GOVERNMENT ACCOUNTABILITY OFFICE'S REVIEW OF THE FEDERAL PROTECTIVE SERVICE: PRELIMINARY FINDINGS

(110–96)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

FEBRUARY 8, 2008

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

40–697 PDF WASHINGTON : 2008

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

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

JAMES L. OBERSTAR, Minnesota, *Chairman*

NICK J. RAHALL, II, West Virginia, *Vice Chair*
PETER A. DEFAZIO, Oregon
JERRY F. COSTELLO, Illinois
ELEANOR HOLMES NORTON, District of Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
BOB FILNER, California
EDDIE BERNICE JOHNSON, Texas
GENE TAYLOR, Mississippi
ELIJAH E. CUMMINGS, Maryland
ELLEN O. TAUSCHER, California
LEONARD L. BOSWELL, Iowa
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
BRIAN HIGGINS, New York
RUSS CARNAHAN, Missouri
JOHN T. SALAZAR, Colorado
GRACE F. NAPOLITANO, California
DANIEL LIPINSKI, Illinois
DORIS O. MATSUI, California
NICK LAMPSON, Texas
ZACHARY T. SPACE, Ohio
MAZIE K. HIRONO, Hawaii
BRUCE L. BRALEY, Iowa
JASON ALTMIRE, Pennsylvania
TIMOTHY J. WALZ, Minnesota
HEATH SHULER, North Carolina
MICHAEL A. ACURI, New York
HARRY E. MITCHELL, Arizona
CHRISTOPHER P. CARNEY, Pennsylvania
JOHN J. HALL, New York
STEVE KAGEN, Wisconsin
STEVE COHEN, Tennessee
JERRY MCNERNEY, California
LAURA A. RICHARDSON, California
VACANCY

JOHN L. MICA, Florida
DON YOUNG, Alaska
THOMAS E. PETRI, Wisconsin
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, JR., Tennessee
WAYNE T. GILCHREST, Maryland
VERNON J. EHLERS, Michigan
STEVEN C. LATOURETTE, Ohio
FRANK A. LOBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California
ROBIN HAYES, North Carolina
HENRY E. BROWN, JR., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
SHELLEY MOORE CAPITO, West Virginia
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
CHARLES W. DENT, Pennsylvania
TED POE, Texas
DAVID G. REICHERT, Washington
CONNIE MACK, Florida
JOHN R. 'RANDY' KUHL, JR., New York
LYNN A WESTMORELAND, Georgia
CHARLES W. BOUSTANY, JR., Louisiana
JEAN SCHMIDT, Ohio
CANDICE S. MILLER, Michigan
THELMA D. DRAKE, Virginia
MARY FALLIN, Oklahoma
VERN BUCHANAN, Florida
VACANCY

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

ELEANOR HOLMES NORTON, District of Columbia, *Chairwoman*

MICHAEL H. MICHAUD, Maine
JASON ALTMIRE, Pennsylvania
MICHAEL A. ARCURI, New York
CHRISTOPHER P. CARNEY, Pennsylvania, *Vice Chair*
TIMOTHY J. WALZ, Minnesota
STEVE COHEN, Tennessee
JAMES L. OBERSTAR, Minnesota *(Ex Officio)*

SAM GRAVES, Missouri
BILL SHUSTER, Pennsylvania
SHELLEY MOORE CAPITO, West Virginia
CHARLES W. DENT, Pennsylvania
JOHN R. 'RANDY' KUHL, JR., New York
JOHN L. MICA, Florida *(Ex Officio)*

CONTENTS

Page

Summary of Subject Matter vi

TESTIMONY

Goldstein, Mark L., Director, Physical Infrastructure Issues, Government Accountability Office 3

PREPARED STATEMENTS SUBMITTED BY MEMBERS OF CONGRESS

Altmire, Hon. Jason, of Pennsylvania 27
Norton, Hon. Eleanor Holmes, of the District of Columbia 28

PREPARED STATEMENTS SUBMITTED BY WITNESSES

Goldstein, Mark L. 31

U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

James L. Oberstar
Chairman

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

John L. Mica
Ranking Republican Member

James W. Coon II, Republican Chief of Staff

February 7, 2008

SUMMARY OF SUBJECT MATTER

TO: Members of the Transportation and Infrastructure Committee

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff and the Oversight and Investigations Subcommittee

SUBJECT: Hearing on "Government Accountability Office's Review of the Federal Protective Service: Preliminary Findings"

PURPOSE OF THE HEARING

On Friday, February 8, 2008, at 9:00 a.m., in room 2167 Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will examine the preliminary findings of the Government Accountability Office's ("GAO") review of the Federal Protective Service ("FPS"). On February 13, 2007, Chairman James L. Oberstar and Subcommittee Chair Eleanor Holmes Norton wrote to the Government Accountability Office to request an examination of whether the FPS budget and personnel were adequate to support the "new" FPS mission, which was grounded in an inspector-based workforce rather than a protection-based workforce. The request called for a comparison of current experience, workforce size, retention rates, and salaries to those areas prior to FPS's transfer to Department of Homeland Security ("DHS"). The hearing will focus on the GAO's preliminary findings regarding these issues.

History of FPS

The Federal Protective Service dates back to 1790, with the enactment of legislation authorizing President George Washington to appoint three commissioners to establish a federal territory for a permanent seat of Federal Government. Prior to the formal establishment of the seat of government, the commissioners hired six night watchmen to protect the designated buildings the government was intended to occupy. The FPS traces its origins to the appointment of these six night watchmen.

The FPS has resided in a number of different agencies over the years. The Act of June 1, 1948, authorized the Administrator to appoint special policemen for duty in connection with the

policing of all buildings owned and occupied by the United States. In 1949, Congress enacted the Federal Property and Administrative Services Act of 1949, which consolidated real property functions within the newly created General Services Administration ("GSA"). The FPS force, known at the time as the United States Special Police, came under the supervision of the Protection Division of the Public Building Service ("PBS"). In 1971, the Administrator of GSA signed an order formally establishing the Federal Protective Force, later known as the FPS and the Civil Service Commission authorized the special classification title of Federal Protective Officer ("FPO").

Initially the main function of the FPS was protection, as an integral part of building operations. For the most part, the force held fixed posts and performed duties that would be considered safety functions today, such as: eliminating fire and safety hazards, patrolling buildings, detecting fires, and providing the first line of defense in fighting fires; and answering visitor questions, assisting citizens, rendering first aid, and directing traffic when necessary. The Civil Service Commission developed standards for applicants, which included a written examination, background investigations and physical examinations. By 1960, the FPS mission became the first line of defense against bomb threats, bombings, vandalism, mass demonstrations and violence against Federal buildings.

The Federal Protective Service delivers integrated security and law enforcement services to all Federal buildings, including office buildings, courthouses, border stations and warehouses, that GSA owns, controls, or leases. FPS customers reimburse them for these services through direct billing. FPS services include providing a visible uniformed presence in our major Federal buildings, responding to criminal incidents and other emergencies, installing and monitoring security devices and systems, investigating criminal incidents, conducting physical security surveys, coordinating a comprehensive program for occupants' emergency plans, presenting formal crime prevention and security awareness programs, providing police emergency and special security services during natural disasters such as earthquakes, hurricanes, major civil disturbances, and man-made disasters, such as bomb explosions and riots.

In the wake of the 1995 Oklahoma City Federal Building bombing, the Department of Justice ("DOJ") assessed the vulnerability of Federal office buildings in the United States, particularly to acts of terrorism and other forms of violence. The United States Marshals Service coordinated the study. GSA participated, as did the FBI, DOD, Secret Service, Department of State, Social Security Administration, and Administrative Office of the U.S. Courts.

The DOJ report made several recommendations to bring each Federal facility up to minimum standards recommended for its security level. The recommendations reemphasized GSA's primary responsibility for implementing Federal building security.

Current placement and status of FPS

Today, FPS is a division within the Immigration, Customs, and Enforcement ("ICE") agency of the Department of Homeland Security ("DHS"). The DHS Federal Protective Service provides law enforcement and security services to over one million tenants and daily visitors to federally owned and leased facilities nationwide. FPS is a full service agency with a comprehensive HAZMAT, Weapons of Mass Destruction ("WMD"), Canine, and emergency response programs, as well as state-of-the-art communication and dispatch Mega centers.

The FPS protects all federal agencies housed in nearly 9,000 federally owned and leased facilities throughout the United States and its territories. On an annual basis, the FPS handles 10 million law enforcement calls for service, including 3.8 million radio calls, 2.4 million telephone calls, and 3.8 million alarm responses; conducts more than 1,000 criminal investigations for crimes against government facilities and employees; arrests more than 4,000 people for committing crimes on Federal property; and guards more than 500 facilities 24 hours per day, 7 days a week.

The current FPS force is composed of both uniformed and non-uniformed officers, including criminal investigators and law enforcement and security specialists. Training for FPS officers includes eight weeks of instruction at the Federal Law Enforcement Training Center ("FLETC") in Glynco, Georgia, with additional periodic in-service and refresher training courses. FPS supervisors without military or local police training participate in a Leadership Academy Law Enforcement Course held at FLETC, which consists of two, two-week sessions. More recently, the role of the FPS officer has undergone further changes. The FPS has shifted its emphasis from the fixed guard post concept of security to a mobile police patrol and response. FPS officers perform all duties attendant to the normal interpretation of a police officer function including maintaining law and order, and preventing or deterring disturbances; in addition to investigating both felonies and misdemeanors.

However, as the federal inventory of buildings has increased steadily over the last 30 years, the number of Federal Protective Service officers has steadily declined. The Committee is concerned about these trends and will scrutinize whether the Federal Protective Services has the resources and personnel to continue to provide top flight protection for federal workers and federal buildings.

Recent Administration Proposals

In FY 2008, the Bush administration proposed to severely cut the number of FPS officers across the nation. According to the GAO, at the end of FY 2007, there were about 756 FPS inspectors and police officers responsible for law enforcement, and an additional 344 operational and support employees. The administration proposed to cut the number of FPS employees from 1,100 to 950. Congress rejected the administration's request. The administration renews its request in FY 2009.

Under the current administration proposal, there would be no FPS presence in 50 cities that currently have FPS officers. There would be no night or weekend FPS response or service anywhere in the country. The largest proposed reduction is planned in New York and Washington, DC. In addition, the proposal eliminated proactive patrols to deter attack planning. Under the proposal, FPS officers will not respond to calls for police service to protect Federal employees and visitors and investigate crimes in areas where FPS no longer has a presence. According to DHS, FPS will seek Memorandums of Understanding ("MOUs") with local police departments to backstop police services typically provided by FPS. It remained unclear how FPS would entice local police departments to take on this added responsibility.

RECENT LEGISLATIVE HISTORY AND OVERSIGHT

On February 11, 2005, then-Ranking Member James L. Oberstar and then-Subcommittee Ranking Member Eleanor Holmes Norton wrote to the DHS Inspector General requesting an audit of the use of FPS funds. On June 14, 2005, Ranking Member Oberstar and Subcommittee Ranking Member Norton wrote to DHS expressing concern about the placement of FPS within DHS' ICE.

In the 110th Congress, on February 13, 2007, Chairman Oberstar and Subcommittee Chair Norton requested that the Government Accountability Office review FPS's budget and personnel, focusing on FPS workforce size, experience, retention rates, and salaries.

On April 18, 2007, the Subcommittee held a hearing on whether the administration's FY 2008 budget proposal to reduce the number of Federal Protective Service officers and presence nationally will adversely affect the Federal Government's efforts to protect the thousands of Federal workers and visitors to Federal buildings every day across the country.

On June 21, 2007, the Subcommittee held a hearing on weaknesses in FPS' oversight of its contract guard program. As a result of the hearing, Subcommittee Chair Norton introduced H.R. 3068, which banned felons from receiving contracts to provide security for Federal buildings. The Committee reported H.R. 3068 on September 14, 2007. On October 2, 2007, the House passed H.R. 3068 by voice vote. To date, the Senate has taken no action on the bill.

On November 2, 2007, Chairman Oberstar and Subcommittee Chair Norton wrote to the House Appropriations Committee supporting FPS staffing levels of no less than 1,200 law enforcement personnel.

The Consolidated Appropriations Act, 2008 (P.L. 110-161) requires the Secretary of Homeland Security and the Director of the Office of Management and Budget to certify in writing to the Appropriations Committees that operations of the Federal Protective Service will be fully funded in fiscal year 2008 and to ensure that fee collections are sufficient for FPS to maintain, by July 31, 2008, at least 1,200 staff, including 900 police officers, inspectors, area commanders, and special agents who are directly engaged on a daily basis protecting and enforcing laws at Federal buildings.

WITNESSES

Mr. Mark Goldstein
Director, Physical Infrastructure Issues
Government Accountability Office

GOVERNMENT ACCOUNTABILITY OFFICE'S REVIEW OF THE FEDERAL PROTECTIVE SERVICE: PRELIMINARY FINDINGS

Friday, February 8, 2008

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT,
Washington, DC.

The Subcommittee met, pursuant to call, at 9:15 a.m., in Room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chair of the Subcommittee] presiding.

Ms. NORTON. Good morning. I am pleased to welcome Mark Goldstein, Director, Physical Infrastructure Issues at the Government Accountability Office, or GAO, here this morning. Mr. Goldstein has been a frequent witness in this Subcommittee's hearings over the years, providing valuable testimony on a wide range of infrastructure and similar issues.

This hearing was scheduled because the GAO provided the Subcommittee serious preliminary findings concerning the condition of the Federal Protective Service, which is charged with providing security and public safety protection to one million Federal employees.

The GAO has concluded that FPS has deteriorated so substantially that difficulties, and here I am quoting, may expose Federal facilities to greater risk of crime or terrorist attack. The GAO backs up this conclusion with documentation, much of which we found shocking. The Subcommittee believes, therefore, that the preliminary report should be placed on record at a public hearing.

In considering what the GAO has reported, we have to be mindful that Federal facilities where Federal employees work, particularly the Pentagon and the Oklahoma City Federal Building, have been major sites for terrorist attacks in this country. One of the 9/11 planes struck the Pentagon and that became part of the worst terrorist disaster in our history. Federal facilities are symbols of the government that the terrorists want to bring down. We cannot forget that, in addition to Federal employees, millions of Americans frequent Federal facilities and depend on the FPS for protection against crime as well as terrorism.

