

GAO

Testimony

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## HOMELAND SECURITY

# The Federal Protective Service Faces Several Challenges That Raise Concerns About Protection of Federal Facilities

Statement of Mark L. Goldstein, Director  
Physical Infrastructure Issues





Highlights of [GAO-08-914T](#), a testimony to Chair and Ranking Member, Subcommittee on Economic Development, Public Buildings and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives

## Why GAO Did This Study

The Federal Protective Service (FPS) is responsible for providing physical security and law enforcement services to about 9,000 General Services Administration (GSA) facilities. To accomplish its mission of protecting GSA facilities, FPS currently has an annual budget of about \$1 billion, about 1,100 employees, and 15,000 contract guards located throughout the country.

GAO was asked to provide information and analysis on challenges FPS faces including ensuring that it has sufficient staffing and funding resources to protect GSA facilities and the over one million federal employees as well as members of the public that work in and visit them each year. GAO discusses (1) FPS's operational challenges and actions it has taken to address them, (2) funding challenges, and (3) how FPS measures the effectiveness of its efforts to protect GSA facilities. This testimony is based on our recently issued report (GAO-08-683) to this Subcommittee.

## What GAO Recommends

In our recently issued report, GAO recommended, among other things, that the Secretary of DHS direct the Director of FPS to develop and implement a strategic approach to better manage its staffing resources, evaluate current and alternative funding mechanisms, and develop appropriate performance measures. DHS agreed with the recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-914T](#). For more information, contact Mark L. Goldstein at (202) 512-2834 or [goldsteinm@gao.gov](mailto:goldsteinm@gao.gov).

## HOMELAND SECURITY

### The Federal Protective Service Faces Several Challenges That Raise Concerns About Protection of Federal Facilities

#### What GAO Found

FPS faces several operational challenges that hamper its ability to accomplish its mission and the actions it has taken may not fully resolve these challenges. FPS's staff has decreased by about 20 percent from fiscal years 2004 through 2007. FPS has also decreased or eliminated law enforcement services such as proactive patrol in many FPS locations. Moreover, FPS has not resolved longstanding challenges, such as improving the oversight of its contract guard program, maintaining security countermeasures, and ensuring the quality and timeliness of building security assessments (BSA). For example, one regional supervisor stated that while reviewing a BSA for an address he personally visited he realized that the inspector completing the BSA had falsified the information because the inspector referred to a large building when the actual site was a vacant plot of land owned by GSA. To address some of these operational challenges, FPS is currently changing to an inspector based workforce, which seeks to eliminate the police officer position and rely primarily on FPS inspectors for both law enforcement and physical security activities. FPS is also hiring an additional 150 inspectors. However, these actions may not fully resolve the challenges FPS faces, in part because the approach does not emphasize law enforcement responsibilities.

Until recently, the security fees FPS charged to agencies have not been sufficient to cover its costs and the actions it has taken to address the shortfalls have had adverse implications. For example, the Department of Homeland Security (DHS) transferred emergency supplemental funding to FPS. FPS restricted hiring and limited training and overtime. According to FPS officials, these measures have had a negative effect on staff morale and are partially responsible for FPS's high attrition rates. FPS was authorized to increase the basic security fee four times since it transferred to DHS in 2003, currently charging tenant agencies 62 cents per square foot for basic security services. Because of these actions, FPS's collections in fiscal year 2007 were sufficient to cover costs, and FPS projects that collections will also cover costs in fiscal year 2008. However, FPS's primary means of funding its operations—the basic security fee—does not account for the risk faced by buildings, the level of service provided, or the cost of providing services, raising questions about equity. Stakeholders also expressed concern about whether FPS has an accurate understanding of its security costs.

FPS has developed output measures, but lacks outcome measures to assess the effectiveness of its efforts to protect federal facilities. Its output measures include determining whether security countermeasures have been deployed and are fully operational. However, FPS does not have measures to evaluate its efforts to protect federal facilities that could provide FPS with broader information on program outcomes and results. FPS also lacks a reliable data management system for accurately tracking performance measures. Without such a system, it is difficult for FPS to evaluate and improve the effectiveness of its efforts, allocate its limited resources, or make informed risk management decisions.

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June 18, 2008

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 General Services Administration (GSA) facilities. As you know, in 2003, FPS transferred from GSA to the Department of Homeland Security (DHS) and is responsible for providing physical security and law enforcement services to about 9,000 GSA facilities.<sup>1</sup> Within DHS, FPS is part of the Immigration and Customs Enforcement (ICE) component, the largest investigative arm of DHS. FPS is funded by the security fees it collects from the agencies it protects and does not receive a separate appropriation. To accomplish its mission of protecting GSA facilities, FPS currently has an annual budget of about \$1 billion, about 1,100 employees, and 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 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma, ongoing terror threats and crime require that FPS effectively manage its resources to protect the over one million employees as well as members of the public that work in and visit GSA facilities each year.

Recently, FPS has faced several challenges. Chief among them is ensuring that it has sufficient staffing and funding resources to accomplish its mission of protecting GSA facilities. It has also faced challenges in assessing the physical security of the facilities it protects and overseeing its contract guard program. To help address these challenges, in 2007, FPS adopted a new approach to protect GSA facilities. Under this approach, FPS plans to essentially eliminate its police officer position and mainly use inspectors and special agents to perform multiple law enforcement and physical security duties concurrently and will place more emphasis on physical security activities, such as completing building security assessments (BSA), and less emphasis on law enforcement activities, such as proactive patrol. In addition, while FPS plans to maintain a level of 15,000 contract guards, the majority of the guards are stationed at fixed posts, from which they are not permitted to leave, and do not have arrest

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<sup>1</sup>For the purposes of this testimony, the 9,000 facilities referred to are under the control or custody of GSA.

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authorities. These challenges have raised questions about FPS's ability to accomplish its facility protection mission.

