

GAO

## Testimony

Before the Subcommittee on Public Buildings and  
Economic Development, Committee on Transportation  
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# GENERAL SERVICES ADMINISTRATION

## Many Building Security Upgrades Made But Problems Have Hindered Program Implementation

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# General Services Administration: Many Building Security Upgrades Made but Problems Have Hindered Program Implementation

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In response to the April 19, 1995, bombing of the Murrah Federal Building in Oklahoma City, the President directed the Department of Justice (DOJ) to assess the vulnerability of federal office buildings, particularly to acts of terrorism and other forms of violence. A DOJ-directed interagency working group issued a report in June 1995 recommending specific minimum security standards for federal buildings and criteria, guidance, and timetables for evaluating the security needs of federal buildings and estimating the cost of needed upgrades. The President directed executive departments and agencies to upgrade the security of their facilities to the extent feasible based on the DOJ report's recommendations, and he gave the General Services Administration (GSA) this responsibility for the buildings it controls.

In July 1995, GSA initiated a multimillion-dollar security enhancement program for its 8,300 buildings. Using the criteria, guidance, and timetables recommended in the DOJ report, GSA has made progress in assessing risks, setting priorities, and completing thousands of upgrades in its buildings, particularly the high-risk ones. GSA's computer-based upgrade tracking system showed that about 7,000 upgrades were completed between October 1, 1995, and March 31, 1998, and based on data from GSA's accounting system, we estimated that GSA obligated roughly \$353 million from the Federal Buildings Fund (FBF) for these upgrades. However, because of erroneous and incomplete data in these systems, we were unable to reliably determine the exact status or costs of the program.

Mistakes made by rushing to meet the DOJ report's recommended timetables so it could improve security in federal buildings before the first anniversary of the Oklahoma City bombing, staff reductions due to downsizing, uncertain funding sources, and unreliable data in GSA's upgrade tracking and accounting systems hindered GSA's implementation of the program. GSA didn't meet either the DOJ recommended times for completing building security evaluations and upgrade cost estimates or its own internal goals for completing security upgrades. Funding uncertainties continue because GSA and the Office of Management and Budget (OMB) have not yet completely agreed on how best to fund all the future costs of the building security program. Finally, GSA does not have valid data needed to assess the costs versus the benefits of upgrades and the extent to which completed upgrades have contributed to increased security or reduced vulnerability to the greatest threats to federal office buildings. Therefore, we are recommending that GSA correct the data in its upgrade tracking and accounting systems; ensure that all GSA buildings are evaluated for security needs; work with OMB to ensure sufficient funding is

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**Summary**  
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available for the building security program; and develop outcome-oriented program goals, measures, and evaluations so that it can better manage the program and work toward mitigating security threats in its buildings.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the General Services Administration's (GSA) progress in upgrading the security of federal buildings under its operation. As you know, following the April 19, 1995, bombing of the Murrah Federal Building in Oklahoma City, the President directed the Department of Justice (DOJ) to assess the vulnerability of federal office buildings, particularly to acts of terrorism and other forms of violence. Under the direction of DOJ, an interagency working group comprising security professionals from nine federal departments and agencies issued, in June 1995, a report recommending specific minimum security standards for federal buildings.<sup>1</sup> Subsequently, the President directed executive departments and agencies to upgrade the security of their facilities to the extent feasible based on the DOJ report's recommendations. The President gave GSA this responsibility for the buildings it controls, and in July 1995, GSA initiated a multimillion-dollar security enhancement program for its 8,300 buildings.<sup>2</sup>

You requested that we evaluate the GSA building security upgrade program. Specifically, you asked that we determine (1) what criteria GSA used to assess security risks and prioritize security upgrades for its buildings, (2) the implementation and operational status of GSA's security upgrade program and the costs GSA has incurred by both funding source and type of security upgrade (such as x-ray machines and security guards), and (3) whether any problems have hindered GSA's implementation of the security upgrade program.

In summary, we found that GSA used the DOJ report's criteria to assess risks and prioritize security upgrades in its buildings. Despite the formidable challenges posed by this program, GSA has made progress implementing upgrades in federal buildings throughout the country, particularly in its higher risk buildings. GSA's data systems indicate that about 7,000 upgrades were completed and we estimate that roughly \$353 million were obligated from the FBF for the upgrade program nationally between October 1, 1995, and March 31, 1998. However, mistakes made by rushing to meet the

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<sup>1</sup>Vulnerability Assessment of Federal Facilities, (hereinafter referred to as the DOJ report) issued June 28, 1995, by a DOJ-directed working group comprising security professionals from GSA, DOJ, Marshals Service, Federal Bureau of Investigation, Secret Service, Social Security Administration, the Departments of Defense and State, and the Administrative Office of the U.S. Courts.

<sup>2</sup>According to the DOJ report, there are 26 federal agencies that are authorized to purchase, own, or lease space, buildings, or other parcels of land. The three largest of these are GSA, the Department of Defense, and the Department of State. According to GSA's fiscal year 1997 annual report, the 8,300 buildings it managed contained about 257 million square feet of office space and constituted about 39 percent of the government's total office space.

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timetables in the DOJ report because of GSA's sense of urgency to upgrade security in its buildings, reduced staffing due to downsizing, data reliability problems, and uncertain funding sources have hindered GSA's upgrade program implementation. Because of data reliability problems, neither GSA nor we can specify the exact status or cost of the building security upgrade program, and because GSA has not established program outcome measures, neither GSA nor we know the extent to which completed upgrades have resulted in greater security or reduced vulnerability for federal office buildings. Thus, GSA is not in a good position to manage its program to mitigate security threats.

Before presenting specific information on our findings, I would like to provide some information on our scope and methodology. In responding to your request, we interviewed key GSA officials in Washington, D.C.; and in GSA Regional Offices in Atlanta, GA; Ft. Worth, TX; Denver, CO; and the National Capital Region of Washington, D.C.; and obtained and reviewed the DOJ report as well as documents from GSA relating to the planning, implementation, and operation of the security upgrade program. We held discussions and obtained data from representatives of the Office of Management and Budget (OMB), the GSA Office of Inspector General (OIG), and several federal agencies that have organizational units in GSA-owned and -leased buildings. We did not evaluate the appropriateness of the DOJ building security standards or the effectiveness of either GSA's building security program or security programs administered by other agencies. We did our work from July 1997 to May 1998 in accordance with generally accepted government auditing standards. We have included more details about our scope and methodology and additional details about our findings in appendixes I through IV.

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**Criteria Used by GSA**

GSA used the criteria and guidance recommended in the DOJ report to assess the types of security upgrades needed and to prioritize its buildings for receiving upgrades. The DOJ report established minimum security standards in categories such as perimeter and interior security, and provided guidance for estimating upgrade costs. Different standards were to be applied to each building based on its evaluated risk level. Risk levels were to be assigned to buildings using criteria such as tenant population and volume of public contact, with level I the lowest risk level and level V the highest. The report also recommended that GSA establish a building security committee (BSC) in each GSA-controlled building to identify the minimum security requirements needed in each specific building. The committees were to consist of representatives from all agencies occupying

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a given building and were to be assisted by a GSA regional physical security specialist in identifying and estimating the costs of needed security upgrades. GSA assigned initial risk level designations to its buildings based on information available at the time, pending more definitive determinations by the BSCs. Generally, GSA prioritized its buildings for receiving security upgrades based on risk level, with the higher risk buildings receiving security assessments and needed upgrades first. (For further details, see app. II.)

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## **Operational and Implementation Status**

Although GSA has completed many building security assessments, upgrade cost estimates, and upgrades, we weren't able to reliably determine the total numbers of upgrades completed nationally because GSA's upgrade tracking system contained incomplete and erroneous data. According to GSA, tracking system data were unreliable because its regional staff did not always appropriately or accurately record upgrade transactions in the tracking system.

The Federal Protective Service (FPS)—the physical security and law enforcement arm of GSA's Public Buildings Service—developed a computerized database system to track the status of all building security committee-requested upgrades. The system, which became fully operational in early 1996, was designed to track by region, and by building, upgrades requested, approved, and completed, as well as upgrade cost estimates.

The tracking system was also intended to serve in part as a forerunner to a larger government-wide database of security upgrades in all federal buildings, as required by Executive Order 12977, dated October 19, 1995. The order created the Interagency Security Committee, which was to be chaired by GSA's administrator or his designee, comprising representatives from 17 federal agencies and specific individuals. The Committee was established to enhance the quality and effectiveness of security in buildings and facilities occupied by federal employees.

As of March 31, 1998, the tracking system showed that about 7,800 upgrades had been approved and about 7,000, or 90 percent, had been completed. Our review of the records of 53 buildings and our visits to 43 buildings in GSA regions 4, 7, 8, and 11, as well as visits by GSA's OIG audit staff to 121 buildings in GSA regions 1, 4, 7, and 11, showed that GSA had completed security upgrades in many of its buildings across the United States. Examples of the types of upgrades that we observed on our visits

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to GSA buildings around the country included (1) concrete bollards constructed around building perimeters, (2) security cameras installed and in use both inside and outside of buildings, and (3) metal detectors and x-ray machines installed at building entrances and operated by GSA or contract security personnel.

However, based on our work and that of the OIG, we do not believe that a reliable determination of the building security upgrade program's status can be made because of errors in the upgrade tracking system. GSA's upgrade tracking system contained errors related to the number of upgrades approved and the number completed in 24, or 45 percent, of the buildings we reviewed and in 65, or 54 percent, of the buildings reviewed by the OIG. For example, (1) some upgrades that were shown as approved and completed in the tracking system in fact were not completed, and the requests for the upgrades had been cancelled; and (2) some approved upgrades shown in the system as completed weren't complete, and in fact the related security equipment was boxed and stored. According to GSA, these errors occurred because GSA personnel didn't always appropriately or accurately record the status of the upgrades in the tracking system.

In addition to these errors related to upgrades approved, completed, and cancelled in the tracking system, we have concerns about whether all GSA buildings have been evaluated for security needs. We found that, as of October 1997, the nationwide upgrade tracking system contained little or no evidence that building security evaluations had been done for 754 GSA buildings, 14 of which were level-IV buildings. We judgmentally selected a sample of 26 of the 754 buildings and attempted to determine whether a security evaluation had been done by contacting a representative from each building's security committee during December 1997 and January 1998.<sup>3</sup> Representatives from 22 of the 26 buildings responded. Of the 22, representatives of 5 buildings told us that a building evaluation wasn't done, 6 said they weren't sure whether one was done, and 7 representatives said that the evaluations were done, but the remaining 4 representatives said that evaluations weren't applicable for their buildings because (1) the lease for the federal agency tenants in the building had been terminated, (2) the building was leased and used only for storage purposes, (3) the building was a maintenance garage with access limited to agency personnel, and (4) the building was no longer in use.

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<sup>3</sup>Our sample was selected to obtain a cross section of GSA regions and building risk levels, and included buildings in 9 of 11 GSA regions and security risk levels I through IV.