Security officials report that Federal buildings remain targets today. The documented history of terrorist assaults on Federal assets and the continuing threat requires high levels of vigilance to protect employees and visitors. The Congress has understood the

need for bolstering police protection provided in the Capitol complex by the Capitol Police would not want to underestimate the importance of attention to other Federal employees.

Nearly a year ago, on February 13, 2007, Chairman Jim Oberstar and I sent a letter to GAO asking that GAO review how the scope and mission of the FPS had been affected since its transfer from the General Services Administration, or GSA, to the Department of Homeland Security, DHS. In addition, we asked the GAO to review the Federal Protective Service budget and FTE levels to determine if they were adequate to support the newly transformed FPS, which has been converted to become an inspector-based workforce instead of the protection or police agency it was when it was absorbed into DHS.

Both Chairman Oberstar and Ranking Member Mica have expressed their concerns about the gravity of changes and the wisdom of pursuing the radically new policy of replacing protection with inspection. We asked for a comparison of experienced workforce size, retention rates, salaries, and other issues from the time when FPS was within GSA to now when the agency was located within DHS. We were looking for before and after comparison. The Chairman and I raised serious concerns regarding whether the effectiveness of the FPS has been compromised since its placement inside the Immigration and Customs Enforcement, or ICE, even earlier, 2 years ago.

On February 11, 2005, we wrote to the DHS Inspector General regarding the use of funds transferred by GSA to DHS to support the FPS, the Federal Protective Service. We wanted to ensure that DHS was in compliance with the Homeland Security Act that requires that any GSA rents and fees transferred to DHS be used solely for the protection of buildings and grounds owned or occupied by the Federal Government. The IG determined there was no particular violation of the Act then, but that the potential for violation existed and recommended that DHS and ICE identify a source of funds for FPS administrative costs. To the best of our knowledge, this recommendation has not been acted upon either by ICE or DHS.

Later that year in June 2005, we wrote again because of increasing evidence that the placement of FPS within the ICE division had negatively affected the institutional integrity and law enforcement mission of the FPS. We were concerned that the separate funding source for FPS and its regional office command structure and mission were not aligned coherently with the ICE structure. We expressed our concern that the Department was not realizing the cooperation and potential savings expected after the creation of DHS and the placement of the Federal Protective Service in DHS. Yet another indication of our workforce concern was expressed in our letter to the Appropriations Committee on November 2, 2007, requesting that a minimum number of 1,200 FPS employees be required. This language was included in the appropriations.

Most recently, at a hearing on April 18, 2007, the Subcommittee examined a still particularly troubling FPS proposal to drastically reduce FPS officers across the Nation, including providing no FPS officers in almost 50 cities. The Deputy Secretary of DHS then at the time, Michael Jackson, indicated in response to questions that

he would pursue memoranda of understandings, or MOUs, with these jurisdictions to make up for the absence of Federal police officers.

In fact, in staff briefings, DHS claimed to have in the works about 31 MOUs with city and local agencies. The fiscal year 2008 FPS budget called for no FPS officers in certain cities and said that, ″local police support, was expected to act as a 'backstop' for securing Federal facilities.″

At the time, I noted my concern that local police jurisdictions have little reason to volunteer to assume unfunded mandates to protect Federal sites, particularly at the same time that local police departments were facing cuts in Federal programs to aid police departments.

Today it is fair to ask, with whom have the MOUs been signed? What incentives have been identified for local police jurisdictions to take on the added burden of protecting Federal facilities in addition to their responsibilities for local law enforcement? We must ask as well whether we are seeing a slow disintegration of a workforce that has had a reputation as a highly effective and motivated police force, providing a valuable service to the Federal Government and its taxpayers. Are we witnessing the same disintegration of the FPS that occurred when FEMA was no longer an independent agency but became a part of DHS?

Congress cannot afford to wait for an FPS debacle patterned on the decline and fall of FEMA. A primary lesson from the Katrina tragedy which shook DHS to its core was unprofessional staffing. We hold this hearing today to help us learn from our history and not to repeat it.

I thank GAO for preparing testimony today and again welcome Mr. Goldstein and his colleagues. The Ranking Member regrets that he could not be here this morning. He has indicated he would want to submit a statement for the record. So ordered.

Mr. Goldstein, we are prepared to receive your testimony.

TESTIMONY OF MARK GOLDSTEIN, DIRECTOR, PHYSICAL INFRASTRUCTURE ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Mr. GOLDSTEIN. Thank you, Madam Chair. We are pleased to be here today to discuss the efforts of the Federal Protective Service in protecting Federal employees, the public, and Federal facilities.

As you know in 2003, FPS was transferred from the General Services Administration to the Department of Homeland Security, and is currently tasked with providing physical security and law enforcement services to about 8,800 facilities owned or leased by GSA.

Within DHS, FPS is part of the Immigration and Customs Enforcement component, ICE, the largest investigative arm of DHS. To accomplish its facility protection missions, FPS currently has a workforce of about 1,100 employees and about 15,000 contract guards located throughout the country.

While there has not been a large-scale attack on a domestic Federal facility since the terrorist attacks of September 11, 2001, and the 1995 terrorist attack on the Oklahoma City Federal Building, it is important that FPS have sufficient resources and an effective

approach to protect the over 1 million employees of the Federal Government as well as members of the public that work in and visit Federal facilities from the risk of terrorist attack, crime, and related activities.

This testimony provides preliminary information and analysis on, one, the extent to which FPS is fulfilling its mission to protect Federal employees and facilities; and, two, the management challenges that FPS faces. It is based on the preliminary results of our ongoing review of FPS, which we are doing at the request of this Subcommittee and several other Congressional Committees.

To determine the extent to which FPS is fulfilling its facility protection mission and to identify the management challenges it faces, we analyzed FPS staffing data and we interviewed officers, inspectors, and administrators at headquarters and at six of FPS's 11 regions.

So far in our work we have interviewed more than 200 FPS employees. We also interviewed GSA, tenant agencies, and local police departments about FPS's efforts to protect Federal employees, facilities, and the public. Due to the sensitivity of some of the information in this report, we cannot provide information about the specific locations of crime or other incidents that we discuss.

My testimony makes the following points. Number one. First, due to staffing and operational issues, FPS is experiencing significant difficulties in fully meeting its mission. According to many FPS officials at regions we visited, these difficulties may expose Federal facilities to a greater risk of crime or terrorist attack. FPS's workforce, including both operational and support personnel, has decreased by about 20 percent, from almost 1,400 in fiscal year 2004 to about 1,100 at the end of fiscal year 2007. In fiscal year, 2007 FPS had 756 inspectors and police officers responsible for law enforcement, and about 15,000 contract guards who were used primarily to monitor facilities through fixed post assignments and access control.

FPS is also implementing a policy to change the composition of its workforce, as you mentioned, Madam Chair, whereby it will essentially eliminate the police officer position, and mainly utilize inspectors which have both physical security training and Federal law enforcement authority. According to FPS officials, this policy change will allow it to address longstanding challenges such as funding, and help ensure it has the right mix of staff to carry out its facility protection mission.

One consequence of this change is that in many Federal facilities, FPS is not providing proactive patrol in and around Federal facilities in order to detect and prevent criminal incidents and terrorism-related activities before they occur. For example, at one location we visited, a deceased individual had been found in a vacant GSA facility that was not regularly patrolled by FPS. The deceased individual had been inside the building for approximately 3 months before the individual was found. And FPS did not find that individual; GSA found that individual.

In addition, reports issued by multiple government agencies acknowledge the importance of proactive patrol in detecting and deterring terrorist surveillance teams which frequently use information such as the placement of armed guards in proximity to law en-

forcement agency stations when choosing targets and planning attacks. These sophisticated surveillance and research techniques can potentially be derailed by active law enforcement patrols in and around Federal facilities.

Indeed, FPS has arrested individuals surveilling major government facilities. We note that FPS has also reduced its hours of operation in many locations and has not always maintained security countermeasures and equipment, such as security cameras, magnetometers, x-ray machines, radios, and building security assessment equipment at some facilities we visited, undermining protection of property and the deterrence of crime.

Second, FPS continues to face several management challenges that many FPS officials say have hampered its ability to achieve its mission and increase the risk of criminal and terrorist activities on Federal employees, facilities, and members of the public. These include budgetary challenging, a lack of adequate contract guard oversight, and the absence of agreements with local police departments regarding response capabilities or jurisdictional issues at Federal facility.

Historically, and recently, FPS revenues have not been sufficient to cover its operating costs. This revenue shortfall has been addressed in a variety of ways. For example, when FPS was located at GSA, it receives additional funding from the Federal Buildings Fund. These funds were not available after FPS was transferred to DHS, which caused FPS to experience a revenue shortfall and subsequently to implement cost-savings measures, as well as increase security fees charged to the tenants.

For example, in fiscal year 2005, FPS faced a projected revenue shortfall of $70 million, and instituted cost savings measures that included restricted hiring and travel, limited training and overtime, and no employee performance awards. These measures have had a negative effect on staff morale and are partially responsible for FPS's high attrition rates and could potentially impact the performance and safety of FPS personnel.

Moreover, many FPS officials at regions we visited expressed concern about the adequacy of contract guard oversight and poor performance by some guards when responding to crimes and incidents at Federal facilities. For instance, more than 20 handguns were stolen out of one Federal Building with the assistance of a contract guard; and, a law enforcement surveillance trailer worth half a million dollars was stolen from a Federal parking lot while guards watching through video cameras appeared to do nothing to stop the theft or even report it.

FPS has stated before this Committee and elsewhere that it is a covering facility protection gaps through increased reliance on local law enforcement. However, FPS acknowledged to us that it has not signed any agreements with local law enforcement agencies to assure local assistance or to resolve jurisdictional issues which could authorize local police to respond to incidents at Federal facilities. Also, local law enforcement officials in most of the cities we visited said that, regardless of FPS's intentions, they do not have the capacity to respond to calls for service at Federal facilities, and would not sign agreements that would require them to take on additional responsibility. Moreover, officials at multiple local police

departments said they were not aware of FPS's operational challenges or expected reliance on their services.

As stated, our results are preliminary. We plan to provide this Subcommittee with our complete evaluation and a final report on FPS's facility protection efforts in May 2008. We plan to begin our review of FPS's contract guard program as requested by this Subcommittee and other congressional Committee in the near future.

Finally, I want to recognize the assistance of the Federal Protective Service and its director, who were extremely helpful to GAO, in setting up dozens of interviews that allowed us to meet more than 200 police officers or inspectors, who everyday defy obstacles to protect the property and people of the Federal Government.

This concludes our testimony, and we are pleased to answer any questions that you may have.

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

Some of that testimony is pretty hair-raising, and it inclines me to want to know, whether do you think the conditions you found, if you could elaborate on the percentage of facilities you have been able to visit so far and whether you think these are national concerns? I would be interested in your view of the State of the Federal Protective Service and the National Capital region, where about half of the Federal presence is located as well. But first, nationwide. How typical? Then the National Capital region.

Mr. GOLDSTEIN. Sure. I would be happy to respond. It is not possible for us to say that this is universal based on our visits, of course. But I must say that, in every region and in every city and every place that we visited, these concerns were raised. And the examples I have talked about are just a few. I would briefly provide a couple more for you for the record.

Regarding issues of response time; there was a suicide in a Federal building, but FPS first had to ask for overtime authorization before they could respond to the event.

Ms. NORTON. Would you elaborate on that? There was a suicide that occurred during working hours, after working hours?

Mr. GOLDSTEIN. It was basically at closing time, is our understanding. And the Federal Protective Service these days only tends to work regular business hours during the week.

Ms. NORTON. You are telling me that if there is an emergency of some kind, that somebody has to give a police officer permission to use overtime to go to the emergency when he is supposed to go home?

Mr. GOLDSTEIN. The Mega Center or some other FPS officer must first ensure that there is an overtime authorization if those individuals have already worked their hours. That is correct. And it affects response time.

Ms. NORTON. Is it your understanding that Federal police officers, who are the equivalent of police officers in a city, they are peace officers, had to have permission, overtime permission in order to answer such calls in the past?

Mr. GOLDSTEIN. Just in recent years. In previous years, when there was more sufficient budget and when there were more officers, this is not an issue. But we have heard about this kind of an issue in many places. It has occurred with respect to demonstrations, where demonstrations which were public demonstrations at

Federal facilities that were going on longer than anticipated, officers, because their shift was over, were instructed to leave. Authorization had to first be obtained before they could remain any longer. Yes. This is very much an issue.

Ms. NORTON. So suppose there is an emergency. Particularly given what you have described as a diminishing workforce if there is an emergency, and there is no overtime authorization, what is the peace officer supposed to do, the Federal Protective Service officer supposed to do in the event of an emergency?

Mr. GOLDSTEIN. Well, the likelihood is there would not be an officer present at that point. In most facilities, particularly evenings and weekends, there are no Federal officers present. And generally, because of the reduction in the number of officers generally, FPS officers have to often travel great distances to oversee the buildings that they are responsible for and to oversee the contract guards they have, as much as 5 hours away. Responses can be hours late, they can be days late. In many instances, FPS officers and inspectors live in adjoining states to the buildings they are responsible for if they have a large area.

Ms. NORTON. Are there facilities where only security guards are available, and they would have to call a peace officer or Federal Protective Service officer?

Mr. GOLDSTEIN. Yes, ma'am. All the time.

Ms. NORTON. So there are facilities where there are only security guards?

Mr. GOLDSTEIN. That is correct. There are 8,800 Federal buildings, and only 260 Federal police officers, 570 odd inspectors. [Subsequent to hearing, edited to read: 215 Federal police officers, 541 inspectors.] So, yes, there are absolutely many Federal buildings without any officer present on a regular basis. They need to come from either adjacent buildings or often farther away. As our testimony indicates, there was an example recently in which an inspector retired some 6 months ago. His 70 facilities have yet to be reassigned, so the contract guards in those 70 buildings are without any supervision.