This testimony provides information and analysis on (1) FPS's operational challenges and actions it has taken to address them, (2) funding challenges FPS faces and actions it has taken to address them, and (3) how FPS measures the effectiveness of its efforts to protect GSA facilities. The testimony is based on our recently published report: GAO, *Homeland Security: Federal Protective Service Faces Several Challenges That Hamper Its Ability to Protect Federal Facilities*.<sup>2</sup>

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 this performance audit from April 2007 to June 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Summary

FPS continues to face several operational challenges that have hampered its ability to accomplish its mission to protect GSA facilities and the actions it has taken may not fully resolve these challenges. Since the transfer, while FPS has maintained 15,000 contract guards, its staff has decreased by about 20 percent from almost 1,400 employees at the end of fiscal year 2004 to about 1,100 employees at the end of fiscal year 2007. This decrease in staff has contributed to diminished security and increased the risk of crime or terrorist attacks at many GSA facilities. For example, FPS has decreased or eliminated law enforcement services such as proactive patrol in each of its 11 regions. 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 GSA facilities. 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. Moreover, FPS has not resolved longstanding challenges, such as improving the oversight of its

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<sup>2</sup> GAO, *The Federal Protective Service Faces Several Challenges That Hamper Its Ability to Protect Federal Facilities*, [GAO-08-683](#) (Washington, D.C.: June 11, 2008).

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contract guard program.<sup>3</sup> In addition, FPS faces difficulties in ensuring the quality and timeliness of BSAs, which are a core component of FPS's physical security mission. For example, one regional supervisor stated that while reviewing a BSA for an address he personally visited he realized that the inspector completing the BSA had falsified the information because the inspector referred to a large building when the actual site was a vacant plot of land owned by GSA. FPS has also experienced problems ensuring that security countermeasures, such as security cameras and magnetometers, are operational. To address some of these operational challenges, FPS is currently changing to an inspector based workforce, which seeks to eliminate the police officer position and rely primarily on FPS inspectors for both law enforcement and physical security activities. FPS believes that this change will ensure that its staff has the right mix of technical skills and training needed to accomplish its mission. FPS is also hiring an additional 150 inspectors and developing a new system for BSAs. However, these actions may not fully resolve the operational challenges FPS faces, in part because the approach does not emphasize law enforcement responsibilities.

Until recently, the security fees FPS charged to tenant agencies have not been sufficient to cover its costs and the actions it has taken to address the shortfalls have had adverse implications. Since transferring to DHS, DHS and FPS have addressed these projected shortfalls in a variety of ways. For example, DHS transferred emergency supplemental funding to FPS and FPS restricted hiring and travel, limited training and overtime, and suspended employee performance awards. According to FPS officials, these measures have had a negative effect on staff morale and are partially responsible for FPS's overall attrition rate increasing from about 2 percent in fiscal year 2004 to about 14 percent in fiscal year 2007. FPS also increased the basic security fee charged to tenant agencies from 35 cents per square foot in fiscal year 2005 to 62 cents per square foot in fiscal year 2008. Because of these actions, fiscal year 2007 was the first year FPS collections were sufficient to cover its costs. FPS also projects that collections will cover its costs in fiscal year 2008. However, FPS's primary means of funding its operations is the basic security fee, which is the same for federal agencies regardless of the perceived threat to a particular building or agency. Therefore, the fee does not account for the risk faced

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<sup>3</sup>GAO, *Homeland Security: Transformation Strategy Needed to Address Challenges Facing the Federal Protective Service*, [GAO-04-537](#) (Washington, D.C.: July 14, 2004). DHS Office of Inspector General, *Federal Protective Service Needs To Improve its Oversight of the Contract Guard Program*, [OIG-07-05](#) (Washington, D.C.: October 30, 2006).

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by particular buildings and, depending on that risk, it does not account for the level of service provided to tenant agencies or the cost of providing those services. For example, level I facilities may face less risk because they are typically small storefront-type operations with a low level of public contact. However, these facilities are charged the same basic security fee of 62 cents per square foot as a level IV facility that has a high volume of public contact, may contain high-risk law enforcement and intelligence agencies and highly sensitive government records. In addition, a 2007 Booz Allen Hamilton report of FPS's operational costs found that FPS does not link the actual cost of providing basic security services with the security fees it charges tenant agencies. The report recommends incorporating a security fee that takes into account the complexity or the level of effort of the service being performed for the higher level security facilities.

FPS is limited in its ability to assess the effectiveness of its efforts to protect GSA facilities. To determine how well it is accomplishing its mission to protect GSA facilities, FPS has identified some output measures such as determining whether security countermeasures, such as bollards and cameras, have been deployed and are fully operational; the amount of time it takes to respond to an incident; and the percentage of BSAs completed on time. Output measures assess activities, not the results of those activities. However, FPS has not developed outcome measures to evaluate the results and the net effect of its efforts to protect GSA facilities. Outcome measures are important because they can provide FPS with broader information on program results, such as the extent to which its decision to move to an inspector-based workforce will enhance security at GSA facilities. In addition, FPS does not have a reliable data management system that would allow it to accurately track these measures or other important measures such as the number of crimes and other incidents occurring at GSA facilities. Without such a system, it is difficult for FPS to evaluate and improve the effectiveness of its efforts to protect federal employees and facilities, allocate its limited resources, or make informed risk management decisions. According to FPS officials, the agency is in the process of developing a system that will allow it to improve its data collection and analysis of its performance. In our report that we issued last week to this Subcommittee and other congressional committees, we recommended, among other things, that the Secretary of DHS direct the Director of FPS to develop and implement a strategic approach to better manage its staffing resources, evaluate current and alternative funding mechanisms, and develop appropriate measures to assess performance. DHS agreed with these recommendations.