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For the 11 building representatives that said a building evaluation was not done or that they weren't sure, we asked whether they believed that their buildings' current levels of security met the DOJ minimum standards. Representatives of four buildings said "yes"; five said they didn't know; and two said that the standards weren't applicable to their specific buildings because the agencies were moving out of the buildings. Four of the five that said they didn't know also said that they weren't aware of the DOJ minimum security standards.

Similarly, we found no evidence in GSA's building files that security evaluations had been done for a number of buildings that had no requests for security upgrades in the tracking system. During the latter part of 1997, we judgmentally selected 50 buildings in two GSA regions that showed no requests for security upgrades in the tracking system, and we found no evaluations on file for 12, or 24 percent, of the buildings. GSA had initially classified 3 of these 12 buildings as level IVs, 8 as level IIIs, and 1 as level II. Ten of the 12 buildings were in one GSA region.

FPS officials told us that they weren't sure whether evaluations had been done for all GSA buildings. They said that although they had attempted to obtain evaluations for all buildings, not all BSCs had provided evaluations.

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**Upgrade Obligations  
Data Unreliable and  
Not Available by Type**

In addition to being unable to reliably determine the program's operational and implementation status, we also couldn't reliably determine the actual costs or obligations incurred by GSA for security upgrades because GSA's accounting system, like its tracking system, contained significant errors. Further, we couldn't determine the actual costs incurred by type of security upgrade because GSA said that its accounting system was not designed to account for costs by upgrade type. Nevertheless, based on the existing accounting system data, we estimate that from October 1, 1995, through March 31, 1998, GSA obligated roughly \$353 million for the building security upgrade program nationally. The source of those funds was the FBF. As you know, the Fund consists primarily of rent that GSA charges federal agencies for space and is administered by GSA. It is the primary means of financing the capital and operating costs associated with GSA-controlled federal space.

According to GSA, and we agree, the accuracy of these obligations data was unreliable because of errors GSA personnel had made when they recorded obligations for upgrade transactions in the accounting system. For example, late in fiscal year 1997, FPS attempted to identify regions with

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unnneeded upgrade funding allowances that could be shifted to regions in need of funds to complete upgrades. In FPS' analysis, it identified over \$5 million in obligations shown in the accounting system for upgrades in 109 buildings in 10 GSA regions for which there were no corresponding approved upgrades shown in the tracking system. FPS found that (1) \$0.9 million of the obligations related to other GSA programs rather than the building security upgrade program; (2) \$0.6 million in obligations related to upgrades that in fact had been completed but were shown in the tracking system as cancelled and voided by GSA; (3) \$1.2 million in obligations related to upgrades completed in other buildings; and (4) \$1.6 million were valid obligations, but the corresponding upgrades had inadvertently not been entered into the tracking system. FPS was uncertain about the remaining discrepancies. FPS found similar problems relating to upgrades recorded in the tracking system for which there were no corresponding obligations recorded in the accounting system. Because of these errors or discrepancies in the obligations data, FPS was unable to complete its efforts to reallocate funds among regions for over 2 months. We discuss these discrepancies in more detail in appendix III.

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## **Problems Hindering Program Implementation**

In addition to the unreliable nature of the data in the upgrade tracking and accounting systems, several other problems have hindered and slowed GSA's implementation of the security upgrade program. These included (1) funding source uncertainties; (2) mistakes made to meet deadlines by a downsized staff, as well as a sense of urgency to rapidly complete as many security upgrades as possible; and (3) unreliable upgrade cost estimates. As a result of these problems, GSA was not able to meet several program implementation goals. In addition, GSA lacks information about the benefits of upgrades relative to their costs; has not established specific program effectiveness goals, outcomes, or measures; and doesn't know whether and to what extent federal office buildings' vulnerability to acts of terrorism and other forms of violence has been reduced.

Funding uncertainties: Uncertainties about the source of funds for the security upgrade program have confronted GSA from the beginning. With no specific building security upgrade funding initially identified in fiscal year 1996 budget plans, GSA had to use FBF funds that were intended for other purposes. In addition, because of funding concerns in early fiscal year 1996, GSA placed on hold proposed costly upgrades, such as the purchase of parking areas adjacent to GSA buildings. Further, even though the June 1995 DOJ report recommended that GSA consider increasing the rent of federal agencies to pay for the increased costs of upgraded

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security, uncertainty continues to exist regarding the source of funds for the building security program. While GSA has projected about \$260 million in obligations for fiscal year 1998 and budgeted about \$251 million in obligations for fiscal year 1999 on building security, GSA and OMB have not yet reached complete agreement on how best to fund all the future costs of the program. Once GSA and OMB agree on how to fund increased security costs, the increased funding would be contingent on congressional approval in the appropriations process.

Timetables, staff, and urgency issues: According to GSA officials, GSA wanted to add as much security as possible in federal buildings before the first anniversary of the Oklahoma City bombing—April 19, 1996. The officials said that this sense of urgency, coupled with the program implementation timetables in the DOJ report and limited availability of staff due to downsizing, led to security upgrade decisions being made with the information available, recognizing that planning and implementation adjustments would likely be necessary. They acknowledged that, as a result, some initial efforts suffered and some mistakes were made. GSA and agency staffs at GSA-controlled buildings had about 3.5 months after issuance of the DOJ report to do security assessments and develop upgrade cost estimates for several hundred level-IV buildings, and they had about 7 months to do the same for several thousand lower level buildings.

According to FPS staff and a member of the DOJ report task force from the U.S. Marshals Service, there was little time available to develop the desired level of implementing guidance and training for FPS staff and the thousands of BSCs. Further, they said that the ratio of GSA-operated buildings to FPS physical security specialists added to the difficulties. For example, in one GSA region, we were told that the region had responsibility for about 1,000 buildings but had only 15 FPS physical security specialists available to assist BSCs with the building risk assessments. Nationwide, a total of about 200 FPS physical security specialists were responsible for assisting in the assessment of over 8,000 GSA-operated buildings.

According to GSA, the speed with which these assessments and cost estimates had to be done caused errors that contributed to the need to reevaluate, change, cancel, and void a number of decisions on security upgrades. For example, some hurriedly approved upgrades had to be cancelled and voided or modified because of the effects that the planned upgrades would have had on the flow of people and vehicular traffic in and around the buildings or because of concerns raised by local governments or by others due to the historic nature of some of the buildings. As a result,

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GSA had to devise alternative security measures, which sometimes required additional funds.

Unreliable cost estimates: A number of the initial cost estimates for upgrades recorded in the tracking system proved unreliable. In an effort to determine how much money was available to complete approved upgrades and reallocate funds among its regions, GSA analyzed upgrade cost estimates versus the actual obligations required to complete the upgrades in many of its buildings, and it found that many of the initial cost estimates were unreliable. For example, the estimated costs in the tracking system of completed upgrades for a group of 98 buildings in 11 GSA regions were about \$10.4 million, while the actual obligations to complete the upgrades recorded in the accounting system were about \$29 million—that is, obligations to complete the upgrades were over \$18 million more than the estimated costs of completing the upgrades. According to GSA, the initial cost estimates were made using the general guidance contained in the DOJ report. Although more accurate cost estimates were made as the upgrade implementation progressed, the upgrade tracking system was not designed to readily capture the revised cost estimates. Without more accurate cost estimates, GSA decisionmakers were not in the best position to judge the cost/benefit of various upgrade options or to reliably estimate funds needed to complete approved upgrades.

The unreliable cost estimates combined with the unreliability of the status and cost data in the upgrade tracking and accounting systems, the funding source uncertainties, the reduced level of staff, and the mistakes made due to program deadlines, as well as the sense of urgency by GSA to complete upgrades as quickly as possible hindered the implementation of the upgrade program. Thus, GSA was unable to fully meet program timetables established in the DOJ report and several upgrade implementation goals it had established internally. Further, because additional security upgrade requests were received in the last half of fiscal year 1997, and additional funds were needed to complete previously approved upgrades, GSA estimated in October 1997 that it would need about \$7.8 million in additional funds in fiscal year 1998 to complete the upgrades approved as of September 26, 1997.

The DOJ report called for GSA to complete security assessments and upgrade cost estimates by October 15, 1995, for its high-risk (level-IV) buildings, and by February 1, 1996, for the remaining lower risk buildings (levels I through III). Level-V buildings were generally not included in GSA's building security upgrade program because the DOJ report recommended

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that agencies (usually those involved in national security issues) in these buildings secure the buildings according to their own requirements. Although the DOJ report did not specify goals for GSA's completion of the security upgrades, GSA established and subsequently revised internal goals for completing upgrades in all its buildings several times in 1996 and 1997.

GSA has indicated that it had met the goals established by the DOJ report for evaluating the security needs and estimating the costs of upgrades for all level-IV buildings: In November 1995, GSA told the Senate Subcommittee on Transportation and Infrastructure that, in accordance with the DOJ report's recommendation and the President's directive, it had established 429 level-IV building security committees, and it had received over 2,500 upgrade requests from these committees. Also, later that same month, GSA told OMB that \$222.6 million would be needed in fiscal years 1996 and 1997 to pay for the upgrades in these 429 buildings.

However, we believe that GSA did not fully meet either goal specified in the DOJ report because (1) security evaluations were not made for some level-IV buildings until after November 1995 and (2) in October 1997, much later than the DOJ report's target dates of October 15, 1995, and February 1, 1996, we found indications that not all of GSA's buildings, including some level-IV buildings, had been evaluated for security needs. In addition, GSA reported to us that, by March 1996, the number of level-IV buildings had increased to over 700. GSA stated that the increase was partly caused by DOJ's request that GSA reclassify certain buildings containing court-related tenants from lower levels to level IV, and partly by additional level-IV BSCS' decisions to conduct building evaluations and provide GSA with upgrade requests after November 1995.

Concerning GSA's internal goals, GSA initially established a goal to have all security upgrades completed for level-IV buildings by September 30, 1996. When it didn't meet the September 30, 1996, goal, GSA established a new goal to have upgrades completed in all buildings, including level IVs, by September 30, 1997. This goal was not met either, and now GSA's goal is September 30, 1998, for completing all upgrades approved as of September 26, 1997. GSA's tracking system indicated that GSA had completed about 85 percent of the approved upgrades for all buildings as of October 3, 1997, and reached the 90-percent mark by March 31, 1998.

Information lacking on program goals, measures, and results: GSA did not have information to evaluate whether the benefits of the upgrades justified their costs, to determine the effectiveness of the security upgrades

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completed, or to know whether upgrades reported as completed were actually complete and operating as planned. GSA needs this information to justify expenditures for security upgrades and to make changes in its security program if and when appropriate. For example, Social Security Administration (SSA) officials expressed concern to GSA about certain security upgrades that GSA initially placed in some SSA-occupied buildings. SSA was concerned about both the need for and the costs of purchasing and operating the upgrade equipment. After negotiations, GSA removed some upgrades from some SSA locations.

Further, security-related evaluations, which GSA security staff were doing prior to the Oklahoma City bombing, were curtailed because these staff were needed to help implement the upgrade program, and at the time of our review, these evaluations hadn't been resumed. In addition, GSA also hadn't fully implemented a key recommendation, from an internal "lessons learned" study done after the Oklahoma City bombing incident, to evaluate its current risk assessment methodology to ensure that a wider range of risks are addressed, with an increased emphasis on acts of mass violence. The principal conclusion of the October 1995 study was that GSA's security and law enforcement processes currently in place did not adequately address the threat environment.