Ms. NORTON. Would you describe what the authority of a security guard is. If a security guard sees a crime, if a security guard has an emergency; what is the difference between what the security guard can do and what the FPS officer can do?

Mr. GOLDSTEIN. Sure. Most contract guards are very limited in their responsibilities. They can monitor facilities, mostly through fixed post assignments. There are a few roving assignments, but most are fixed posts.

Ms. NORTON. Does that mean the security guards do not patrol?

Mr. GOLDSTEIN. That is correct. It is very limited. There are some limited perimeter patrols, but it is quite limited. Mostly it is fixed patrol. Often they may stand right outside a major entryway to observe. But, for the most part, they do not have any capability to patrol the perimeter and to be proactive in trying to determine threats to a facility.

Ms. NORTON. So if there were only security guards present at a particular facility, does that mean there would be no proactive patrolling whatsoever going on?

Mr. GOLDSTEIN. That is correct. If FPS follows through on their program to essentially reduce and eliminate the patrol officer on the function of the proactive patrol.

Ms. NORTON. You say, have eliminate.

Mr. GOLDSTEIN. It has been eliminated in almost all places already, for all intents and purposes.

Ms. NORTON. So where they have been eliminated, where there is not an FPS officer on duty, then there is no proactive patrolling whatsoever?

Mr. GOLDSTEIN. Yes, ma'am.

Ms. NORTON. And that would be what percentage of buildings do you think in the United States?

Mr. GOLDSTEIN. I don't know the actual number, but it is virtually all.

Ms. NORTON. Would you have an idea what kind of buildings the FPS, the universal buildings, the cross-section of buildings where FPS officers would generally have been assigned?

Mr. GOLDSTEIN. Most of the facilities that FPS would still be using for proactive patrolling would be the highest level, what they deem the highest level threats, what are called Level 4 buildings, where you have the most number of Federal employees, the most number of people in the public coming in and out, agencies of the government that are sort of more sensitive than others like law enforcement agencies, that sort of a thing, and major urban areas. That is where you would find any remnants of proactive patrol occurring.

Ms. NORTON. What is the proportion of inspectors to Federal Protective Service?

Mr. GOLDSTEIN. To police officers?

Ms. NORTON. Police officers.

Mr. GOLDSTEIN. And I have that figure. There are currently 541 inspectors and 215 officers as of the end of fiscal 2007.

Ms. NORTON. 513——

Mr. GOLDSTEIN. 541 inspectors, 215 officers.

Ms. NORTON. Now, these inspectors are all police officers as well?

Mr. GOLDSTEIN. Yes, ma'am. But their duties are much greater.

Ms. NORTON. Were these people doing police work before the inspector notion entered the equation?

Mr. GOLDSTEIN. Yes, they were.

Ms. NORTON. So that means we have 541?

Mr. GOLDSTEIN. And they still do some police work.

Ms. NORTON. What do they do? What proportion of their work is—first of all, I am going to, at some point, after this question, ask you to describe what an inspector who is from the Federal Protective Service does. But what, how much of the work of the inspector, since the inspector is an officer, how much, what portion of the work is inspection and what proportion is normal or traditional police work?

Mr. GOLDSTEIN. I can answer both this question and the next probably together. I think it would be helpful to you.

Inspectors have the following responsibilities: They have to oversee the contract guards; they have to do the building security assessments for all the buildings that they are responsible for; they are the contracting officer technical representatives for all the con-

tract guard programs; they do have law enforcement response; they have to handle criminal investigations; they collect contract guard time cards; and they are the folks who also work with the building security committees, which are the groups of tenants inside buildings who help make decisions about security arrangement.

And, most of the time—and there are also the K-9 officers in many instances as well handling the dogs that do bomb sniffing and the like. But most of their time is spent doing building security assessments and handling, increasingly, their roles as contracting officer technical representatives, which used to be a function but that function no longer exists and now it is their responsibility.

Ms. NORTON. That sounds like an administrative function, some of it.

Mr. GOLDSTEIN. It is, ma'am.

Ms. NORTON. So these peace officers are doing mostly administrative work?

Mr. GOLDSTEIN. Both the officers and the inspectors in the field had very serious concerns about the role of the inspector to be able to get out and into the field and to assist as backup or to assist in emergencies, and to do anything other than, frankly, do a lot of paperwork behind their desk. And that was raised in multiple interviews that we had.

Ms. NORTON. I am having a hard time understanding what an inspector does. You go around inspecting for what?

Mr. GOLDSTEIN. Their principal responsibility is for the building security assessments. They all within their purview have to do on a regular basis review the security issues within the buildings they have. So if an inspector has 70 buildings or 100 buildings, they are responsible for going to those buildings and doing in-depth review on a regular basis. Depending on the level of the building, there is a requirement that that building be reassessed on either a 1-year or 4-year period. It is a pretty regular cycle. But these are relatively difficult to do because they are involving a lot of different parameters in terms of understanding countermeasures, lighting, posts, and the kinds of threats that occur at these buildings.

One of the concerns we have heard is that, because of the overwhelming responsibilities now being pushed on to these inspectors, that both the quality of the building security assessments and the time that they are taking to complete them have been impacted. And I know of at least one agency that has actually gone out and asked the Army Corps of Engineers to redo their building security assessment because they were not happy with the assessment done by the Federal Protective Service.

Ms. NORTON. If they are looking to make sure that the building is secure, I note in your testimony, I am quoting from your testimony, "had not always maintained security countermeasures and equipment, such as security cameras, magnetometers, x-ray machines, radios, and building security assessment equipment." Now, if you are not going to have proactive patrolling, you would think at the very least these inspectors would make sure all their cameras are working and all the radios and other alternative security devices, alternative to perhaps some patrolling in place. When you say have not always maintained these, did you find that these cam-

eras and other devices were often not working, or were they in working order most of the time?

Mr. GOLDSTEIN. We found in a number of instances that some measure of these countermeasures were not working. We found at one very large Federal building that, of 150 cameras, only 11 of them had the capability to record. We had another very large Federal building——

Ms. NORTON. Wait a minute. 150 cameras throughout the building?

Mr. GOLDSTEIN. That is correct.

Ms. NORTON. And 11 were——

Mr. GOLDSTEIN. Were in fully functioning working order at one of the largest Federal buildings in the United States.

Ms. NORTON. What would have been the reason for that, Mr. Goldstein? Would it have been inspection? Would it have been lack of funding?

Mr. GOLDSTEIN. Principally, a lack of funding, according to FPS, to fix them.

Ms. NORTON. So FPS has reduced patrols. And what might be at least some kind of helpful a alternative, which is at least have cameras throughout the building, also don't work in many instances. Is that your testimony?

Mr. GOLDSTEIN. Yes, ma'am. We found another large Federal building that, while they had some cameras in place, they had decided it was not a sufficient number and they ordered a lot more cameras. And those cameras had, until very recently, been sitting in boxes for 5 years because there were not the funds to finish the enhancement program.

Ms. NORTON. They were sitting in boxes for 5 years for what reason?

Mr. GOLDSTEIN. Because there were not funds to complete the program.

Ms. NORTON. You mean they were delivered?

Mr. GOLDSTEIN. They were delivered and not installed.

Ms. NORTON. There weren't the funds to get them installed?

Mr. GOLDSTEIN. That is what we understand. Yes.

Ms. NORTON. Because you have to have somebody who knows how to install them to do it, and you have to pay them.

Mr. GOLDSTEIN. And connect them to the rest of the system and ensure that they work. And they were sitting in boxes for a number of years. I might add, if I may, ma'am, that in many instances, the absence of these kinds of countermeasures like cameras, have prevented the FPS from investigating crime on Federal property. There are a number of places where crimes have occurred. Laptops are frequently being stolen out of Federal buildings.

There is one Federal building where two 42-inch plasma television screens were removed from a Federal building. And I mentioned the incident earlier with the handguns that were taken. It was very difficult in many instances, and in some impossible, for FPS to investigate these crimes because there were no cameras working that recorded the thefts.

Ms. NORTON. If FPS is reducing its workforce, does it mean that it is no longer recruiting officers.

Mr. GOLDSTEIN. We were told in many of the regions we went to that they have not been replacing people. They have not—they are not replacing people. I mentioned, for instance, the inspector who was retired some 6 months ago, and his 70 buildings have been just sitting out there for the last 6 months with no real oversight. They are not replacing people. We have heard that all over the agency. And there is an incredible amount of turnover. Here, in the National Capital region, there had been, in the last 16 months, there have been five regional directors of the National Capital region.

Ms. NORTON. Five regional directors within the last how many months?

Mr. GOLDSTEIN. Roughly, 14 months.

Ms. NORTON. So, let me ask you this. A Federal police officer who has had training, where are Federal police officers trained?

Mr. GOLDSTEIN. Well, recently the FPS has had no money for training. So they have not been training, except for very basic kinds of things. And they have had no money to travel, so they have done it right in their own offices.

Ms. NORTON. So when was the last time there was a recruiting class?

Mr. GOLDSTEIN. I am not certain of that. I will provide that for the record.

Ms. NORTON. As people retire, they are not being replaced?

Mr. GOLDSTEIN. That is correct. And when it comes to the police officer corps, they are—in many instances, we heard many stories that they had been actively ushered out, where the agencies is encouraging them. There are high level agency executives who have said, there is no future for you. We are getting rid of the police force. If you plan to stay at FPS, you must become an inspector. Otherwise, you should leave.

Ms. NORTON. So your testimony is that you believe the intention of DHS, the security agency, the place to which the Federal Protective Force was transferred in order to enhance security of Federal agencies intends to not only reduce but eliminate the police force that was to be the security force.

Mr. GOLDSTEIN. They plan to transform it into this inspector-based approach and, yes, eliminate police officers per se.

Ms. NORTON. The fact that the inspectors have police power is like saying that a line officer in a police department that sits at a desk has police power. Yes, but he is not expected to go out and patrol; he doesn't do duty, and he is there to be an administrator. Certainly his police background is important for his work. But, of course, people who work in these buildings believe that they are being protected by people who are armed police officers.

The vacant facility, the vacant GSA facility not regularly patrolled by FPS, so much so that a dead body was found that you believe had been, was it three months?

Mr. GOLDSTEIN. Yes, ma'am. Three months.

Ms. NORTON. And it wasn't found by the FPS.

Mr. GOLDSTEIN. It was found by GSA, because it was a vacant building that GSA was trying to sell and GSA went into the building with a prospective buyer and apparently maybe literally stumbled on the body. But they are the ones who found it, not FPS.

Ms. NORTON. Well, I just want to say for the record, I would be the last one to say we ought to patrol a vacant building the way you do other buildings. But your testimony seems to be that this is a building that would never been patrolled.

Mr. GOLDSTEIN. That is correct. It is my understanding that GSA was paying for that building.

Ms. NORTON. GSA was paying for the building?

Mr. GOLDSTEIN. In terms of its fees to FPS, that included that building.

Ms. NORTON. One doesn't have to live in a big city to know who vacant buildings draw, what kinds of squatters and even thugs and others are drawn to vacant buildings. So that while one wouldn't be patrolling in the same way you would a building where people are working, the notion of not patrolling them at all would be very, very troubling. And then it took a fire to get anybody to look at the building at all.

Mr. GOLDSTEIN. And as an interesting add-on, ma'am. With that building, and this gets to the staff reduction problem, when FPS did respond to the dead body in this facility, they used their entire staff in the city to respond. They had so few people on patrol at the time that in responding to one incident like that, it took all the people they had.

Ms. NORTON. I mean, this is a dead body.

Mr. GOLDSTEIN. I am not sure why. But it raises the staffing concerns that we have so shorthanded.

Ms. NORTON. Because in order to respond to this building where they found a dead body, the FPS pulled people from where?

Mr. GOLDSTEIN. From the entire city. And so the other places that they protect in this particular city were unprotected.

Ms. NORTON. That brings me to a question on management of the Federal Protective Service. If you have a dwindling number of police officers, is there the capability to manage the police part of the force at this point? Your testimony that you pull everybody from where there are live bodies to where there is one dead body leads me to that question. Who is, in fact, trying to manage such a small police force who has jurisdiction over so many Federal facilities?

Mr. GOLDSTEIN. You raise a good point, because it is interesting. We look back at the record. Back in 1976, the Federal Protective Service had 5,000 police officers, no less the rest of their staff.

Ms. NORTON. When?

Mr. GOLDSTEIN. 1976.

Ms. NORTON. Had——

Mr. GOLDSTEIN. 5,000 police officers.

Ms. NORTON. That is pure peace officers?

Mr. GOLDSTEIN. That is correct.

Ms. NORTON. That is——

Mr. GOLDSTEIN. As opposed to the 215 today.

Ms. NORTON. Now, are there more Federal facilities today than there were in 1976?

Mr. GOLDSTEIN. Certainly.

Ms. NORTON. Many more?

Mr. GOLDSTEIN. I don't know the actual number more.

Ms. NORTON. In your final report, you will include the number of buildings where normally there would be FPS presence and the increase, since that time along with the 5,000 to 215. And, if I may say so, post 9/11. And we are talking about the Department of Homeland Security. And they were transferred to this department because to enhance their role as a security force.

The ironies roll out of this preliminary report. And we certainly did not want to be accused of sitting on it when we knew this much. We expect to hear more from you, but this is very troubling.

I asked you about—there are two conversions going on here. The Subcommittee hasn't generally opposed the use of security guards. We understand why some of the force, necessarily with the security guards, we understand that they have less authority, and there has generally not been on either side of the aisle wholesale belief that nothing but police should be present. At the same time, we have recognized what the limitations of security guards are. I would like you to spell out those limitations so that they are understood.

What is it that a security guard can do, for example, one, to prevent crime; and, two, in the event of a crime?

Mr. GOLDSTEIN. Sure. To prevent crime, they only have their own eyes and ears, for the most part. They have—certainly they have guns. They do not have arrest or detention powers.

Ms. NORTON. Now, they have guns. What can they do with those guns?