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## Background

As the primary federal agency that is responsible for protecting and securing GSA facilities and federal 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, among other things, to conduct investigations related to offenses against the property and persons on the property. To protect the over one million federal employees and about 9,000 GSA facilities from the risk of terrorist and criminal attacks, in fiscal year 2007, FPS had about 1,100 employees, of which 541, or almost 50 percent, were inspectors. FPS inspectors are primarily responsible for responding to incidents and demonstrations, overseeing contract guards, completing BSAs for numerous buildings, and participating in tenant agencies' BSC meetings.<sup>4</sup> About 215, or 19 percent, of FPS's employees are police officers who are primarily responsible for patrolling GSA facilities, responding to criminal incidents, assisting in the monitoring of contract guards, responding to demonstrations at GSA facilities, and conducting basic criminal investigations. About 104, or 9 percent, of FPS's 1,100 employees are special agents who are the lead entity within FPS for gathering intelligence for criminal and anti-terrorist activities, and planning and conducting investigations relating to alleged or suspected violations of criminal laws against GSA facilities and their occupants.

FPS also has about 15,000 contract guards that are used primarily to monitor facilities through fixed post assignments and access control. According to FPS policy documents, contract guards may detain individuals who are being seriously disruptive, violent, or suspected of committing a crime at a GSA facility, but do not have arrest authority.

The level of law enforcement and physical protection services FPS provides at each of the approximately 9,000 GSA facilities varies depending on the facility's security level. To determine a facility's security level, FPS uses the Department of Justice's (DOJ) Vulnerability Assessment Guidelines which are summarized below.

- A level I facility has 10 or fewer federal employees, 2,500 or fewer 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

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<sup>4</sup>FPS officials have stated that there is no official policy on the number of buildings assigned to each inspector. The number of buildings is entirely dependent on geographic dispersion and risk level.

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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; a 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.
- A Level V facility is similar to a Level IV facility in terms of the number of employees and square footage, but contains mission functions critical to national security. FPS does not have responsibility for protecting any level V buildings.

FPS is a reimbursable organization and is funded by collecting security fees from tenant agencies, referred to as a fee-based system. To fund its operations, FPS charges each tenant agency a basic security fee per square foot of space occupied in a GSA facility. In 2008, the basic security fee is 62 cents per square foot and covers services such as patrol, monitoring of building perimeter alarms and dispatching of law enforcement response through its control centers, criminal investigations, and BSAs. FPS also collects an administrative fee it charges tenant agencies for building specific security services such as access control to facilities' 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 provides agencies with additional services upon request, which are funded through reimbursable Security Work Authorizations (SWA), for which FPS charges an administrative fee. For example, agencies may request additional magnetometers or more advanced perimeter surveillance capabilities.



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## FPS's Ability to Accomplish Its Mission Is Hampered by Operational Challenges and the Steps It Has Taken May Not Fully Resolve Them

FPS faces several operational challenges, including decreasing staff levels, which has led to reductions in the law enforcement services that FPS provides. FPS also faces challenges in overseeing its contract guards, completing its BSAs in a timely manner, and maintaining security countermeasures. While FPS has taken steps to address these challenges, it has not fully resolved them.

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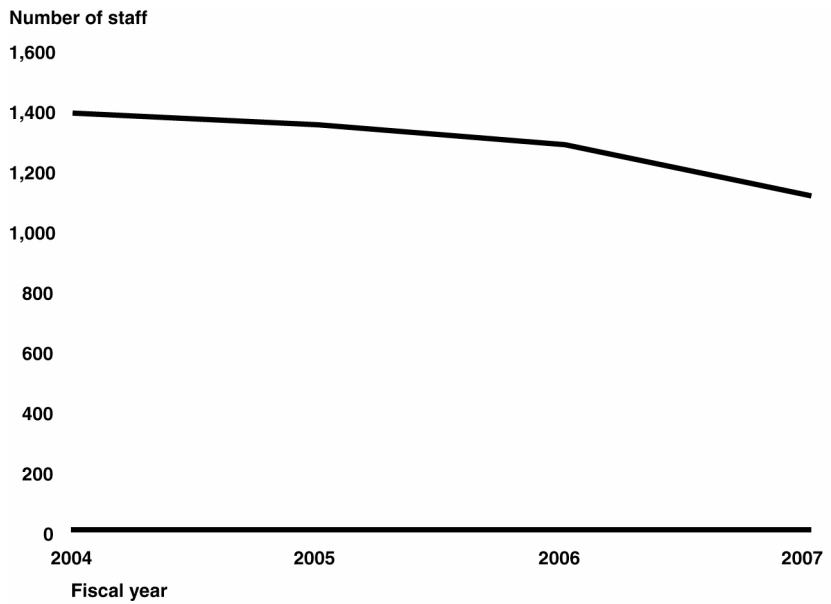
## FPS's Staff Has Steadily Declined Since It Transferred to DHS

Providing law enforcement and physical security services to GSA facilities is inherently labor intensive and requires effective management of available staffing resources. However, since transferring from GSA to DHS, FPS's staff has declined and the agency has managed its staffing resources in a manner that has reduced security at GSA facilities and may increase the risk of crime or terrorist attacks at many GSA facilities. Specifically, FPS's staff has decreased by about 20 percent from almost 1,400 employees at the end of fiscal year 2004, to about 1,100 employees at the end of fiscal year 2007, as shown in figure 1. In fiscal year 2008, FPS initially planned to reduce its staff further. However, a provision in the 2008 Consolidated Appropriations Act requires FPS to increase its staff to 1,200 by July 31, 2008.<sup>5</sup> In fiscal year 2010, FPS plans to increase its staff to 1,450, according to its Director.

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<sup>5</sup> Pub. L. No 110-161, 121 Stat 1844, 2051 (2007).

