

Highlights of [GAO-04-537](#), a report to the Chairman, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

With responsibility for protecting thousands of federal facilities, the Federal Protective Service (FPS), which transferred from the General Services Administration (GSA) to the Department of Homeland Security (DHS) in March 2003, plays a critical role in the federal government's defense against the threat of terrorism and other criminal activity. GAO was asked to determine what challenges, if any, FPS faces now that it has been transferred from GSA to DHS.

## What GAO Recommends

We are recommending that DHS (1) direct FPS to develop a transformation strategy that addresses its significant challenges; (2) initiate a dialogue with GSA to resolve disagreement over billing issues; (3) take immediate steps to ensure that funds collected from agency rents and fees are used in the future solely for facility protection; and (4) ensure that DHS is prepared to integrate FPS mission-support functions before these functions are transferred, even if the target date has to be extended. DHS concurred with recommendations 1, 3, and 4. DHS and GSA continue to disagree on whether FPS has the authority to bill agencies for its services. As such, we added recommendation 2 after receiving comments from DHS and GSA to encourage a resolution of this disagreement.

[www.gao.gov/cgi-bin/getrpt?GAO-04-537](http://www.gao.gov/cgi-bin/getrpt?GAO-04-537).

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

## HOMELAND SECURITY

# Transformation Strategy Needed to Address Challenges Facing the Federal Protective Service

## What GAO Found

FPS faces a number of significant challenges now that it has been transferred from GSA to DHS. These relate to its expanding mission and increased responsibility, unresolved issues about how it will be funded in the future, and the transfer of FPS mission-support functions to DHS.

- Expanding mission and increased responsibility.* FPS has responsibility for securing approximately 8,800 GSA government-occupied facilities and as a result of the transfer, plans to take on additional DHS facilities. FPS might also seek authority to protect other federal facilities. FPS's mission has also expanded to include other homeland security functions, such as support for efforts to apprehend foreign nationals suspected of illegal activity. In light of these changes, however, FPS does not have a transformation strategy to address its expanding mission, as well as the other challenges it is facing.
- Unresolved issues related to funding.* As part of GSA, FPS was funded from security fees that were included with tenant agencies' rent payments. It has not been decided if FPS will begin billing agencies. DHS believes that FPS lacks the authority to bill agencies for facility protection, but GSA disagrees with DHS. Also, GSA has historically covered a shortfall between the cost of security and security fees collected. In commenting on this report, DHS and GSA said that for fiscal year 2005 the President's budget includes an increase in the FPS security rate that, if enacted, will eliminate the shortfall. Related to funding, we also found that FPS's involvement in homeland security activities not directly related to facility protection is inconsistent with a requirement in the Homeland Security Act of 2002 that FPS funding from agency rents and fees be used solely for the protection of government buildings and grounds.
- Transfer of mission-support functions to DHS.* FPS still relies on GSA for mission-support functions, such as travel services, payroll, and contracting support. DHS plans to assume these functions by the end of fiscal year 2004. However, assuming these functions prematurely could affect FPS's ability to accomplish its mission. For example, FPS relies heavily on contract guards and is dependent on GSA's contracting management software to write contracts, track costs, and make vendor payments.

### The Federal Protective Service Protects Thousands of Federal Facilities



Sources: FPS and Ernst & Young LLP.