Mr. GOLDSTEIN. Theoretically, they can use them. However, in every region that we went to, one of the major concerns that FPS officers and inspectors shared with us was an overriding concern of the limitations of their contract guard force in that they believe and told us that contract guards are told by their firms that they should not get involved; that if incidents occur, that they should never use their firearm, they should never try to grapple with people, because the firms do not wish to encounter the liability.

Ms. NORTON. Wouldn't the firm be liable? Doesn't the Federal Government not insure for contractors, to self-insure for contract guards.

Mr. GOLDSTEIN. I don't know the answer to that question. We will look into it. But the concern raised by the officials, virtually all, every person we talked to out in the field, was that they would not receive assistance from the contract guards in emergencies.

Ms. NORTON. So is this why the contract guards watched while someone was stealing? Would you recount that incident again? You said the contract guards witnessed some crime.

Mr. GOLDSTEIN. Even more to the point in our testimony is the incident in which in a major Federal building you had an inspector who was in the process of taking someone into custody who had an outstanding warrant. That person knew the building because they had been in it before. While the officer was arresting them, the individual had one hand cuffed, one wrist cuffed, got into a struggle with the guard. The guard, the police officer—the Federal police officer ended up ripping the guy's shirt off. The guy went running through the Federal building, down through the main lobby with the inspector following him. And there were four——

Ms. NORTON. The inspector who was a peace officer?

Mr. GOLDSTEIN. Who was a peace officer, following him. And four or five contract guards, all of whom are armed, standing in the lobby, stepped aside. The individual went flying through the front doors, automatic doors, went running down the street, and was only apprehended by another FPS officer who happened to be in a car about two blocks away. This occurred about two weeks ago. This is a rather recent incident. And so here was an incident in which Federal officers would ordinarily expect to rely on contract guards, but they were of no assistance.

Ms. NORTON. Well, not only contract guards. This is very troubling, it would be pathetic, when you consider that citizens, often when they see somebody running from the cops, will often try to stop them. When five different guards feel they shouldn't intervene, that says to me that they have an understanding, and that that understanding is not only themselves but—it is not only among themselves and their own company, but that that understanding must be the understanding of the Federal Protective Service as well. Has the Protective Service blessed this approach, that a security guard should stand aside when he sees someone fleeing from the police?

Mr. GOLDSTEIN. I can't answer that question specifically. But I can tell you that many of the people we talked to, many of the officers or inspectors were very frustrated by that.

Ms. NORTON. Could I ask that you ask the Federal Protective Service what it is that the Federal Protective Service believes that security guards should do in the event of incidents such as you described, and whether the Federal Protective Service has said it is in keeping with the policy of the Federal Protective Service that the guards not intervene even when they see someone fleeing from a—obviously fleeing from an officer?

Mr. GOLDSTEIN. Yes, ma'am. We will. The other concern raised often is that even in doing their normal duties they are not often adhering to post orders.

Ms. NORTON. What do you mean?

Mr. GOLDSTEIN. The orders that govern how contract guards are supposed to operate at their fixed posts when people are coming into the building. Or, as we indicated earlier in our testimony, when a large surveillance trailer owned by a Federal agency was stolen, it was very clear from the videotape that contract guards were observing through camera this trailer being stolen but never, did not go out to intervene and also did not even report it.

Ms. NORTON. What could the contract guard have done? What might the contract guard have done?

Mr. GOLDSTEIN. They could have gone out to try to stop the individuals from busting through the Federal parking lot with this trailer. They could have and should have called either the Mega Center or the Federal Protective Service.

Ms. NORTON. They didn't even call?

Mr. GOLDSTEIN. No, ma'am. This was not—there was no report and no action taken until after the law enforcement agency that owned this trailer, which was worth about half a million dollars because it was filled with sensitive surveillance materials. It was a law enforcement agency's trailer that was worth about half a million dollars, and it was——

Ms. NORTON. So this was a trailer that contained law enforcement information compiled by a law enforcement agency.

Mr. GOLDSTEIN. And what happened is someone backed the truck up to this trailer, hooked the trailer up, they tried to get out of the gate. They tried to raise the gate of the parking lot. They could not raise the gate, so they simply drove through the gate. They busted the gate down. And this entire incident appears to have been watched, because there is video of the camera moving in and out and around as this occurred. But the contract guards never called the Federal Protective Service or the Mega Center or local law enforcement. And the only time they did anything, as far as we know, is about 3 or 4 days later the law enforcement agency realized that its trailer was missing and started making inquiries. And only at that point——

Ms. NORTON. So there had been no report until the agency that——

Mr. GOLDSTEIN. Lost the trailer.

Ms. NORTON. Found it didn't have a trailer anymore?

Mr. GOLDSTEIN. That is correct.

Ms. NORTON. And how long between the theft and the discovery?

Mr. GOLDSTEIN. It was within 3 or 4 days.

Ms. NORTON. We are talking about a great big trailer?

Mr. GOLDSTEIN. Yes, ma'am.

Ms. NORTON. So even the so-called guard, let's assume the guard, these guards, and not policing guards. The guard function, what was not being, was not being——

Mr. GOLDSTEIN. The guard was not following the orders that they had.

Ms. NORTON. The guard function was also not being followed. What happened as a result?

Mr. GOLDSTEIN. We made an inquiry to determine what happened to that contract guard, and we were told that that contract guard was taken off of that post but is still with that guard service and he is at another Federal facility, monitoring in that facility.

I would just add, one of the concerns that officers regularly raise, as I was mentioning earlier, was that guards don't follow the orders that they have. Obviously, if someone is stealing a major piece of surveillance equipment, you are supposed to report it. We personally witnessed in entering one major Federal building, when while we were doing our work, a breach. There was an individual directly in front of me who was carrying a large knife in a plastic bag into a major Federal building. It was an illegal weapon.

There are two categories: Prohibited weapons and illegal weapons. This illegal weapon should have been taken from the individual; the individual should have been detained; the FPS should have been called, and further actions to understand what this individual was doing. All that the guard did was say, you can't bring that weapon in here, and kicked them out of the building. And, of course, to let the guy either go around to another entrance or to do whatever he did. And so clearly was not—I mean, we saw that ourselves.

Ms. NORTON. Does the training of guards occur in-house by the Federal Protective Service?

Mr. GOLDSTEIN. No. It is done by the contract guard companies.

Ms. NORTON. So how does the Federal Protective Service know that it is getting trained guards?

Mr. GOLDSTEIN. There are certifications that it receives from the contract guard companies about the kind of training that they have.

Ms. NORTON. Certifications. What does that mean?

Mr. GOLDSTEIN. When guards go through their training program, the company will provide a statement basically that these individuals have received the requisite training.

Ms. NORTON. This is a judgment that the guards seemed to have received a requisite training.

Mr. GOLDSTEIN. We haven't done that work yet. That is part of the follow-on work that we will do. But there were a lot of concerns raised with us about the adequacy of training and the adequacy of firearms training as well. And we will look into all this in the next part of our work for you.

Ms. NORTON. Now, you say that police officers are being told that there is no future for them here. Actually, we find in the Federal Service that there is lots of cross recruitment of Federal police officers, and that one of the difficulties is that I think that we have among the Federal police is that you sometimes get people going because of differences, some differences that it is hard to justify. And, of course, last year there was some attempt to deal with that with I think the Congress police and the police here, just to show you how ancient are some of these categories. But I am wondering whether a Federal police officer could just as easily try to find a job now at another Federal police agency or police agency in local jurisdiction, given the training that he may have received during a time when training was going on at a higher quality. Are these officers subject to leaving in any case because they are trained officers?

Mr. GOLDSTEIN. The attrition rate is quite high. For officers last year it was 16 percent, and for inspectors it was 11 percent. With many of the——

Ms. NORTON. How does that compare with attrition rates in either other Federal police forces or in other Federal work.

Mr. GOLDSTEIN. We will make that comparison when we do the remainder of this work. We have not done that part of the work yet, but we will get back to you on that.

Ms. NORTON. What about these agencies which are being patrolled? What about these agencies that are being patrolled, the so-called clients of the FPS? Do they have a view as to whether they are being adequately protected if you are a Federal agency head or Federal agency manager at one level or another?

Mr. GOLDSTEIN. I think there is a couple of concerns. What they want most is a uniformed presence. They really want a Federal police officer. They are very concerned.

Ms. NORTON. The agency?

Mr. GOLDSTEIN. The agencies. That is correct. They think that the contract guards, the tenants think that the contract guards for the most part do an adequate job in the responsibilities that they have. But they recognize that the kind of protection they are getting is deteriorating because of all the other issues that we have been talking about in terms of the countermeasures, the lack of

local law enforcement, and the loss of proactive patrols. They also have, in most cases, not been informed by the Federal Protective Service that this kind of shift is coming. In fact, we met with—we have met with more than two dozen building security committees, which is the tenants in the various buildings.

Most of them, the first time they had heard that FPS was moving to an inspector-based approach or that they were reducing hours with our discussion of that with them.

Ms. NORTON. So you are saying FPS does not alert Federal agencies about the differences in transformation in the workforce, a workforce that they have always understood to have uniformed officers guarding the building?

Mr. GOLDSTEIN. That is correct. Or the impact that it might have on their agencies. I talked to one agency that has regular weekend hours in which the public comes into the building, and they were not aware that the Federal Protective Service was not patrolling that building on that weekend, and indicating whether they had to rethink whether they could keep the building open on the weekends, which would affect the public access.

Ms. NORTON. We didn't ask you to review the morale of these officers and inspectors, because that is very difficult to evaluate. But what you have described does lead me to ask you, what about feedback you are getting from the officers, from the inspectors? Is there anything you can generalize about how the workforce is viewing this change?

Mr. GOLDSTEIN. I think from our visits that we would have to say most of the workforce is demoralized. They don't have equipment. They have no career path, and many have been told to leave. They don't receive the training, the recognition, or the retirement of other law enforcement officials who do the same or similar work. The inspectors are overworked and overwhelmed. These are people who want to do a good job and are dedicated to protecting people and property from harm, and so they are having difficulty doing their job based on the kinds of challenges we mentioned, and the result is considerable attrition.

Ms. NORTON. I mentioned in my opening statement my astonishment when we learned in hearing last year that there would be jurisdictions where there would be Federal facilities that would not be patrolled at all by Federal Protective Service. And I wonder if there are such cities or other places in the United States where there is no Federal Protective Service presence. And, if not, is there any presence, guard presence or any semi-protection presence in the facilities where there at the time we thought there would be as many as 50, where there is no Federal Protective Service presence.

Mr. GOLDSTEIN. There would be presence within each region, and so there would be officers and inspectors in a large geographic area that would respond to incidents. But there are major Level 4 facilities in the United States.

Ms. NORTON. You need to describe what a Level 4 facility is.

Mr. GOLDSTEIN. A Level 4 facility is a facility that has at least 450 employees, has a large amount of square footage, and has thousands of people coming and going every day. The larger facilities.

Ms. NORTON. This is almost the most secure facilities.

Mr. GOLDSTEIN. That is correct. Except for a few places in the United States, these are the most secure Federal properties. There are Level 4 facilities that have no around-the-clock or even regular Federal protection. There may be contract guards. But we have found some of those facilities have drastically——

Ms. NORTON. They do have contract guards?

Mr. GOLDSTEIN. They have some, but they have been greatly reduced. I know of one Level 4 facility that went from seven Federal officers to zero, and from 30 contract guards to about six. And this is a facility that sees just considerable traffic both from the Federal workforce and the public. And I would rather not describe it any further, but it is at considerable risk.

Ms. NORTON. When we say no Federal Protective presence, does that mean on weekdays as well as weekends?

Mr. GOLDSTEIN. For facilities like the one I just described.

Ms. NORTON. Like the Level 4 facility?

Mr. GOLDSTEIN. That is correct. As I mentioned, there would be Federal police officers in the region, somewhere else within that region that could respond, but they are not at that facility per se. But it could take hours for someone, for a Federal officer to respond.

Ms. NORTON. So in the event of an emergency, now talking about emergency, where there are only contract guards, and here we are talking about contract guards at a number of Level 4 facilities. The facility could be left with only contract guards, and with no one able to respond in an emergency because, as you say, even if the Federal police service is chasing someone, the contract guards don't feel that they can respond to an emergency in the way that a police officer can. Is that the case? There would be no response, no immediate response from a police officer?

Mr. GOLDSTEIN. That is a possibility. Yes.

Ms. NORTON. In the event of an emergency?

Mr. GOLDSTEIN. That is a possibility. I am aware of one incident recently at a pretty big Federal building in which, as I understand it, part of the roof appeared as if it was going to fall onto the sidewalk. And tenants called to have Federal Protective Service come and cordon off the area so that this thing would not fall and hurt someone, and it took an hour and a half for the Federal Protective Service to respond. A tenant stood outside, a building tenant, just a regular Federal employee stood outside for that period of time warning people and pushing them away. But no Federal law enforcement official. And apparently——

Ms. NORTON. Were there contract guards there.

Mr. GOLDSTEIN. There were some contract guards. I don't know why the contract guards did not cordon the area off.

Ms. NORTON. Can a contract guard do anything? You just described a citizen.

Mr. GOLDSTEIN. That is right.

Ms. NORTON. Can a contract—who stepped in to do this? If a contract guard did what a citizen would do, would the contract guard imperil his company?

Mr. GOLDSTEIN. This is part of what we want to look into for the other job that we will be doing for you, we need to get into these issues and find out exactly what—not just their responsibilities are,

but what the practical aspects of this are. Because I suspect there are many similar instances.

Ms. NORTON. This is very important to you to do. For example, and perhaps you can describe this. Often we offhandedly talk about a citizens arrest. That is, a citizen, I could go up to someone and say, ″I am going to hold you here until someone comes.″ Do you believe a contract guard could do that? Or would contract guards do that, given what you have seen?

Mr. GOLDSTEIN. We have not heard about those experiences in our review so far. We will look into that.

Ms. NORTON. Have you any information on whether or not there are any MOUs with jurisdictions where we heard testimony that the substitute for the Federal Protective Service would be local police who would sign on to memorandum of understanding to provide or fill in the necessary security.

Mr. GOLDSTEIN. It is our understanding, based on discussions we had in all the site visits we went to, which has been since confirmed to us by the director of FPS, that there are no memorandums that have been signed to date. They have what are called mutual support agreements.