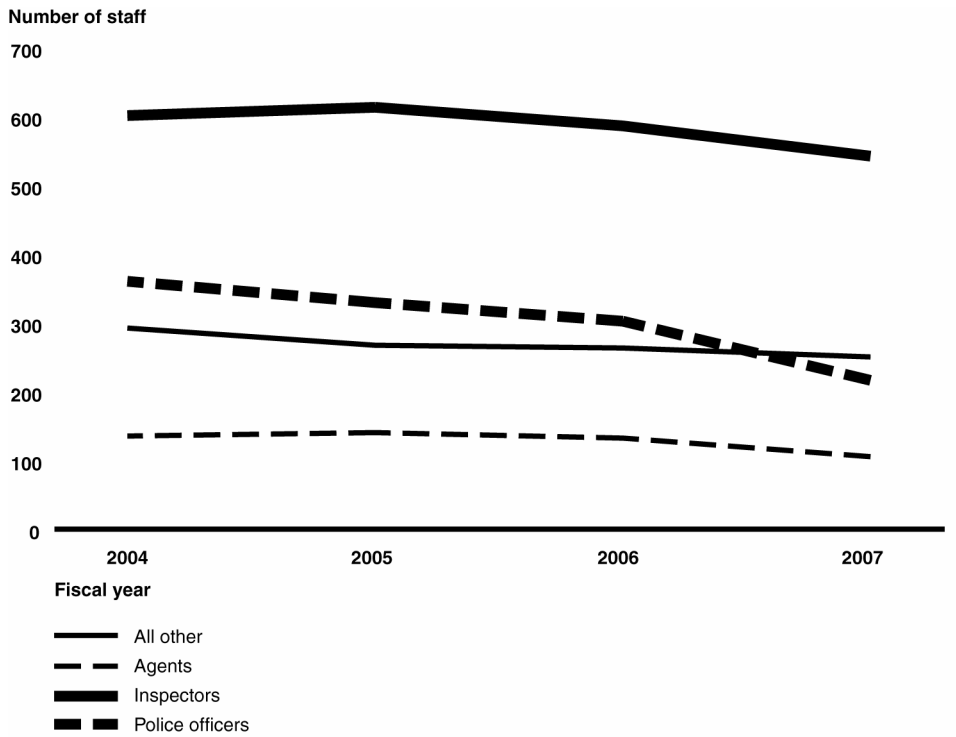
**Figure 1: FPS's Workforce, Fiscal Years 2004 through 2007**



Source: Federal Protective Service.

From fiscal year 2004 to 2007, the number of employees in each position also decreased, with the largest decrease occurring in the police officer position. For example, the number of police officers decreased from 359 in fiscal year 2004 to 215 in fiscal year 2007 and the number of inspectors decreased from 600 in fiscal year 2004 to 541 at the end of fiscal year 2007, as shown in figure 2.

**Figure 2: Composition of FPS's Workforce by Position, Fiscal Years 2004 through 2007**



Source: Federal Protective Service.

Note: "Inspectors" include an unknown number of physical security specialists, who do not have law enforcement authority. The category "All other" includes administrative and support staff.

### Critical Law Enforcement Services Have Been Reduced or Eliminated

At many facilities, FPS has eliminated proactive patrol of GSA facilities to prevent or detect criminal violations. The FPS Policy Handbook states that patrol should be used to prevent crime and terrorist attacks. The elimination of proactive patrol has a negative effect on security at GSA facilities because law enforcement personnel cannot effectively monitor individuals who might be surveilling federal buildings, inspect suspicious vehicles (including potential vehicles for bombing federal buildings), and detect and deter criminal activity in and around federal buildings. While the number of contract guards employed in GSA facilities will not decrease and according to a FPS policy document, the guards are authorized to detain individuals, most are stationed at fixed posts from which they are not permitted to leave and do not have arrest authority.

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According to some regional officials, some contract guards do not exercise their detention authority because of liability concerns.

According to several inspectors and police officers in one FPS region, proactive patrol is important in their region because, in the span of one year, there were 72 homicides within 3 blocks of a major federal office building and because most of the crime in their area takes place after hours when there are no FPS personnel on duty. In addition, FPS officials at several regions we visited said that proactive patrol has, in the past, allowed its police officers and inspectors to identify and apprehend individuals that were surveilling GSA facilities. 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, in 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.

In addition, more recently, at this same facility, two individuals who fled into the facility after being pursued by the local police department for an armed robbery were subsequently apprehended and arrested by the local police department. While the local police department contacted FPS for assistance with responding to the incident at the federal facility, FPS inspectors were advised by senior FPS supervisors not to assist the local police department in their search for the suspects because GSA had not paid the security fee for the facility.

In addition to eliminating proactive patrol, many FPS regions have reduced their hours of operation for providing law enforcement services in multiple locations, which has resulted in a lack of coverage when most federal employees are either entering or leaving federal buildings or on weekends when some facilities remain open to the public. Moreover, FPS police 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. The decrease in FPS's duty hours has also jeopardized police officer and inspector safety, as well as building security. Some FPS police officers and inspectors said that they are frequently in dangerous situations without any FPS backup because many FPS regions have reduced their hours of operation and overtime.

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## Adequate Oversight of Contract Guard Program Remains a Challenge

Contract guard inspections are important for several reasons, including ensuring that guards comply with contract requirements; have up-to-date certifications for required training, including firearms or cardiopulmonary resuscitation, and that they perform assigned duties. While FPS policy does not specify how frequently guard posts should be inspected, we found that some posts are inspected less than once per year, in part, because contract guards are often posted in buildings hours or days away from the nearest FPS inspector. For example, one area supervisor reported guard posts that had not been inspected in 18 months while another reported posts that had not been inspected in over one year. In another region, FPS inspectors and police officers reported that managers told them to complete guard inspections over the telephone, instead of in person. In addition, when inspectors do perform guard inspections they do not visit the post during each shift; consequently some guard shifts may never be inspected by an FPS official. As a result, some guards may be supervised exclusively by a representative of the contract guard company. Moreover, in one area we visited with a large FPS presence, officials reported difficulty in getting to every post within that region's required one month period. We obtained a copy of a contract guard inspection schedule in one metropolitan city that showed 20 of 68 post inspections were completed for the month.