In a related issue, the Government Performance and Results Act of 1993 (the Results Act) requires every major federal agency to establish its mission, its goals and how they will be achieved, how its performance toward meeting its goals will be measured, and how performance measures will be used to make improvements. In accordance with the Results Act, GSA established its strategic plan, dated September 30, 1997, covering years 1998 through 2002. GSA's building security program is specifically addressed in the 1997 plan and in its annual performance plan for fiscal year 1999. However, GSA did not identify in its strategic plan security program evaluations it plans to do, and the 1999 annual performance plan did not state its goals and indicators for the security program in terms of outcomes or desired results as is called for by OMB in Circular A-11. Finally, although GSA's data systems for tracking program status and funding had incorrect data, which hampered implementation, GSA has just recently initiated efforts to ensure security program measurement data would be valid in connection with the security-related performance goal included in its 1999 annual performance plan prepared under the Results Act.

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Without more specific information on security program goals and results, GSA does not know the extent to which the upgrades have improved security or reduced federal office building vulnerability to acts of terrorism or other forms of violence. (For further details, see app. IV.)

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## Recommendations

We recommend that the GSA Administrator direct the PBS Commissioner to

- correct the data in GSA's upgrade tracking and accounting systems and institute procedures to accurately record approved and completed upgrades in the upgrade tracking system and accurately record obligations incurred for security upgrades in the accounting system;
- review all GSA buildings to ensure that security evaluations have been completed;
- complete agreements with OMB on the most appropriate means of providing sufficient funding for the security of GSA-operated buildings at the minimum standard levels recommended by the DOJ report;
- develop outcome-oriented goals and measures for its security program, identify security program evaluations to be done and implement them as appropriate, and identify the means by which FPS will verify and validate measurement data related to security program goals in GSA's annual performance plan for 2000; and
- complete the internally recommended review of GSA's current security risk assessment methodology, and once the appropriate risk assessment methodology is determined, resume GSA's program of periodic building security inspections by GSA physical security specialists.

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## Agency Comments

On May 27, 1998, we met with GSA's Public Buildings Service Deputy Commissioner and Assistant Commissioner, Office of the Federal Protective Service, and members of their staff to obtain their comments on the information discussed in a draft of our testimony. These GSA officials generally agreed with the information in the testimony and with our recommendations. The Deputy Commissioner stated though that he did not completely agree with our characterization that funding uncertainties hindered GSA's implementation of the building security upgrade program because GSA was able to fund virtually all of the upgrades requested by the building security committees. He pointed out that all required funding to accomplish security enhancements has been provided to the GSA regions. However, we believe that our characterization is appropriate because, as we have described, GSA faced uncertainties throughout much of the

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program about the source of funds to pay for the capital and operating costs of the upgrades. For example, GSA initially had to use funds to pay for upgrades that had been intended for other purposes. Further, as we have pointed out, early in the program GSA placed on hold proposed costly upgrades, such as the purchase of parking areas adjacent to GSA buildings, because of funding concerns. Thus, while some security upgrades were put on hold due to lack of funds, our major concern is the uncertain funding sources that have confronted the program from its inception.

In addition, the GSA officials stated that they have directed GSA regions to resume the periodic building inspection and risk assessment program placed on hold after the Oklahoma City bombing. They said that the inspections are to resume shortly, and inspections for all level-IV buildings are to be completed by the end of fiscal year 1998. Also, the GSA officials said that they have begun to correct the data in the upgrade tracking system and will consider developing outcome-oriented goals for the security program that will be described in GSA's Year 2000 annual performance plan. In addition, the GSA officials said that they have made substantial progress in discussions with OMB on adjusting agency rental charges to cover the cost of security, and they expect to reach agreement with OMB in time for the Year 2000 budget cycle.

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Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or Members of the Subcommittee may have.



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# Objectives, Scope, and Methodology

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The objective of our work was to evaluate the GSA building security upgrade program. Specifically, we were to determine (1) what criteria GSA used to assess security risks and prioritize security upgrades for its buildings, (2) the implementation and operational status of GSA's security upgrade program and the costs GSA has incurred by both funding source and type of security upgrade, and (3) whether any problems have hindered GSA's implementation of the security upgrade program.

To meet our first objective of determining the criteria GSA used to assess building security risks and prioritize its security upgrade implementation, we held discussions with GSA personnel; reviewed relevant correspondence, guidance, and other documentation on program implementation; reviewed building risk assessment files; and obtained and reviewed copies of GSA's security upgrade tracking system database as of June 27, August 29, October 3, and December 30, 1997. We also had discussions with a member of the DOJ report task force at the U.S. Marshals Service, as well with security personnel at the Social Security Administration and Department of Health and Human Services, to obtain more insight into how the minimum standards were developed and how they were being implemented by GSA.

To meet our objective of determining the security upgrade program's implementation and operational status and costs, we reviewed the security upgrade tracking system database; compiled data on security upgrades requested, approved, completed, and voided; and compared our results with those compiled by GSA. We judgmentally selected and reviewed GSA building files for 53 buildings in 4 regions and visited 43 of these buildings to determine whether the upgrades were operational. We selected these files to provide a cross section of different risk level buildings with either high or low dollar upgrade cost estimates. We chose not to include level-I buildings in this sample because most upgrades were going into buildings at the higher risk levels. During our review, the GSA OIG's Office of Audits also began a review of the GSA security upgrade program. We maintained contact with the OIG audit staff and coordinated our work. The GSA OIG audit staff shared with us three alert reports issued to and discussed with GSA management in October 1997, December 1997, and February 1998, concerning problems with erroneous upgrade completion data in the upgrade tracking system and instances of inefficient and ineffective use of security equipment in one or more of the four GSA regions reviewed. We referred to their findings in our report.

Further, we obtained and reviewed GSA budget information and actual obligations data from accounting reports generated from the NEAR system<sup>4</sup> and from data compiled for us by GSA headquarters for fiscal year 1996 through the second quarter of fiscal year 1998. We also reviewed upgrade cost estimates contained in GSA's security upgrade tracking system as well as documentation on GSA headquarters' efforts during late August to October 1997 to correlate upgrade cost estimates recorded in the security upgrade tracking system with upgrade obligations data recorded in the accounting system for the purpose of reallocating unneeded upgrade funds among GSA regions.

To determine any problems that may have hindered GSA's implementation of the security upgrade program, we had discussions with GSA headquarters and regional staff in four regions; reviewed GSA correspondence and building files; performed analyses of the security upgrade tracking system databases; and made contacts with 22 of 26 selected building security committees that, according to GSA records, had not requested security upgrades. We also reviewed the results of GSA headquarters' analyses made during late August to October 1997 of the security upgrade tracking system and accounting system that identified data errors and unreliable upgrade cost estimates. Further, we held discussions with responsible GSA and OMB staff to understand the concerns and ongoing debate related to the future funding of the GSA building security program at the enhanced levels.

Finally, we discussed with FPS staff what procedures were in place for monitoring security operations and what efforts had been made to evaluate the security upgrade program, including actions taken on recommendations in an October 1995 internal FPS "lesson learned" report concerning its experiences following the Oklahoma City bombing incident. We also reviewed GSA's 1997 strategic plan and 1999 annual performance plan required under the Results Act to determine the goals, performance measures, and outcomes that GSA had established for the building security program.

We did our work primarily at GSA headquarters in Washington, D.C., and four GSA regional offices in Atlanta, GA—GSA Region 4; Denver, CO—GSA Region 8; Fort Worth, TX—GSA Region 7; and Washington, D.C.—GSA Region 11 (National Capital Region), between July 1997 and May 1998, in accordance with generally accepted government auditing standards.

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<sup>4</sup>The National Electronic Accounting and Reporting (NEAR) System is GSA's agencywide accounting system. We used obligation data primarily from the monthly FR70P-PBS Fund and Program Status Report to compile obligation data for the security upgrade program.

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**Appendix I**  
**Objectives, Scope, and Methodology**

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Because the various samples we used in our work were judgmentally selected, the results of the samples cannot be projected to the universes from which they were taken. We also did not evaluate the DOJ security standards or the effectiveness of GSA's building security upgrade program or any other agency's building security program.

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# Information on DOJ Report-Recommended Criteria for Federal Building Security

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## GSA Used Criteria in DOJ Report for Its Building Security Upgrade Program

In July 1995, the Federal Protective Service (FPS) began its process for identifying and prioritizing building security upgrade needs and cost estimates using the criteria, guidance, and timetable recommended by the DOJ report, which was issued on June 28, 1995. The DOJ report established 52 minimum security standards in 4 separate categories, which were to be considered for buildings under GSA's operation based on their assessed risk level. GSA assigned initial risk level designations to its buildings based on information it had on file. Building security committee (BSC) and FPS staff were to subsequently assign the buildings a risk level, using the DOJ report's more definitive criteria, and evaluate them to determine needed security upgrades and the estimated costs for the upgrades.

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## Building Risk Levels

Using DOJ report criteria, BSC and FPS staff were to place buildings under GSA's operation into risk levels. The DOJ criteria included tenant population, volume of public contact, size, and agency sensitivity, with level V the highest risk level and level I the lowest, as follows:

Level V: A building that contains mission functions critical to national security, such as the Pentagon or CIA Headquarters. A Level-V building should be similar to a Level-IV building in terms of number of employees and square footage. It should have at least the security features of a Level-IV building. The missions of Level-V buildings require that tenant agencies secure the site according to their own requirements.

Level IV: A building that has 451 or more federal employees; high volume of public contact; more than 150,000 square feet of space; and tenant agencies that may include high-risk law enforcement and intelligence agencies, courts, and judicial offices, and highly sensitive government records.

Level III: A building with 151 to 450 federal employees; moderate/high volume of public contact; 80,000 to 150,000 square feet of space; and tenant agencies that may include law enforcement agencies, court/related agencies and functions, and government records and archives. (According to GSA, at the request of the Judiciary, GSA changed the designation of a number of buildings housing agencies with court and court-related functions from Level III to Level IV.)

Level II: A building that has 11 to 150 federal employees; moderate volume of public contact; 2,500 to 80,000 square feet of space; and federal activities that are routine in nature, similar to commercial activities. Level

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I: A building that has 10 or fewer federal employees; low volume of public contact or contact with only a small segment of the population; and 2,500 or less square feet of space, such as a small “store front” type of operation.

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## Facility Evaluations

BSCS were also to prepare facility evaluations based on the DOJ minimum standards. The facility evaluations, containing requested security upgrades, justifications, and estimated costs for each upgrade were to be submitted to the applicable FPS regional offices for review and approval. Security upgrades costing more than \$100,000 to acquire or having an annual operating cost greater than \$150,000 required final approval at FPS headquarters.