Ms. NORTON. Say that again.

Mr. GOLDSTEIN. They have in place something that are called mutual support agreements, in which they simply have discussions by which they decide how to borrow each other's equipment, whether someone might use a K-9 dog, things like that, between local law enforcement and FPS. But there are no memorandums of agreement or understanding regarding the kinds of things that FPS is talking about in which local law enforcement would essentially take the place of FPS due to its downsizing and its reassignment to the inspector force.

Ms. NORTON. That is what they were talking about. They were talking about you would then call local MPD here?

Mr. GOLDSTEIN. That is correct. In fact, in our discussions as I mentioned in my testimony, most of the police parties that we talked to indicated that they would not sign such an MOU for a variety of reasons, including the liability to them, the fact that they are overwhelmed and wouldn't be able to respond anyhow, and that they believe it is the role of the Federal Government.

We found that in one city that we went to, most of the police departments, in fact, were not even aware that FPS wanted them to take on these additional responsibilities, and were not aware that FPS was no longer working on weekends or had reduced hours or had shifted to a situation in which they weren't patrolling.

Ms. NORTON. So not only did you find no MOUs; you found that in the cities where there might have been or were supposed to be MOUs, people hadn't even been contacted to sign an MOU?

Mr. GOLDSTEIN. Right. Essentially, as we have looked at this work, there are four levels of protection. There is the Federal Protective Service itself. And that, as we say, has undergone significant change. There are the countermeasures which increasingly appear to be broken. There are the contract guards in which officers and inspectors have informed us there are significant problems about their performance. And then, finally, the local law enforce-

ment response, which appears, except for emergencies, to be something that would not work.

Ms. NORTON. Has the contract guard workforce been relatively stable increased, or has it been also diminishing.

Mr. GOLDSTEIN. It has increased considerably, from 5,000 in 2000 to 15,000 last year.

Ms. NORTON. So it is a huge increase in contract guards, who have no authority, according to your testimony, to do much more than watch?

Mr. GOLDSTEIN. Correct.

Ms. NORTON. Watch the buildings?

Mr. GOLDSTEIN. And the number of inspectors who are required to oversee them have declined in that same time period.

Ms. NORTON. They are essentially on their own then?

Mr. GOLDSTEIN. In many ways, yes. Because, as I indicated, because so many of the buildings that inspectors are required to watch are very far away from them. They may be hours away from their main post, and so they know—the contract guards are only going to get visited now and again, and they know they are not going to get visited on evening and weekends because the FPS isn't working. And one region indicated to us that because the inspectors were so overwhelmed by the work they were doing, that regional management told them that they should do their check and their oversight of the contract guards by telephone.

Ms. NORTON. I mentioned the liability question when it comes to contract guards, because, after all, they are working for the Federal Government. It seems to me that that could be worked out. I would ask you to look at what I believe is a real problem for local police forces; that is to say, the jurisdictional boundaries of police forces in fact all vary. For example, even the Federal police forces, one Federal police force does not do what another does because of the law and because of how the jurisdictional boundaries are laid out.

Now, I believe there may well be Federal law or something akin to that with respect to whether a local law enforcement agency on the basis of the MOU, which has not been blessed by Congress, can simply go in and cross into a Federal building or, for that matter, vice versa.

For example, the Park Police is the only police force, the only Federal police force in the District of Columbia that has citywide and regionwide jurisdiction, and it does have jurisdiction to arrest anywhere in the city or region. And that really comes from the fact that these massive Federal parks are located in the region and in the District of Columbia.

Rock Creek Park, for example. Anacostia Park, or Dupont Park. So Congress, in its wisdom, says these folks can't patrol without having unusual jurisdiction, so it has given that jurisdiction. So the notion that by MOU, an agency can go out and say you now have jurisdiction to come in a Federal building raises, in my mind, frame of the law, whether or not there was any authority to do that in the first place. And I wish you would look into that matter.

Mr. GOLDSTEIN. We plan to, ma'am. I would add that this is one of the issues that is really perplexing the officers and inspectors as well as the local law enforcement departments, because it is such an unclear situation where you have some facilities with exclusive

Federal jurisdiction and some with concurrent, that they don't know how to respond and what the chain of command would be. And they don't also, local law enforcement realizes that in many instances, even if they can go into a Federal building, they need to be escorted by a Federal officer. But the problem of the staff shortages is such that if an emergency is occurring——

Ms. NORTON. I didn't get that local would have to be escorted.

Mr. GOLDSTEIN. Right. In many instances, the local law enforcement official would have to be escorted by a Federal law enforcement official on the Federal property. If there is an emergency and there is only, say, one FPS officer and they need assistance and backup, if we are going to use local law enforcement, they would have to be—the FPS would have to be present. The local law enforcement just wouldn't be able to go into the building on their own is what we have been told so far. Obviously, we are going to look at this some more. But as I mentioned earlier, that FPS office for that region may be two or three hours away.

Ms. NORTON. It sounds like a patchwork that isn't even a patchwork. I am trying to understand it.

Now, the Subcommittee and the Full Committee Chairmen have been concerned about the absorption of FPS into ICE. How would you characterize the relationship between FPS and ICE? And perhaps compare it to its relationship when it was in GSA.

Mr. GOLDSTEIN. I can say that almost every single officer, inspector, and regional person we talked to out in the field indicated that the fit of FPS into ICE is poor, the fit of FPS into ICE is very bad. They almost uniformly felt that FPS belonged in one of three places: Either back at GSA; in part of DHS which is called infrastructure protection; or, as a stand-alone unit.

Ms. NORTON. Why was that?

Mr. GOLDSTEIN. They believed that ICE does not pay them any attention. Almost everyone indicated, used the kind of words: That they were a stepchild of ICE; that ICE did not understand the role of FPS and, that as a result, they did not get the kind of budget.

Ms. NORTON. Just one moment. ICE's mission is?

Mr. GOLDSTEIN. ICE's mission is immigration and customs enforcement.

Ms. NORTON. So you have got to make us understand why, since these are Federal Protective Police, what led—putting yourselves in the minds of DHS, what led them to put the FPS in ICE in the first place?

Mr. GOLDSTEIN. I can't answer that question right now; but it is something, as we look into these issues, we will get back to you about the rationale of why it was placed in ICE and where it might better belong.

Ms. NORTON. Because the only thing— first thing it seems to me to do when you try to figure something out is not to say they are crazy. They must have had a reason. And the only reason I can think of off the top of my head is Border Patrol is in there and they patrol. So if you are only looking at labels, then these people patrol so you put them in there. Now, why doesn't that work?

Mr. GOLDSTEIN. It is not working according to——

Ms. NORTON. Is Border Patrol a stepchild?

Mr. GOLDSTEIN. No, it is not. One of the—it is a much bigger entity. FPS is relatively small by comparison. FPS has not been allowed to have some of the same kinds of training and authorizations and access even to intelligence information that the rest of ICE and DHS has.

Ms. NORTON. Now, what about being in infrastructure? Why would that be a better fit if they weren't in GSA, if they were in another part of—and you say it is called infrastructure.

Mr. GOLDSTEIN. Infrastructure protection. We haven't looked at this yet. This is partly of what we will do.

Ms. NORTON. In the final report?

Mr. GOLDSTEIN. In the final report.

Ms. NORTON. The final report is due?

Mr. GOLDSTEIN. It is due at the end of May.

Ms. NORTON. Go ahead.

Mr. GOLDSTEIN. What I am sharing with you is the frustrations of the officers who believe they ought to be elsewhere, and they were indicating places where they would have a better fit. But almost uniformly they believe it should not be in ICE.

Ms. NORTON. Now, if you would let me know more about what infrastructure and protection does. It makes them believe that they would be better suited if they were in DHS to be in that part.

Mr. GOLDSTEIN. The infrastructure protection group handles the developing of plans to protect the infrastructure of the Nation. So that may be dams and nuclear facilities, it is Federal buildings, it is a lot of different things. And from their view, they belong in that area better because part of what they are doing is trying to protect bricks and mortar in the same way that the infrastructure protection group is looking to protect bricks and mortar.

Ms. NORTON. That was the thought that some of us had. But, again, we didn't know what was DHS's rationale. And it is very important, it will be very important in your final report to know what their rationale was, whether DHS is capable of rethinking a rationale.

I am sympathetic at one level to DHS. Here, the Congress says, okay, here are, what is it, almost a dozen agencies. We slapped them together, and then we say to DHS, okay, you figure out how they fit in. So it seems to me that it is not unlikely that here and there you make a mistake or so. That would concern me less than whether this agency is open to self criticism, to looking at what it has done and correcting it. Or, whether it just digs in because that is where it is and that is what it is going to be.

So I would like to know what their rationale was in the beginning, and if that rationale continues to be in their view a valid rationale for where they have placed the agency given the continuing criticism.

Mr. GOLDSTEIN. Sure. We will be a happy to look into that as part of our review.

Ms. NORTON. Let me ask you about the funding source. It is a very interesting way we fund GSA. It worked pretty well. Would you describe how the Federal Protective Service is funded. Would you describe how the Federal Protective Service, what its funding source was when it was in GSA. Then, would you describe how that works now that it is in DHS.

Mr. GOLDSTEIN. Sure. The Federal Protective Service received—when it was in GSA, received some funds from basic security fees that agencies paid. But it was never enough to cover the budget of the Federal Protective Service, so the GSA most years augmented their budget with money from the Federal Buildings Fund.

Ms. NORTON. Say that again.

Mr. GOLDSTEIN. Sure. In most years, they received money through their fees from tenants, but has never been enough to cover.

Ms. NORTON. Fees from tenants is a way of saying that if I am the Small Business Administration, I pay out of my budget for my police service?

Mr. GOLDSTEIN. That is correct. You pay a certain amount per square foot of space that you have from GSA.

Ms. NORTON. And you are saying in your testimony that that amount per square foot has actually gone up?

Mr. GOLDSTEIN. It has been—that is correct. It has gone up about 65 percent in the last couple of years. It has never been enough to cover the costs, so those have always been augmented in the past by monies from the Federal Buildings Fund by nearly $100 million or some more than that.

Ms. NORTON. Where does the money from the Federal Buildings Fund come from?

Mr. GOLDSTEIN. It is a revolving fund that comes from GSA, appropriated by Congress.

Ms. NORTON. Go ahead.

Mr. GOLDSTEIN. But since FPS left GSA, the Federal Buildings Fund has not been available to it. So they have had that shortfall, which always existed, manifested itself in some pretty significant cuts.

Ms. NORTON. So, inevitably, there was going to be a shortfall. Let us understand this. We have Federal Protective Service where Congress has found a kind of neat way to fund them by giving some responsibilities to the agencies. So the agencies, out of its annual budget, acts like everybody else does, donates something to fund them. And then, and I would be interested in knowing what percentage. But then, of course, that was not going to be enough, and Congress kicked in. About what percentage came from these sources?

Mr. GOLDSTEIN. The Federal Buildings Fund made up some—I am looking at this—looks like out of a third. In 2000, the Federal Buildings Fund provided $95 billion million; in 2001, $90 million; $197 million in 2002.

Ms. NORTON. This is pre—go ahead.

Mr. GOLDSTEIN. And in 2003, $139 million. The last year in which it was in GSA, 2004, the Federal Buildings Fund provided $81 million. And then since then——

Ms. NORTON. When you say Federal Buildings Fund, you are talking about the Federal Government adding?

Mr. GOLDSTEIN. Right, to the funds that were being provided by tenants. And at the very next year, 2005, is when we started running into issues. The shortfall in 2005 was $70 million, and the shortfall in 2006 was $57 million.

Ms. NORTON. Now, the shortfall in funds came from the fact that it didn't come from the Federal Buildings Fund anymore?

Mr. GOLDSTEIN. That is correct. Fees at that point were not rising that much. And so you have——

Ms. NORTON. Where did the money to cover the shortfall come from?

Mr. GOLDSTEIN. It came from a combination from cost cutting measures, which I indicated have had a detrimental effect in many ways, because those cost cutting measures have eaten into training and job-related travel, into equipment repairs like radios, into—if they haven't had new uniforms in years or sometimes even cars. So it has had a detrimental effect on the agency itself.

Ms. NORTON. On the agency? So does this mean that there is no regular way to in fact supplement what the agency itself pays as it was when the FPS was in GSA?

Mr. GOLDSTEIN. They simply do not have the funds to cover the costs, that is correct, of providing. They do not get enough money out of either the building specific fees, the basic security fees, or the security work orders that they do to fund the agency. And so they have had to, in the number of years, in 2006 they had to institute $25 million in cost cutting measures, and in 2007 they instituted $27 million of cost cutting measures.

Ms. NORTON. Is DHS authorized to augment funds when you see this shortfall occurring?

Mr. GOLDSTEIN. In 2006, DHS reprogrammed $29 million to augment their budget in order to ensure that the agency wasn't antideficient.

Ms. NORTON. Well, does this mean that the ratio that was always understood and apparently worked in the past needs to be figured out with DHS as it was when the agency was in GSA? Are you telling me that this changes from year to year without any understanding about approximately how much is going to come from each funding source, who is going to pay for it?

Mr. GOLDSTEIN. I think without significant changes they are going to be in that situation, because they either have to raise fees to such an extent that the tenants are going to balk.

Ms. NORTON. That would be the agencies, out of their budgets?

Mr. GOLDSTEIN. That is right. Or you are going to have to find some other mechanism.

Ms. NORTON. And the other mechanism before, was?

Mr. GOLDSTEIN. Was the Buildings Fund.

Ms. NORTON. Which was the revolving fund. Revolving fund always has some funds. And how does it get its funds?

Mr. GOLDSTEIN. It gets its funds mainly through tenant fees as well as Congress always kicked in additional money. But that money usually went toward specific construction projects.

Ms. NORTON. And, of course, agencies pay rent, as it were.

Mr. GOLDSTEIN. That is right.

Ms. NORTON. And agencies pay rent; that is how you get a buildings fund, yes, with some augmentation. And the agencies pay a fee for FPS. So at least there was some understood funding source. So when you came to Congress, or if you came to Congress, and I don't think this was regular and necessary, but if you came to Con-

gress and said more money to fund, there was some way to understand why there had been a shortfall.