Some tenant agencies have also noticed a decline in the level of guard oversight in recent years and believe this has led to poor performance on the part of some contract guards. For example, according to Federal Bureau of Investigation (FBI) and GSA officials in one of the regions we visited, contract guards failed to report the theft of an FBI surveillance trailer worth over \$500,000, even though security cameras captured the trailer being stolen while guards were on duty. The FBI did not realize it was missing until three days later. Only after the FBI started making inquiries did the guards report the theft to FPS and the FBI. 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 major federal building while being chased by an FPS inspector. In addition, one official reported that during an off-hours alarm call to a federal building, the official arrived to find the front guard post empty while the guard's loaded firearm was left unattended in the unlocked post.

We also 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

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were not confiscated, the individual was not detained or questioned, FPS was not notified, and the individual was allowed to leave with the weapons. We will shortly begin a comprehensive review of FPS's contract guard program for this Subcommittee and other congressional committees.

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### Difficulties in Ensuring Quality and Timeliness of Building Security Assessments

Building security assessments, which are completed by both inspectors and physical security specialists, are the core component of FPS's physical security mission. However, ensuring the quality and timeliness of them is an area in which FPS continues to face challenges. The majority of inspectors in the seven regions we visited stated that they are not provided sufficient time to complete BSAs. For example, while FPS officials have stated that BSAs for level IV facilities should take between two to four weeks to complete, several inspectors reported having only one or two days to complete assessments for their buildings. They reported that this was due to pressure from supervisors to complete BSAs as quickly as possible. For example, one region is attempting to complete more than 100 BSAs by June 30, 2008, three months earlier than required, because staff will be needed to assist with a large political event in the region. In addition, one inspector in this region reported having one day to complete site work for six BSAs in a rural state in the region.

Some regional supervisors have also found problems with the accuracy of BSAs. One regional supervisor reported that an inspector was repeatedly counseled and required to redo BSAs when supervisors found he was copying and pasting from previous BSAs. Similarly, one regional supervisor stated that, in the course of reviewing a BSA for an address he had personally visited, he realized that the inspector completing the BSA falsified information and had not actually visited the site because the inspector referred to a large building when the actual site was a vacant plot of land owned by GSA. In December 2007, the Director of FPS issued a memorandum emphasizing the importance of conducting BSAs in an ethical manner.

FPS's ability to ensure the quality and timeliness of BSAs is also complicated by challenges with the current risk assessment tool it uses to conduct BSAs, the Federal Security Risk Manager system. We have previously reported that there are three primary concerns with this system. First, it does not allow FPS to compare risks from building to building so that security improvements to buildings can be prioritized. Second, current risk assessments need to be categorized more precisely. According to FPS, too many BSAs are categorized as high or low, which

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does not allow for a refined prioritization of security improvements. Third, the system does not allow for tracking the implementation status of security recommendations based on assessments.<sup>6</sup>

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### Some Security Countermeasures Have Not Been Maintained

According to FPS, GSA, and tenant agency officials in the regions we visited, some of the security countermeasures, such as security cameras, magnetometers, and X-ray machines at some facilities, as well as some FPS radios and BSA equipment, have been broken for months or years and are poorly maintained. At one level IV facility, FPS and GSA officials stated that 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. 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, it has investigated significant crimes at multiple level IV facilities, but some of 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 BSCs, which are composed of representatives from each tenant agency who generally are not security professionals. In some of the buildings that we visited, security countermeasures were not implemented because BSC members cannot agree on what countermeasures to implement or are unable to obtain funding from their agencies. For example, a FPS official in a major metropolitan city stated that over the last 4 years inspectors have recommended 24-hour contract guard coverage at one high-risk building located in a high crime area multiple times, however, the BSC is not able to obtain approval from all its members. In addition, several FPS inspectors stated that their regional managers have instructed them not to recommend security countermeasures in BSAs if FPS would be responsible for funding the measures because there is not sufficient

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<sup>6</sup>GAO, *Federal Real Property: DHS Has Made Progress, but Additional Actions Are Needed to Address Real Property Management and Security Challenges*, GAO-07-658 (Washington, D.C.: June 22, 2007).

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money in regional budgets to purchase and maintain the security equipment.

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### FPS Has Taken Some Actions To Resolve Operational Challenges But Its Actions May Not Fully Resolve These Challenges

According to FPS, it has a number of ongoing efforts that are designed to address some of its longstanding challenges. For example, in 2007, FPS decided to adopt an inspector-based workforce approach to protect GSA facilities. Under this approach, the composition of FPS's workforce will change from a combination of inspectors and police officers to mainly inspectors. The inspectors will be required to complete law enforcement activities such as patrolling and responding to incidents at GSA facilities concurrently with their physical security activities. FPS will also place more emphasis on physical security, such as BSAs, and less emphasis on the law enforcement part of its mission; contract guards will continue to be the front-line defense for protection at GSA facilities; and there will be a continued reliance on local law enforcement. According to FPS, an inspector-based workforce will help it to achieve its strategic goals such as ensuring that its staff has the right mix of technical skills and training needed to accomplish its mission and building effective relationships with its stakeholders.

However, the inspector-based workforce approach presents some additional challenges for FPS. For example, the approach does not emphasize law enforcement responsibilities, such as proactive patrol. Reports issued by multiple government entities acknowledge the importance of proactive patrol in detecting and deterring terrorist surveillance teams, which use information such as the placement of armed guards and proximity to law enforcement agency stations when choosing targets and planning attacks. Active law enforcement patrols in and around federal facilities can potentially disrupt these sophisticated surveillance and research techniques. In addition, having inspectors perform both law enforcement and physical security duties simultaneously may prevent some inspectors from responding to criminal incidents in a timely manner and patrolling federal buildings.