FPS regional staff focused their evaluation efforts on level-IV buildings first, followed by levels III through I, consistent with the timetable recommended by the DOJ report and endorsed by the President.<sup>5</sup> Funding of upgrades generally followed this same progression, with FPS focusing first on level-IV buildings and then levels III through I. Each FPS region established its own building security upgrade implementation schedule based on coordination with other involved PBS components and the individual requirements of the various types of security upgrades. For example, some upgrades required design and engineering work before actual installation could proceed, and some required coordination and approvals from local governments and historical building societies before work could proceed.

In early 1996, FPS completed a computerized database system to track, by regional office and by building, all BSC-requested security upgrades. This tracking system was to include the date each upgrade was approved or disapproved; the estimated cost of acquiring, installing, and operating the upgrade; and its scheduled and actual completion status. Each FPS region was to have a database of its buildings and was responsible for maintaining its database. FPS headquarters staff periodically uploaded and entered data into each region’s database to show headquarters’ approval actions on requested upgrades, where required. FPS headquarters staff also consolidated the regional databases for its own use in tracking the nationwide security upgrade program.

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<sup>52</sup>The DOJ report noted that level-V facilities required tenant agencies to secure their facilities according to their own requirements, and that the degree to which those requirements dictate security features in excess of those for a level IV facility should be set by the individual agencies. For this reason, except for two approved level-V upgrades requiring capital and/or operating funding, risk level IV was the highest level included in GSA’s security upgrade program.

**Appendix II**  
**Information on DOJ Report-Recommended**  
**Criteria for Federal Building Security**

**Application of DOJ Standards to Security Risk Levels**

The DOJ report established 52 minimum security standards in the categories of perimeter security, entry security, interior security, and security planning to be considered for a building based on its assessed risk level. Tables II.1 through II.4 show how the DOJ report's minimum security standards are to be applied to each building on the basis of its assessed risk level. For example, control of facility parking is recommended as a minimum standard for buildings in security level III through V and recommended as desirable for buildings in security levels I and II.

**Table II.1: Recommended Minimum Security Standards—Perimeter Security**

Perimeter Security	Level of security				
	I	II	III	IV	V
<b>Parking</b>					
Control of facility parking	□	□	•	•	•
Control of adjacent parking	□	□	□	o	o
Avoid leases in which parking cannot be controlled	□	□	□	□	□
Leases should provide security control for adjacent parking	□	□	□	o	o
Post signs and arrange for towing unauthorized vehicles	o	o	•	•	•
ID system and procedures for authorized parking (placard, decal, card key, etc.)	□	□	•	•	•
Adequate lighting for parking areas	□	□	•	•	•
<b>Closed circuit television (CCTV) monitoring</b>					
CCTV surveillance cameras with time lapse video recording	□	o	o	•	•
Post signs advising of 24 hour video surveillance	□	o	o	•	•
<b>Lighting</b>					
Lighting with emergency power backup	•	•	•	•	•
<b>Physical barriers</b>					
Extend physical perimeter with concrete and/or steel barriers	N/A	N/A	□	o	o
Parking barriers	N/A	N/A	□	o	o

Legend:  
 Minimum standard = • Standard based on facility evaluation = o  
 Desirable = □ Not applicable = N/A

Source: Vulnerability Assessment of Federal Facilities, Department of Justice, June 28, 1995.

**Appendix II  
Information on DOJ Report-Recommended  
Criteria for Federal Building Security**

**Table II.2: Recommended Minimum Security Standards—Entry Security**

Entry Security	Level of security				
	I	II	III	IV	V
<b>Receiving/Shipping</b>					
Review receiving/shipping procedures (current)	•	•	•	•	•
Implement receiving/shipping procedures (modified)	☐	o	•	•	•
<b>Access control</b>					
Evaluate facility for security guard requirements	☐	o	•	•	•
Security guard patrol	☐	☐	o	o	o
Intrusion detection system with central monitoring capability	☐	o	•	•	•
Upgrade to current life safety standards (fire detection, fire suppression systems, etc.)	•	•	•	•	•
<b>Entrances/Exits</b>					
X-ray and magnetometer at public entrances	N/A	☐	o	o	•
Require x-ray screening of all mail/packages	N/A	☐	o	•	•
Peepholes	o	o	N/A	N/A	N/A
Intercom	o	o	N/A	N/A	N/A
Entry control with CCTV and door strikes	☐	o	N/A	N/A	N/A
High security locks	•	•	•	•	•

Legend:  
Minimum standard = • Standard based on facility evaluation = o  
Desirable = ☐ Not applicable = N/A

Source: Vulnerability Assessment of Federal Facilities, Department of Justice, June 28, 1995.



**Appendix II  
Information on DOJ Report-Recommended  
Criteria for Federal Building Security**

**Table II.3: Recommended Minimum Security Standards—Interior Security**

Interior Security	Level of security				
	I	II	III	IV	V
<b>Employee/Visitor identification</b>					
Agency photo ID for all personnel displayed at all times	N/A	□	o	•	•
Visitor control/screening system	□	•	•	•	•
Visitor identification accountability system	N/A	□	o	•	•
Establish ID issuing authority	o	o	o	•	•
<b>Utilities</b>					
Prevent unauthorized access to utility areas	o	o	•	•	•
Provide emergency power to critical systems (alarm systems, radio communications, computer facilities, etc.)	•	•	•	•	•
<b>Occupant emergency plans</b>					
Examine occupant emergency plans (OEP) and contingency procedures based on threats	•	•	•	•	•
OEPs in place, updated annually, periodic testing exercise	•	•	•	•	•
Assign & train OEP officials (assignment based on largest tenant in facility)	•	•	•	•	•
Annual tenant training	•	•	•	•	•
<b>Daycare centers</b>					
Evaluate whether to locate daycare facilities in buildings with high threat activities	N/A	•	•	•	•
Compare feasibility of locating daycare in facilities outside locations	N/A	•	•	•	•

Legend:  
Minimum standard = • Standard based on facility evaluation = o  
Desirable = □ Not applicable = N/A

Source: Vulnerability Assessment of Federal Facilities, Department of Justice, June 28, 1995.

**Appendix II  
Information on DOJ Report-Recommended  
Criteria for Federal Building Security**

**Table II.4: Recommended Minimum Security Standards—Security Planning**

Security Planning	Level of security				
	I	II	III	IV	V
<b>Intelligence Sharing</b>					
Establish law enforcement agency/security liaisons	•	•	•	•	•
Review/establish procedure for intelligence receipt and dissemination	•	•	•	•	•
Establish uniform security/threat nomenclature	•	•	•	•	•
<b>Training</b>					
Conduct annual security awareness training	•	•	•	•	•
Establish standardized unarmed guard qualifications/training requirements	•	•	•	•	•
Establish standardized armed guard qualifications/training requirements	•	•	•	•	•
<b>Tenant assignment</b>					
Co-locate agencies with similar security needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do not co-locate high/low risk agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Administrative procedures</b>					
Establish flexible work schedule in high threat/high risk areas to minimize employee vulnerability to criminal activity	o	o	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arrange for employee parking in/near building after normal workhours	o	o	o	o	o
Conduct background security checks and/or establish security control procedures for service contract personnel	•	•	•	•	•
<b>Construction/Renovation</b>					
Install mylar film on all exterior windows (shatter protection)	<input type="checkbox"/>	<input type="checkbox"/>	o	•	•
Review current projects for blast standards	•	•	•	•	•
Review/establish uniform standards for construction	•	•	•	•	•
Review/establish new design standards for blast resistance	o	o	•	•	•
Establish street setback for new construction	<input type="checkbox"/>	<input type="checkbox"/>	o	•	•

Legend:  
Minimum standard = • Standard based on facility evaluation = o  
Desirable =  Not applicable = N/A

Source: Vulnerability Assessment of Federal Facilities, Department of Justice, June 28, 1995.

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# Status and Costs of Upgrades Uncertain

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GSA's upgrade tracking system showed that as of March 31, 1998, about 7,000 building security upgrades had been completed, and we estimate that roughly \$353 million were obligated for upgrades between October 1, 1995, and March 31, 1998. The source of funds expended on the upgrade program was the FBF. However, actual cost information by upgrade type was not readily available, and the data on the implementation status and actual costs of GSA's security upgrade program are unreliable. We could not reliably determine the completion and operational status of security upgrades in GSA's buildings because upgrade status data were not accurately recorded in the tracking system. Further, the accuracy and reliability of the obligations data are questionable because of errors made by GSA personnel when recording upgrade obligations transactions into the accounting system.

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## Security Upgrade Tracking System Not Accurate

GSA's upgrade tracking system showed that as of March 31, 1998, about 7,800 upgrades were approved and about 7,000 upgrades were completed in federal buildings across the United States. However, the data shown by the tracking system were not reliable because the tracking system contained numerous errors. According to GSA, these errors occurred because its regional personnel did not always appropriately or accurately record upgrade transactions into the tracking system.

Our review of security upgrade program records of 53 buildings and our visits to 43 of these buildings in 4 regions, as well as visits by the GSA OIG's audit staff to 121 buildings in 4 GSA regions, showed that GSA has implemented numerous upgrades in buildings throughout the country.<sup>63</sup> However, through these visits, errors were identified in the tracking system related to the number of upgrades approved and completed in 24, or 45 percent, of the buildings we reviewed and in 65, or 54 percent, of the buildings reviewed by the OIG. Our comparison of tracking system data for the 53 GSA buildings with information from FPS building files and our observations at the buildings showed errors affecting completion rates (for 24 buildings) and other information (for 6 buildings) in the tracking system for 30 of these buildings, or about 57 percent, and ranged from 46 percent of the buildings reviewed in region 8 to 70 percent in region 11.

For 24 of these 30 buildings, we found (1) upgrades in 20 buildings that were not operational but that were reported as completed in the tracking

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<sup>63</sup>Our work related to these buildings was done during the period August through December 1997 in GSA regions 4, 7, 8, and 11. The GSA OIG staff's work related to these buildings was reported on in October and December 1997 and in February 1998 in GSA regions 1, 4, 7, and 11. We and the OIG audit staff reviewed 4 of the same buildings—2 in Region 7 and 2 in Region 11.

system and (2) for four buildings, completed upgrades were not shown in the tracking system. In addition, in nine of the 20 buildings, we found security upgrades that were initially approved and then subsequently cancelled, but were still shown as approved upgrades in the tracking system.

Further, for six of the buildings, we found other discrepancies between the buildings' records and the upgrade tracking system. For example, some buildings' risk level designations, security upgrade cost estimates, and types of upgrades approved were inaccurately recorded in the tracking system.

Additionally, in one region, we found that the completion status of the region's security upgrade program was overstated and erroneously reported to FPS headquarters because regional FPS staff were inappropriately accounting for some upgrades. According to regional FPS staff, the term "pending" may have been used to categorize upgrades that had been approved and not completed because (1) the upgrades were for new buildings being constructed or (2) the contracts for purchasing the upgrade equipment had not been signed or GSA funds obligated. Further, the regional staff thought headquarters had instructed that new upgrades approved after March 31, 1997, would not be funded in fiscal year 1997 and should be put in a pending status for funding in fiscal year 1998. According to FPS headquarters staff, the "pending" category was intended only for upgrades not yet approved. FPS headquarters officials became aware of this issue late in fiscal year 1997 while attempting to reallocate among regions funds needed to complete approved upgrades. FPS then instructed the regions to ensure that all approved upgrades were categorized as "approved" in the tracking system because all "pending" upgrades as of September 26, 1997, would be considered for funding at a later time.

