



Highlights of [GAO-06-284](#), a report to congressional requesters

## Why GAO Did This Study

Following the terrorist attacks of September 11, 2001, increased security requirements and a significant number of active duty and reserve personnel sent overseas to support the war on terror left the Department of Defense (DOD) with fewer military personnel to rely on to protect domestic installations. To correct this shortage, Congress is temporarily allowing DOD to use contract security guards to fulfill roles previously performed by military employees. The U.S. Army has awarded contracts worth nearly \$733 million to acquire contract guards at 57 Army installations, an investment far greater than those made by other DOD services so far.

The requesters asked GAO to assess how the Army has been managing and overseeing its acquisition of security guard services, particularly with regard to the Army's (1) acquisition strategy, (2) employment screening, (3) training of contract guards, and (4) award fee process. This report also discusses DOD's mandated November 2005 report to Congress on the contract guard program.

## What GAO Recommends

GAO made recommendations to the Secretary of Defense to improve management and oversight of the contract security guard program. In written comments on a draft of this report, DOD agreed with the recommendations and stated that the Department of Army is implementing them.

[www.gao.gov/cgi-bin/getrpt?GAO-06-284](http://www.gao.gov/cgi-bin/getrpt?GAO-06-284).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine V. Schinas at (202) 512-4841 or [schinasik@gao.gov](mailto:schinasik@gao.gov).

# CONTRACT SECURITY GUARDS

## Army's Guard Program Requires Greater Oversight and Reassessment of Acquisition Approach

### What GAO Found

The Army's three-phased approach for acquiring contract security guards has relied heavily on sole-source contracts, despite the Army's recognition early on that it was paying considerably more for its sole-source contracts than for those awarded competitively. The Army has devoted twice as many contract dollars—nearly \$495 million—to its sole-source contracts as to its competed contracts and has placed contract security guards at 46 out of 57 installations through sole-sourcing. These sole-source contracts were awarded to two Alaska Native corporation firms under the Small Business Administration's 8(a) Business Development Program. Congress has provided these firms with special advantages in the 8(a) program. During initial planning, the Army worked with a contractor who had not performed guard services before to refine the contract performance work statement.

The Army's procedure for screening prospective contract guards is inadequate and puts the Army at risk of having ineligible guards protecting installation gates. The Army found that, at two separate installations, a total of 89 guards were put to work even though they had records relating to criminal offenses, including cases that involved assault and other felonies. Thorough background checks lag far behind the rate at which contract guards are put to work, and the initial screening process relies on prospective guards to be honest when filling out job application forms. In response to an earlier GAO report, DOD agreed to revise its antiterrorism standards to put into place a better mechanism for verifying the trustworthiness of contractors.

The Army has given its contractors the responsibility to conduct most of the training of contract guards, and the Army cannot say with certainty whether training is actually taking place and whether it is being conducted according to approved criteria. GAO found that there is no requirement for the Army to certify that a contract guard has completed required training and that Army performance monitors do not conduct oversight of training as a matter of course. GAO also found missing or incomplete training records at several installations. At three installations, guards were certified by the contractor before training had been completed. An investigation discovered that at one installation, contractor personnel had falsified training records; the Army subsequently paid the contractor over \$7,000 to re-qualify the guards.

The Army has paid out more than \$18 million in award fees, but the fees are based only on compliance with basic contractual requirements, not for above-and-beyond performance. Over the life of the contract guard program, the Army has paid out almost 98 percent of the available award fees. The practice of routinely paying contractors nearly the entire available award fee has created an environment in which the contractors expect to receive most of the available fee, regardless of acquisition outcomes. GAO found that many Army performance monitors were not conducting all of the required inspections of contractor activity in order to rate performance.