of the Mint, BEP, and Secret Service; and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

Major contributors to this report were Bob Homan, John Baldwin, Paul Desaulniers, and John Cooney. If you have any questions, please contact me on (202) 512-2834 or at ungarb@gao.gov.



Bernard L. Ungar
Director, Physical Infrastructure Issues

Scope and Methodology

To review how security is provided at the U.S. Mint and the Bureau of Engraving and Printing (BEP) and how it compares with other organizations, we interviewed Mint and BEP officials about their security practices, responsibilities, and security threats. We collected information about their police forces, including job classifications, number of police, application requirements, starting salaries, retirement benefits, attrition rates, training, and statutory authorities. In addition, we discussed with Mint and BEP officials the feasibility of consolidating certain security-related functions and collected information on the number of personnel who work on security at the two agencies, but who are not police officers.

We also asked the 12 coin and currency producing organizations in the six other G7 nations (Canada, France, Germany, Italy, Japan, and the United Kingdom); the Federal Reserve; and businesses that handle a large amount of cash, such as banks and casinos, about who provides their security, why, and whether they had experienced thefts of items in value of more than \$1,000 in each incident during the last 10 years. We chose to contact the coin and currency producing organizations in the other G7 nations because they were in other major industrialized, democratic countries. We received responses from 8 of the 12 foreign coin and currency producing organizations that we contacted regarding our requests for information. The coin and currency producing organizations in 1 country did not respond to our requests for information. The banks and casinos that we contacted were selected by the American Bankers Association and the American Gaming Association, which represent the banking and casino industries. However, the selected banks and casinos do not represent the views of the two industries.

To determine what thefts have occurred at the Mint and BEP and whether steps have been taken to address them, we asked the agencies to provide information about thefts that have occurred at their facilities during the last 10 years.¹ We also reviewed relevant Department of the Treasury Office of Inspector General reports, including investigative reports pertaining to certain incidents of theft. We then discussed those incidents with the Mint and BEP security officials, and we also discussed with the officials the steps that were taken to prevent thefts from recurring and whether the thefts were caused by deficiencies in the police forces.

¹The Mint indicated that it did not have information regarding security incidents going back 10 years. However, the Mint did provide information regarding security incidents that occurred during the past 5 years.

Regarding Mint security, we also reviewed a 2000 Sandia National Laboratories report, which contained 42 recommendations to improve security, to determine whether its recommendations pertaining to the Mint's Philadelphia, Pennsylvania, and Ft. Knox, Kentucky, facilities had been implemented. We visited those facilities because more recommendations pertained to those facilities compared with other Mint facilities. In addition, we contacted two coin dealers about the circulation of "error coins." These dealers were selected because they specialized in the buying and selling of error coins.

Regarding BEP security, we reviewed a 1994 Secret Service report, a 1995 KPMG Peat Marwick report, and a 2000 Kelly, Anderson & Associates report regarding recommendations to improve security at BEP facilities. We determined whether the 19 United States Secret Service recommendations and the 7 KPMG recommendations that Kelly Anderson indicated had not been implemented in 2000 were implemented. We also determined whether a random sample of 20 high-risk recommendations contained in the Secret Service and KPMG reports, which Kelly Anderson reported had been implemented, were actually implemented. We visited BEP's Washington, D.C., facility to check whether recommendations had been implemented because the recommendations in the Secret Service and KPMG reports pertained to that facility.

To determine the potential benefits and costs of having the Secret Service provide Mint and BEP security, we asked the Mint, BEP, Secret Service, and Treasury Department for their views on which agency would be most effective regarding various security-relations functions. We also compared the information that we collected regarding the Secret Service's Uniformed Division with the data collected regarding the missions, security forces, training costs, retirement benefits, and security incidents at the Mint and BEP.

Regarding retirement costs, we asked the Office of Personnel Management (OPM) to estimate how much more it would cost the government if the Mint and BEP police were given the same law enforcement retirement benefits that the Uniformed Division officers receive. To calculate the estimate, OPM asked us to provide data on the number of police at the Mint and BEP who are in the Civil Service Retirement System and the Federal Employees Retirement System and their average salaries. We also asked the Mint, BEP, and Secret Service to provide their views on the advantages and disadvantages of transferring the Mint and BEP police forces to a second tier of the Uniformed Division. The scope of our work did not

include examining the advantages and disadvantages of contracting out security services for the Mint and BEP.

We did our work in Washington, D.C.; Philadelphia; and Ft. Knox in accordance with generally accepted government auditing standards and investigative standards established by the President's Council on Integrity and Efficiency from July 2002 through June 2003.