FPS stated that entering into memorandums of agreement with local law enforcement agencies was an integral part of the inspector-based workforce approach because it would ensure law enforcement response capabilities at facilities when needed. According to FPS's Director, the agency recently decided not to pursue memorandums of agreement with local law enforcement agencies, in part, because of reluctance on the part of local law enforcement officials to sign such memorandums. In addition, FPS believes that the agreements are not necessary because 96 percent of the properties in its inventory are listed as concurrent jurisdiction



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facilities where both federal and state governments have jurisdiction over the property. Nevertheless, the agreements would clarify roles and responsibilities of local law enforcement agencies when responding to crime or other incidents.

However, FPS also provides facility protection to approximately 400 properties where the federal government maintains exclusive federal jurisdiction. Under exclusive federal jurisdiction, the federal government has all of the legislative authority within the land area in question and the state has no residual police powers. Furthermore, state and local law enforcement officials are not authorized to enforce state and local laws or federal laws and regulations at exclusive federal jurisdiction facilities. According to ICE's legal counsel, if the Secretary of Homeland Security utilized the facilities and services of state and local law enforcement agencies, state and local law enforcement officials would only be able to assist FPS in functions such as crowd and traffic control, monitoring law enforcement communications and dispatch, and training. Memorandums of agreement between FPS and local law enforcement agencies would help address the jurisdictional issues that prevent local law enforcement agencies from providing assistance at facilities with exclusive federal jurisdiction.

As an alternative to memorandums of agreement, according to FPS's Director, the agency will rely on the informal relationships that exist between local law enforcement agencies and FPS. However, whether this type of relationship will provide FPS with the type of assistance it will need under the inspector-based workforce is unknown. Officials from five of the eight local law enforcement agencies we interviewed stated that their agency did not have the capacity to take on the additional job of responding to incidents at federal buildings and stated that their departments were already strained for resources. FPS and local law enforcement officials in the regions we visited also stated that jurisdictional authority would pose a significant barrier to gaining the assistance of local law enforcement agencies. Representatives of local law enforcement agencies also expressed concerns about being prohibited from entering GSA facilities with service weapons, especially courthouses.<sup>7</sup> Similarly, local law enforcement officials in a major city stated that they cannot make an arrest or initiate a complaint on federal property, so they have to wait until a FPS officer or inspector arrives.

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<sup>7</sup>18 U.S.C. § 930(a)

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Another effort FPS has begun is to address its operational challenges by recruiting an additional 150 inspectors to reach the mandated staffing levels in the fiscal year 2008 Consolidated Appropriations Act.<sup>8</sup> According to the Director of FPS, the addition of 150 inspectors to its current workforce will allow FPS to resume providing proactive patrol and 24-hour presence based on risk and threat levels at some facilities. However, these additional 150 inspectors will be assigned to eight of FPS's 11 regions and thus will not have an impact on the three regions that will not receive them. In addition, while this increase will help FPS to achieve its mission, this staffing level is still below the 1,279 employees that FPS had at the end of fiscal year 2006 when, according to FPS officials, tenant agencies experienced a decrease in service.

FPS's Risk Management Division is also in the process of developing a new tool referred to as the Risk Assessment Management Program (RAMP) to replace its current system (FSRM) for completing BSAs.<sup>9</sup> According to FPS, a pilot version of RAMP is expected to be rolled out in fiscal year 2009. The RAMP will be accessible to inspectors via a secure wireless connection anywhere in the United States and will guide them through the process of completing a BSA to ensure that standardized information is collected on all GSA facilities. According to FPS, once implemented, RAMP will allow inspectors to obtain information from one source, generate reports automatically, enable the agency to track selected countermeasures throughout their lifecycle, address some issues with the subjectivity of BSAs, and reduce the amount of time spent on administrative work by inspectors and managers.

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## FPS's Actions to Address Budgetary Challenges Have Had Adverse Implications

FPS funds its operations through the collection of security fees charged to tenant agencies for security services. However, until recently these fees have not been sufficient to cover its projected operational costs. FPS has addressed this gap in a variety of ways. When FPS was located in GSA it received additional funding from the Federal Buildings Fund to cover the

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<sup>8</sup>The 2008 Consolidated Appropriations Act required FPS to employ no fewer than 1,200 employees, 900 of which must be law enforcement personnel.

<sup>9</sup>RAMP will replace several FPS systems including its Security Tracking System and the Contract Guard Employment Requirements Tracking System and may be integrated with other systems associated with the BSA program.

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gap between collections and costs.<sup>10</sup> Since transferring to DHS, to make up for the projected shortfalls to ensure that security at GSA facilities would not be jeopardized, and to avoid a potential Anti-deficiency Act violation in fiscal year 2005, FPS instituted a number of cost saving measures that included restricted hiring and travel, limited training and overtime, and no employee performance awards. In addition, in fiscal year 2006, DHS had to transfer \$29 million in emergency supplemental funding to FPS. FPS also increased the basic security fee charged to tenant agencies from 35 cents per square foot in fiscal year 2005 to 62 cents per square foot in fiscal year 2008. Because of these actions, fiscal year 2007 was the first year FPS's collections were sufficient to cover its costs. FPS also projects that collections will cover its costs in fiscal year 2008. In fiscal year 2009, FPS's basic security fee will increase to 66 cents per square foot, which represents the fourth time FPS has increased the basic security fee since transferring to DHS.