Because of the confusion over the intent of the term pending for categorizing upgrades, this region reported in August 1997 an upgrade completion rate of 99.6 percent for level-IV buildings. However, once these pending upgrades were changed to approved, the region's completion rate decreased to 77 percent in October 1997. For the same reason, the region's upgrade completion rate for levels-I through -III buildings also dropped from about 65 percent to about 56 percent over this same period. GSA's completion goal for all level-IV building upgrades was 100 percent by the end of fiscal year 1997.

GSA's OIG issued three separate audit "alert" reports with significant findings related to the building security upgrade program.<sup>7</sup> The OIG audit staff's visits to 121 buildings in GSA regions 1, 4, 7, and 11 showed that 65 buildings, about 54 percent, had upgrades reported as completed in the tracking system that were not completed. In fact, the OIG staff found instances where security upgrade equipment reported as completed was actually stored (sometimes in its original packaging), missing, or not operational. For example, in region 11, upgrades for 32 buildings involving equipment, such as x-ray scanners and magnetometers used to screen people and packages, were shown in the tracking system as completed but were actually missing, not operational, or in storage.

In addition, the OIG staff found problems, similar to those we found, related to security upgrades in 33 of the 69 buildings they visited in regions 1, 4, and 7. They found that upgrades shown in the tracking system as completed had not been installed because of changes in building security needs, use of alternative security measures, or building lessors' opposition to the installation of the planned security upgrades.

Finally, in a separate report, the OIG stated that security equipment costing about \$2 million, such as X-ray devices, magnetometers, and cameras purchased for the upgrade program, were found stored in two storage rooms in region 11. Much of the equipment was in its original packaging. The OIG reported that at that time, the GSA region had no immediate plans for using the equipment.

In addition to these errors related to upgrades approved, completed, and cancelled in the tracking system, we have concerns about whether all GSA buildings have been evaluated for security needs. We found that as of October 1997, the nationwide upgrade tracking system contained little or no evidence that building security evaluations had been done for 754 GSA buildings, 14 of which were level-IV buildings. We judgmentally selected a sample of 26 of the 754 buildings to determine whether a security evaluation had been done by attempting to contact a representative from each building's security committee during December 1997 and January 1998.<sup>8</sup> Representatives from 22 of the 26 buildings responded. Of the 22, representatives of 5 told us that a building evaluation wasn't done,

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<sup>74</sup>These reports were issued to the Assistant Commissioner, FPS. They were reports A70659/P/2/R98001, dated Oct. 1, 1997; A80613/P/2/R98006, dated Dec. 11, 1997; and A80615/P/2/R98012, dated Feb. 11, 1998.

<sup>85</sup>Our sample was selected to obtain a cross section of GSA regions and building risk levels, and included buildings in 9 of 11 GSA regions and security risk levels I - IV.

6 said they weren't sure whether one was done, 7 representatives said that the evaluations were done, but the remaining 4 representatives said that evaluations weren't applicable for their buildings because (1) the lease for the federal agency tenants in the building had been terminated, (2) the building was leased and used only for storage purposes, (3) the building was a maintenance garage with access limited to agency personnel, or (4) the building was no longer in use.

For the 11 building representatives that said a building evaluation was not done or that they were not sure, we asked whether they believed that their building's current level of security met the DOJ minimum standards. Representatives of four buildings said "yes"; five said they didn't know; and two said that the standards weren't applicable to their specific buildings because the agencies were moving out of the buildings. Four of the five that said they didn't know also said that they weren't aware of the DOJ minimum security standards.

Similarly, we found no evidence in GSA's building files that security evaluations had been done for a number of buildings that had no requests for security upgrades in the tracking system. During the latter part of 1997, we judgmentally selected 50 buildings in 2 GSA regions that showed no requests for security upgrades in the tracking system, and we found no evaluation on file for 12, or 24 percent, of the buildings. Of these 12 buildings, 1 was a level II, 8 were level IIIs, and 3 were level IVs. Ten of the 12 buildings were in one GSA region.

FPS regional officials told us that they were not sure that evaluations had been done for all GSA buildings. They said that although they had attempted to obtain evaluations on all buildings, not all building security committees had provided evaluations.

Table III.1 provides upgrade completion status information we compiled from the tracking system as of different points in time during program implementation. The note at the end of the table provides upgrade status information as of March 31, 1998, which was provided to us by FPS in late April 1998.

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**Appendix III**  
**Status and Costs of Upgrades Uncertain**

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**Appendix III  
Status and Costs of Upgrades Uncertain**

**Table III.1: Number of Buildings With Approved Upgrades; Number of Upgrades Approved, Completed, and Voided; and Estimated Costs by Security Level as of Mar. 25, 1996, Aug. 29, 1997, Oct. 3, 1997, and Dec. 30, 1997**

<b>Security risk level</b>	<b>As of date</b>	<b>Number of buildings with approved upgrades</b>	<b>Number of upgrades approved</b>
<b>IV</b>	3/25/96	632	3,752
	8/29/97	681	3,790
	10/3/97	699	4,013
	12/30/97	683	3,836
<b>III</b>	3/25/96	358	1,097
	8/29/97	359	973
	10/3/97	368	1,030
	12/30/97	357	984
<b>II</b>	3/25/96	1,348	2,977
	8/29/97	1,104	2,268
	10/3/97	1,120	2,327
	12/30/97	1,115	2,310
<b>I</b>	3/25/96	451	751
	8/29/97	370	583
	10/3/97	379	642
	12/30/97	409	755
<b>Totals</b>	<b>3/25/96</b>	<b>2,789</b>	<b>8,577</b>
	8/29/97	2,514	7,614
	10/3/97	2,566	8,012
	12/30/97	2,564	7,885



**Appendix III  
Status and Costs of Upgrades Uncertain**

Number of upgrades completed	Percent of approved upgrades completed	No. voided upgrades previously approved	Estimated capital costs	Estimated annual operating costs	*Total estimated costs
N/A	N/A	N/A	\$86,464,000	\$86,712,000	<b>\$173,176,000</b>
3,315	87.5%	1,360	99,103,450	68,711,348	<b>167,814,798</b>
3,503	87.3	1,432	111,601,661	76,765,746	<b>188,367,407</b>
3,402	88.7	1,459	102,073,684	67,647,011	<b>169,720,695</b>
N/A	N/A	N/A	15,842,000	12,793,000	<b>28,635,000</b>
727	74.7	473	12,933,733	12,527,197	<b>25,460,930</b>
828	80.4	511	14,473,940	13,092,721	<b>27,566,661</b>
798	81.1	526	13,310,690	11,622,264	<b>24,932,954</b>
N/A	N/A	N/A	22,791,000	14,117,000	<b>36,908,000</b>
1,698	74.9	1,294	12,581,987	10,712,357	<b>23,294,344</b>
1,944	83.5	1,337	13,946,715	10,786,679	<b>24,733,394</b>
2,015	87.2	1,355	14,136,904	11,426,275	<b>25,563,179</b>
N/A	N/A	N/A	6,927,000	5,458,000	<b>12,385,000</b>
454	77.9	246	3,019,216	1,793,648	<b>4,812,864</b>
510	79.4	259	4,432,516	2,149,894	<b>6,582,410</b>
626	82.9	312	12,667,600	11,285,743	<b>23,953,343</b>
<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$132,024,000</b>	<b>\$119,080,000</b>	<b>\$251,104,000</b>
6,194	81.4%	3,373	127,638,386	93,744,550	<b>221,382,936</b>
6,785	84.7	3,539	144,454,832	102,795,039	<b>247,249,871</b>
6,841	86.8	3,652	142,188,879	101,981,293	<b>244,170,172</b>

Note: GSA/FPS headquarters provided us a completion status update as of March 31, 1998—For all levels, 6,997, or 90.1 percent of 7,764 approved upgrades, were reported as completed. For level-IV buildings, 3,416, or 88.8 percent, of 3,848 approved upgrades were reported as completed. For levels-I through -III buildings, 3,581, or 91.4 percent were reported as completed. GSA/FPS did not provide us with information on the number of buildings with approved upgrades. Totals may not add up due to rounding.

Source: Compiled by GAO from GSA/FPS security upgrade tracking system.

**Actual Costs of Upgrades Not Readily Available by Type and Obligations Data Not Reliable**

Based on data obtained from GSA's accounting system, we estimated that from October 1, 1995, through March 31, 1998, obligations of roughly \$353 million were incurred for the building security upgrade program, and all of these funds were obtained from the FBF. However, we could not readily obtain actual cost information by upgrade type because, according to GSA, its accounting system was not designed to provide obligations incurred by upgrade type. In addition, the obligations data shown by the

**Appendix III  
Status and Costs of Upgrades Uncertain**

accounting system were not reliable because GSA personnel did not always appropriately and accurately record the obligations incurred for upgrades in the accounting system.

Although actual cost information by upgrade type was not readily available, to provide an indication of the costs incurred by GSA by upgrade type, we compiled from the upgrade tracking system data showing the estimated costs of upgrades by upgrade category. These estimated costs data are shown in table III.2. However, as we discuss in detail in appendix IV, many of the estimated costs of upgrades differed significantly from the actual obligations incurred by GSA to complete the upgrades.

**Table III.2: Summary of Estimated Costs of Approved Security Upgrades Types by Category as of December 30, 1997**

<b>Security category—upgrade type</b>	<b>Number of upgrades</b>	<b>Estimated capital costs</b>	<b>Estimated operating costs</b>
Perimeter Security—includes closed circuit televisions, physical barriers, security lighting, fences, gates, etc.	2,648	\$74,346,347	\$31,106,567
Entry Security—includes access control systems, X-rays/magnetometers, security guards, intrusion detection systems, security locks, etc.	3,166	51,347,945	68,514,569
Interior Security—includes employee/visitor ID, emergency power backup, etc.	1,025	12,409,656	761,464
Other security planning—intelligence sharing, training, tenant assignment, construction/ renovation, etc.	1,046	4,084,932	1,598,692
<b>Total</b>	<b>7,885</b>	<b>\$142,188,880</b>	<b>\$101,981,292</b>

Source: Compiled by GAO from GSA/FPS's security upgrade tracking system as of December 30, 1997.

In August 1997, FPS headquarters staff attempted to identify regions having unneeded upgrade funding allowances that could be shifted to other regions needing funds to complete approved upgrades. They were unable to complete this effort until October 1997 because of the numerous discrepancies they found between the upgrade obligations in GSA's accounting system and the approved and completed upgrade data in the tracking system. Although not all of the discrepancies could be explained, FPS regional staff's research provided some insight.