And I don't understand that there is a way to understand why there is a shortfall here, because it seems to me that when they don't have enough money, they simply cut even vital matters like equipment and cameras and the like.

Mr. GOLDSTEIN. That is correct. That is what they have been forced to do.

Ms. NORTON. Mr. Goldstein, would you—I am trying to get to the cause of this. Obviously, the Department of Homeland Security would not want to absorb a police force and then see it robbed of its police power, see it transformed from a police force that thought it ought to be there because it was a police force. Obviously, it would not want to cut equipment.

I am wondering whether it would even desire, all things being considered, to convert the police force into basically an inspector force and leave the police work altogether. Would you say the reduction in equipment, the transformation to an inspector-based force, and the encouragement of officers to leave the agency all have essentially as their purpose to reduce costs and not a purpose that is related to security?

Mr. GOLDSTEIN. I think——

Ms. NORTON. Can you find a substantive reason for these radical changes in the police force for the protection of Federal sites and workers?

Mr. GOLDSTEIN. Well, I think it is twofold. I think they clearly want to transform FPS into a different kind of entity that is not reliant on police officers, in which they have a single kind of officer, the inspector, who can do a variety of different things.

Ms. NORTON. Do you believe it is possible for a police officer to do that variety of things or that there ought to be some dedicated police officers?

Mr. GOLDSTEIN. Based on what we have heard to date, I would have to say that we feel that the approach they are taking does undermine security. Now we recognize that they have had a number of budgetary consequences over the last couple of years which have, in combination with this policy change, has aggravated the situation. But it is clear to us by talking with the 200-plus officers and inspectors we have talked to that going to an all-inspector-based force will simply overwhelm them.

These inspectors talked about not having the time to do all of their work, not even a fraction of their work, that they could spend virtually all of their time just doing one part of that work. So all of the functions they have tend to deteriorate as a result. So it is—we don't see the evidence so far that this approach would work.

Ms. NORTON. Mr. Goldstein, I also would like to ask you to look in the final report and to find out whether one would need to be a peace officer to do the inspection work. Peace officers are very highly paid in our society for a very good reason, not just because they carry a gun. It is what we are asking them to do. And so police officers are usually paid better and have better pensions than other Federal employees.

Now we are talking about inspectors. As DHS believes that these people go around inspecting all the time, that may be a valid role.

But I would like you to look into whether or not they need to be peace officers, whether they need to have all the powers of being a peace officer, which is substantial in order to be an inspector, so that the Congress can decide whether or not this is the way to achieve what the DHS wants to achieve and whether it can be achieved by sacrificing the patrolling and other work of Federal police service as we have known them.

Mr. Goldstein, I appreciate that you have done what the GAO does in unusual circumstances. It is much like what scientists do in a controlled study.

When you are doing a controlled study and you find that the study is, for example, telling you that people should stop taking a medication or I have seen a Member, maybe 10 years ago, where there was a controlled study—I remember the Women's Caucus was delighted when there was a controlled study that found that some drug that was being taken, I don't know, to prevent breast cancer or some such was unusually effective. So instead of waiting until the end of the control study, they alerted people to what they had found. So they alerted us from the negative end; they alerted us on the positive end.

So the GAO is not here in the tradition of the GAO. We found something, and perhaps it was brought to the attention of Congress before your final study is due to bring it to our attention. You have done that in this case because you understood this involved security of Federal employees and visitors and simply treating it as a report that tells us something that we needed to know might not be sufficient. For that, I want to thank you very much on behalf of the Subcommittee and the Committee and to say that we very much look forward to receiving your final report.

Mr. GOLDSTEIN. Thank you, ma'am. Thank you for your attention to the matter.

Ms. NORTON. The hearing is adjourned.

[Whereupon, at 10:50 a.m., the Subcommittee was adjourned.]

Subcommittee on Economic Development, Public Buildings and Emergency Management

Hearing on "Government Accountability Office's Review of the Federal Protective Service: Preliminary Findings"
Friday, February 8, 2008

Statement – Congressman Jason Altmire (PA-04)

Thank you, Chairwoman Norton, for calling today's hearing to discuss the Government Accountability Office's (GAO) review of the Federal Protective Service (FPS).

The GAO's preliminary findings are concerning. Over the past 30 years, the FPS, which is charged with protecting the nation's federal buildings, has deteriorated dramatically. In fact, the GAO's review concluded that the FPS may no longer have the resources needed to provide our nation's federal buildings with adequate protection from crime and terrorist attack. This is particularly alarming when you consider the fact that two federal buildings – the Pentagon and the Oklahoma City federal building – have come under major terrorist attack in the past 17 years.

To begin addressing this situation, Congress included, within the Consolidated Appropriations Act of FY08, a provision which requires the Secretary of Homeland Security to fully fund the FPS program and increases the staffing level to 1,200. While this was an important first step toward rebuilding the FPS, more must be done and I look forward to discussing any and all additional opportunities with my colleagues and our witness today.

Madam Chair, thank you again for holding this hearing.

###

ELEANOR HOLMES NORTON
DISTRICT OF COLUMBIA

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEES:
CHAIRWOMAN
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
AVIATION
WATER RESOURCES AND ENVIRONMENT

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEES:
FEDERAL WORKFORCE, POSTAL SERVICE, AND DISTRICT OF COLUMBIA
* COVERS DISTRICT OF COLUMBIA ISSUES

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEES:
TRANSPORTATION SECURITY, AND INVESTMENT PROTECTION
EMERGENCY COMMUNICATION, PREPAREDNESS, AND RESPONSE

STATEMENT OF
THE HONORABLE ELEANOR HOLMES NORTON
FEBRUARY 8, 2008
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUIDLINGS, AND EMERGENCY MANAGEMENT
HEARING ON THE CONDITION OF THE FEDERAL PROTECTIVE SERVICE

I welcome Mark Goldstein, Director of Physical Infrastructure Issues at the Government Accountability Office (GAO). Mr. Goldstein has been a frequent participant in this subcommittee's hearings over the years, providing valuable testimony on a wide range of infrastructure issues. This hearing has been scheduled because the GAO alerted the Subcommittee to serious preliminary findings concerning the condition of the Federal Protective Service (FPS), which is charged with providing security and public safety protection to one million federal employees. The GAO has concluded that FPS has deteriorated so substantially that its difficulties "may expose federal facilities to a greater risk of crime or terrorist attack." The GAO backs up this conclusion with documentation, much of which we found shocking. The subcommittee believed, therefore, that the preliminary report should be placed on the record at a public hearing.

In considering what the GAO has said, we had to be mindful that federal facilities where federal employees work, particularly the Pentagon and the Oklahoma City federal building, have been major sites for terrorist attacks in this country. One of the 9/11 planes struck the Pentagon and became part of the worst terrorist disaster in our history. Federal facilities are symbols of the government the terrorists want to bring down. We cannot forget that in addition to federal employees, millions of Americans frequent federal facilities and depend on the FPS for protection against crime as well as terrorism. Security officials that federal buildings remain targets today. The documented history of terrorist assaults on federal assets and the continuing threat requires continuing high levels of vigilance to protect employees and visitors. The Congress that has understood the need for bolstering police protection of the Capitol Complex would not want to underestimate the importance of attention to other federal employees. Nearly a year ago on February 13, 2007, Chairman Jim Oberstar and I sent a letter to GAO asking that GAO review how the scope and mission of the FPS has been affected since its transfer from the General Services Administration (GSA) to the Department of Homeland

NATIONAL PRESS BUILDING
529 14TH STREET, N.W., SUITE 900
WASHINGTON, D.C. 20045
(202) 783-5065
(202) 783-5211 (FAX)

2136 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-8050
(202) 225-3002 (FAX)
(202) 225-1904 (TDD)
www.house.gov/norton

2041 MARTIN L. KING AVENUE, S.E.
SUITE 300
WASHINGTON, D.C. 20020-5734
(202) 678-8900
(202) 678-8844 (FAX)

PRINTED ON RECYCLED PAPER

Security (DHS). In addition, we asked the GAO to review the FPS budget and FTE levels to determine if they are adequate to support the newly transformed FPS, which has been converted to become an inspector-based work force, instead of the protection or police agency it was when it was absorbed into DHS. Both Chairman Oberstar and Ranking Member Mica have expressed their concerns about the gravity of the changes and the wisdom of pursuing the radically new policy of replacing "protection with inspection." We asked for a comparison of experience, workforce size, retention rates, salaries and other issues from the time when the FPS was within GSA to now when the agency is located within the DHS. We were looking for a before and after comparison.

The Chairman and I raised serious concerns regarding whether the effectiveness of the FPS had been compromised since its placement inside Immigration and Customs Enforcement (ICE) even earlier, two years ago. On February 11, 2005, we wrote to the DHS Inspector General regarding the use of funds transferred by GSA to DHS for the support of the FPS. We wanted to ensure that DHS was in compliance with the Homeland Security Act that requires that any GSA rents and fees transferred to DHS be used solely for the protection of buildings and grounds owned or occupied by the Federal Government. The IG determined that while there was no particular violation of the Act then, but that the potential for violation existed and recommended that DHS and ICE identify a source of funds for FPS administrative costs. To the best of our knowledge this recommendation has not been acted upon either by ICE or DHS.

Later that year, in June 2005, we wrote again because of increasing evidence that the placement of FPS within the ICE division had negatively effected the institutional integrity and law enforcement mission of the FPS. We were concerned that the separate funding source for FPS and its regional office command structure and mission, were not aligned coherently with the ICE structure. We expressed our concern that the Department was not realizing the cooperation and potential savings expected after the creation of DHS and the placement of FPS in DHS. Yet another indication of our workforce concern was expressed in our letter to the appropriations committee on November 2, 2007 requesting that a minimum number of 1,200 FPS employees be required. This language was included in the appropriations.

Most recently, at a hearing on April 18, 2007, the subcommittee examined a still particularly troubling FPS proposal to drastically reduce FPS officers across the nation, including providing for no FPS officers in almost 50 cities. Then Deputy Secretary of DHS, Michael Jackson, indicated in response to questions that he would pursue Memoranda of Understandings (MOU) with these jurisdictions to make up for the absence of federal police officers. In fact, in staff briefings DHS claimed to have in the works about 31 MOU's with city and local agencies. The FY 2008 FPS budget called for no FPS officers in certain cities, and said that "local police support" was expected to act as a "backstop" for securing federal facilities.

At the time, I noted my concern that the local police jurisdictions have little reason to volunteer to assume unfunded mandates to protect federal sites, particularly at the same time that local police departments were facing cuts in federal programs. Today it is fair to ask with whom have the MOU's been signed? What incentives have been

identified for local police jurisdictions, to take on the added burden of protecting federal facilities in addition to their responsibilities for local law enforcement?

We must ask, as well, whether we are seeing a slow disintegration of a workforce that has had a reputation as a highly effective and motivated police force, providing an invaluable service to the federal government and its taxpayers. Are we witnessing the same disintegration of the FPS that occurred when FEMA was no longer an independent agency but became a part of DHS? Congress cannot afford to wait for an FPS debacle patterned on the decline and fall of FEMA. A primary lesson from the Katrina tragedy, which shook DHS to its core, was unprofessional staffing itself. We hold this hearing today to help us learn from our history and not repeat it. I thank the GAO for preparing testimony today and again welcome Mr. Goldstein and his colleagues.

United States Government Accountability Office

GAO

Testimony

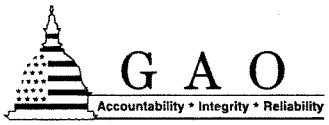
Before the Subcommittee on Economic Development, Public Buildings and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives

For Release on Delivery
Expected at 9:00 a.m. EST
Friday, February 8, 2008

HOMELAND SECURITY

Preliminary Observations on the Federal Protective Service's Efforts to Protect Federal Property

Statement of Mark L. Goldstein, Director
Physical Infrastructure Issues



GAO-08-476T

February 8, 2008

GAO
Accountability·Integrity·Reliability

Highlights

Highlights of GAO-08-476T, a testimony to Chair, Subcommittee on Economic Development, Public Buildings and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives

HOMELAND SECURITY

Preliminary Observations on the Federal Protective Service's Efforts to Protect Federal Property

Why GAO Did This Study

In 2003, the Federal Protective Service (FPS) was transferred from the General Services Administration (GSA) to the Department of Homeland Security (DHS) and is currently tasked with providing physical security and law enforcement services to about 8,800 facilities owned or leased by GSA. To accomplish its mission, FPS currently has a workforce of about 1,100 employees and about 15,000 contract guards located throughout the country.

While there has not been a large-scale attack on a domestic federal facility since the terrorist attacks of September 11, 2001 and the 1995 terrorist attack on the Oklahoma City Federal Building, it is important that FPS has sufficient resources and an effective approach to protect federal employees and members of the public that work in and visit federal facilities from the risk of crime and terrorist attacks. GAO was asked to provide information and analysis on (1) the extent to which FPS is fulfilling its mission to protect federal employees and facilities and (2) the management challenges FPS faces. To address these objectives, GAO analyzed FPS staffing data and interviewed numerous FPS officials, GSA, tenant agencies, and local police departments.

What GAO Recommends

We have ongoing work addressing these issues and will report our complete evaluation along with any appropriate recommendations at a later date.

To view the full product, including the scope and methodology, click on GAO-08-476T. For more information, contact Mark L. Goldstein at (202) 512-2834 or goldsteinm@gao.gov.

What GAO Found

Due to staffing and operational issues, FPS is experiencing difficulties in fully meeting its facility protection mission. According to many FPS officials at regions we visited, these difficulties may expose federal facilities to a greater risk of crime or terrorist attack. FPS' workforce has decreased by nearly 20 percent from almost 1,400 in fiscal year 2004 to about 1,100 at the end of fiscal year 2007. In fiscal year 2007, FPS had about 756 inspectors and police officers, and about 15,000 contract guards who are used primarily to monitor facilities through fixed post assignments and access control. FPS is also implementing a policy to change the composition of its workforce whereby it will essentially eliminate the police officer position and mainly utilize inspectors. One consequence of this change is that, with the exception of a few locations, FPS is not providing proactive patrols in and around federal facilities in order to detect and prevent criminal incidents and terrorism related activities before they occur. FPS has also reduced its hours of operation in many locations and has not always maintained security countermeasures and equipment such as security cameras, magnetometers, x-ray machines, radios, building security assessment equipment, and access control systems at some facilities we visited. For example, at one location we visited, a deceased individual had been found, after three months, in a vacant GSA facility that was not regularly patrolled by FPS.