Data Concerning the U.S. Mint and the Bureau of Engraving and Printing Police Forces

	Mint police	BEP police
Protected facilities	Mint facilities in Denver, Colorado; Ft. Knox, Kentucky; Philadelphia, Pennsylvania; San Francisco, California; West Point, New York; and Washington, D.C.	BEP facilities in Ft. Worth, Texas; and Washington, D.C.
Federal job classification for police	Police Officer (job classification 0083)	Police Officer (job classification 0083)
Number of police as of March 2003	381	209
Major job application requirements	U.S. citizen Pass a medical examination, drug screening, and background investigation One year of specialized experience as a police officer or comparable experience (may be substituted with a 4-year college degree in Police Science or comparable field) Obtain a secret security clearance	U.S. citizen Age 21 Pass the National Police Officer Selection Test Pass a medical examination, drug screening, and background investigation One year of specialized experience as a police officer or comparable experience (may be substituted with a 4-year college degree in Police Science or comparable field)
2003 starting salaries for police stationed in Washington, D.C.	\$38,852	\$38,852
Fiscal year 2002 police attrition rates	14 percent ^a	17 percent ^a
Fiscal year 2001 police attrition rates	7 percent	7 percent
Mission training requirements	10 weeks of basic training at the Federal Law Enforcement Training Center (FLETC) 5 weeks of field training after FLETC 48 hours of annual training In the 4th year of employment, 2 weeks of advanced training	2 weeks of training before FLETC 10 weeks of basic training at FLETC 8 weeks of field training after FLETC 2 weeks of annual training

Sources: U.S. Mint and Bureau of Engraving and Printing.

^aThis figure represents the attrition rate for police officers agencywide. Our June 2003 report on police recruitment and retention issues at 13 federal agencies, including the Mint and BEP, analyzed where Mint and BEP police who were stationed in Washington, D.C., and left their jobs in 2002, found other employment. (U.S. General Accounting Office, *Federal Uniformed Police: Selected Data on Pay, Recruitment, and Retention at 13 Police Forces in the Washington, D.C., Metropolitan Area*, [GAO-03-658](#) (Washington, D.C.: June 13, 2003).) According to that report, of the 21 Mint police who were stationed in Washington, D.C., and left their jobs in 2002, 18 went to the Transportation Security Administration (TSA) and 3 went to other federal law enforcement agencies. The report also indicated that of the 32 BEP police who were stationed in Washington, D.C., and left their jobs in 2002, 12 went to TSA, 12 went to other federal law enforcement agencies, 3 went to state and local law enforcement agencies, and no information was available regarding the other 5 officers.

Data Regarding the United States Secret Service's Uniformed Division

	Secret Service's Uniformed Division
Protected facilities ^a	The White House complex, the Treasury Department headquarters building and annex, the Vice President's residence, and foreign diplomatic missions
Job classification	According to Secret Service officials, pursuant to 5 U.S.C. § 5102 (c), the Uniformed Division is exempt from the federal job classification system and, therefore, its officers do not have the 0083 job classification that applies to the Mint and BEP police.
Number of police as of February 2003	1,106
Major job application requirements	U.S. citizen Ages 21 to 36 at time of appointment Pass the National Police Officer Selection Test Pass a medical examination, drug screening, and background investigation Possess a high school diploma or equivalent Qualify for top-secret security clearance Must submit to a polygraph test
2003 starting salaries for police stationed in Washington, D.C.	\$40,345
Fiscal year 2002 police attrition rates	23 percent ^b
Fiscal year 2001 police attrition rates	12 percent
Mission training requirements	10 weeks of basic training at FLETC 11 weeks of specialized training after FLETC 22 hours of annual training^c

Source: United States Secret Service.

^aThe Secret Service protects the people who occupy these facilities.

^bAccording to our June 2003 report on recruitment and retention issues regarding 13 police forces in the Washington, D.C., metropolitan area, including the Secret Service, of the 234 Uniformed Division officers who left their jobs in fiscal year 2002, the greatest number (148 officers) went to work at the newly created TSA.

^cThis training reflects firearms requalification requirements only. Secret Service officials said that Uniformed Division officers receive additional in-service training, depending on the group they are assigned to, such as canine or counter-sniper.

Comments from the U.S. Mint



DEPARTMENT OF THE TREASURY
UNITED STATES MINT
WASHINGTON, D.C. 20220

DIRECTOR
OF THE
MINT

June 30, 2003

MEMORANDUM FOR BERNARD L. UNGAR, DIRECTOR
PHYSICAL INFRASTRUCTURE ISSUES
U.S. GENERAL ACCOUNTING OFFICE

FROM:

Henrietta Holsman Fore *HLH*
Director
United States Mint

SUBJECT:

Draft Audit Report "Coin and Currency Production:
Issues Concerning Who Should Provide Security
(GAO-03-696)"

The United States Mint has reviewed the draft audit report entitled, "Coin and Currency Production: Issues Concerning Who Should Provide Security," and concurs with the findings and conclusions as they apply to the United States Mint.

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