In one FPS headquarters analysis, obligations totaling \$5.1 million for upgrades in 109 buildings in 10 GSA regions were found in the accounting system, but no corresponding approved upgrades were found in the tracking system. These obligations ranged from \$16 to \$662,912. Regional

staff were able to determine the cause for most of this \$5.1 million discrepancy between the accounting and tracking systems—\$1.2 million had been recorded in error to other buildings; \$1.6 million were valid obligations but the corresponding upgrades had inadvertently not been entered into the tracking system; about \$0.6 million were valid, but corresponding upgrades had been cancelled and voided in the tracking system;<sup>9</sup> \$0.9 million had been erroneously entered into the accounting system—the obligations were not related to the building security upgrade program.

In a second FPS headquarters analysis, the tracking system showed completed upgrades for 386 buildings in 10 regions with estimated costs of about \$9.7 million, for which there were no corresponding obligations recorded in the accounting system. Regional staff were able to explain some of these discrepancies: (1) about \$2 million of the \$9.7 million in estimated upgrade costs were borne by either the tenant agencies or the building lessors, not by GSA; (2) about \$0.2 million in obligations were recorded in error in the accounting system to other FBF programs instead of the security upgrade program; and (3) about \$0.2 million related to upgrades erroneously recorded in the tracking system as completed when, in fact, they had been voided.

Table III.3 compares contract security guard and security system capital budgets and obligations obtained from GSA's accounting system for fiscal years 1996 through March 31, 1998, with similar obligations for fiscal year 1994, prior to the Oklahoma City bombing. As shown by the table, GSA's contract guard costs have risen significantly from \$23 million in 1994 to almost \$63 million through only the first 6 months of fiscal year 1998.

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<sup>96</sup>According to the regions, although the approved upgrades were voided after it was determined that the upgrades were not needed for the buildings originally intended, the upgraded security equipment purchased through these obligations would be used in other buildings.

**Appendix III  
Status and Costs of Upgrades Uncertain**

**Table III.3: Comparison of Fiscal Years 1996 Through March 31, 1998, Building Security Upgrade Program Budget Allowances and Obligations With Fiscal Year 1994 Pre-Upgrade Program Obligations**

Fiscal year budget allowances/obligations	FBF			FBF totals		
	Budget activity 61, Building operations		Budget activity 54, Basic repairs and alterations	K-2x, K-36, Budget activity 61	K-36, Budget activity 54	Budget activities 61 and 54
	Contract security guards (K-2x)	Security systems (K-36)	Security upgrade program (K-36 capital costs)			
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Fiscal year 1994 (pre-upgrade program)						
Actual obligations	\$22,951	\$3,724	\$0	\$26,675	\$0	\$26,675
Fiscal year 1996						
Budget allowances to regions	\$26,434	\$5,364	\$77,758	\$31,798	\$77,758	\$109,556
Actual FBF obligations	59,463	778	57,719	60,241	57,719	\$117,960
Fiscal year 1997						
Budget allowances to regions	115,973	8,459	63,438	124,432	63,438	\$187,869
Actual obligations	102,903	1,325	53,279	104,228	53,279	\$157,507
Fiscal year 1998 (as of March 31, 1998)						
Budget allowances to regions	124,941	5,267	0	130,208	0	\$130,208
Actual obligations	62,970	991	13,450	63,961	13,450	\$77,411
Total—fiscal years 1996-1998 (as of March 31, 1998)						
Budget allowances to regions	\$267,348	\$19,090	\$141,196	\$286,438	\$141,196	\$427,634
Actual obligations	\$225,336	\$3,094	\$124,447	\$228,430	\$124,447	\$352,877

(Table notes on next page)

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### **Appendix III Status and Costs of Upgrades Uncertain**

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Note 1: GSA's accounting system provides for coding FBF obligations by budget activities, such as basic repairs and alterations (BA-54) and building operations (BA-61), which have been the primary budget activities funding the building security upgrade program. Within the FBF budget activities, the system also provides for coding obligations by functions, such as the K-series function codes that were established for the FPS law enforcement and security programs. The primary K-codes applicable to the upgrade program have been the K-1x series—uniformed operations (police officers), K-2x series—contract guard services, and K-36—security systems/equipment. GSA established new, specific K-codes to enable identifying and tracking (1) police and contract guard services for the upgrade program (operations costs) as distinguished from the level of contract guard services for normal security prior to the Oklahoma City bombing and from the level of police and contract guard services for moderate security provided since the bombing and (2) the capital costs of upgraded security systems equipment and other capital security measures, such as building perimeter barriers and parking lot fencing and gates. However, GSA did not establish the new K-codes for the upgrade program until March 1996, nearly 6 months into fiscal year 1996 activities. PBS Controller staff advised us that upgrade costs such as for police and contract guard services were not always correctly coded as upgrade program costs and that costs charged to normal security operations prior to the new K-codes may not have been corrected. Thus, for this table, we are showing the regional budget allowances GSA provided and the obligations reported in the accounting system for all BA-61 contract guard services, K-2x series, and security systems upgrades, K-36, and for BA-54, the K-36 capital upgrade obligations recorded. However, GSA did not issue specific BA-61 regional budget allowances for K-36, so the budget amounts GSA gave us are for all BA-61, K-3x series function codes. FPS has managed its police officer operations as a separate program from the building security upgrade program, and thus we have not included the K-1x series in the above table. From fiscal year 1996 through March of fiscal year 1998, about \$65.592 million had been obligated in the K-1x series for federal protective police officers. Totals may not add up due to rounding.

Note 2: Not shown in this table are FBF funds appropriated in fiscal year 1997 for security upgrade capital costs under GSA's new construction program (BA-51) of about \$27.3 million and major repairs and alterations (BA-55) of \$2.7 million. Of the \$27.3 million from BA-51, GSA provided budget allowances to its regions of about \$6.7 million and in fiscal year 1997 through April 30 of fiscal year 1998 had obligated only about \$53,000. None of the \$2.7 million from BA-55 had been provided as regional budget allowances or had been obligated. Also as of April 30, 1998, GSA added about \$2.9 million in fiscal year 1998 FBF BA-54 funds to the regional budget allowance totals and actual obligations in fiscal year 1998 for security upgrades had increased by \$1.698 million to \$15.148 million. We did not obtain actual BA-61 obligations for security operations as of April 30, 1998.

Source: GSA Public Buildings Service Comptroller's Office staff.

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# Problems Hindered Upgrade Program Implementation

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A number of problems hindered GSA's implementation of the security upgrade program. First, GSA officials told us that they believed it was incumbent on GSA to implement as soon as possible security upgrades in as many buildings as possible after the Oklahoma City bombing incident. However, they said they were faced with both limited time and staff to help plan and implement the program, so mistakes were made. Second, GSA faced program funding source uncertainties throughout the upgrade program. Third, many of the initial decisions made about the need for upgrades had to be reevaluated, changed, or cancelled. Finally, many of the initial cost estimates for completing the upgrades proved to be unrealistic. Because of these problems, program implementation was slowed; GSA was unable to meet program goals; and it now estimates that additional funds will be needed in fiscal year 1998 to complete upgrades approved through September 26, 1997. In addition, GSA had not established specific program effectiveness goals, outcomes, or measures, nor had it specified in its performance plan how it intended to verify performance data. Thus, GSA does not know whether or to what extent federal office buildings' vulnerability to acts of terrorism and other forms of violence has been reduced.

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## GSA's Urgency to Implement the Program

FPS regional and headquarters staff told us that the time frames imposed on them for completing building assessments and cost estimates for security upgrades by the DOJ report created a difficult environment for GSA. Thousands of building security committees had to be organized and assisted in determining security upgrade needs fairly quickly. As a result, the quality of these initial efforts may have suffered. Further, with the first anniversary of the Oklahoma bombing rapidly approaching, GSA wanted to place as much added security as was possible into its buildings by the April 19, 1996, anniversary date because of concerns about further bombings or other acts of violence that might occur.

At the time of the Oklahoma City bombing incident in April 1995, GSA was in the process of streamlining its operations and downsizing its headquarters and regional staff, including those of FPS—GSA's arm responsible for managing its nationwide physical security and law enforcement programs.<sup>10</sup> GSA reduced its full-time equivalent employees from about 20,200 in fiscal year 1993 to about 14,400 at the end of fiscal year 1997. FPS was responsible for coordinating and implementing GSA's

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<sup>10</sup>Organizationally, FPS is under GSA's Public Buildings Service (PBS), which is responsible for acquiring, managing, and maintaining GSA facilities and employs staff at GSA headquarters and 11 regional offices. According to GSA's fiscal year 1997 annual report, GSA's facilities included space in about 1,900 owned and 6,400 leased facilities.

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building security upgrade program, and as of July 31, 1995, FPS employed 972 regional staff, including a force of 376 uniformed Federal Protective Police Officers, 199 physical security specialists, 66 criminal investigators, 331 other staff, and a number of contract security guards. In March 1996, PBS documents showed that it planned to hire 150 more police officers as the result of a study that showed that PBS needed 508 additional regional staff—347 police officers, 26 physical security specialists, 26 criminal investigators, and 109 other staff—to support the enhanced security levels stemming from its implementation of the security upgrades recommended by the DOJ report.

From the beginning of the upgrade program, according to FPS staff and a member of the DOJ report task force from the U.S. Marshals Service, there was little time available to develop the desired level of implementation guidance and training for FPS staff and the thousands of BSCs. Further, FPS staff said that the ratio of GSA-operated buildings to FPS physical security specialists added to the difficulties. For example, in one GSA region, we were told that the region had responsibility for about 1,000 buildings but had only 15 FPS physical security specialists available to assist BSCs with the building risk assessments. Nationwide, a total of about 200 FPS physical security specialists were responsible for assisting in the assessment of over 8,000 GSA-operated buildings.

An FPS official told us that in this challenging environment—deadlines, staff reductions, and significant levels of effort required by many players—it was not surprising that program implementation mistakes occurred. However, the FPS official believed that GSA has taken great strides in significantly improving the level of security in its buildings.

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## Program Funding Uncertainties

According to GSA officials, uncertainties over where funds could be obtained to purchase and operate security upgrades have hindered program implementation. In addition, concerns about the availability of funds for the program contributed to FPS's decisions to delay approval of some types of more costly upgrades requested by BSCs and to place those requests into a "pending" status. Some of these pending requests were subsequently cancelled and voided or removed from the building security upgrade program by FPS because of funding uncertainties. Further, GSA and OMB have not yet reached agreement on how best to fund all the costs of the security program in the future.

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## Initial Program Funding Shifted From Other Programs

By February 1996, GSA had received requests for security upgrades from thousands of BSCs. Although GSA had established the implementation of the building security upgrade program as one of its top priorities, GSA faced the challenge of identifying and obtaining funds for acquiring and operating the security upgrades during a period when overall federal budget constraints and uncertainties existed. No funds were included in GSA's fiscal year 1996 budget for maintaining security at the enhanced levels that began immediately after the bombing in Oklahoma City, or for funding the security upgrades requested by the BSCs. Further, GSA was experiencing a shortfall in the Federal Buildings Fund (FBF) because of an overestimation of rental revenue from federal agencies due to several reasons.<sup>11</sup>

According to GSA officials, delays in congressional approval of many federal agencies' fiscal year 1996 appropriations were occurring and adding to the uncertainties of how the upgrades were to be funded. Without knowing the available funding that could be expected from the FBF and/or customer federal agencies, GSA officials said that it had to proceed with what information was available in making program decisions, setting program priorities, and working to complete upgrades, while recognizing that planning and implementation adjustments would be necessary.