FPS continues to face several management challenges that, according to many FPS officials at regions we visited, have hampered its ability to accomplish its facility protection mission. These include budgetary challenges, a lack of adequate contract guard oversight, and the absence of agreements with local police departments regarding response capabilities or jurisdictional issues at federal facilities. Historically and recently, FPS' revenues have not been sufficient to cover its operational costs. To address its recent revenue shortfall FPS has restricted hiring and travel, limited training and overtime, and eliminated employee performance awards. These measures have had a negative effect on staff morale, contributed to FPS' high attrition rates, and may affect the performance and safety of FPS personnel. Moreover, many FPS officials expressed concern about the lack of oversight of the 15,000 contract guards and poor performance by some guards when responding to crime and incidents at federal facilities. FPS has indicated that they are covering facility protection gaps through increased reliance on local law enforcement but it has not signed any agreements with local law enforcement agencies to ensure local assistance or resolved jurisdictional issues, which could authorize local police to respond to some incidents at federal facilities. Multiple local police departments said they were not aware of FPS' expected reliance on their services.

Madam Chair and Members of the Subcommittee:

We are pleased to be here to discuss the efforts of the Federal Protective Service (FPS) in protecting federal employees, the public, and federal facilities. As you know, in 2003, FPS was transferred from the General Services Administration (GSA) to the Department of Homeland Security (DHS) and is currently tasked with providing physical security and law enforcement services to about 8,800 facilities owned or leased by GSA. Within DHS, FPS is part of the Immigration and Customs Enforcement (ICE) component, the largest investigative arm of DHS. To accomplish its facility protection mission, FPS currently has a workforce of about 1,100 employees and about 15,000 contract guards located throughout the country. While there has not been a large-scale attack on a domestic federal facility since the terrorist attacks of September 11, 2001 and the 1995 terrorist attack on the Oklahoma City Federal Building, it is important that FPS has sufficient resources and an effective approach to protect the over one million employees as well as members of the public that work in and visit federal facilities from the risk of terrorist attacks, crime, or related activities.

This testimony provides preliminary information and analysis on (1) the extent to which FPS is fulfilling its mission to protect federal employees and facilities and (2) the management challenges FPS faces. It is based on the preliminary results of our ongoing review of FPS which we are doing at the request of this Subcommittee and several other congressional committees.

To determine the extent to which FPS is fulfilling its facility protection mission and to identify the management challenges it faces, we analyzed FPS staffing data from fiscal year 2004 through fiscal year 2007 to identify trends in staffing. We interviewed FPS officers, inspectors, and administrators at headquarters and at six of FPS' 11 regions. We also interviewed GSA, tenant agencies, and local police departments about FPS' efforts to protect federal employees, facilities, and the public. Due to the sensitivity of some of the information in this report we cannot provide information about the specific locations of crime or other incidents discussed. We conducted our work between April 2007 and February 2008 in accordance with generally accepted government auditing standards.

In summary

Due to staffing and operational issues, FPS is experiencing difficulties in fully meeting its facility protection mission. According to many FPS officials at regions we visited, these difficulties may expose federal

facilities to a greater risk of crime or terrorist attack. FPS' workforce, including both operational and support personnel, has decreased by about 20 percent from almost 1,400 in fiscal year 2004 to about 1,100 at the end of fiscal year 2007. In fiscal year 2007, FPS had 756 inspectors and police officers responsible for law enforcement, and about 15,000 contract guards who are used primarily to monitor facilities through fixed post assignments and access control. FPS is also implementing a policy to change the composition of its workforce whereby it will essentially eliminate the police officer position and mainly utilize inspectors, which have both physical security training and federal law enforcement authority. According to FPS officials, this policy change will allow it to address longstanding challenges such as funding and help ensure that it has the right mix of staff to carry out its facility protection mission. One consequence of this change is that, in many federal facilities FPS is not providing proactive patrol in and around federal facilities in order to detect and prevent criminal incidents and terrorism related activities before they occur. For example, at one location we visited, a deceased individual had been found in a vacant GSA facility that was not regularly patrolled by FPS. The deceased individual had been inside the building for approximately three months before the individual was found. In addition, reports issued by multiple government entities acknowledge the importance of proactive patrol in detecting and deterring terrorist surveillance teams, which frequently use information such as the placement of armed guards and proximity to law enforcement agency stations when choosing targets and planning attacks. These sophisticated surveillance and research techniques can potentially be derailed by active law enforcement patrols in and around federal facilities. FPS has also reduced its hours of operation in many locations and has not always maintained security countermeasures and equipment such as security cameras, magnetometers, x-ray machines, radios, and building security assessment equipment at some facilities we visited.

FPS continues to face several management challenges that many FPS officials at regions we visited say have hampered its ability to achieve its mission and increased the risk of criminal and terrorist attacks on federal employees, facilities, and members of the public. These include budgetary challenges, a lack of adequate contract guard oversight and the absence of agreements with local police departments regarding response capabilities or jurisdictional issues at federal facilities. Historically and recently, FPS' revenues have not been sufficient to cover its operational costs. This revenue shortfall has been addressed in a variety of ways. For example, when FPS was located at GSA it received additional funding from the Federal Buildings Fund. These funds were not available after FPS was

transferred to DHS, which caused FPS to experience a revenue shortfall and to subsequently implement cost saving measures as well as increase security fees charged to tenants. For example, in fiscal year 2005 FPS faced a projected revenue shortfall of $70 million and instituted cost saving measures that included restricted hiring and travel, limited training and overtime, and no employee performance awards. These measures have had a negative effect on staff morale, are partially responsible for FPS' high attrition rates, and could potentially impact the performance and safety of FPS personnel. In addition to these measures, FPS raised the basic security fee charged to tenants from $.35 per square foot in fiscal year 2005, to $.39 per square foot in fiscal year 2007, and to $.57 per square foot in fiscal year 2008. FPS and tenant officials stated that contract guards are an important part of security at federal facilities and that many are very effective. However, many other FPS officials at regions we visited expressed concern about the adequacy of contract guard oversight and poor performance by some guards when responding to crime and incidents at federal facilities. FPS stated that it is covering facility protection gaps through increased reliance on local law enforcement. However, according to FPS, it has not signed any agreements with local law enforcement agencies to ensure local assistance or to resolve jurisdictional issues, which could authorize local police to respond to incidents at federal facilities. Also, local law enforcement officials in most of the cities we visited said they do not have the capacity to respond to calls for service at federal facilities and would not sign agreements that require them to take on additional responsibility. Moreover, officials at multiple local police departments said they were not aware of FPS' operational challenges or expected reliance on their services.

Background

As the primary federal agency that is responsible for the protection and security of GSA-managed federal facilities and employees across the country, FPS has the authority to enforce federal laws and regulations aimed at protecting federally owned and leased properties and the persons on such property, and to conduct investigations related to offenses against the property and persons on the property.[1] At the end of fiscal year 2007, FPS had about 215 police officers, 541 inspectors, and about 15,000 contract guards to protect federal employees and facilities from the risk of terrorist attacks, crime, or related activities. FPS inspectors are responsible for overseeing the contract guards, completing building

[1] 40 U.S.C.§1315

security assessments for numerous buildings[2], serving as contracting officer technical representatives (COTR) for guard contracts, responding to criminal incidents, collecting time cards for guards, and supporting tenant Building Security Committees, among other duties. FPS police officers are primarily responsible for patrolling federally owned and leased facilities, responding to criminal incidents, and assisting in the monitoring of contract guards. They also are the primary response force to demonstrations at federal facilities and perform basic criminal investigations. According to FPS, the 15,000 contract guards generally do not have the authority or training to detect suspicious terrorist or criminal activity and are used primarily to monitor facilities through fixed post assignments and access control. Most guards also do not have authority to detain or arrest individuals.

The level of physical protection services FPS provides at each building varies depending on the building's security level. To determine a building's security level, FPS uses the Department of Justice standards listed below.

- A level I facility has 10 or fewer federal employees, 2,500 or less square feet of office space and a low volume of public contact or contact with only a small segment of the population. A typical level I facility is a small storefront-type operation, such as a military recruiting office.
- A level II facility has between 11 and 150 federal employees, more than 2,500 to 80,000 square feet; a moderate volume of public contact; and federal activities that are routine in nature, similar to commercial activities.
- A level III facility has between 151 and 450 federal employees, more than 80,000 to 150,000 square feet and a moderate to high volume of public contact.
- A level IV facility has over 450 federal employees, more than 150,000 square feet; high volume of public contact; and tenant agencies that may include high-risk law enforcement and intelligence agencies, courts, judicial offices, and highly sensitive government records.

[2]Building Security Assessments (BSA) are conducted periodically according to a schedule based upon each building's threat level. For example, a level IV building receives a BSA every 2 years, a level III building receives a BSA every 3 years, a level II building receives a BSA every 4 years, and a level I building receives a BSA every 5 years.

In some cases, FPS has delegated the protection of facilities to tenant agencies, which may have uniformed officers of their own or may contract separately for guard services.

To fund the security services it provides, FPS charges each tenant agency a basic security fee per square foot of space occupied in a GSA owned or leased facility. In fiscal year 2008, the basic security fee is 57 cents per square foot. FPS also charges tenant agencies a building specific security fee for additional security countermeasures such as access control to facility entrances and exits, employee and visitor checks; and the purchase, installation, and maintenance of security equipment including cameras, alarms, magnetometers, and x-ray machines. In addition to these security services, FPS also provides agencies with additional services, upon request, which are funded through reimbursable Security Work Authorizations (SWA). For example, agencies may request additional magnetometers or more advanced perimeter surveillance capabilities.

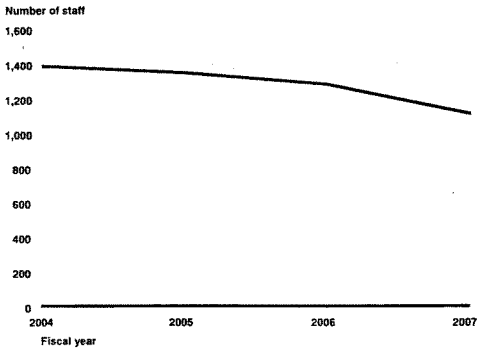
FPS Faces Difficulties in Fully Meeting Its Mission to Protect Federal Facilities

FPS is having difficulty fully meeting its mission to provide law enforcement and security services at some of the 8,800 federal facilities it is responsible for protecting and these facilities face a greater risk of crime or terrorist attacks. Based on our preliminary analysis, a steady decrease in FPS' workforce is a significant difficulty that FPS faces in protecting federal facilities and this decrease, along with policy changes to reduce the number of police officers, has hampered its ability to provide proactive patrols. In addition, budgetary challenges have hampered FPS' ability to maintain security countermeasures and equipment at some facilities we visited.

FPS Workforce Issues

FPS faces several unresolved workforce issues. First, FPS' workforce has decreased by about 20 percent since fiscal year 2004 from almost 1,400 to about 1,100 in fiscal year 2007, as shown in figure 1.

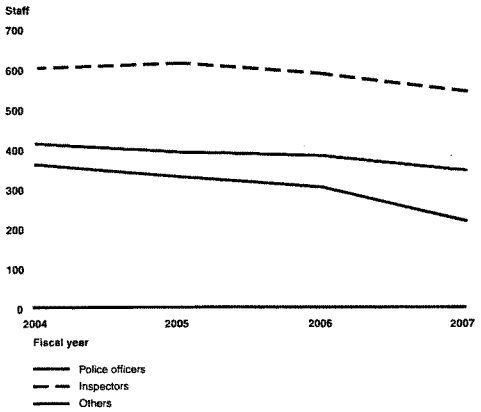
Figure 1: FPS Workforce, Fiscal Years 2004 through 2007



Source: Federal Protective Service.

During this timeframe, the number of employees in each position also decreased, with the largest decrease occurring in the police officer position. For example, based on FPS reports, the number of police officers decreased from 359 in fiscal year 2004 to 215 in fiscal year 2007 and the number of inspectors (sometimes referred to as physical security specialists) decreased from 600 in fiscal year 2004 to 541 in fiscal year 2007, as shown in figure 2.

Figure 2: Comparison of FPS Workforce By Position, Fiscal Years 2004 through 2007



Source: Federal Protective Service.

Note: Others include FPS special agents and administrative and support staff.

According to FPS officials, the decreases in FPS' workforce are primarily the result of cost saving measures taken to address its budgetary challenges.

Second, FPS has also adopted a policy that will change the composition of its workforce from a combination of inspectors and police officers to a workforce comprised mainly of inspectors and will essentially phase out police officers. Under this new policy, FPS will rely on local police departments for assistance with crime and other incidents at federal facilities. This new policy will increase FPS' focus on the physical security components of its mission, such as building security assessments and contract management. FPS stated that this new policy will ensure that it is equipped with the right people who have the right mix of skills and training to carry out its mission and will help to address its budgetary challenges. While the new policy has not been approved by DHS, FPS has started transitioning to an inspector based workforce. Many FPS officials

at locations we visited believe this transition and recent staffing reductions have increased the risk of terrorist or criminal activities at some federal facilities. Moreover, one consequence of these changes is that it has left some federal facilities in regions that we visited with little or no coverage by a FPS police officer or inspector. For example, the number of FPS officers assigned to one level IV facility decreased from six to zero. In another example, at the time we visited one region, FPS had not reassigned about 70 buildings that were the responsibility of an inspector who had retired six months ago, leaving the contract guards at those facilities without supervision.