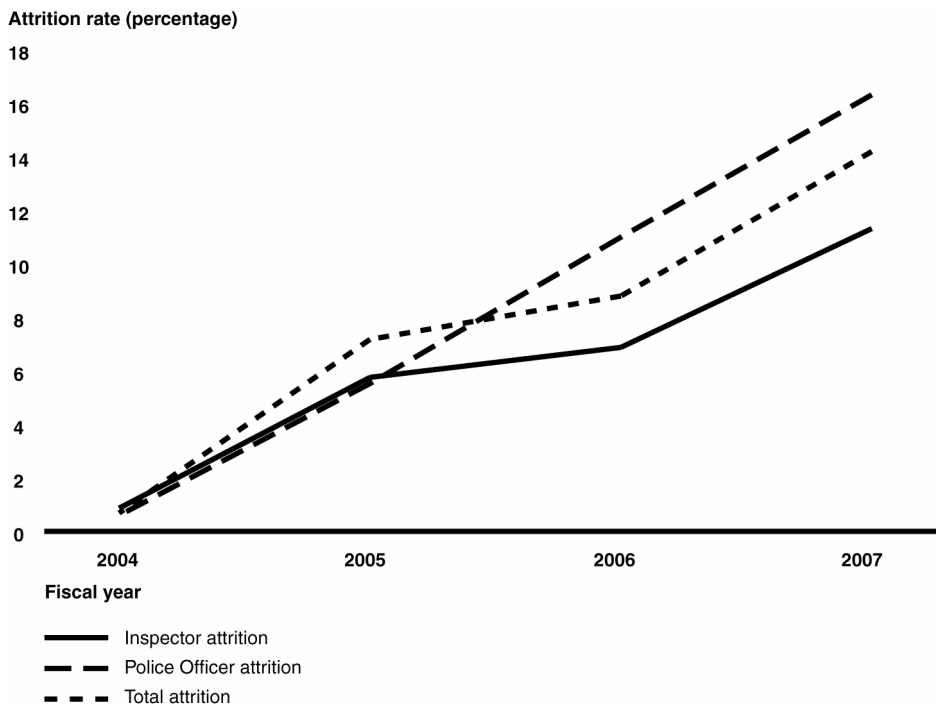
However, according to FPS, its cost savings measures have had adverse implications, including low morale among staff, increased attrition and the loss of institutional knowledge, as well as difficulties in recruiting new staff. In addition, several FPS police officers and inspectors said that overwhelming 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 police officers and inspectors said they were actively looking for new jobs outside FPS. For example, FPS reports that 73 inspectors, police officers, and physical security specialists 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 through 2007, as shown in figure 3. For example, FPS's overall attrition rate increased from about 2 percent in fiscal year 2004 to about 14 percent in fiscal year 2007. The attrition rate for the inspector position has increased, despite FPS's plan to move to an inspector-based workforce. FPS officials said its cost-saving measures have helped the agency address projected revenue shortfalls. The measures have been eliminated in fiscal year 2008.

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<sup>10</sup>Established by Congress in 1972 and administered by GSA, the Federal Buildings Fund is a revolving fund in the U.S. Treasury into which federal agency rent and certain other moneys are deposited. Moneys deposited into the fund are available, subject to congressional appropriation, for GSA's real property management and related activities. See 40 U.S.C § 592.

In addition, according to FPS, these measures will not be necessary in fiscal year 2009 because the basic security fee was increased and staffing has decreased.

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



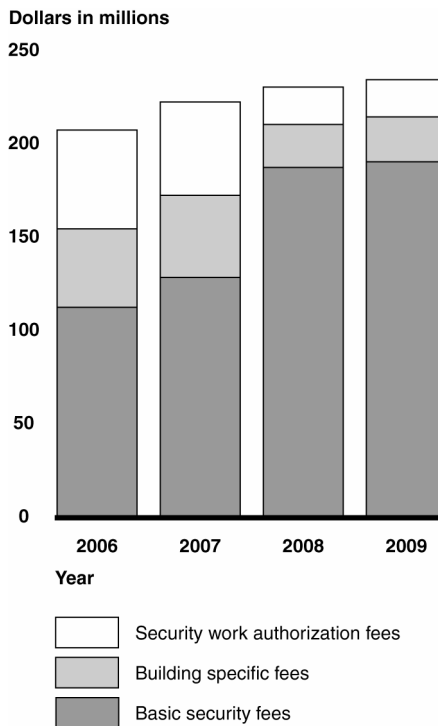
Source: GAO analysis of FPS data.

Note: "Inspectors" includes an unknown number of physical security specialists, who do not have law enforcement authority. The category "Total attrition" includes inspectors, police officers, physical security specialists, special agents, and administrative and support staff.

### FPS's Basic Security Fee Does Not Account for Risk and Raises Questions about Equity

FPS's primary means of funding its operations is the fee it charges tenant agencies for basic security services, as shown in figure 4. Some of the basic security services covered by this fee include law enforcement activities at GSA facilities, preliminary investigations, the capture and detention of suspects, and BSAs, among other services. The basic security fee does not include contract guard services.

**Figure 4: Amount of Fees Collected by FPS, Fiscal Years 2006 through 2009**



Source: FPS.

Note: This figure does not include pass through funding, which is funding provided to FPS by customer agencies for building-specific and SWA security services. Pass through funding is not directly appropriated to FPS, but FPS collects it from customer agencies and uses the funds to manage the procurement and installation of security countermeasures or other security services provided through the building-specific or SWA programs. Fiscal years 2008 and 2009 are projections.

However, this fee does not fully account for the risk faced by particular buildings or the varying levels of basic security services provided, and does not reflect the actual cost of providing services. In fiscal year 2008, FPS charged 62 cents per square foot for basic security and has been authorized to increase the rate to 66 cents per square foot in fiscal year 2009. FPS charges federal agencies the same basic security fee regardless of the perceived threat to that particular building or agency. Although FPS categorizes buildings into security levels based on its assessment of the building's risk and size, this categorization does not affect the security fee charged by FPS. For example, level I facilities typically face less risk because they are generally small storefront-type operations with a low level of public contact, such as a small post office or Social Security Administration office. However, these facilities are charged the same basic

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security fee of 62 cents per square foot as a level IV facility that has a high volume of public contact and may contain high-risk law enforcement and intelligence agencies and highly sensitive government records.

In addition, FPS's basic security rate has raised questions about equity because federal agencies are required to pay the fee regardless of the level of service FPS provides or the cost of providing the service. For instance, in some of the regions we visited, FPS officials described situations in which staff is stationed hundreds of miles from buildings under its responsibility. Many of these buildings rarely receive services from FPS staff and rely mostly on local police for law enforcement services. However, FPS charges these tenant agencies the same basic security fees as those buildings in major metropolitan areas in which numerous FPS police officers and inspectors are stationed and are available to provide security services.