On February 29, 1996, the GSA Administrator asked tenant agencies to help fund the security upgrade program. He stated that within its own funding constraints, GSA had been paying for certain security enhancements, primarily additional contract guard services, for the past 9 months. He asked the tenant agencies to reimburse GSA about \$84 million for these cost in fiscal year 1996. He further stated that he would commit GSA to provide \$79.5 million from the FBF to pay for the acquisition costs of security upgrades in fiscal year 1996.

According to GSA staff, shortly thereafter, GSA received indications that many tenant agencies would be unable to pay their share of the security upgrade costs in fiscal year 1996. At about this same time, GSA requested

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<sup>11</sup>In 1975 the Federal Buildings Fund (FBF), which consists of rent that GSA charges federal agencies for space, replaced appropriations to GSA as the primary means of financing the operating and capital costs associated with federal space owned or managed by GSA, including costs related to security. PBS administers the FBF, but Congress exercises control over it through the annual appropriations process that sets annual limits on how much of the fund can be expended for various activities. In addition, Congress may appropriate additional amounts for the FBF. FBF annual rent revenues have grown from about \$2.5 billion in fiscal year 1987 to about \$4.8 billion in fiscal year 1997. See General Services Administration: Overestimation of Federal Buildings Fund Rental Revenue Projections (GAO/T-GGD-98-69, Mar. 5, 1998).



congressional authority to reprogram \$119.8 million in fiscal year 1996 FBF funds from other planned building activities and to use these funds for the security program: (1) \$40 million from GSA's installation acquisitions payment activity and (2) \$79.8 million from the building repairs and alterations program consisting of \$13.5 million from the Internal Revenue Service Center modernization project, Holtsville (Brookhaven), New York; \$49.3 million from the chlorofluorocarbons replacement program; \$12.6 million from the energy reduction program; and \$4.4 million from the basic building repairs and alterations program. In April 1996, GSA received congressional approval from the cognizant House and Senate Appropriations Subcommittees to reprogram the \$119.8 million in funds previously made available for other FBF programs.

According to GSA, in its fiscal year 1997 appropriation, Congress directed GSA to spend about \$240 million from the FBF for the building security upgrade program—\$175 million for the operations costs of security upgrades and \$65 million for the capital costs of security upgrades. However, because of GSA's overestimation of FBF revenues, GSA made available only about \$130 million of the \$175 million from the buildings operations program for security operations. Thus, in fiscal year 1997, a total of about \$195 million was made available from the FBF for the security program.

According to GSA, for fiscal year 1998, Congress appropriated about \$130 million for the operations costs of security upgrades but GSA did not request nor receive from Congress any additional capital funds for the building security upgrade program. However, because additional security upgrade requests were received from BSCs in the last half of fiscal year 1997, and because additional funds were needed to complete previously approved upgrades, GSA determined in October 1997 that it could need an additional \$7.8 million in fiscal year 1998 to complete upgrades approved as of September 26, 1997. GSA planned to obtain these additional capital funds through a reprogramming of funds from other fiscal year 1998 FBF accounts.

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### Some Upgrades Delayed Due to Lack of Funding

Also, because of funding uncertainties, in early 1996 FPS placed into a "pending" status upgrade requests involving relatively expensive items, such as the purchase of parking areas adjacent to GSA buildings and fire suppression and fire detection systems. The DOJ report had included these security measures in its recommended standards for some buildings. Later in 1996, FPS advised its regions that upgrade requests for these items were

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to be voided. FPS decided that security measures, such as fire suppression and fire detection systems, would be considered separate and apart from the building security upgrade program.

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### Funding Source for Future Security Program Costs Uncertain

As recommended by the DOJ report, GSA has been working with OMB to increase future FBF revenues to more closely approximate its expenditures for the GSA security program at its upgraded level. However, GSA and OMB have not yet reached complete agreement on how and when to increase the rent that GSA charges tenant federal agencies so that rental revenues will be sufficient to pay for the costs of GSA's building security program.

Rent that GSA charges federal agencies for space and services it furnishes is set by the GSA Administrator, who is authorized by law to charge agencies for furnished services, space, quarters, maintenance, repair, or other facilities. The law states that the rates and charges shall approximate commercial charges for comparable space and services. The law does not require that GSA's rental charges be based on its actual costs of providing the space and services, which include security. Thus, GSA's rental charges are based primarily on GSA's periodic market price appraisals for comparable space, not on GSA's actual costs to provide the space.

GSA's practice when determining the amount of rent to charge federal agencies has been to include a charge for security. This fee consists of two components: (1) the basic service charge of 6 cents per square foot that, coupled with other funds from the FBF, is used for control center operations, criminal investigations, protective services activities, and administration of FPS programs; and (2) a building-specific fee that is used along with other funds from the FBF to pay for commercial equivalent items, such as contract security guard services, and security alarm systems' installation and maintenance. According to GSA, because GSA's expenditures for security have historically exceeded the amount charged to agencies for security, the FBF has absorbed the excess expenditures.

According to GSA, its obligations for security have increased significantly following the Oklahoma City bombing incident, and its security charges billed to tenant agencies have not kept pace. Before the incident, GSA's records show that it obligated about \$96 million for security in fiscal year 1994. Following the incident, GSA's records show that it obligated \$257 million for security in fiscal year 1997—an increase of nearly 168 percent in 3 years. According to GSA, from fiscal years 1994 through 1997, GSA's obligations for the building security program have exceeded security

charges billed to tenant agencies by about \$540 million. GSA has projected about \$260 million in obligations for fiscal year 1998 and has budgeted about \$251 million for fiscal year 1999 for building security. GSA projects that its obligations for security will exceed security related revenue by about \$228 million in fiscal year 1998 and by about \$112 million in fiscal year 1999.

The DOJ report recommended that GSA consider increasing rents to cover the added costs of upgrading security. GSA is required to obtain OMB approval for the rent it charges federal agencies. GSA and OMB officials said they were not in a position to increase rents in fiscal years 1996 and 1997 to help pay for increased costs of security because agencies need to know their rent costs at least 2 years in advance to provide sufficient time for annual budget development and approval. GSA requested an increase in rents for fiscal years 1998 and 1999 as part of a comprehensive effort to redesign its system for determining rent charges and fees for services such as security.

As a pilot project, OMB approved part of the requested rent increase—an increase in building-specific fees to recover the cost associated with security operations for new lease agreements made in 1998, and for all leases beginning in fiscal year 1999. OMB also allowed GSA to increase its basic service charge for security from 6 cents to 16 cents per square foot for new lease agreements made in 1998 and 1999.

According to GSA and OMB officials, OMB did not allow GSA to increase the basic service charges for existing leases for fiscal years 1998 and 1999 because a comprehensive rent reform proposal was under development by GSA. These officials expect to complete this action by the end of fiscal year 1998. Also, they are continuing to discuss how agencies' rent charges will reflect GSA's costs for security in fiscal year 2000 and beyond.

Decisions about funding GSA's security program are complex and involve tradeoffs among competing needs and funding sources. These decisions are important for both federal agencies and the FBF. There are a number of options for addressing the security funding issue. These include allowing the FBF to continue to fund the excess security costs, decreasing expenditures for security, or increasing revenues by either raising security charges or obtaining additional direct appropriations to cover the shortfall. The option or options selected could affect the government's investment in the existing inventory of federal buildings as well as GSA's ability to meet the government's future space needs.

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## Initial Upgrade Decisions Reevaluated, Modified, or Voided

Another problem affecting the implementation of the security upgrade program was the need to reevaluate the initial decisions about building security upgrade needs. According to GSA officials, many of these decisions were changed, or even cancelled and voided, for a number of reasons. Because of these changes, it was more difficult for GSA to order priorities, allocate funds, and set realistic completion schedules and goals; delays and inefficiencies in the program resulted. Also, these changes created challenges for GSA in maintaining the reliability of the tracking system, and in some cases, the system was not updated to reflect the changes.

Security upgrade decisions often had to be reevaluated, changed, or voided because of several building-unique issues that surfaced after GSA's initial efforts to identify building security upgrade needs. For example, many GSA-owned and -operated buildings are considered "historic." For some of these buildings, issues raised by historical societies about the effects of installing certain security upgrades had to be addressed by GSA. In one region we visited, GSA had to find an alternative method for mounting surveillance cameras for monitoring a building's outside perimeter because of concerns raised by the historical society about the adverse effects of mounting the cameras on the building. GSA decided to attach the cameras to poles near the building instead of to the building itself. This alternative method for utilizing the cameras to upgrade security required additional design work, time, and cost for GSA.

There were other instances in which building owners and/or nongovernment tenants in GSA-leased buildings expressed concerns or objections to approved security upgrades, such as the use of magnetometers to screen people entering the building. Some approved and some completed upgrades subsequently had to be cancelled. During our building site visits, both we and the GSA OIG staff found examples of approved, and sometimes completed, upgrades that were voided because of subsequent reevaluations.

Another example involves the Social Security Administration (SSA). During 1996 and 1997, SSA officials expressed concerns to GSA that it did not need certain security upgrades that GSA was placing in some SSA-occupied buildings. SSA believed that some of the upgrades, mainly metal detectors and security guards, were not necessary, particularly at some SSA store-front locations that deal with the public. In addition, SSA expressed concern about how these security measures would be funded. SSA believed that some security upgrades were requested and implemented without sound criteria. GSA stated that the upgrades were approved only after being

requested by each building's BSC. SSA, however, said that the BSCS sometimes requested upgrades without sound security knowledge and the presence and oversight of a GSA physical security specialist. After negotiating with SSA, GSA removed upgrades from some SSA locations and agreed to assess the need for upgrades at other locations.

In still other instances, security upgrades requested and/or approved required extensive discussion, coordination, and/or approvals from local municipalities prior to completion. Examples of security upgrades involving these situations included perimeter barriers, such as planters and concrete bollards, that were to be placed on sidewalks or curbs owned by cities or other municipalities, or where city-owned parking meters along the streets around the GSA-operated building were to be eliminated.

Changes to approved security upgrades were also necessitated when one or more federal agency tenants moved out of or into a building, thus changing the security needs of the building. Also, as GSA acquired new space in buildings not previously assessed, the related security needs had to be assessed and addressed. Further, FPS staff also told us that some BSCS that initially did not request security upgrades later reconsidered and requested upgrades for their buildings. We noted in the upgrade tracking system a number of requests for upgrades initiated between April 1 and December 30, 1997. During this period, over 800 new approved requests for upgrades, totaling about \$20 million in estimated capital costs and \$11 million in estimated annual operating costs, were recorded in the upgrade tracking system.

The extent to which these upgrade program changes have occurred is reflected by the changes in the number of buildings with approved upgrades, the number of approved upgrades, the number of completed upgrades, and the number of cancelled upgrades as reflected by the upgrade tracking system. According to the tracking system, the number of buildings and the number of approved security upgrades decreased between March 25, 1996, and December 30, 1997—from 2,789 total buildings with 8,577 approved upgrades to 2,564 buildings with 7,885 approved upgrades. Also, the number of completed upgrades and the number of voided upgrades reported increased from 6,194 to 6,841, and from 3,373 to 3,652, respectively, between August 29, 1997, and December 30, 1997.