Third, FPS also may have difficulty determining how to allocate its limited resources effectively because of concerns about the reliability of information in its data management systems for tracking and monitoring crime and other incidents. While FPS maintains nationwide data on reported crimes and other incidents, according to many FPS officials at the regions we visited, the agency's data may not be a reliable indicator of crimes and other incidents for a number of reasons. In addition, our preliminary analysis of the data shows a significant discrepancy between the information maintained at FPS headquarters and a regional office. Specifically, FPS headquarters' data shows that crime is decreasing in that region while the region's reports show that crime is increasing. As such, we are in the process of determining the reliability of this data and plan to include the results of our analysis in our final report to this Subcommittee.

Issues With Limited Proactive Patrol

In many federal facilities FPS is not currently providing proactive patrol to detect and prevent criminal incidents and terrorist attacks before they occur. The elimination of proactive patrol has a negative effect on security at federal buildings because law enforcement personnel cannot effectively monitor individuals surveilling federal buildings, inspect suspicious vehicles (including potential vehicles for bombing federal buildings), and detect and deter criminal activity in and around federal buildings. According to many FPS officials at regions we visited, this has effectively limited its law enforcement personnel to a reactive force. In addition, FPS officials at several regions we visited said that proactive patrol has, in the past, allowed its officers and inspectors to identify and apprehend individuals that were surveilling federal facilities (potentially for use in a future attack). In contrast, when FPS is not able to patrol federal buildings, there is increased potential for illegal entry and other criminal activity at federal buildings. For example, at one city we visited, a deceased individual had been found in a vacant GSA facility that was not regularly patrolled by FPS. FPS officials stated that the deceased

individual had been inside the building for approximately three months. Reports issued by multiple government entities acknowledge the importance of proactive patrol in detecting and deterring terrorist surveillance teams, which frequently use information such as the placement of armed guards and proximity to law enforcement agency stations when choosing targets and planning attacks. These sophisticated surveillance and research techniques can potentially be derailed by active law enforcement patrols in and around federal facilities.

In addition to eliminating proactive patrol, FPS regions have reduced their hours of operation in many locations, which has resulted in a lack of coverage when most federal employees are either entering or leaving federal buildings. Moreover, FPS officers and inspectors in two cities explained that this lack of coverage has left some federal day care facilities vulnerable to loitering by homeless individuals and drug users. Many FPS officers and inspectors also said that reducing hours has increased response time in some locations by as much as a few hours to a couple of days, depending on the location of the incident. For example, one consequence of reduced hours is that some officers often have to travel from locations in another state in order to respond to incidents in both major metropolitan and rural locations.

Additionally, FPS has a decreased capacity to handle situations in which a large FPS presence is needed while maintaining day-to-day operations. For example, during a high-profile criminal trial approximately 75 percent of one region's workforce was detailed to coordinate with local police to provide perimeter security for a courthouse, leaving few FPS officers and inspectors to respond to criminal incidents and other tenant needs in the rest of the region. This problem was also reported by inspectors in several other regions in the context of providing law enforcement at public demonstrations and criminal trials, which can occur frequently at some federal facilities.

The decrease in FPS' staff and duty hours has had a potentially negative effect on officer and inspector safety, as well as building security. Because FPS regions have reduced their hours of operation and overtime, officers and inspectors said that they are frequently in dangerous situations without any backup. In one region, FPS officials said that a public demonstration in a large metropolitan area required that all eight officers and inspectors scheduled to work during the shift be deployed to the demonstration for crowd control. During the demonstration, however, two inspectors had to leave the demonstration to arrest a suspect at another facility; two more also left to respond to a building alarm. Four FPS

personnel remained to cover the demonstration. The officials stated that several years ago the minimum manpower guidelines required that at least 12 law enforcement personnel be on duty each shift in order to ensure officer safety. These officials stated that they no longer have the personnel to comply with this guideline.

Some Security Countermeasure Equipment Has Not Been Maintained

According to officials at FPS, GSA, and tenant agencies in the regions we visited, many of the security countermeasures, such as security cameras, magnetometers, and x-ray machines at some facilities, as well as some FPS radios and building security assessment equipment, have been broken for months or years and are poorly maintained. At one level IV facility, FPS and GSA officials stated that only 11 of 150 security cameras were fully functional and able to record images. Similarly, at another level IV facility, a large camera project designed to expand and enhance an existing camera system was put on hold because FPS did not have the funds to complete the project. While ongoing, this project has not been completed. FPS officials stated that broken cameras and other security equipment can negate the deterrent effect of these countermeasures as well as eliminate their usefulness as an investigative tool. For example, according to FPS, at multiple level IV facilities it has investigated significant crimes, but the security cameras installed in those buildings were not working properly, preventing FPS investigators from identifying the suspects.

Complicating this issue, FPS officials, GSA officials, and tenant representatives stated that additional countermeasures are difficult to implement because they require approval from building security committees, which are comprised of representatives from each tenant agency who generally are not security professionals. In many of the buildings that we visited, security countermeasures were not implemented because building security committee members cannot agree on what countermeasures to implement or are unable to obtain funding from their agencies. In addition, several FPS inspectors stated that their regional managers have instructed them not to recommend security countermeasures in building security assessments if FPS would be responsible for funding the measures because there is not sufficient money in regional budgets to purchase and maintain the security equipment.

Several Management Challenges Hamper FPS' Ability to Protect Federal Facilities

FPS continues to face several management challenges that have hampered its ability to achieve its mission which, according to many FPS officials at regions we visited, have increased the risk of criminal and terrorist attacks on federal employees, facilities, and members of the public. These include budgetary challenges, a lack of sufficient contract guard oversight to ensure adequate performance, and the absence of agreements with local police departments regarding response capabilities or jurisdictional issues at federal facilities.

FPS Has Taken Some Steps to Address Budgetary Challenges But These Steps Have Some Adverse Implications

Historically and recently, FPS' fee revenues have not been sufficient to cover its operational costs. When FPS was located at GSA it received additional funding from the Federal Buildings Fund but these funds were not available after FPS was transferred to DHS. The loss of this support has contributed to FPS' budgetary challenges in recent years. For example, FPS faced projected revenue shortages in fiscal years 2005 and 2006 and has addressed them through a variety of measures. In fiscal year 2005, FPS projected revenues were $70 million short of operational costs. To make up for this and to avoid a potential Anti-deficiency Act violation FPS instituted a variety of cost saving measures that included restricted hiring and travel, limited training and overtime, and no employee performance awards. FPS officials said they faced another projected shortfall in fiscal year 2006 of $57 million and kept existing cost saving measures in place, including:

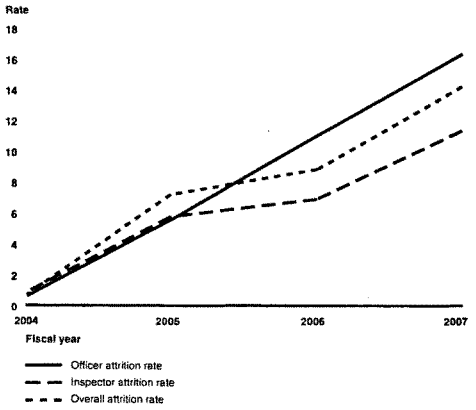
- forgoing the purchase of new radios which yielded almost $2 million,
- canceling employee performance awards which yielded about $1 million, and
- reducing overtime and travel restrictions which yielded almost $1 million.

Despite these measures, in fiscal year 2006, DHS also had to transfer about $29 million in emergency funding to FPS. In fiscal year 2007, FPS reported saving approximately $27 million from continued cost saving measures. In addition to these measures, FPS raised the basic security fee charged to tenants from $.35 per square foot in fiscal year 2005, to $.39 per square foot in fiscal year 2007, and to $.57 per square foot in fiscal year 2008.

According to FPS, its efforts to avoid revenue shortfalls have had adverse implications, including low morale among staff, increased attrition and the loss of institutional knowledge, as well as difficulties in recruiting new staff. In addition, several FPS officers and inspectors said that

overwhelming workloads, uncertainty surrounding their job security, and a lack of equipment have diminished morale within the agency. These working conditions could potentially impact the performance and safety of FPS personnel. FPS officials said the agency has lost many of their most experienced law enforcement staff in recent years and several officers and inspectors said they were actively looking for new jobs outside FPS. For example, FPS reports that 73 inspectors and police officers left the agency in fiscal year 2006, representing about 65 percent of the total attrition in the agency for that year. Attrition rates have steadily increased from fiscal years 2004 to 2007, as shown in figure 3. The attrition rate for the inspector position has increased in recent years, despite FPS' plan to increase the number of employees in this position.

Figure 3: FPS Attrition Rates, Fiscal Years 2004 through 2007



Source: Federal Protective Service.

Adequate Oversight of Contract Guard Performance Remains a Challenge

At the end of fiscal year 2007, FPS had 541 inspectors, whose responsibilities included overseeing 15,000 contract guards. FPS and tenant officials stated that contract guards are an important part of security at federal facilities and that many are very effective. However, many FPS officials we interviewed expressed concern about inadequate

contract guard oversight and poor performance of some contract guards responding to criminal incidents. In addition, several FPS inspectors we interviewed reported difficulty finding time to adequately oversee contract guards in conjunction with their other responsibilities, which include completing building security assessments for numerous buildings and responding to criminal incidents. For example, in one region we visited, inspectors stated that FPS regional management instructed them to conduct contract guard inspections over the telephone, instead of in person. We also found that, in many of the regions we visited, FPS officers and inspectors are not always on duty during times when contract guards are protecting federal facilities, such as at buildings with 24 hour and weekend guard coverage, limiting their ability to ensure guards are performing their duties. At one level IV facility, for example, 20 handguns were stolen from a contract guard office with the assistance of a contract guard. FPS officials in one region said that reduced duty hours significantly limit their ability to oversee guards and ensure they are performing their mission. For example, according to this official, some contract guards could be sleeping while on duty in federal buildings but FPS is not able to stop it because of its inability to inspect locations during off-hours.

FPS officials also questioned the quality of the security services provided by many contract guard companies, observing that many guards are poorly trained and are reluctant to act in emergency situations. For example, according to federal law enforcement and GSA officials from one of the regions we visited, contract guards failed to report the theft of a federal law enforcement agency's large surveillance trailer worth over $500,000, even though security cameras captured the trailer being stolen while guards were on duty. The federal law enforcement agency did not realize the trailer was missing until three days later. Only after the federal law enforcement agency started making inquiries did the guards report the theft to that agency and FPS. During another incident, FPS officials reported contract guards—who were armed — taking no action as a shirtless suspect wearing handcuffs on one arm ran through the lobby of a level IV building while being chased by a FPS inspector. Additionally, GAO officials personally witnessed an incident in which an individual attempted to enter a level IV facility with illegal weapons. According to FPS policies, contract guards are required to confiscate illegal weapons, detain and question the individual, and to notify FPS. In this instance, the weapons were not confiscated, the individual was not detained or questioned, FPS was not notified, and the individual was allowed to leave with the weapons.

Finally, according to FPS officials, contract guards generally do not have the training to detect suspicious terrorist or criminal activity and generally are not authorized to make arrests in most cities. FPS inspectors and officers also said contract guards have limited capability to deter crimes around federal buildings since guards are required to stay at fixed posts or, in some cases, may patrol limited portions of a building's perimeter. In addition, officials reported instances in which large trucks or suspicious individuals were parked outside federal facilities for long periods of time without being approached by guards.

Memoranda of Agreement with Local Law Enforcement Not Reached and Jurisdictional Issues are Not Resolved

To protect the over one million employees as well as members of the public that work in and visit federal facilities, FPS is converting its current workforce to an inspector-based force and has stated it will rely more on local police departments to handle crime and protection issues at federal facilities. At about 380 federal facilities across the United States the federal government has exclusive federal jurisdiction[3] and it is unclear if local police have the authority to respond to incidents inside those facilities. However, FPS has not entered into any memoranda of agreement for increased law enforcement assistance at federal facilities. In most of the cities we visited, local law enforcement officials said they would not enter into any agreements with FPS that involve increased responsibility for protecting federal facilities because of liability concerns, existing shortages of staff, and high levels of crime in their cities that would make it difficult to divert resources away from their primary mission. For example, local law enforcement officials from one location we visited said they are significantly understaffed and overburdened with their current mission and would not be able to take responsibility for protecting federal facilities. At another location, senior officials from a local precinct just blocks from a level IV federal facility were not aware of the operational and staffing changes FPS is implementing.

Concluding Observations

As stated earlier, our results are preliminary. We plan to provide this Subcommittee with our complete evaluation and a final report on FPS' facility protection efforts in May 2008. We plan to begin our review of FPS'

[3]The United States Constitution provides that Congress has the power to exercise exclusive jurisdiction in all cases in lands within a state purchased by the United States with the consent of the state for various purposes, including buildings (Article 1, Section 8, Clause 17 and 40 U.S.C. § 3112). If a crime is committed in an area under exclusive federal jurisdiction, federal criminal law applies to the exclusion of the state law.

contract guard program as requested by this Subcommittee and other congressional committees in the near future.

Agency Comments

We provided a draft of the testimony to DHS for review by FPS and ICE. FPS and ICE commented that the report was fair and generally agreed with our preliminary findings.

This concludes our testimony. We are pleased to answer any questions you might have.

Contact Information

For further information on this testimony, please contact Mark Goldstein at 202-512-2834 or by email at goldsteinm@gao.gov. Individuals making key contributions to this testimony include Daniel Cain, Tammy Conquest, Katie Hamer, Daniel Hoy, and Susan Michal-Smith.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission	The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.
Obtaining Copies of GAO Reports and Testimony	The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "E-mail Updates."
Order by Mail or Phone	The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to: U.S. Government Accountability Office 441 G Street NW, Room LM Washington, DC 20548 To order by Phone: Voice: (202) 512-6000 TDD: (202) 512-2537 Fax: (202) 512-6061
To Report Fraud, Waste, and Abuse in Federal Programs	Contact: Web site: www.gao.gov/fraudnet/fraudnet.htm E-mail: fraudnet@gao.gov Automated answering system: (800) 424-5454 or (202) 512-7470
Congressional Relations	Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400 U.S. Government Accountability Office, 441 G Street NW, Room 7125 Washington, DC 20548
Public Affairs	Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

PRINTED ON RECYCLED PAPER