FPS's cost of providing services is not reflected in its basic security charges. For instance, a June 2006 FPS workload study estimating the amount of time spent on various security services showed differences in the amount of resources dedicated to buildings at various security levels. The study said that FPS staff spend approximately six times more hours providing security services to higher-risk buildings (levels III and IV buildings) compared to lower-risk buildings (levels I and II buildings). In addition, a 2007 Booz Allen Hamilton report of FPS's operational costs found that FPS does not link the actual cost of providing basic security services with the security fees it charges tenant agencies. The report recommends incorporating a security fee that takes into account the complexity or the level of effort of the service being performed for the higher level security facilities. The report states that FPS's failure to consider the costs of protecting buildings at varying risk levels could result in some tenants being overcharged. We also have reported that basing government fees on the cost of providing a service promotes equity, especially when the cost of providing the service differs significantly among different users, as is the case with FPS.<sup>11</sup>

Several stakeholders have raised questions about whether FPS has an accurate understanding of the cost of providing security at GSA facilities.

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<sup>11</sup>GAO, *Federal User Fees: A Design Guide*, [GAO-08-386SP](#) (Washington, D.C.: May 29, 2008). GAO, *Understanding the Tax Reform Debate: Background, Criteria & Questions*, [GAO-05-1009SP](#) (Washington, D.C.: September 1, 2005).

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An ICE Chief Financial Office official said FPS has experienced difficulty in estimating its costs because of inaccurate cost data. In addition, OMB officials said they have asked FPS to develop a better cost accounting system in past years. The 2007 Booz Allen Hamilton report found that FPS does not have a methodology to assign costs to its different security activities and that it should begin capturing the cost of providing various security services to better plan, manage and budget its resources. We have also previously cited problems with ICE's and FPS's financial system, including problems associated with tracking expenditures.<sup>12</sup> We also have previously reported on the importance of having accurate cost information for budgetary purposes and to set fees and prices for services. We have found that without accurate cost information it is difficult for agencies to determine if fees need to be increased or decreased, accurately measure performance, and improve efficiency.

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## FPS Faces Limitations in Assessing Its Performance

To determine how well it is accomplishing its mission to protect GSA facilities, FPS has identified some output measures, such as determining whether security countermeasures have been deployed and are fully operational, the amount of time it takes to respond to an incident and the percentage of BSAs completed on time. Output measures assess activities, not the results of those activities. However, FPS has not developed outcome measures to evaluate the results and the net effect of its efforts to protect GSA facilities. While output measures are helpful, outcome measures are also important because they can provide FPS with broader information on program results, such as the extent to which its decision to move to an inspector-based workforce will enhance security at GSA facilities or help identify the security gaps that remain at GSA facilities and determine what action may be needed to address them. The Government Performance and Results Act requires federal agencies to, among other things, measure agency performance in achieving outcome oriented goals. Measuring performance allows organizations to track the progress they are making toward their goals and gives managers critical information on which to base decisions for improving their performance. In addition, we and other federal agencies have maintained that adequate and reliable performance measures are a necessary component of effective management. We have also found that performance measures should

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<sup>12</sup>GAO, *Homeland Security: Management Challenges Remain in Transforming Immigration Programs*, [GAO-05-81](#) (Washington, D.C.: October 14, 2004). GAO, *Homeland Security: Department wide Integrated Financial Management Systems Remain a Challenge*, [GAO-07-536](#) (Washington, D.C.: June 21, 2007).

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provide agency managers with timely, action-oriented information in a format conducive to helping them make decisions that improve program performance, including decisions to adjust policies and priorities.

FPS is also limited in its ability to assess the effectiveness of its efforts to protect GSA facilities, in part, because it does not have a data management system that will allow it to provide complete and accurate information on its security program. Without a reliable data management system, it is difficult for FPS and others to determine the effectiveness of its efforts to protect GSA facilities or for FPS to accurately track and monitor incident response time, effectiveness of security countermeasures, and whether BSAs are completed on time. Currently, FPS primarily uses the Web Records Management System (WebRMS) and Security Tracking System to track and monitor output measures. However, FPS acknowledged that there are weaknesses with these systems which make it difficult to accurately track and monitor its performance. In addition, according to many FPS officials at the seven regions we visited, the data maintained in WebRMS may not be a reliable and accurate indicator of crimes and other incidents because FPS does not write an incident report for every incident, all incidents are not entered into WebRMS and because the types and definitions of items prohibited in buildings vary not only region by region, but also building by building. For example, a can of pepper spray may be prohibited in one building, but allowed in another building in the same region. According to FPS, having fewer police officers has also decreased the total number of crime and incident reports entered in WebRMS because there is less time spent on law enforcement activities. The officials in one FPS region we visited stated that two years ago there were 25,000 reports filed through WebRMS, however this year they are projecting about 10,000 reports because there are fewer FPS police officers to respond to an incident and write a report if necessary.

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In conclusion, Madam Chair, our work shows that FPS has faced and continues to face multiple challenges in ensuring that GSA facilities, their occupants, and visitors, are protected from crime and the risk of terrorist attack. In the report we issued last week, we recommended that the Secretary of Homeland Security direct the Director of FPS to develop and implement a strategic approach to manage its staffing resources; clarify roles and responsibilities of local law enforcement agencies in regards to responding to incidents at GSA facilities; improve FPS's use of the fee-based system by developing a method to accurately account for the cost of providing security services to tenant agencies; assess whether FPS's current use of a fee-based system or an alternative funding mechanism is



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the most appropriate manner to fund the agency; and develop and implement specific guidelines and standards for measuring its performance including the collection and analysis of data. DHS concurred with these recommendations and we are encouraged that FPS is in the process of addressing them.

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

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## Contact Information

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