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## Upgrade Cost Estimates Not Reliable

FPS's security upgrade tracking system did not provide upgrade program managers with reliable cost estimates for completing and operating security upgrades because initial cost estimates shown in the system often did not reflect building-specific installation requirements or other factors affecting cost. Although GSA regional staff developed more accurate cost estimates as upgrades were completed, the upgrade tracking system was not designed to readily add revised cost estimates to the individual upgrade records. As a result, upgrade cost estimates in the tracking system varied significantly with the actual obligations recorded in the accounting system, thus lessening the tracking system's effectiveness as a management tool for GSA and BSC program decisionmakers. Without readily available and more accurate cost estimates, BSC and GSA decisionmakers were not in a good position to judge the cost/benefit of various upgrade options nor to determine reliable estimates of funds needed to implement and operate the security upgrades.

According to GSA, the DOJ report contained general cost estimating guidelines for certain recommended security upgrades for BSC's and FPS security specialists' use when estimating the costs of needed building security upgrades. FPS recorded the BSC upgrade requests and associated cost estimates in the upgrade tracking system. GSA regional staff developed more accurate cost estimates after the requests were approved, often after further engineering and design work and consideration of building-specific conditions. Although regional GSA building and contracting staff could have been aware of the revised estimates, FPS did not provide a means for readily including the more accurate cost estimates in the upgrade tracking system. FPS regional staff told us that updated estimates could have been shown in the tracking system by voiding the existing upgrade record and then creating a new upgrade record with the revised cost estimate, but this alternative was not often employed.

In August 1997, FPS headquarters staff identified in the tracking system 98 buildings for which the estimated cost of the upgrades varied significantly from the actual obligations incurred. They found that the estimated capital costs of these upgrades totaled about \$10.4 million compared to \$29 million in obligations recorded in the accounting system for these upgrades—a difference of \$18.6 million, or 179 percent.

From information we obtained from FPS headquarters, we found that for most of the buildings (57 of 98 with differences of \$9.7 million), the estimated costs were lower than the actual obligations incurred for completing the upgrades because the estimates made by the BSC were too

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low. For example, for seven of these buildings, FPS regional explanations to headquarters indicated that additional costs of \$2.3 million were obligated to complete the upgrades because of unexpected problems: for six historic buildings additional costs had to be incurred, including three buildings where closed circuit television cameras had to be mounted on poles rather than attached to the buildings (\$1.1 million in additional costs); and for one building, while installing barriers around the building, old fuel oil tanks were discovered and had to be removed (\$1.2 million in additional costs).

Our further analysis of FPS data obtained from the tracking system and accounting system in September 1997 showed that the estimated costs of upgrades approved for 551 buildings in 11 GSA regions varied significantly, both up and down, from the actual costs obligated to complete the upgrades. For 348 buildings, the cost estimate of the upgrades totaled \$18.2 million more than the actual costs obligated; for 202 buildings, the estimated costs were \$14.3 million less than the actual costs obligated; and for 1 building, the estimated costs equaled the actual costs obligated.

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## Program Implementation Goals Not Met

The DOJ report called for GSA to complete security assessments and upgrade cost estimates by October 15, 1995, for its high-risk (level-IV) buildings, and by February 1, 1996, for the remaining lower risk buildings (level I - III). Although the DOJ report didn't specify goals for GSA's completion of the security upgrades, GSA established and subsequently revised goals for completing upgrades in level IV and lower level buildings several times over the last 2 years. However, GSA did not fully meet the goals for completing security assessments called for in the DOJ report, nor did it meet goals it established for the completion of the security upgrades.

In November 1995, GSA indicated that it had met the goals established by the DOJ report for evaluating the security needs and estimating the costs of upgrades for all level IV buildings. GSA told the Senate Subcommittee on Transportation and Infrastructure that, in accordance with the DOJ report's recommendation and the President's directive, it had established 429 level-IV building security committees and had received over 2,500 upgrade requests from these committees. Also, later that same month, GSA told OMB that \$222.6 million would be needed in fiscal years 1996 and 1997 to pay for the upgrades in these 429 buildings. However, we believe that GSA did not fully meet either goal specified in the DOJ report because (1) security evaluations and requests for upgrades were not made for some level-IV buildings until after November 1995, and (2) in October 1997, much later

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than the target dates of October 15, 1995, and February 1, 1996, we found indications that not all of GSA's buildings, including some level-IV buildings, had been evaluated for upgrade needs after November 1995.

GSA reported to us that by March 1996 the number of level-IV buildings had increased to over 700. GSA stated that the increase was partly because DOJ requested GSA to reclassify certain buildings containing court-related tenants from lower levels to level IV, and partly because additional level-IV building security committees conducted building evaluations and provided GSA with upgrade requests after November 1995.

Concerning GSA's internal goals, GSA initially established a goal to have all security upgrades completed for level-IV buildings by September 30, 1996, but GSA didn't meet this goal. Subsequently, GSA established a new goal to have upgrades completed in all buildings by September 30, 1997; this goal was not met either, and now GSA's goal is September 30, 1998, for completing all upgrades approved as of September 26, 1997. GSA's tracking system indicated that GSA had completed about 85 percent of the approved upgrades for all building levels by October 3, 1997, and reached the 90-percent mark by March 31, 1998.

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## Program Effectiveness Goals and Measures

GSA has not established several key program evaluation mechanisms for its building security program that could assist it in determining how effective its security program has been in reducing or mitigating building security risks or in shaping new security program initiatives. These features are (1) specific goals, outcomes, and performance indicators for the security program, such as reducing the number of thefts or unauthorized entries; (2) establishing and implementing systematic security program evaluations that would provide feedback on how well the security program is achieving its objectives and contributing to GSA's strategic goals; and (3) ensuring that a reliable performance data information system is in place.

GSA has established goals and measures for its security program both apart from and in connection with the Government Performance and Results Act of 1993 (the Results Act). However, these goals and measures are output or activity oriented. They do not address the outcomes, or results, expected to be achieved by the security upgrade program as envisioned by the Results Act and encouraged by OMB.



As required by the Results Act, GSA prepared a strategic plan dated September 30, 1997, for fiscal years 1998 through 2002, and also prepared an annual performance plan for fiscal year 1999. GSA's building security program is specifically addressed in both the strategic plan and the annual performance plan. In its strategic plan, under "Goal #4: Anticipate Future Workforce Needs," GSA identified the objective: "Ensure that all Federal buildings in the GSA inventory meet the highest Federal standards in terms of accessibility, energy consumption, security, systems, technology and maintenance." In its description of this objective, GSA's strategic plan states that

"In the wake of the Oklahoma City bombing, GSA has bolstered all of its security systems. To ensure that we have the highest levels of security in place, we are implementing all the security measures recommended in the Justice Department's Vulnerability Assessment of Federal Facilities."

In its first annual performance plan under the Results Act for fiscal year 1999, dated March 5, 1998, GSA identified the following two performance goals: (1) implement all security measures recommended in the Department of Justice's Vulnerability Assessment of Federal Facilities, and (2) provide for the safety of workers and visitors in GSA space. Further, GSA identified as performance indicators the percentage of security countermeasures completed in levels I-III and level-IV buildings. This indicator serves as a measure of the program's output, but no indicators were identified that would enable measurement of program outcomes, particularly relating to GSA's second performance goal for the security program. Indicators based on such security incidents as the number of building break-ins, reductions in the number of thefts, and the number of weapons and other prohibited items detected on persons and in packages are some examples that might be considered in setting performance outcome goals and indicators.

Under the Results Act, GSA is required to include in its strategic plan a schedule of evaluations to be done during the period covered by its plan. GSA did not include such a schedule or otherwise identify evaluations to be done in its strategic plan. We believe that scheduling and carrying out continuous security program evaluations would provide GSA managers with data to assess the effectiveness of the security program, and would facilitate GSA strategic planning and goal setting under the Results Act for its security program. In addition, at the time of the Oklahoma federal building bombing in April 1995, GSA's building security inspection and risk assessment program required regional physical security specialists to

periodically inspect security at GSA-operated buildings, complete building risk assessments based on established criteria, and recommend security improvements. According to an FPS official, this inspection program was curtailed after July 1995 so that the regional physical security specialists could focus on assisting the BSCs in determining building security needs based on the DOJ report's recommended minimum security standards.

After the Oklahoma bombing incident, an October 1995 internal "lessons learned" report made 30 recommendations for improving aspects of GSA's building security operations, including a recommendation that GSA conduct a comprehensive review of its current risk assessment methodology to ensure that a wider range of risks were addressed with increased emphasis on acts of mass violence. Specifically, the recommendation was that GSA's current risk assessment methodology, which addressed the safety of federal workers from theft and assault, be revised to one that addresses acts of terrorism and other violence. The principal conclusion of the report was that GSA's security and law enforcement processes currently in place did not adequately address the threat environment.

In a November 25, 1997, progress report that FPS sent to the PBS Commissioner, FPS reported that actions on 20 of the 30 "lessons learned" recommendations had been completed. However, action had not yet been completed to review and modify its risk assessment methodology. Although the November 1997 progress report stated that FPS planned to complete actions on this recommendation by the 4th quarter of fiscal year 1998, we believe that this is a very significant recommendation that should be completed as soon as possible. The recommendations completed by FPS related to security program aspects such as contingency planning for emergencies and disasters involving criminal activities and acts of mass violence, as well as intelligence sharing between agencies with security-related missions. Completion of revisions recommended in its building risk assessment methodology and the resumption of FPS's periodic building inspection and risk assessment program would provide updated evaluations on a building-by-building basis of how well security measures have operated and whether they continue to be appropriate for future threats that may arise. Further, these evaluations could form the basis for overall evaluations of the building security program and provide data for GSA's annual performance measurement and evaluations under the Results Act.

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## Data Verification and Validity

The Results Act requires GSA to describe in its annual performance plans the means to be used to verify and validate the performance measures it intends to use to determine whether it met its performance goals. GSA's 1999 annual performance plan contains a general description of how it intends to verify performance data, including audits of its financial records and systems and high-level quarterly meetings to review financial and programmatic results. However, GSA's description does not identify specific controls to be used to verify and validate performance data on an ongoing basis. Such controls could include periodic data reliability tests, computer edit controls, and supervisory reviews of data. The significant problems we and GSA's OIG have identified with GSA's data on its progress in, and costs associated with, implementing the security upgrade program, suggest that a more detailed discussion of the specific means GSA intends to use to verify and validate security program data in GSA's Year 2000 performance plan would be helpful.

The accuracy of the data in GSA's tracking system is particularly important because Executive Order 12977, dated October 19, 1995, requires GSA to coordinate efforts to establish a governmentwide database of security measures in place at all federal facilities. Further, an accurate reflection of the status of the security upgrade program and its cost will provide GSA, OMB, and Congress with important information needed for determining how much money has been spent on the program and how best to fund the costs of upgrades still needed.

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